



卓航控股集團

Trendzon Holdings Group Limited

Trendzon Holdings Group Limited

卓航控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1865)



INTERIM REPORT

2022

CONTENTS

Corporate information	2
Management Discussion and Analysis	4
Other Information	14
Condensed Consolidated Statement of Profit or Loss	20
Condensed Consolidated Statement of Other Comprehensive Income	21
Condensed Consolidated Statement of Financial Position	22
Condensed Consolidated Statement of Changes in Equity	24
Condensed Consolidated Statement of Cash Flows	25
Notes to the Condensed Consolidated Financial Information	27

Corporate Information

EXECUTIVE DIRECTORS

Ms. Feng Jiamin (*Chairman*)
Mr. Michael Shi Guan Wah
(*Chief Executive Officer*)
Mr. Lok Ka Ho
Mr. Fong Hang Fai

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Shek Jun Chong
Mr. Qiu Yue
Mr. Lui Kwun Yuen
Mr. Wong Kwong Fai

AUDIT COMMITTEE

Mr. Wong Kwong Fai (*Chairman*)
Mr. Shek Jun Chong
Mr. Qiu Yue

REMUNERATION COMMITTEE

Mr. Shek Jun Chong (*Chairman*)
Mr. Lui Kwun Yuen
Mr. Qiu Yue

NOMINATION COMMITTEE

Mr. Wong Kwong Fai (*Chairman*)
Ms. Feng Jiamin
Mr. Shek Jun Chong
Mr. Qiu Yue

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 HONG KONG

Suite 2108, Prudential Tower,
The Gateway, Harbour City,
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

38 Senoko Road,
Singapore 758110

INDEPENDENT AUDITORS

McMillan Woods (Hong Kong) CPA limited
(*Certified Public 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

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

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

COMPANY WEBSITE

www.trendzon1865.com

STOCK CODE

1865

Management Discussion & Analysis

BUSINESS REVIEW

During the first half of FY2023, travel restrictions around the world in relation to COVID-19 pandemic were lifted gradually. It is believed that, despite the fundamental changes in human behaviour, the society and the business environment will generally return to normal. While taking into consideration of possible future impact of the ongoing COVID-19 pandemic, the overall business environment and economy is still subject to many challenges and uncertainties.

Inflation remains close to its highest level in decades in many countries, with the widespread of hostilities in Ukraine since early 2022, disrupting the global supply chain and causing the prices of materials and energy to soar. In addition, labour costs also increased due to limited supply of manpower. These unfavourable factors have adversely affected the infrastructural pipeline market in Singapore and the operations of Trendzon Holdings Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”).

For the period ended 30 September 2022, the Group recorded a total revenue of approximately S\$21.5 million, representing a decrease of approximately S\$6.0 million from approximately S\$27.5 million for the period ended 30 September 2021. The decrease in revenue was mainly due to the decrease in revenue deriving from the trading of building materials business of the Group. During the current period, the Group has been awarded 2 new gas projects and 7 new water projects with an aggregate contract sum of approximately S\$111.9 million, all of them have commenced in the reporting period.

Business strategies of the Group remained unchanged for the period ended 30 September 2022. 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.

Despite challenging operating conditions in the year ahead, the Group believes that it is positioned on the right track for sustainable development. Looking ahead, the Group will continue to focus on maintaining its market position in the construction industry and provision of related services and continue to keep a close watch on the global economy trend and market situations to capture business opportunities in turn achieve better operating results.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is of the opinion that the development of potential business represents a good opportunity for increasing the sources of revenue of the Group. The Group is well-positioned for the challenges and competition ahead, to carry out research to prepare for the development of different business and new business opportunities. This enables the Group to enrich the Group business portfolio and create a sustainable business development model to striving to deliver satisfactory return to shareholders of the Company (the “**Shareholder(s)**”).

ONGOING PROJECTS

As at 30 September 2022, the Group had four ongoing gas pipeline projects and eight ongoing water pipeline projects with an aggregated contract sum of approximately S\$190.4 million, of which approximately S\$50.8 million has been recognised as revenue as at 30 September 2022 (30 September 2021: six gas pipeline projects, six water pipeline projects and one cable installation project with an aggregate sum of approximately S\$125.9 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 2022.

FINANCIAL REVIEW

Six months ended 30 September 2022 (“1H2023”) compared to six months ended 30 September 2021 (“1H2022”).

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 1H2023 and 1H2022.

	For the six months ended 30 September					
	2022			2021		
	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)
Gas pipeline	5	16,639	77.5	7	13,840	50.4
Water pipeline	10	4,817	22.5	8	916	3.3
Cable installation	-	-	-	1	41	0.1
	15	21,456	100.0	16	14,797	53.8
Trading of building materials		-	-		12,690	46.2
Total		21,456	100.0		27,487	100.0

Management Discussion & Analysis

Revenue of the Group has decreased by approximately S\$6.0 million or 21.9% from approximately S\$27.5 million in 1H2022 to approximately S\$21.5 million in 1H2023 mainly due to the following:

- (i) Increase in revenue from gas pipeline projects by approximately S\$2.8 million;
- (ii) Increase in revenue from water pipeline projects by approximately S\$3.9 million; and
- (iii) Decrease in 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\$2.8 million was mainly due to the increase in revenue from existing and new projects relating to the supply and lay of gas mains and renewal services.

The increase in revenue from the water pipeline projects by approximately S\$3.9 million was mainly due to revenue contribution by new water projects obtained during the period.

During the reporting period, no revenue was contributed by the building materials trading business due to the recent unstable operating environment including but not limited to the difficulties in supply chain management.

