# Grandshores Technology Group Limited
# 雄岸科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 1647)

# 2024
## ANNUAL REPORT

# CONTENTS

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTOR

Mr. Yao Yongjie *(Chairman)*

### NON-EXECUTIVE DIRECTORS

Mr. Chua Seng Hai
Ms. Lu Xuwen
Ms. Yu Zhuochen

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Chung Yue, Howard
Mr. Li Kanlin
Mr. Fan Jianyin

## AUDIT COMMITTEE

Mr. Chu Chung Yue, Howard *(Chairman)*
Mr. Li Kanlin
Mr. Fan Jianyin

## REMUNERATION COMMITTEE

Mr. Li Kanlin *(Chairman)*
Mr. Yao Yongjie
Ms. Lu Xuwen
Mr. Chu Chung Yue, Howard
Mr. Fan Jianyin

## NOMINATION COMMITTEE

Mr. Yao Yongjie *(Chairman)*
Ms. Lu Xuwen
Mr. Chu Chung Yue, Howard
Mr. Li Kanlin
Mr. Fan Jianyin

## COMPANY SECRETARY

Mr. Wong Ngai

## AUTHORISED REPRESENTATIVES

Mr. Yao Yongjie
Mr. Wong Ngai

## REGISTERED OFFICE

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1503, 15/F, Greenfield Tower, Concordia Plaza,
1 Science Museum Road, Tsim Sha Tsui,
Kowloon, Hong Kong

## PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

18 Kaki Bukit Place,
Eunos Techpark,
Singapore 416196

## PRINCIPAL PLACE OF BUSINESS IN CHINA

101-999, Building 21,
No. 1399 Liangmu Road,
Cangqian Street, Yuhang District,
Hangzhou, Zhejiang Province,
The People's Republic of China

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong

## AUDITOR

McMillan Woods (Hong Kong) CPA Limited
24/F, Siu On Centre,
188 Lockhart Road,
Wan Chai,
Hong Kong

## PRINCIPAL BANKS

United Overseas Bank
DBS Bank (Hong Kong) Limited
Bank of Communications (Hong Kong Branch)

## COMPANY'S WEBSITE

www.grandshorestech.com

## STOCK CODE

1647

# CHAIRMAN STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Grandshores Technology Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I would like to present to our shareholders the annual report of the Group for the year ended 31 March 2024 (the "**Review Year**").

The Group's revenue for the Review Year was approximately S$84.5 million (31 March 2023: approximately S$57.8 million). The Group's gross profit increased from approximately S$9.1 million for the year ended 31 March 2023 (the "**Last Year**") to approximately S$17.7 million for the Review Year. The Group's gross profit margin increased from approximately 15.7% for the Last Year to approximately 20.9% for the Review Year. The Group's profit attributable to owners of the Company changed from loss of approximately S$6.4 million for the Last Year to profit of approximately S$2.2 million for the Review Year.

The improvement in the Group's performance during the Review Year was mainly due to the increase in revenue and gross profit from Integrated Building Services business, Building Construction Works business and Information Technology Development and Application business.

During the Review Year, the Group's revenue from Integrated Building Services business and Building Construction Works business increased from approximately S$58.1 million for the Last Year to approximately S$76.8 million for the Review Year, which was mainly due to more tenders won and work performed during the Review Year as a result of aggressive pricing strategy together with targeted tendering strategy implemented by the Group.

The revenue from the Information Technology Development and Application business increased from loss of approximately S$0.4 million for the Last Year to income of approximately S$7.7 million for the Review Year, which was mainly due to the rise in Bitcoin price and increase in trading volume during the Review Year.

The increase in revenue resulted in the Group's gross profit increased from approximately S$9.1 million for the Last Year to approximately S$17.7 million for the Review Year, an increase of approximately S$8.6 million or approximately 94.5%.

The Group's gross profit margin also increased from approximately 15.7% for the Last Year to approximately 20.9% for the Review Year, which was mainly resulted from the increase in revenue contribution from Information Technology Development and Application business, which the gross profit margin is higher than Integrated Building Services business and Building Construction Works business.

Furthermore, the increase in magnitude in cost of sales and services from Integrated Building Services business and Building Construction Works business are lower than the increase in revenue from the same businesses as a result of a better leverage of economy of scale during the Review Year.

The Group intends to continue the existing principal businesses that provides integrated building services and undertakes building construction works in Singapore. At the same time, the Group intends to expand and diversify our business by investing into new business opportunities which can enhance shareholder value as well as complement and leverage existing business lines.

The performance of the Group's Information Technology Development and Application business was satisfactory during the Review Year. Our Directors stay positive about the future of the Information Technology Development and Application business, considering the ongoing expansion of Information technology applications in different field and industries.

I would like to take this opportunity to express my sincere gratitude to the management team and staff for their hard work and contributions, and to the shareholders, investors and business partners for their trust and support.

**Yao Yongjie**
*Chairman*
28 June 2024

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

The Group's revenue increased from approximately S$57.8 million for the Last Year to approximately S$84.5 million for the Review Year. The Group's gross profit increased from approximately S$9.1 million for the Last Year to approximately S$17.7 million for the Review Year. The Group's gross profit margin increased from approximately 15.7% for the Last Year to approximately 20.9% for the Review Year.

According to Singapore Building and Construction Authority ("**BCA**"), the total construction demand (i.e. the value of construction contracts to be awarded) in 2024 is projected to be between S$32 billion and S$38 billion. The public sector is expected to contribute about 55 percent of the total construction demand, between S$18 billion and S$21 billion. The private sector construction demand is anticipated to reach between S$14 billion and S$17 billion in 2024.

BCA expects a steady improvement in construction demand over the medium term. It is projected to reach between S$31 billion and S$38 billion per year from 2025 to 2028. The public sector will continue to lead demand and is expected to contribute S$19 billion to S$23 billion per annum from 2025 to 2028, with building projects and civil engineering works constituting about 70% and 30% respectively. Private sector construction demand is projected to remain stable over the medium-term, reaching approximately S$12 billion to S$15 billion per annum from 2025 to 2028.

The Group believes that the outlook for the construction sector will remain challenging for 2024 in view of the continued uncertainties in the external environment and negative economic outlook in Singapore and major economies around the world impacted by COVID-19. All of these constraints make tenders highly competitive. Another challenge is the labor shortage in Singapore has driven up the Group's labor and subcontracting charges. Despite these challenges, the Group has achieved an increase in revenue and gross profit for the Review Year due to our continue effort to adapting the evolving market conditions. The Group is monitoring the situation closely and will maintain operational and financial prudence amidst a challenging economy. The Group will continue to manage its expenditure, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

During the Review Year, the bitcoin price exhibited an ascending trend, and the Group strategically increased the volume of bitcoin trading. The Group's revenue from trading of digital assets increased from S$Nil for the Last Year to approximately S$6.7 million for the Review Year. Furthermore, as a result of the increase in Bitcoin price from approximately US$28,000 at the end of the Last Year to approximately US$70,000 at the end of the Review Year, the Group recognized a gain on fair value changes of digital assets inventories for the Review Year of approximately S$1.0 million as compared with a loss of approximately S$0.4 million for the Last Year.