Cost of Sales

Our cost of sales decreased by approximately S\$6.7 million or 24.8% from approximately S\$26.9 million in 1H2022 to approximately S\$20.2 million for 1H2023. The decrease in cost of sales was in line with the decrease in Group's revenue.

Gross Profits and Gross Profits Margin

Gross profit of the Group for 1H2023 amounted to approximately S\$1.3 million, increased by approximately S\$0.7 million as compared to the gross profit amounted to approximately S\$0.6 million for 1H2022.

The gross profit margin of the Group for 1H2023 was approximately 5.9%, as compared to the gross profit margin of approximately 2.3% for 1H2022. The increase was mainly due to the increase in revenue from new pipeline projects obtained during the period.

Other Income

Other income increased by approximately S\$0.4 million from approximately S\$0.8 million in 1H2022 to approximately S\$1.2 million in 1H2023. It was mainly attributable to the increase in miscellaneous income pertaining to sale of scraps and adhoc repair works, partially offset by decrease in government grants received during 1H2023.

Other (Losses)/Gains, net

Other losses recognised during 1H2023 mainly comprise of loss on disposal of property, plant and equipment.

Administrative Expenses

The Group recorded administrative expenses amounting to approximately S\$11.0 million in 1H2023 (1H2022: approximately S\$4.1 million). The increase was mainly due to the increase in administrative employee benefit costs, marketing expenses and other general operating expenses.

Income Tax Credit/(Expense)

The Group recorded income tax credit amounting to approximately S\$0.1 million for 1H2023 (1H2022: income tax expense of approximately S\$0.2 million).

Loss for the Period

Loss for 1H2023 amounted to approximately S\$10.1 million, representing an increase of approximately S\$6.8 million from loss of the Group of approximately S\$3.3 million for 1H2022.

Interim Dividend

The Board has resolved not to declare any interim dividend for 1H2023 (1H2022: Nil).

Property, Plant and Equipment

Property, plant and equipment decreased by approximately S\$2.4 million, mainly due to the disposal of property, plant and equipment during 1H2023.

Trade and Other Receivables

The Group's trade and other receivables decreased by approximately S\$2.8 million from approximately S\$25.7 million as at 31 March 2022 to approximately S\$22.9 million as at 30 September 2022. The decrease was mainly attributable to the decrease in trade receivables of approximately S\$9.6 million, partially offset by the increase in other receivables of approximately S\$6.4 million.

Contract Assets/(Liabilities)

Contract assets as at 30 September 2022 remain stable as compared to the amount as at 31 March 2022.

Contract liabilities amounted to approximately S\$0.2 million as at 30 September 2022 (31 March 2022: Nil). It was mainly attributable to the greater amount of prepayment received from certain contracts during 1H2023.

Trade and Other Payables

Trade and other payables increased by approximately S\$2.3 million from approximately S\$11.5 million as at 31 March 2022 to approximately S\$13.8 million as at 30 September 2022. It was mainly due to the increase in accrued expenses of approximately S\$1.1 million.

Borrowings

Borrowings decreased by approximately S\$3.9 million from approximately S\$45.5 million as at 31 March 2022 to approximately S\$41.6 million as at 30 September 2022. The decrease was mainly attributable to the repayment of certain bank borrowings and bonds during 1H2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its daily operations through a combination of internally-generated funds from operations, borrowings and net proceeds from the share offer in year 2019 and equity fundraising.

As at 30 September 2022, the Group maintained a healthy liquidity position with net current assets balance of approximately S\$47.6 million (31 March 2022: approximately S\$39.1 million), net assets balance of approximately S\$49.2 million (31 March 2022: approximately S\$41.2 million) and cash and bank balances of approximately S\$17.2 million (31 March 2022: approximately S\$9.1 million). The Group's gearing ratio (calculated by total interest-bearing debt over total equity) as at 30 September 2022 was approximately 91.0%, decreased by approximately 28.0% from approximately 119.0% as at 31 March 2022. The decrease in gearing ratio is mainly due to the net decrease in the amount of borrowings, as well as the increase in equity arising from the issue of new shares during 1H2023.

CAPITAL STRUCTURE

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

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

The management reviews the capital structure from time to time. As 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 2022, the Group had a total of 387 employees (31 March 2022: 355 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries, bonus and allowances.

USE OF LISTING PROCEEDS

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

Set out below are details of the allocation of the Net Proceeds, the utilised and unutilised amounts of Net Proceeds as at 30 September 2022:

	Planned use of net proceeds S\$'000	Utilised from Listing up to 31 March 2022 S\$'000	Utilised for the six months ended 30 September 2022 S\$'000	Total remaining net proceeds available as at 30 September 2022 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	9,368	(9,368)	-	-	N/A
(b) Purchase two pipe jacking machines (Note 2)	4,896	-	-	4,896	Before 31 December 2022
(c) Working capital	1,428	(1,428)	-	-	N/A
	<u>15,692</u>	<u>(10,796)</u>	<u>-</u>	<u>4,896</u>	

The Net Proceeds were used and expected to be used according to the intentions previously disclosed in 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 2022, 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 2022. The Group will continue to actively participate in available tenders that require the use of the pipe jacking machines.

USE OF SUBSCRIPTION PROCEEDS

On 16 May 2022, the Company entered into two subscription agreements with two subscribers, pursuant to which the Company has agreed to allot and issue and the two subscribers have conditionally agreed to subscribe for an aggregate of 184,000,000 new shares at the subscription price of HK\$0.475 per subscription share on the terms and subject to the conditions set out in the subscription agreements (the “**Subscriptions**”). The gross proceeds of the Subscriptions were HK\$87.4 million and the net proceeds from the Subscriptions were approximately HK\$87.0 million. The Subscriptions were completed in June 2022. Please refer to the announcements of the Company dated 16 May 2022, 23 May 2022, 6 June 2022, 13 June 2022 and 20 June 2022 for more details.

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

Use of net proceeds	Planned use of net proceeds	Utilised for the six months ended 30 September 2022	Total remaining net proceeds available as at 30 September 2022	Expected timeline for utilising the remaining proceeds
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>(Note 1)</i>

Development of the Group's joint venture businesses:

– The expansion of smart parking businesses of Trendzon Zhilian (Shenzhen) Technology Company Limited* (卓航智聯(深圳)科技有限公司), namely the construction and maintenance costs of the smart carparks, located in 24 towns in Guizhou Province, PRC, including (i) procurement of construction materials and (ii) precision parking and vehicle identification software and hardware procurement, development and maintenance	6,000 11,000	(6,000) –	– 11,000	Utilised as intended Before December 2023
--	-----------------	--------------	-------------	--

Use of net proceeds	Planned use of net proceeds HK\$'000	Utilised for the six months ended 30 September 2022 HK\$'000	Total remaining net proceeds available as at 30 September 2022 HK\$'000	Expected timeline for utilising the remaining proceeds (Note 1)
Future investment funds:				
– Reserved funds as capital for the development of placing and underwriting business of Wealth Link Securities Limited	12,000	–	12,000	Before December 2022
– Reserved funds as loan principals for the money lending business of All Good Finance Limited, a wholly-owned subsidiary of the Company and licenced to conduct money lending business in Hong Kong	12,000	(12,000)	–	Utilised as intended
General working capital and settlement of liabilities of the Group:				
– Repayment of the unsecured unlisted bonds which will be due in August 2022 in the principal amount of RMB40,000,000	42,000	–	42,000	In November 2022
– General working capital including salaries, rental payments, professional fees, office overheads and other day-to-day operation payments for the operation of the Group's Hong Kong and PRC businesses	4,000	(4,000)	–	Utilised as intended
	<u>87,000</u>	<u>(22,000)</u>	<u>65,000</u>	

The net proceeds from the Subscriptions were used and expected to be used according to the intentions previously disclosed in the aforesaid announcements of the Company.

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

* For identification purpose only

MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 19 April 2022, Trendzon Investment Group Limited (“**Trendzon Investment**”), a wholly-owned subsidiary of the Company, entered into a joint venture cooperation agreement with Zhongbei Yian Capital Co., Ltd. (中北頤安資本有限公司) (“**Zhongbei Yian**”), with the intention to establish a joint venture company in Hong Kong, Trendzon Yian Capital Co., Ltd. (卓航頤安資本有限公司) (“**Trendzon Yian**”). Trendzon Yian is owned as to 51% by the Group and 49% by Zhongbei Yian through their respective contributions to the registered capital. Trendzon Yian was established on 11 May 2022.

The principal business of Trendzon Yian will include the development of the trading platform for gold, silver and other precious metals; the licence application for the Chinese Gold and Silver Exchange Society and conduct gold and silver trading business; the investment in foreign exchange and international precious metals and other commodities; the licence application for Type 2 Dealing in Futures under the Securities and Futures Ordinance and conduct dealings in futures; the membership application for the London Bullion Market Association and conduct physical trade and settlement of precious metals through direct trading; and the provision of investment consultation or agency services for precious metals and foreign exchange trading in Hong Kong for institutional or individual customers in the Greater China region. The Board considers the new business will enable the Group to diversify its business and broaden its income stream and is in the interests of the Company and Shareholders as a whole.

Please refer to the announcements of the Company dated 19 April 2022 and 14 July 2022 for further details.

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

SIGNIFICANT INVESTMENTS HELD

As at 30 September 2022 and 31 March 2022, the Group held no significant investment.

CHARGES ON ASSETS

As at 30 September 2022, carrying amount of plant and machinery and motor vehicles held under hire purchase loan were approximately S\$904,000 (31 March 2022: S\$1,448,000). The carrying amount of properties mortgaged for bank borrowings was approximately S\$13,217,000 (31 March 2022: S\$13,430,000).

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 2022, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

- (i) On 3 November 2022, the Company and Mr. Wang Tinghui* (王庭輝) (“**Mr. Wang**”) entered into a memorandum of understanding, pursuant to which the parties agreed to enter into a negotiation regarding a possible conditional acquisition by the Company, and the possible conditional disposal by Mr. Wang, of the controlling interest in Zhongshan Jiantaiying Electric Appliance Manufacturing Co., Ltd.* (中山市堅泰盈電器製造有限公司) (“**Zhongshan Jiantaiying**”) (the “**Proposed Acquisition**”). Subject to the finalisation and entering into of the definitive agreement by the Company (or a wholly-owned subsidiary of the Company nominated by the Company) and Mr. Wang, upon completion of the Proposed Acquisition, Zhongshan Jiantaiying will become a subsidiary of the Company. Zhongshan Jiantaiying was established in the PRC and is principally engaged in (i) the production of mold, pipe industry accessories and electrical appliances; and (ii) the production of pipe fitting products by way of OEM and ODM.

Please refer to the announcement of the Company dated 3 November 2022 for further details.

- (ii) The Board proposed to amend the the share option scheme of the Company adopted by the Shareholders on 26 February 2019 to align with the amendments to Chapter 17 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) relating to share option schemes which will come into effect on 1 January 2023. An extraordinary general meeting will be held on 13 December 2022 for considering and, if thought fit, passing of an ordinary resolution by the Shareholders to approve the amended share option scheme.