## FUTURE PROSPECT

The Group intends to continue the existing principal businesses. At the same time, the Group intends to expand and diversify our business by investing into new business opportunities which can enhance shareholder value as well as complement and leverage existing business lines.

The Group will continue to expand into more comprehensive scope of internet technologies related businesses, including but not limited to e-commerce, digital media marketing, live commerce, multi-channel network, artificial intelligence, industrial internet, virtual reality technology and mobile internet video products production, etc.; instead of simply focusing on blockchain technology application and development.

## FINANCIAL REVIEW

### Revenue

For the Review Year, the Group recorded a revenue of approximately S$84.5 million (approximately S$57.8 million for the Last Year), an increase of approximately S$26.7 million or approximately 46.2%.

The revenue from the Integrated Building Services increased from approximately S$48.0 million for the Last Year to approximately S$56.1 million for the Review Year, an increase of approximately S$8.1 million or approximately 16.9%. The revenue from the Building Construction Works increased from approximately S$10.1 million for the Last Year to approximately S$20.8 million for the Review Year, an increase of approximately S$10.7 million or approximately 105.9%. The increases in both the revenue from the Integrated Building Services and the Building Construction Works were mainly due to more tenders won and worked performed during the Review Year as a result of aggressive pricing strategy together with targeted tendering strategy implemented by the Group.

The revenue from the Information Technology Development and Application business increased from loss of approximately S$0.4 million for the Last Year to income of approximately S$7.7 million for the Review Year, an increase of approximately S$8.1 million. The increase in revenue from the Information Technology Development and Application business was mainly due to the rise in Bitcoin price and increase in trading volume during the Review Year.

### Costs of Sales and Services

The Group's cost of sales and services increased from approximately S$48.7 million for the Last Year to approximately S$66.9 million for the Review Year, representing an increase of approximately S$18.2 million or approximately 37.4%. The increase was mainly driven by the increase in revenue from Integrated Building Services business and Building Construction Works business and Information Technology Development and Application business.

### Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately S$9.1 million for the Last Year to approximately S$17.7 million for the Review Year, an increase of approximately S$8.6 million or approximately 94.5%. Such increase was mainly due to the increase in revenue discussed above.

The Group's gross profit margin also increased from approximately 15.7% for the Last Year to approximately 20.9% for the Review Year, which was mainly resulted from the following factors:

(i) The increase in revenue contribution from Information Technology Development and Application business. Gross profit margin for Information Technology Development and Application business is higher than the gross profit margin for Integrated Building Services business and Building Construction Works business, resulted in the Group's higher gross profit margin.

(ii) The increase in magnitude in cost of sales and services from Integrated Building Services business and Building Construction Works business are lower than the increase in revenue from the same businesses as a result of a better leverage of economy of scale during the Review Year.

### Other income

Other income increased from approximately S$0.6 million for the Last Year to approximately S$2.0 million for the Review Year, an increase of approximately S$1.4 million. The increase was mainly resulted from the increase in government grants and the increase in interest income during the Review Year.

### Other Gains and Losses

The Group's other gains and losses decreased from loss of approximately S$3.2 million for the Last Year to loss of approximately S$1.0 million for the Review Year. The decrease was mainly due to i) the change from foreign exchange loss of approximately S$720,000 for the Last Year to gain of approximately S$707,000 for the Review Year and ii) the decrease in net loss on financial assets at fair value through profit or loss from approximately S$2.5 million for the Last Year to approximately S$1.7 million for the Review Year.

### Administrative Expenses

The Group's administrative expenses increased from approximately S$12.8 million for the Last Year to approximately S$15.7 million for the Review Year, an increase of approximately S$2.9 million or approximately 22.7%. The increase was mainly due to the increase in the total number of employees which resulted in more salary and staff related expenses incurred during the Review Year.

### Finance Costs

The Group's finance costs increased from approximately S$47,000 for the Last Year to approximately S$95,000 for the Review Year. The increase was mainly due to the increase in lease interest as the Group entered into additional leases and increase in interest expenses incurred on other borrowings during the Review Year.

### Income Tax Expense

The Group's income tax expense increased from approximately S$30,000 for the Last Year to approximately S$393,000 for the Review Year, an increase of approximately S$363,000 due to the increase in taxable profit.

### Profit/(Loss) Attributable to Owners of the Company

The Group's profit/(loss) attributable to owners of the Company has experienced a turnaround from loss of approximately S$6.4 million for the Last Year to gain of approximately S$2.2 million for the Review Year. This is mainly due to the increase in revenue and gross profit as discussed above.

## COMMITMENTS

Details of the Group's commitments as at 31 March 2024 and 31 March 2023 are set out in Note 37 to the consolidated financial statements.

## CONTINGENT LIABILITIES

As at the end of the Review Year, the Group had no material contingent liabilities.

## FINAL DIVIDEND

The Directors do not recommend the payment of final dividend for the Review Year (31 March 2023: Nil).

## LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy financial position during the Review Year. As at 31 March 2024, the Group had total bank balances and cash of approximately S$15.8 million (31 March 2023: approximately S$15.3 million). The current ratio of the Group as at 31 March 2024 was approximately 3.8 times (31 March 2023: approximately 5.6 times).

The loans and borrowings and lease liabilities of the Group as at 31 March 2024 was approximately S$432,000 (31 March 2023: approximately S$512,000). The gearing ratio (calculated based on loans and borrowings and lease liabilities divided by total equity) of the Group as of 31 March 2024 was approximately 0.7% (31 March 2023: approximately 0.9%).

## TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

## PLEDGE OF ASSETS

As at 31 March 2024, the Group had S$Nil (31 March 2023: S$Nil) pledged bank deposits for corresponding amounts of performance guarantees issued in favour of customers.

## EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

The functional currency of the Group's major operating subsidiaries is Singapore dollars. However, certain subsidiaries of the Company have their assets and liabilities denominated in currencies other than Singapore dollars. The Group is subject to foreign exchange rate risk with respect to recognised assets and liabilities which are denominated in currencies other than Singapore dollars. During the Review Year, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk. The Group recorded a foreign exchange gain of approximately S$707,000 for the Review Year (loss of approximately S$720,000 for the Last Year).

## CAPITAL STRUCTURE

As at 31 March 2024, the share capital and equity attributable to the owners of the Company amounted to approximately S$2.1 million and S$59.1 million respectively (31 March 2023: approximately S$2.1 million and S$57.6 million respectively).

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There were no material acquisitions and disposals of subsidiaries, associated companies and joint ventures during the Review Year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES AND REMUNERATION POLICY

As at the end of the Review Year, the Group employed a total of 461 full-time employees (including executive Director), as compared to 333 full-time employees as at 31 March 2023. The Group's employees are remunerated according to their job scope, responsibilities, and performance. Local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The Group's foreign workers of the Singapore Integrated Building Services business and Building Construction Works business are typically employed on two-year basis depending on the period of their work permits and subject to renewal based on their performance, and are remunerated according to their work skills. Other staff benefits include the provision of retirement benefits, medical benefits and sponsorship of training courses.