Please refer to the circular of the Company dated 25 November 2022 for further details.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2022 and up to the date of this interim report.

* for identification purpose only

Other Information

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

As at 30 September 2022, none of the Directors and chief executive of the Company had or was deemed to have any interest and short position in the shares of the Company (the “Shares”), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the 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.

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

As at 30 September 2022, the following persons/entities (not being the Directors or chief executive of the Company) have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

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

Name of Substantial Shareholders	Capacity/Nature	No. of Shares held	% of the Company's issued Shares
Zhongbei Capital Co., Limited (<i>Note 1</i>)	Beneficial Owner	138,000,000	12.50%
Shanghai Heri Investment Company Limited* (<i>Note 2</i>)	Beneficial Owner	46,000,000	4.17%
Yao Jiajia (<i>Note 1</i>)	Interest in the controlled Corporation	138,000,000	12.50%
Zhang Jiancheng (<i>Note 2</i>)	Interest in the controlled Corporation	46,000,000	4.17%

Notes:

- Ms. Yao Jiajia held 138,000,000 Shares through Zhongbei Capital Co., Limited (中北資本有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by Ms. Yao Jiajia.
- Mr. Zhang Jiancheng held 46,000,000 Shares through Shanghai Heri Investment Company Limited* (上海赫日投資有限公司), a company established in the PRC with limited liability and is owned as to 90% by Mr. Zhang Jiancheng.

* For identification purpose only

Save as disclosed above, as at 30 September 2022, 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 2022.

SHARE OPTION SCHEME

The share option scheme of the Company (the "**Share Option Scheme**") was adopted on 26 February 2019.

Purpose	To give the Eligible Persons (as defined below) an opportunity to have a personal stake in the Company and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined below), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.
Eligible persons	<p>The Board may, at its absolute discretion, offer options ("Options") to subscribe for such number of shares in accordance with the terms set out in the Share Option Scheme to:</p> <ul style="list-style-type: none"> (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group ("Executive"), any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (g) an associate of any of the persons referred to in paragraphs (a) to (f) above (the person referred above are the "Eligible Persons").

Other Information

Maximum number of shares available for issue	<p>(a) The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the date of this annual report (such 10% limit representing 92,000,000 shares). On 4 May 2022, the Company has granted options to subscribe for 92,000,000 shares to eleven employees of the Group at the exercise price of HK\$0.346 per share. The Share Options are valid for 3 years from 4 May 2022. As a result, there were no available unissued shares under the mandate limit of the Share Option Scheme as at the date of this annual report.</p> <p>(b) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Group shall not exceed 30% of the Company's shares in issue from time to time.</p>
Maximum entitlement of each Eligible Person	<p>No Option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period exceeds 1% of the Company's issued share capital from time to time. Where any further grant of Options to such an Eligible Person would result in the shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant shall be separately approved by the shareholders of the Company in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting.</p>
Period within which the securities must be exercised under an Option	<p>An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the Option period in the manner as set out in this Share Option Scheme by the grantee (or his or her legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised.</p>
Performance target or minimum period for which an Option must be held before it can be exercised	<p>There is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the Option can be exercised.</p>

Period for and consideration payable on acceptance of an Option	<p>An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 21 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 per Option by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date no later than 21 days after the offer date (the “Acceptance Date”). Such remittance shall in no circumstances be refundable.</p> <p>Any offer of the grant of an Option may be accepted in respect of less than the number of shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.</p>
Basis of determining the exercise price	<p>The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:</p> <ul style="list-style-type: none"> (a) the nominal value of a share; (b) the closing price of a share as stated in the Stock Exchange’s daily quotations sheet on the offer date; and (c) the average closing price of a share as stated in the Stock Exchange’s daily quotations sheets for the 5 Business Days (as defined in the Listing Rules) immediately preceding the offer date.
Remaining life	<p>The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption of the Share Option Scheme.</p>

On 4 May 2022, 92,000,000 options were granted under the Share Option Scheme and the options were vested immediately at the date of grant. The closing price of the Company’s shares immediately before the grant date was HK\$0.265 per Share. The fair value of the share options granted to the employees in aggregate of the Company was approximately S\$2.4 million. The fair value of the share options granted on 4 May 2022 was determined at the date of grant using the binominal model.

Other Information

The following table discloses the details of the Company's share options under the Share Option Scheme and the movements during the six months ended 30 September 2022:

Grantees	Date of grant	Exercise price per share HK\$	Exercise period	Number of share options				Outstanding as at 30 September 2022
				Outstanding as at 1 April 2022	Granted during the period	Exercised during the period	Lapsed during the period	
Employees in aggregate	4 May 2022	0.346	4 May 2022 to 3 May 2025	-	92,000,000	-	-	92,000,000

Note: The share options granted on 4 May 2022 were fully vested immediately on the date of grant.

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 2022 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 2022 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

The Company is not aware of any change in the Directors' information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers 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 2022.

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.4.1

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term and subject to re-election. Mr. Lui Kwun Yuen and Mr. Wong Kwong Fai, the non-executive Directors, have no specific term of appointment but is subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code during the six months ended 30 September 2022 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 2022 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 2022 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, 29 November 2022

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2022

		Six months ended	
		30 September	
		2022	2021
		S\$'000	S\$'000
	<i>Notes</i>	(unaudited)	(unaudited)
Revenue	5	21,456	27,487
Cost of sales	8	(20,189)	(26,862)
Gross profit		1,267	625
Other income	6	1,231	849
Other (losses)/gains, net	7	(359)	45
Allowance for expected credit losses ("ECL")		(68)	–
Share of losses of joint ventures		(153)	–
Administrative expenses	8	(10,981)	(4,059)
Operating loss		(9,063)	(2,540)
Finance costs	10	(1,138)	(548)
Loss before income tax		(10,201)	(3,088)
Income tax credit/(expense)	11	98	(171)
Loss for the period		(10,103)	(3,259)
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	(0.99)	(0.35)

Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 31 September 2022

	Notes	Six months ended	
		30 September	2021
		2022	2021
		S\$'000	S\$'000
		(unaudited)	(unaudited)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive losses of joint ventures		(335)	–
Exchange difference arising on translation of foreign operations		1,002	133
Other comprehensive income for the period		667	133
Total comprehensive loss for the period		(9,436)	(3,126)

Condensed Consolidated Statement of Financial Position

For the six months ended 30 September 2022

	<i>Notes</i>	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	16,879	19,313
Intangible assets	15	28	42
Right-of-use assets		3,124	3,414
Investments in joint ventures		6,321	6,203
Prepayment for purchase of subsidiaries	16	357	346
		26,709	29,318
Current assets			
Trade and other receivables	16	22,924	25,734
Loan receivables	17	14,787	12,447
Amount due from a joint venture		3,694	2,896
Contract assets	18	23,640	23,581
Fixed deposits	19	103	102
Cash and cash equivalents	19	17,210	9,054
		82,358	73,814
Total assets		109,067	103,132
EQUITY AND LIABILITIES			
Equity			
Share capital	22	1,907	1,589
Reserves		47,289	39,579
		49,196	41,168
Current liabilities			
Trade and other payables	20	13,839	11,515
Contract liabilities	18	229	–
Borrowings	21	19,688	21,673
Lease liabilities		468	574
Current income tax liabilities		486	957
		34,710	34,719

Condensed Consolidated Statement of Financial Position

For the six months ended 30 September 2022

	<i>Notes</i>	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Non-current liabilities			
Borrowings	<i>21</i>	21,903	23,848
Lease liabilities		2,710	2,899
Deferred tax liabilities		548	498
		25,161	27,245
Total liabilities		59,871	61,964
Total equity and liabilities		109,067	103,132

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2022

	Attributable to equity holders of the Company						Total equity S\$'000
	Share capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Merger reserve S\$'000	Retained profits S\$'000	Exchange reserve S\$'000	
2022							
As at 31 March 2022 (audited)	1,589	17,138	-	1,500	21,241	(300)	41,168
Loss for the period	-	-	-	-	(10,103)	-	(10,103)
Other comprehensive loss for the period	-	-	-	-	-	667	667
Total comprehensive loss for the period	-	-	-	-	(10,103)	667	(9,436)
Recognition of equity-settled share-based payment	-	-	2,372	-	-	-	2,372
Issue of new shares	318	14,774	-	-	-	-	15,092
As at 30 September 2022 (unaudited)	1,907	31,912	2,372	1,500	11,138	367	49,196
2021							
As at 31 March 2021 (audited)	1,589	17,138	-	1,500	20,217	(1)	40,443
Loss for the period	-	-	-	-	(3,259)	-	(3,259)
Other comprehensive loss for the period	-	-	-	-	-	133	133
Total comprehensive loss for the period	-	-	-	-	(3,259)	133	(3,126)
As at 30 September 2021 (unaudited)	1,589	17,138	-	1,500	16,958	132	37,317

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

	Six months ended	
	30 September	
	2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)
Cash flows from operating activities		
Loss before income tax	(10,201)	(3,088)
Adjustments for:		
– Depreciation of property, plant equipment	854	1,728
– Depreciation of rights-of-use assets	342	161
– Amortisation of intangible assets	11	13
– Written-off of property, plant and equipment	8	6
– Written-off of intangible assets	3	–
– Loss on disposals of property, plant and equipment	405	–
– Equity-settled share-based payment	2,372	–
– Allowance for ECL of trade and other receivables	25	–
– Allowance for ECL of loan receivables	43	–
– 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
– Share of loss of joint ventures	153	–
– Interest income	(66)	–
– Finance costs	1,138	548
	(4,913)	(481)
Change in working capital:		
– Trade and other receivables	2,774	(10,332)
– Loan receivables	(2,383)	–
– Amount due from a joint venture	(798)	–
– Contract assets/(liabilities), net	170	6,330
– Trade and other payables	2,324	(1,562)
Cash used in operations	(2,826)	(6,045)
Interest received	66	–
Income tax paid	(323)	(648)
Net cash used in operating activities	(3,083)	(6,693)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

	Six months ended	
	30 September	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flows from investing activities		
Additions to property, plant and equipment	(419)	(132)
Addition in fixed deposit	(1)	–
Purchase of intangible assets	–	(57)
Investments in joint ventures	(606)	–
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	1,591	–
Net cash generated from investing activities	565	204
Cash flows from financing activities		
Proceeds from issuance of shares	15,092	–
Principal element of lease liabilities	(338)	(142)
Movements in borrowings	(2,844)	9,783
Interest paid	(1,138)	(548)
Net cash generated from financing activities	10,772	9,093
Net increase in cash and cash equivalents	8,254	2,604
Cash and cash equivalents at the beginning of financial period	9,054	11,912
Effect of foreign exchange rate changes	(98)	54
Cash and cash equivalents at the end of financial period	17,210	14,570

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

1. General Information

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

The Company’s registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Singapore is 38 Senoko Road, Singapore 758110. The principal place of business in Hong Kong is 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 29 November 2022.

2. Basis of preparation

The condensed consolidated financial information for the six months ended 30 September 2022 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 2022.