## PRINCIPAL RISKS AND UNCERTAINTIES

Set out below are the principal risks and uncertainties are summarised as follows:

(i) Changes in economic conditions which may directly affect the property market and construction demand in Singapore. Moreover, the Group's integrated building services business and building construction work business rely on successful tenders that determine the award of our projects contracts and is non-recurring in nature.

(ii) The Group is exposed to financial risks including interest rate risk, currency risk, credit risk, liquidity risk and equity price risk in the normal course of its business. For further details of such risks and relevant policies, please refer to note 36 to the financial statements from pages 138 to 152.

(iii) The Group has policies and procedures in place to ensure full compliance with relevant laws and regulations that have a significant impact on the Group's business and operations. Management regularly reviews and assesses the impact of any recent changes and developments in applicable laws, rules and regulations, and seeks external advice when deemed necessary.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed elsewhere in this report, the Group does not have any other plans for material investments or capital assets.

## SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments with a market value that account for more than 5% of the Group's audited total assets as at the end of the Review Year and 31 March 2023.

## USE OF PROCEEDS FROM LISTING

The shares of the Company were listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited on 30 March 2017.

The net proceeds from the Listing, after deducting listing related expenses, were approximately S$21.6 million (equivalent to approximately HK$124.1 million), which were fully utilised as at 31 March 2024.

| Business objectives | Net proceeds<br>*S$'000* | Amount utilised as at 1 April 2023<br>*S$'000* | Unutilised net proceeds as at 1 April 2023<br>*S$'000* | *(Note)* Revised use of net proceeds after the change announced on 13 June 2023<br>*S$'000* | *(Note)* Unutilised net proceeds after the change announced on 13 June 2023<br>*S$'000* | Amount utilised during the Review Year<br>*S$'000* | Amount utilised as at 31 March 2024<br>*S$'000* | Unutilised net proceed as at 31 March 2024<br>*S$'000* | Expected timeline of full utilisation of the unutilised proceeds |
|---|---|---|---|---|---|---|---|---|---|
| Various investments in manpower and plant and equipment for expanding the scale of operation and undertake more integrated building services projects in Singapore | 12,475 | 6,993 | 5,482 | 7,278 | 285 | 285 | 7,278 | — | Fully utilised *(Note)* |
| Various investments in manpower and plant and equipment for expanding the in-house capabilities and reducing the use of subcontractors in relation to plumbing and sanitary works, electrical works and air-conditioning works | 6,971 | 5,066 | 1,905 | 5,139 | 73 | 73 | 5,139 | — | Fully utilised *(Note)* |
| Working capital | 2,137 | 2,137 | — | 2,137 | — | — | 2,137 | — | Fully utilised |
| Acquisition of the property located at 40 Kaki Bukit Crescent, Singapore | — | — | — | 7,029 | 7,029 | 7,029 | 7,029 | — | Fully utilised *(Note)* |
| | 21,583 | 14,196 | 7,387 | 21,583 | 7,387 | 7,387 | 21,583 | — | |

*Note:*

On 13 June 2023, SH Integrated Services Pte. Ltd. ("**SH Integrated**"), an indirect wholly-owned subsidiary, entered into the option to purchase agreement ("**Agreement**") with Avenue Engineering Pte. Ltd. ("**AE**"), pursuant to which SH Integrated agreed to purchase and AE agreed to sell, a property located at 40 Kaki Bukit Crescent, Singapore 416266 (the "**Property**") with a consideration of S$9,050,000 (exclusive of GST) (the "**Acquisition**").

The Board intended to change the use of unutilised net proceeds from listing to acquire the Property as mentioned above. For details, please refer to the announcement of the Company dated 13 June 2023 and the circular of the Company published on 28 July 2023.

The transaction has obtained the approval from the shareholders of the Company at the extraordinary general meeting held by the Company on 15 August 2023.

The Acquisition was completed on 29 November 2023 and a total of S$8,597,500 (exclusive of GST) being remaining balance of the consideration was paid to AE on 29 November 2023 according to the payment terms stated in the Agreement.

# MANAGEMENT DISCUSSION AND ANALYSIS

## USE OF PROCEEDS FROM SUBSCRIPTION OF 100,000,000 NEW SHARES ON 30 MAY 2022 UNDER GENERAL MANDATE

The Company completed the Subscription of 100,000,000 new ordinary shares on 30 May 2022. A total of 100,000,000 new ordinary shares were allotted and issued by the Company under general mandate to a Subscriber at HK$0.1438 per Subscription Share.

The net proceeds from the Subscription, after deducting legal expenses, were approximately S$2.54 million (equivalent to approximately HK$14.3 million), out of which S$2.39 million has been utilised as at 31 March 2024.

Details of the use of the proceeds from the Subscription are set as below:

| Business objective | Net proceeds<br>*S$'000* | Amount utilised as at 1 April 2023<br>*S$'000* | Unutilised net proceed as at 1 April 2023<br>*S$'000* | Amount utilised during the Review Year<br>*S$'000* | Amount utilised as at 31 March 2024<br>*S$'000* | Unutilised net proceed as at 31 March 2024<br>*S$'000* | Expected timeline of full utilisation of the unutilised proceeds |
|---|---|---|---|---|---|---|---|
| Expanding information technology development and application business | 1,064 | 1,064 | – | – | 1,064 | – | Fully utilised |
| Developing new financial services business | 409 | 119 | 290 | 144 | 263 | 146 | By the end of the financial year ending 31 March 2025 |
| Working capital | 1,064 | 1,064 | – | – | 1,064 | – | Fully utilised |
| | 2,537 | 2,247 | 290 | 144 | 2,391 | 146 | |

Further details of the Subscription are set out in the announcements of the Company dated 25 April 2022 and 30 May 2022.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The market price of Bitcoin has decreased from approximately US$70,000 as at 31 March 2024 to approximately US$62,000 as at the date of this report.

Save as disclosed above, no other significant events have taken place subsequent to the end of the Review Year.

# BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set out as follows:

## DIRECTORS

## EXECUTIVE DIRECTOR

**Mr. Yao Yongjie ("Mr. Yao")**, aged 53, was appointed as the executive Director on 30 May 2018. He is also a director of various subsidiaries of the Group. He was appointed as the chairman of the Board on 30 June 2018. He graduated from Hunan University with a degree in architecture and was involved in a number of real estate projects. Mr. Yao is currently the chairman of a private equity investment company, Hangzhou Tunlan Investment Management Co., Ltd（杭州暾瀾投資管理有限公司）("**Hangzhou Tunlan**"), which will focus on blockchain and artificial intelligence related investments. Mr. Yao was an angel investor of Hangzhou Canaan Creative Information Technology Limited（杭州嘉楠耘智信息科技有限公司）("**Canaan**"), which is principally engaged in research and development of integrated circuits. Canaan was listed on Nasdaq on 21 November 2019 (ticker symbol: CAN). Mr. Yao is a famous investor in the blockchain industry and has successfully invested in a few world-leading blockchain companies, such as Canaan and has broad influence and appeal in the industry. In 2018, Mr. Yao is one of the founders of Grand Shores Global Blockchain Ten-Billion Innovation Fund.