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 2022, 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 2022.

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 April 2022:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS	Annual Improvements to IFRSs 2018-2020

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 2022

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 (1H2022: two) 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	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Construction contracts	21,456	14,797	1,267	(1,074)
Trading of building materials	–	12,690	–	1,699
Total segment	21,456	27,487	1,267	625
Other income			1,231	849
Other (losses)/gains, net			(359)	45
Allowance for expected credit losses			(279)	–
Share of losses of joint ventures			(153)	–
Administrative expenses			(10,981)	(4,059)
Finance costs			(1,138)	(548)
Loss before income tax			(10,412)	(3,088)

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 2022

4. Segment information (Continued)

For the six months ended 30 September 2022, there were two customers (1H2022: three) which individually contributed over 10% of the Group's total revenue. During the six months ended 30 September 2022 and 2021, the revenue contributed from each of these customers was as follows:

	Six months ended 30 September	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Customer A	16,639	13,647
Customer B (Note)	3,005	N/A
Customer C (Note)	N/A	5,352
Customer D (Note)	N/A	4,040

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

As at 30 September 2022, the total assets in the construction contracts segment and trading of building materials segment were approximately S\$56,665,000 and approximately S\$18,175,000 respectively (31 March 2022: approximately S\$57,791,000 in construction contracts segment and approximately S\$18,328,000 in trading of building materials segment).

As at 30 September 2022, the total non-current assets other than prepayment for purchase of subsidiaries and investment in joint ventures in Singapore and Hong Kong were approximately S\$19,682,000 and approximately S\$306,000 respectively (31 March 2022: approximately S\$22,406,000 in Singapore and approximately S\$363,000 in Hong Kong).

5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Revenue from construction contracts		
Construction contracts relating to:		
– Gas	16,639	13,840
– Water	4,817	916
– Cable	–	41
	21,456	14,797
Revenue from trading of building materials		
Building materials	–	12,690
Total	21,456	27,487

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

5. Revenue from contracts with customers (Continued)

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

	Six months ended 30 September	
	2022 <i>S\$'000</i> (unaudited)	2021 <i>S\$'000</i> (unaudited)
Revenue from contracts with customers within the scope of IFRS 15:		
Recognised over time		
– Revenue from construction contracts	21,456	14,797
Recognised at a point in time		
– Revenue from trading of building materials	–	12,690
	21,456	27,487

	Six months ended 30 September 2022		
	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)
Geographical markets:			
– Singapore	21,456	–	21,456

	For the six months ended 30 September 2021		
	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)
Geographical markets:			
– Singapore	14,797	–	14,797
– Hong Kong	–	12,690	12,690
	14,797	12,690	27,487

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

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 30 September		As at
	2022	2021	31 March
	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(audited)
Total contract assets:			
– Construction contracts	23,640	8,335	23,581
Total contract liabilities:			
– Construction contracts	(229)	(1,101)	–

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

(c) Unsatisfied performance obligation

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

	As at 30 September 2022		
	Revenue from construction contracts	Revenue from trading of building materials	Total
	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied:			
– Within 1 year after financial period	107,319	–	107,319
– Between 1 to 2 years after financial period	25,937	–	25,937
– More than 2 years after financial period	6,366	–	6,366
	139,622	–	139,622

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

5. Revenue from contracts with customers (Continued)

(c) Unsatisfied performance obligation (Continued)

	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 period	69,384	-	69,384
- Between 1 to 2 years after financial period	2,740	-	2,740
- More than 2 years after financial period	1,609	-	1,609
	<u>73,733</u>	<u>-</u>	<u>73,733</u>
	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Trade receivables from contracts with customers:			
- Construction contracts	2,251	3,435	3,219
- Trading of building materials	1,119	9,838	9,712
	<u>3,370</u>	<u>13,273</u>	<u>12,931</u>

6. Other income

	Six months ended 30 September	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Interest income	66	1
Government grant	364	658
Insurance claims	24	3
Others	777	187
	<u>1,231</u>	<u>849</u>

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

7. Other (losses)/gains, net

	Six months ended	
	30 September	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(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	8	(6)
Write off of intangible assets	(3)	–
Loss on disposal of property, plant and equipment	(405)	–
Foreign exchange gains/(losses)	41	80
Realised losses on disposal of financial assets at fair value through profit or loss	–	(30)
	(359)	45

8. Expenses by nature

	Six months ended	
	30 September	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Material costs	5,351	16,022
Subcontractor costs	2,408	2,660
Transportation costs	326	103
Auditor's remuneration	292	35
Entertainment expenses	63	58
Rental expenses	1,164	456
Depreciation of property, plant and equipment	854	1,728
Depreciation of right-of-use	342	161
Amortisation of intangible asset	11	13
Professional fees	894	919
Vehicle-related expenses	1,058	651
Repair and maintenance expenses	402	606
Employee benefit costs (Note 9)	8,003	5,260
Project application fee	2,014	988
Other expenses	7,988	1,261
Total cost of sales and administrative expenses	31,170	30,921
Represented by:		
Cost of sales	20,189	26,862
Administrative expenses	10,981	4,059
	31,170	30,921

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

9. Employee benefit costs – including directors' emoluments

	Six months ended 30 September	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Wages and salaries	5,352	5,017
Employer's contribution to defined contribution plans	279	243
Equity-settled share-based payment	2,372	–
	8,003	5,260

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	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Cost of sales	3,817	3,653
Administrative expenses	4,186	1,607
	8,003	5,260

10. Finance costs

	Six months ended 30 September	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Bonds	1,015	304
Hire purchase liabilities	6	21
Lease liabilities	32	34
Term loan	85	189
	1,138	548

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

11. Income tax (credit)/expense

Tax for group company incorporated in Singapore has been provided at the applicable Singapore statutory corporate tax rate of 17% (1H2022: 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	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Tax expense attributable to profit is made up of:		
– Current income tax – Singapore	(79)	–
– Current income tax – Hong Kong	(69)	171
– Deferred income tax	50	–
	(98)	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	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Loss attributable to owners of the Company (S\$'000)	(10,103)	(3,259)
Weighted average number of ordinary shares in issue (in thousands)	1,023,563	920,000
Basic loss per share (Singapore cents)	(0.99)	(0.35)

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

12. Loss per share (Continued)

(b) Diluted loss per share

For the six months ended 30 September 2021, the diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares. The computation of diluted loss per share for the six months ended 30 September 2022 do not assume the exercise of outstanding share options of the Company since their assumed exercise would result in a decrease in loss per share.

13. Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

14. Property, plant and equipment

	Leasehold improvements S\$'000	Leasehold properties held for own used S\$'000	Plant and machinery S\$'000	Furniture and office equipment S\$'000	Motor vehicle S\$'000	Total S\$'000
30 September 2022						
Cost						
Beginning of financial period	1,972	13,430	7,457	353	6,234	29,446
Additions	352	-	40	27	-	419
Written-off	(393)	-	(7)	(157)	-	(557)
Disposals	-	-	-	(14)	(4,184)	(4,198)
Exchange alignment	7	-	-	2	-	9
End of financial period	1,938	13,430	7,490	211	2,050	25,119
Accumulated depreciation						
Beginning of financial period	537	-	5,771	265	3,560	10,133
Depreciation for the period (Note 8)	185	213	252	22	182	854
Written-off	(393)	-	-	(156)	-	(549)
Disposals	-	-	(7)	(11)	(2,184)	(2,202)
Exchange alignment	3	-	-	1	-	4
End of financial period	332	213	6,016	121	1,558	8,240
Net book value						
End of financial period (unaudited)	1,606	13,217	1,474	90	492	16,879

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

14. Property, plant and equipment (Continued)

	Leasehold improvements <i>S\$'000</i>	Leasehold held for own used <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 2022						
Cost						
Beginning of financial year	560	19,181	10,692	317	6,505	37,255
Additions	1,412	-	213	36	56	1,717
Written-off	-	-	(1,414)	-	-	(1,414)
Disposals	-	-	(2,034)	-	(327)	(2,361)
Depreciation eliminated against cost	-	(5,189)	-	-	-	(5,189)
Deficit on revaluation	-	(562)	-	-	-	(562)
End of financial year	1,972	13,430	7,457	353	6,234	29,446
Accumulated depreciation						
Beginning of financial year	412	4,745	6,445	216	3,382	15,200
Provided for the year	125	444	1,491	49	505	2,614
Written-off	-	-	(1,408)	-	-	(1,408)
Disposals	-	-	(757)	-	(327)	(1,084)
Write back on revaluation	-	(5,189)	-	-	-	(5,189)
End of financial year	537	-	5,771	265	3,560	10,133
Net book value						
End of financial year (audited)	1,435	13,430	1,686	88	2,674	19,313

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

15. Intangible asset

Computer software

	<i>S\$'000</i>
Cost	
As at 1 April 2021	123
Additions	<u>56</u>
As at 31 March 2022 and 1 April 2022	179
Written-off	<u>(9)</u>
As at 30 September 2022	<u>170</u>
Accumulated amortisation	
As at 1 April 2021	114
Amortisation for the year	<u>23</u>
As at 31 March 2022 and 1 April 2022	137
Amortisation for the period (<i>Note 8</i>)	11
Written-off	<u>(6)</u>
As at 30 September 2022	<u>142</u>
Net book value	
As at 30 September 2022 (unaudited)	<u>28</u>
As at 31 March 2022 (audited)	<u>42</u>

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

16. Trade receivables, deposits and other receivables

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Current		
Trade receivables	3,370	12,931
Less: Allowance for ECL	(27)	(27)
	<u>3,343</u>	<u>12,904</u>
Prepayments, deferred expenses, deposits and other receivables		
Prepayments	8,171	8,548
Deposits	2,023	1,289
Other receivables	9,428	3,009
Less: Allowance for ECL	(41)	(16)
	<u>19,581</u>	<u>12,830</u>
Non-current		
Prepayment for purchase of subsidiaries	357	346
	<u>23,281</u>	<u>26,080</u>

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 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Within 30 days	2,217	7,411
31 to 60 days	17	3,880
61 to 90 days	16	1,613
Over 90 days	1,093	–
	<u>3,343</u>	<u>12,904</u>

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 2022

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

17. Loan receivables

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Loan receivables		
– unsecured loans	14,955	12,572
Less: Allowance for ECL	(168)	(125)
	14,787	12,447
Amount due within one year included under current assets	14,787	12,447

The loans to customers had a loan period ranging from 6 to 12 months. The loans provided to customers bore fixed interest rate ranging from 3.25% to 6% per annum and were repayable according to the loan agreements.

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Within 90 days	3,955	–
91 to 180 days	6,796	1,674
181 to 365 days	4,036	10,773
	14,787	12,447

The above ageing analysis is presented based on the maturity date.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

18. Contract assets/(liabilities)

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Comprising:		
Current		
Contract assets	23,640	23,581
Contract liabilities	(229)	–
	23,411	23,581

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 2022, retention receivables amounted to approximately S\$269,000 (31 March 2022: approximately 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.