## NON-EXECUTIVE DIRECTORS

**Mr. Chua Seng Hai ("Mr. Chua")**, aged 63, was appointed as the Director on 18 May 2016 and re-designated as the executive Director and appointed as the chairman of the Board on 5 July 2016. He was re-designated as non-executive Director, and had resigned as the chairman of the Board on 30 June 2018. He also held directorships in various subsidiaries of the Group. Mr. Chua has over 25 years of experience in the provision of integrated building services and in the building and construction industry in Singapore. Mr. Chua worked at JVL Engineering Pte Ltd as a manager from January 1999 to November 2005 and he was also a director of HAM Engineering Pte Ltd from March 1997 to November 2005.

Mr. Chua obtained the National Trade Certificate Grade 3 in Electrical Fitting & Installation (Industrial) (Practical and Theory Parts) and in Electrical Fitting & Installation (Domestic) (Practical and Theory Parts) from the Vocational and Industrial Training Board (currently known as The Institute of Technical Education) of Singapore in August 1979. He is registered with the Building and Construction Authority as a building construction safety supervisor. He is also a licensed electrician registered with the Energy Market Authority in Singapore.

Mr. Chua is the spouse of Ms. Bek Poi Kiang (member of the senior management of the Group).

**Ms. Lu Xuwen ("Ms. Lu")**, aged 33, was appointed as a non-executive Director on 8 October 2018. She is also a director of various subsidiaries of the Group. Ms. Lu holds a degree in finance, accounting and management from the University of Nottingham and a master degree in finance from Tulane University. Since 2016 and prior to joining the Company, Ms. Lu has been the board secretary of Hangzhou Tunlan. Mr. Yao Yongjie, the chairman of the Board and an executive Director, is the controlling shareholder of Hangzhou Tunlan, and is a partner and the chairman of Hangzhou Tunlan.

# BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

**Ms. Yu Zhouchen ("Ms. Yu")**, aged 31, was appointed as a non-executive Director on 1 March 2021. She is also a director of various subsidiaries of the Group. Since March 2018, Ms. Yu has been an investment manager of Hangzhou Tunlan. Prior to joining Hangzhou Tunlan, Ms. Yu has been an account manager of Google Advertising (Shanghai) Co., Ltd.*（谷歌廣告（上海）有限公司）from August 2017 to March 2018. Ms. Yu holds a bachelor degree in public utilities management from Shantou University and a master degree in knowledge management from Nanyang Technological University.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chu Chung Yue, Howard ("Mr. Chu")**, aged 75, was appointed as an independent non-executive Director on 30 June 2018. Mr Chu is currently serving as an independent non-executive Director and the Chairman of the Audit Committee for Yunfeng Financial Group Limited (stock code: 376), a financial services company listed on the Main Board of the Stock Exchange.

Mr. Chu was the vice president, Asia and chief representative, China of a major Canadian mining company Teck Resources Limited. Mr. Chu was responsible for the development of the company's business opportunities in China. Mr. Chu held various senior positions with this company including Corporate Controller and was the vice president, Asia and chief representative, China from 2007 to April 2011.

Mr. Chu graduated in the Commerce Program of the University of British Columbia in 1974 and qualified as a professional accountant with the Canadian Institute of Chartered Professional Accountants in 1978.

**Mr. Li Kanlin ("Mr. Li")**, aged 34, was appointed as an independent non-executive Director on 20 May 2022. Mr. Li has been an investment development supervisor of EGO Group Co., Ltd. from April 2021 to April 2022. Prior to that, Mr. Li has held various positions in several companies, including an industry research commissioner of Six Degrees Information Technology (Hangzhou) Co., Ltd. from March 2020 to September 2020; a project manager of Hangzhou Canaan Creative Technology Co., Ltd. from February 2018 to December 2019; a vice general manager of Zhejiang Yousika Automobile Sales Co., Ltd. from October 2015 to February 2018; a risk control commissioner of Hangzhou Miyun Technology Co., Ltd. from February 2015 to August 2015; and a project manager of Hangzhou Jielan Information Technology Co., Ltd. from February 2013 to February 2015.

Mr. Li holds a bachelor degree in finance from Zhejiang University and a diploma in computer information management from China Central Radio and TV University (now known as The Open University of China).

**Mr. Fan Jianyin ("Mr. Fan")**, aged 50, was appointed as an independent non-executive Director on 14 October 2022. Mr. Fan is currently the general manager of Zhejiang Yifeng Asset Management Co., Ltd. since September 2015. Prior to that, Mr. Fan has held various positions in several companies, including the general manager of Ningbo Yuandao Traffic Technology Co., Ltd. from January 2011 to September 2015; the general manager of Hangzhou Feisien Clothing Co., Ltd. from January 2006 to December 2010; the general manager of Ningbo Free Trade Zone Polar Network Co., Ltd. from August 2000 to December 2005; the general manager of the Software Division of Ningbo Software Development Centre, Institute of Software Chinese Academy of Sciences from December 1998 to August 2000; a manager of Enterprise Resource Planning (ERP) Business Division of Ningbo Yonyou Software Co., Ltd. from December 1997 to December 1998; and a finance department staff of Ningbo Chenghuang Temple Industrial Co., Ltd. from July 1995 to December 1997.

Mr. Fan obtained a certificate of two-year professional study in financial accounting (computerized) from Shanghai College of Building Materials Industry (now merged into Tongji University) in 1995. In addition, Mr. Fan obtained an advanced certificate of financial investment and capital operation president high-end class from Zhejiang University in 2013.

* for identification purpose only

# BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

## SENIOR MANAGEMENT

**Ms. Bek Poi Kiang ("Mrs. Chua")**, aged 64, Mrs. Chua is an associate director of SH Integrated Services Pte. Ltd. ("**SH Integrated**"), an indirect wholly-owned subsidiary of the Company. Mrs. Chua has accumulated more than 10 years of experience in our business and operations.

Mrs. Chua is the spouse of Mr. Chua Seng Hai (non-executive Director).

## COMPANY SECRETARY

**Mr. Wong Ngai ("Mr. Wong")**, aged 43, was appointed as the company secretary of the Company on 16 August 2018. Mr. Wong joined the Group as group financial controller in June 2018 and was promoted to the Chief Financial Officer of the Group in 2019. Mr. Wong is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. He is also an associate member of both The Chartered Governance Institute (previously known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (previously known as The Hong Kong Institute of Chartered Secretaries).

# CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability.

The Company has adopted the corporate governance code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). To the best knowledge of the Board, the Company has complied with the CG code for the Review Year, save for the deviation from code provision C.2.1 of the CG Code as set out in the section headed "Chairman and Chief Executive" of this report.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the required Model Code's standard for the Review Year.

## THE BOARD

## COMPOSITION

As at the date of this report, the Board is chaired by Mr. Yao Yongjie and comprised seven members including one executive Director, three non-executive Directors and three independent non-executive Directors.

Biographical details of the Directors are set out in the section headed "Biographical Details of the Directors and Senior Management" in this report. Save as disclosed in the aforesaid section, there are no financial, business, family or other material/relevant relationships among members of the Board.

**Executive Director**

Mr. Yao Yongjie *(Chairman)*

**Non-Executive Directors**

Mr. Chua Seng Hai
Ms. Lu Xuwen
Ms. Yu Zhuochen

**Independent Non-Executive Directors**

Mr. Chu Chung Yue, Howard
Mr. Li Kanlin
Mr. Fan Jianyin

## BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on meritocracy, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

The nomination committee of the Board has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the Board Diversity Policy for the Review Year.

## CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual.

During the Review Year, the role of the Chairman of the Board is performed by Mr. Yao Yongjie, while the office of the Chief Executive Officer of the Company has been vacated following the resignation of Mr. Li Wei since 23 July 2021. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the Chief Executive Officer as appropriate.

## TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company for a term of three years.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

For the year ended 31 March 2024 and up to the date of this report, the Company has three independent non-executive Directors representing more than one-third of the Board, which is in compliance with Rules 3.10(1) and 3.10A of the Listing Rules. In compliance with Rule 3.10(2) of the Listing Rules, one of the independent non-executive Directors, namely Mr. Chu Chung Yue, Howard, possesses professional accounting qualifications, or financial management expertise.

In accordance with the Rule 3.13 of the Listing Rules, each of the current independent non-executive Directors, namely Mr. Chu Chung Yue, Howard, Mr. Li Kanlin and Mr. Fan Jianyin have confirmed their independence for the Review Year.

## APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

In accordance with the Company's articles of association (the "**Articles**"), all the Directors are subject to retirement by rotation at least once every three years. Any new Director appointed by the Board (i) to fill a casual vacancy in the Board shall hold office only until the first general meeting of the Company following his/her appointment and shall be subject to re-election at such meeting; and (ii) as an addition to the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

# CORPORATE GOVERNANCE PRACTICES

## ROLE AND RESPONSIBILITIES

The Board is responsible for the overall management of the Group and all day-to-day operations and management of the Group's business has been delegated to management under the leadership of the Chief Executive Officer of the Group.

The principal roles of the Board are:

- set long term objectives and strategies;
- approve major policies and guidelines;
- prepare and approve financial statements, annual report and interim report;
- approve major capital expenditures, acquisition and disposals;
- approve connected transactions;
- approve material borrowings and expenditures;
- review and monitor internal control and risk management; and
- declare and recommend the payments of dividends.

The Board is also responsible for the corporate governance functions of the Company, which includes:

- develop and review the Company's policies and practices on corporate governance;
- review and monitor the training and continuous professional development of directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and
- review the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the Review Year, the Board reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

## DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Group acknowledges the importance of adequate continuing professional development for the Directors for a sound and effective internal control system and corporate governance. In this regard, the Group has always encouraged our Directors to attend relevant training courses to receive the latest news and knowledge regarding corporate governance. During the Review Year, the Company provided internal trainings and in-house briefings to the Directors to ensure awareness of best corporate governance practices. The Company also periodically circulated reading materials relating to the general business, investment, or director's duties and responsibility to all the Directors. In addition, the Group will, if necessary, provide timely and regular trainings to the Directors to ensure that they keep abreast with the current requirements under the Listing Rules.

During the Review Year, all current Directors have participated in continuous professional development as shown below:

| | Reading relevant matters in relation to listing rules update and corporate governance |
|---|---|
| *Executive Director:* | |
| Mr. Yao Yongjie | ✓ |
| *Non-Executive Directors:* | |
| Mr. Chua Seng Hai | ✓ |
| Ms. Lu Xuwen | ✓ |
| Ms. Yu Zhuochen | ✓ |
| *Independent Non-Executive Directors:* | |
| Mr. Chu Chung Yue, Howard | ✓ |
| Mr. Li Kanlin | ✓ |
| Mr. Fan Jianyin | ✓ |

## BOARD PROCESS

The Group has in place a clear board process. Regular Board meetings are scheduled at least four times per year. Directors receive at least 14 days' prior written notice of regular Board meetings and agenda. The Board papers, including supporting analyses and relevant background information, are normally sent to all Directors at least three days before the Board meeting. For other Board meetings, Directors are given as much notice as possible in the circumstances. Directors may include any matters they wish to discuss in the agenda.

Minutes of the Board committee meetings are prepared and kept by the company secretary of the Group, and are open for inspection by Directors upon request. All Directors have access to the advice and services of the company secretary, and are allowed to seek external professional advice if needed.

# CORPORATE GOVERNANCE PRACTICES

During the Review Year, 6 Board meetings and 2 general meetings were held and the attendance record of each Director is set out below:

| | Number of Board meeting attended/held | Number of general meeting attended/held |
|---|---|---|
| *Executive Director:* | | |
| Mr. Yao Yongjie | 6/6 | 2/2 |
| *Non-Executive Directors:* | | |
| Mr. Chua Seng Hai | 4/6 | 2/2 |
| Ms. Lu Xuwen | 6/6 | 2/2 |
| Ms. Yu Zhuochen | 5/6 | 2/2 |
| *Independent Non-Executive Directors:* | | |
| Mr Chu Chung Yue, Howard | 5/6 | 2/2 |
| Mr. Li Kanlin | 5/6 | 2/2 |
| Mr. Fan Jianyin | 5/6 | 2/2 |

## BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three board committees to oversee specific aspects of the Group's affairs, namely audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**"). Each board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each board committee has also been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances at the Group's expense.

## AUDIT COMMITTEE

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee currently consists of three members who are all independent non-executive Directors, namely, Mr. Chu Chung Yue, Howard, Mr. Li Kanlin and Mr. Fan Jianyin. Mr. Chu Chung Yue, Howard is the chairman of the Audit Committee.

During the Review Year, 3 meetings of the Audit Committee were held and the attendance record of each member of the Audit Committee is set out below:

| **Committee members** | **Number of meeting attended/held** |
|---|---|
| Mr. Chu Chung Yue, Howard *(Chairman)* | 3/3 |
| Mr. Li Kanlin | 3/3 |
| Mr. Fan Jianyin | 3/3 |

The following is a summary of the work performed by the Audit Committee during the Review Year:

- Review and discuss the annual financial statements, results announcements and reports, the related accounting principles and practices adopted by the Group and the relevant audit findings;
- Review and discuss the risk management and internal control system of the Group;
- Review and discuss the internal audit plan and reports issued; and
- Discuss and recommend the re-appointment of external auditors.

There had been no disagreement between the Board and the Audit Committee during the Review Year and up to the date of this report.

## REMUNERATION COMMITTEE

The Remuneration Committee currently consists of Mr. Yao Yongjie, Ms. Lu Xuwen and all of the independent non-executive Directors, namely Mr. Li Kanlin, Mr. Chu Chung Yue, Howard and Mr. Fan Jianyin. Mr. Li Kanlin is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to our Directors on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of the Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

The remuneration of the Directors and senior management is determined with reference to the responsibilities, workload, the time devoted and the performance of the Group. The Remuneration Committee also ensures that no individual will be involved in determining his/her own remuneration.