As at 30 September 2022, the allowance for ECL amounted to approximately S\$28,000 (31 March 2022: approximately S\$28,000) are included in the carrying amount of contract assets.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

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 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Cash at banks	17,210	9,054

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

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
SGD	5,852	4,093
USD	5	12
HKD	9,725	685
RMB	1,628	4,264
	17,210	9,054

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

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

(b) Fixed deposits

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Fixed deposits denominated in SGD	103	102

Fixed deposits at 30 September 2022 bore interest rates ranging from 0.15% to 1.40% (31 March 2022: 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 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Trade payables	5,418	5,579
Other payables		
– Goods and service tax payables	675	–
– Advances received from customers	27	224
– Sundry creditors	1,038	6
Accrued expenses	2,534	1,451
Accrued for trade related costs	–	612
Accrual for employee benefit expenses	4,147	3,643
	13,839	11,515

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

20. Trade and other payables (Continued)

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

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Within 30 days	2,845	3,610
31 to 60 days	1,950	1,647
61 to 90 days	537	322
Over 90 days	86	–
	5,418	5,579

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 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Bank borrowings-term loans (i)	8,756	9,733
Hire purchase liabilities (ii)	154	600
Bonds (iii)	31,243	33,130
Other borrowings (iv)	1,438	2,058
Total borrowings	41,591	45,521
Of which		
– Current liabilities	19,688	21,673
– Non-current liabilities	21,903	23,848
	41,591	45,521

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

21. Borrowings (Continued)

(i) Bank borrowings – term loans

The Group's term loan were repayable as follows:

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Bank borrowings		
Non-current, secured		
– Repayable later than 1 year and no later than 2 years	1,887	1,934
– Repayable later than 2 years and no later than 5 years	2,792	3,986
– Repayable later than 5 years	2,106	1,852
	6,785	7,772
Current, secured		
– Repayable no later than 1 year	1,971	1,961
	8,756	9,733

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 2022, interest was charged at fixed rate of 1.68% and 2.25% (31 March 2022: 1.68% and 2.25%) per annum.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

21. Borrowings (Continued)

(ii) Hire purchase liabilities

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

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
– No later than 1 year	154	600

For the period ended 30 September 2022, the effective interest rates on the hire purchase liabilities bore interest rate between 2.82% and 3.04% (31 March 2022: 2.82% and 3.04%) per annum.

(iii) Bonds

The issued bonds of the Group were repayable as follows:

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
Non-current, unsecured		
– Repayable later than 1 year and no later than 2 years	263	6,481
– Repayable later than 2 years and no later than 5 years	14,855	9,595
	15,118	16,076
Current, unsecured		
– Repayable no later than 1 year	16,125	17,054
	31,243	33,130

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

For the period ended 30 September 2022, the bonds bore a fixed interest rate between 4.3% to 9% per annum (31 March 2022: between 4.3% to 9% per annum).

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

21. Borrowings (Continued)

(iv) Other borrowings

The other borrowings of the Group were repayable as follows:

	As at 30 September 2022 S\$'000 (unaudited)	As at 31 March 2022 S\$'000 (audited)
– No later than 1 year	1,438	2,058

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 2022.

22. Share capital

	Number of shares	Share capital HK\$'000	
Authorised: Ordinary shares of HK\$0.01 each At 1 April 2021 (audited), 31 March 2022 (audited) and 30 September 2022 (unaudited)	10,000,000,000	100,000	
	Number of shares	Share capital HK\$'000	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 1 April 2022 (audited)	920,000,000	9,200	1,589
Issue of new shares (<i>Note</i>)	184,000,000	1,840	318
	1,104,000,000	11,040	1,907

Note: On 16 May 2022, the Company entered into two subscription agreements with two subscribers, pursuant to which the Company has agreed to allot and issue and the two subscribers have conditionally agreed to subscribe for an aggregate of 184,000,000 new shares of the Company at the subscription price of HK\$0.475 per subscription share on the terms and subject to the conditions set out in the subscription agreements. The subscription were completed in June 2022.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2022

23. Subsequent events

- (i) On 3 November 2022, the Company and Mr. Wang Tinghui* (王庭輝) (“**Mr. Wang**”) entered into a memorandum of understanding, pursuant to which the parties agreed to enter into a negotiation regarding a possible conditional acquisition by the Company, and the possible conditional disposal by Mr. Wang, of the controlling interest in Zhongshan Jiantaiying Electric Appliance Manufacturing Co., Ltd.* (中山市堅泰盈電器製造有限公司) (“**Zhongshan Jiantaiying**”) (the “**Proposed Acquisition**”). Subject to the finalisation and entering into of the definitive agreement by the Company (or a wholly-owned subsidiary of the Company nominated by the Company) and Mr. Wang, upon completion of the Proposed Acquisition, Zhongshan Jiantaiying will become a subsidiary of the Company. Zhongshan Jiantaiying was incorporated in the PRC and is principally engaged in (i) the production of mold, pipe industry accessories and electrical appliances; and (ii) the production of pipe fitting products by way of OEM and ODM.

Please refer to the announcement of the Company dated 3 November 2022 for further details.

- (ii) The Board proposed to amend the the share option scheme of the Company adopted by the Shareholders on 26 February 2019 to align with the amendments to Chapter 17 of the Listing Rules relating to share option schemes which will come into effect on 1 January 2023. An extraordinary general meeting will be held on 13 December 2022 for considering and, if thought fit, passing of an ordinary resolution by the Shareholders to approve the amended share option scheme.

Please refer to the circular of the Company dated 25 November 2022 for further details.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2022 and up to the date of this interim report.

* *for identification purpose only*