During the Review Year, the remuneration of senior management is listed as below by band:

| **Band of remuneration *(HK$)*** | **No. of person** |
|---|---|
| HK$1,000,001 to HK$1,500,000 | 2 |
| | 2 |

Further details of the remuneration of the Directors and the 5 highest paid employees is set out in note 12 to the consolidated financial statements.

During the Review Year, 2 meetings of the Remuneration Committee were held and the attendance record of each member of the Remuneration Committee is set out below:

| Committee members | Number of meeting attended/held |
|---|---|
| Mr. Li Kanlin *(Chairman)* | 2/2 |
| Mr. Yao Yongjie | 2/2 |
| Ms. Lu Xuwen | 2/2 |
| Mr. Chu Chung Yue, Howard | 2/2 |
| Mr. Fan Jianyin | 2/2 |

The following is a summary of the work performed by the Remuneration Committee during the Review Year:

- Review on the remuneration packages for individual Directors and senior management and make recommendations to the Board.

## NOMINATION COMMITTEE

The Nomination Committee currently consists of Mr. Yao Yongjie, Ms. Lu Xuwen and all of the independent non-executive Directors, namely Mr. Chu Chung Yue, Howard, Mr. Li Kanlin and Mr. Fan Jianyin. Mr. Yao Yongjie is the chairman of the Nomination Committee.

The primary duties of our Nomination Committee are (i) to review the structure, size, composition and diversity of our Board on a regular basis; (ii) to identify individuals suitably qualified to become Board members; (iii) to assess the independence of independent non-executive Directors; (iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors; and (v) to make recommendations to the Board regarding candidates to fill vacancies on the Board and/or in senior management.

During the Review Year, 1 meeting of the Nomination Committee was held and the attendance record of each member of the Nomination Committee is set out below:

| Committee members | Number of meeting attended/held |
|---|---|
| Mr. Yao Yongjie *(chairman)* | 1/1 |
| Ms. Lu Xuwen | 1/1 |
| Mr. Chu Chung Yue, Howard | 1/1 |
| Mr. Li Kanlin | 1/1 |
| Mr. Fan Jianyin | 1/1 |

The following is a summary of the work performed by the Nomination Committee during the Review Year:

- Review the structure, size and composition of the Board and make recommendations to the Board regarding any proposed changes;
- Assess the independence of the independent non-executive Directors; and
- Make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors.

The nomination policy stipulated the key nomination criteria and procedures for identifying and nominating suitably qualified candidates to join the Board. The selection criteria specified in the nomination policy include:

**1. Selection Criteria**

— in assessing the suitability of a proposed candidate, the Nomination Committee will consider the factors (as reference), including reputation, integrity, accomplishment and relevant experience in relation to the principal businesses of the Company from time to time, commitment in respect of available time and relevant interest, diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate;

— retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting. For those who have served as INEDs for a period of nine consecutive years standing for re-election, the Nomination Committee will consider the independence of such Director for nomination by the Board to stand for election at a general meeting and state the reason in the circular to the Shareholders for the re-election;

— candidate(s) will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as Director(s) and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as Director(s); and

— the Nomination Committee may request candidate(s) to provide additional information and documents, if considered necessary.

**2. Nomination Procedures**

— the secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidate(s) from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidate(s) who are not nominated by Board members;

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

- — until the issue of the circular to be sent to the Shareholders, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting;

- — in order to provide information of the candidate(s) nominated by the Board to stand for election at a general meeting, and to invite nominations from the Shareholders, a circular will be sent to the Shareholders. The circular will set out the lodgment period for the Shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidate(s) will be included in the circular to the Shareholders;

- — the Shareholder can serve a notice to the company secretary within the lodgement period of its intention to propose a resolution to elect a certain person as Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidate(s) set out in the circular to be sent to the Shareholders. The particulars of the candidate(s) so proposed will be sent to all Shareholders for information by a supplementary circular;

- — a candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the company secretary;

- — the Board shall have the final decision on all matters relating to its recommendation of candidate(s) to stand for election at any general meeting; and

- — as there may be more candidate(s) than the vacancies available, and the "gross-vote" method will be used to determine who shall be elected as Director, the resolutions proposed for the candidate(s) by the Shareholders shall therefore take the same form as the resolutions proposed for the candidate(s) recommended by the Board.

In respect of the Diversity Policy (as defined below), the Board is cognisant of the benefits of diversity and the Nomination Committee monitors implementation of this policy as part of the process of selecting and nominating candidates for appointment to the Board. Candidates are considered against the broad and diverse range of aspects specified in the nomination policy, which among other aspects also include gender, ethnicity and cultural background.

The role and function of the Nomination Committee are as follows:

(a) to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable individuals, the Nomination Committee shall consider individuals on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;

(c) to assess the independence of INEDs;

(d) review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and

(e) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future.

(f) where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

— the process used for identifying the individual why the board believes the individual should be elected and the reasons why it considers the individual to be independent;

— if the proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, why the board believes the individual would still be able to devote sufficient time to the Board;

— the perspectives, skills and experience that the individual can bring to the Board; and

— how the individual contributes to diversity of the Board.

(g) the chairman or another member of the committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the committee's activities and responsibilities.

The Nomination Committee has been provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Diversity Policy and its terms of reference, if considered necessary.

## DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors also acknowledge their responsibility to ensure the financial statements are published in a timely manner. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The Auditor's reporting responsibilities are set out in the section headed "Independent Auditor's Report" in this report.

## AUDITOR'S REMUNERATION

For the Review Year, total fees paid/payable to McMillan Woods (Hong Kong) CPA Limited, the Group's auditor, amounted to S$167,527 for audit services. For the Review Year, total fee paid to Crowe (HK) CPA Limited, the Group's former auditor, amounts to S$14,668 for non-audit services.

# CORPORATE GOVERNANCE PRACTICES

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management and internal control systems, and for reviewing its effectiveness.

In meeting such responsibility, the management of the Group conducts internal audit through internal audit function which includes analysis and appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. The management then reviews the findings and summarises all material issues to the Board and Audit Committee annually.

In particular, the Group has established guidelines and procedures for the approval and control of expenditures, to ensure the reliability of the financial reporting, effectiveness and efficiency of operation and the compliance with applicable laws and regulations. Whilst these guidelines and procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material misstatement, errors, losses, fraud or non-compliance.

The Board considers that the Group has put in place adequate measures to perform the internal audit function at different aspects of the Group. The Audit Committee and the Board have reviewed and are satisfied with the effectiveness and efficiency of the risk management and internal control systems of the Group.

## INSIDE INFORMATION POLICY

The Group has established policy for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Procedures such as limit access to inside information to those who need to know and requiring external parties to execute confidentiality agreement have been implemented by the Company to guard against mishandling of inside information. The Group also reminds those relevant personnel and other professional parties to preserve confidentiality of the inside information until it is publicly disclosed.

## COMPANY SECRETARY

On 16 August 2018, the Board appointed Mr. Wong Ngai as the company secretary of the Company.

During the Review Year, Mr. Wong Ngai has taken no less than 15 hours of relevant continuous professional trainings to update his skills and knowledge.

## SHAREHOLDERS' RIGHTS

### PROCEDURES FOR CONVENING GENERAL MEETINGS BY SHAREHOLDERS

Pursuant to article 58 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting.

Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the secretary of the Company by mail at Unit 1503, 15/F, Greenfield Tower Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING

Shareholders are requested to follow article 58 of the Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Procedures for Convening General Meetings by Shareholders".

Pursuant to article 85 of the Articles, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

### PROCEDURES BY WHICH ENQUIRIES MAY BE PUT TO THE BOARD

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are welcomed to send their enquiries to the Board by post to the principal place of business in Hong Kong set out in the section headed "Corporation Information" in this report.

# CORPORATE GOVERNANCE PRACTICES

## INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community. The Company has established a shareholders communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to annual and interim reports, circulars, announcements and notices of annual general meetings are updated on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.grandshorestech.com).

In addition, the Company regards the annual general meeting as an important event as it provides an opportunity for direct communication between the Board and its shareholders. Shareholders are encouraged to attend the annual general meeting, where all Board members and external auditors are available to answer questions on the Group's business.

## SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

During the Review Year, there had been no significant changes in the constitutional documents of the Company.

The Board is pleased to submit this annual report together with the audited consolidated financial statements of the Group for the Review Year.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company, and the principal activities of its principal subsidiaries are set out in note 30 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 4 to 10 of this Annual Report. This discussion forms part of this directors' report.

## RESULTS

The results of the Group for the Review Year are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 65 in this report.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the Review Year are set out in note 28 to the consolidated financial statements.

## RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and the Company during the Review Year are set out in the consolidated statement of changes in equity on page 68 and note 35 to the consolidated financial statements.

The Company did not have distributable reserve as at the end of the Review Year, calculated under the Companies Law of Cayman Islands, as it has accumulated losses.

## FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Review Year.

## DIVIDEND POLICY

Apart from compliance with the applicable legal requirements, the Company adopts a policy to set out key considerations for arriving at the dividend payment decision. Dividend payout will be decided or recommended by the Board after taking into account of the Group's immediate as well as expected prevailing financial performance, cash flow, financial position, capital commitments and future requirements as well as the general business and economic environments.

The Board will review this policy from time to time with reference to its future prospect, capital requirements and other changing circumstances both internally and externally.

# DIRECTORS' REPORT

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Review Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Review Year are set out in note 15 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

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

## EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme (as defined below), no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the Review Year.

## DIRECTORS

The Directors of the Company during the Review Year and up to the date of this report are:

*Executive Director:*
Mr. Yao Yongjie *(Chairman)*

*Non-Executive Directors:*
Mr. Chua Seng Hai
Ms. Lu Xuwen
Ms. Yu Zhuochen

*Independent Non-Executive Directors:*
Mr. Chu Chung Yue, Howard
Mr. Li Kanlin
Mr. Fan Jianyin

The Company has received, from each of the current independent non-executive Directors, an annual confirmation of his/her independence pursuant to the Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

## DIRECTORS' SERVICE CONTRACTS

Mr. Yao Yongjie has entered into a service contract with the Company which is not for a fixed term and could be terminated by either party by giving a specified prior notice.

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company for a term of three years.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming AGM has a service contract or letter of appointment with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## COMPETING INTERESTS

During the Review Year, none of the Directors had, either directly or indirectly, an interest in a business which may cause any significant competition with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 154.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Saved as disclosed under the section heading "Connected Transactions", no other transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company, or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 11 to 13.

## DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in note 12 to the consolidated financial statements.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Review Year.

## CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed elsewhere in this annual report, during the Review Year, these was no change of information which are required to be disclosed by Directors pursuant to paragraph (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

## INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") were as follows:

***Long position in ordinary shares of the Company***

| Name of Director | Capacity/nature | Number of shares held/interested | Approximate percentage of shareholding |
|---|---|---|---|
| Mr. Yao Yongjie ("**Mr. Yao**") | Through a controlled corporation and directly beneficially owned | 366,175,000 *(Note 1)* | 30.64% |

*Note:*

(1) As at 31 March 2024, 365,175,000 shares were directly held by Morgan Hill Holdings Limited ("**Morgan Hill**") which is owned as to 51% by Great Scenery Ventures Limited ("**Great Scenery**"), a company 50% owned by each of Mr. Yao and Mr. Yao Zeqian. Mr. Yao Zeqian is the son of Mr. Yao. 1,000,000 shares were personally owned by Mr. Yao.

***Long position in underlying shares of the Company***

Save as disclosed above, as at 31 March 2024, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2024, the interests and short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

***Long position in ordinary shares of the Company***

| **Name** | **Capacity and nature of interest** | **Number of shares held** | **Percentage of the Company's total issued share capital** |
|---|---|---|---|
| *Substantial shareholders* | | | |
| Morgan Hill | Directly beneficially owned | 365,175,000 *(Note 1)* | 30.56% |
| Great Scenery *(Note 2)* | Through a controlled corporation | 365,175,000 *(Note 1)* | 30.56% |
| Emperor Grand International Limited ("**Emperor Grand**") *(Note 3)* | Through a controlled corporation | 365,175,000 *(Note 1)* | 30.56% |
| Mr. Zhu Guangping ("**Mr. Zhu**") *(Note 3)* | Through a controlled corporation | 365,175,000 *(Note 1)* | 30.56% |
| Mr. Yao Zeqian *(Note 2)* | Through a controlled corporation | 365,175,000 *(Note 1)* | 30.56% |
| *Other persons* | | | |
| Mr. Liu Zihao | Directly beneficially owned | 100,000,000 | 8.37% |
| Mr. Leung Shek Kong | Directly beneficially owned | 66,665,000 | 5.58% |

*Notes:*

(1) The shareholding interests in 365,175,000 shares of the Company represent the same block of shares.

(2) Great Scenery's deemed shareholding interests were held by virtue of its 51% shareholding interests in Morgan Hill. Great Scenery is 50% owned by each of Mr. Yao and Mr. Yao Zeqian. Mr. Yao Zeqian is the son of Mr. Yao.

(3) Emperor Grand's deemed shareholding interests were held by virtue of its 49% shareholding interests in Morgan Hill. Emperor Grand is wholly and beneficially owned by Mr. Zhu.

Save as disclosed above, as at 31 March 2024, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Interests of Directors and Chief Executive in Shares, Underlying Shares and Debentures" above, had any interests or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 5 January 2017 (the "**Adoption Date**"). The Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date until 4 January 2027. 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 provide an incentive or a reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest ("**Invested Entity**").

The participants of the Share Option Scheme shall be:

(1) any employee (whether full-time or part-time) of the Company, any of the subsidiaries and any Invested Entity;

(2) any director (including executive, non-executive and independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;

(3) any supplier of goods or services to any member of the Group or any Invested Entity;

(4) any customer of the Group or any Invested Entity;

(5) any consultant, adviser, manager, officer or entity that provides research, development or other technological support to the Group or any Invested Entity; or

(6) any person who, in the sole discretion of the Board, has contributed or may contribute to the Group or any Invested Entity eligible for options under the Share Option Scheme.

With effect from 1 April 2023, definition of eligible participants of the Share Option Scheme has complied with Rule 17.03A(1) of the Listing Rules.

The total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue. The number of share options available for grant under the scheme mandate of the Share Option Scheme at 1 April 2023 and 31 March 2024 are 103,054,000.

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant. The minimum period for which an option must be held before it can be exercised is determined by the Board upon the grant of an option. With effective from 1 April 2023, the company has complied with Rule 17.03F of the Listing Rules.

A consideration of S$1 is payable on acceptance of the offer of grant of an option where the grantee should accept or decline the offer of grant of an option within the date as specified in the offer letter issued by the Company, being a date not later than 21 business days from the date upon which it is made. The exercise price of a share in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the higher of: (1) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, (2) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant, and (3) the nominal value of a share on the date of grant.

During the Review Year, 30,000,000 share options were lapsed and no share options were granted, exercised or cancelled under the share option scheme.

At 31 March 2024, the Directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 31 March 2024 was HK$0.074) granted for a consideration of S$1 under the Share Option Scheme.

| | Date granted | No. of options outstanding as at 1 April 2023 | Movements during the Review Year No. of options granted | No. of options exercised | No. of options lapsed | No. of option outstanding as at 31 March 2024 | Period which options are exercisable | Exercise price per share *HK$* | Market value of share at date of grant of options *HK$* |
|---|---|---|---|---|---|---|---|---|---|
| **Employees** | 16 May 2019 *(Note 1)* | 1,000,000 | – | – | (1,000,000) | – | 50% share options: 16 May 2020 to 15 May 2023<br>50% share options: 16 May 2021 to 15 May 2023 | 1.17 | 1.17 |

Other participants are consultants of the Group or persons to be employed by the Group. The Group engaged these consultants for providing advice on its business projects and investor relations matters. The share options are granted to these consultants as service fees. The Board considers that the grant of share options to these consultants provides motivations and incentives for them to contribute to the success and development of the Group. Details of each consultant are set out below:

| | Date granted | No. of options outstanding as at 1 April 2023 | Movements during the Review Year No. of options granted | No. of options exercised | No. of options lapsed | No. of options outstanding as at 31 March 2024 | Period which options are exercisable | Exercise price per share *HK$* | Market value of share at date of grant of options *HK$* |
|---|---|---|---|---|---|---|---|---|---|
| **Consultants** | | | | | | | | | |
| Ms Peng Cheng | 15 May 2019 *(Note 2)* | 5,000,000 | – | – | (5,000,000) | – | Exercise of the Share Options is subject to Grantee meeting the performance targets as determined by the Company and is valid until four years from the Date of Grant. | 1.20 | 1.19 |
| Ms Ma Jingping | 16 May 2019 *(Note 1)* | 10,000,000 | – | – | (10,000,000) | – | 50% of share options: 16 May 2020 to 15 May 2023<br>50% of share options: 16 May 2021 to 15 May 2023 | 1.17 | 1.17 |
| Ms Gao Ya | | 10,000,000 | – | – | (10,000,000) | – | | | |
| Ms Lin Yanxi | | 1,000,000 | – | – | (1,000,000) | – | | | |
| Ms Wang Tingting | | 1,000,000 | – | – | (1,000,000) | – | | | |
| Mr Hong Jiangxin | | 1,000,000 | – | – | (1,000,000) | – | | | |
| Mr Chen Ye | | 1,000,000 | – | – | (1,000,000) | – | | | |

*Notes:*

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

2. The exercise of the share options is subject to the grantee meeting the performance targets as determined by the Company. The share options shall be vested upon the date of grant.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed in this report, at no time during the Review Year and up to the date of this report was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

## PERMITTED INDEMNITY PROVISIONS

During the year ended 31 March 2024 and up to the date of this report, the Company has in force permitted indemnity provisions for the benefits of the directors of the Company (including former directors) or of its associated companies.

## MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the Review Year attributable to the Group's major customers and suppliers are as follow:

**SALES**

| | | |
|---|---|---|
| — | the largest customer | 22.33% |
| — | five largest customers | 56.88% |

**PURCHASES**

| | | |
|---|---|---|
| — | the largest supplier | 40.44% |
| — | five largest suppliers | 51.99% |

At no time during the year have the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major customers and/or suppliers noted above.

## RELATED PARTIES TRANSACTIONS

During the Review Year, details of the significant related party transactions undertaken in the normal course of business are set out in the note 29 to the consolidated financial statements, and none of which constitutes a disclosable connected transaction as defined under the Listing Rules.

## CONNECTED TRANSACTION

During the Review Year, the Company has no connected transaction which is subject to the reporting, annual review, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules.

## SUBSIDIARIES

Details of the subsidiaries of the Company are set out in note 30 to the consolidated financial statements.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules as at the date of this report.

## RETIREMENT SCHEME

The Group participates in the Central Provident Fund in Singapore, Mandatory Provident Fund Scheme in Hong Kong and the state-managed retirement benefits schemes in the PRC, which are defined contribution retirement plans, when employees have rendered service entitling them to the contributions. Save as the aforesaid, the Group did not participate in any other pension schemes during the Review Year.

The Group has no forfeited contributions (by employers on behalf of employees who leave the defined contribution scheme prior to vesting fully in such contributions) to offset existing level of contribution during the Review Year (2023: S$Nil).

## ENVIRONMENTAL POLICIES

The environmental policies and performance of the Group are provided in the section headed "Environmental, Social and Governance Report" in this report.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group fully complies with all laws and regulations and regularly monitors and gathers information about changes in laws, rules and regulations relevant to the Group's businesses to ensure the Group's observance of those applicable laws, rules and regulations, especially those which may have material impact on the Group.

## EVENTS AFTER THE REPORTING PERIOD

Details of the significant events which have been taken place subsequent to 31 March 2024 are set out in note 38 to the consolidated financial statements.

## AUDITORS

On 5 January 2024, Crowe (HK) CPA Limited ("**Crowe**") has resigned as the auditor of the Group with effect from 5 January 2024 as Crowe and the Company could not reach a consensus in respect of the audit fee of the Company for the year ending 31 March 2024. Crowe has confirmed in writing that there are no circumstances connected with its resignation which should be brought to the attention of the shareholders of the Company. With the recommendation from the Audit Committee, McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**") has been appointed by the Board as the new auditor of the Company with effect from 5 January 2024 to fill the casual vacancy following the resignation of Crowe and to hold office until the conclusion of the next annual general meeting.

The consolidated financial statements for the Review Year have been audited by McMillan Woods (Hong Kong) CPA Limited, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

By Order of the Board
**Grandshores Technology Group Limited**
**Yao Yongjie**
*Chairman*

Hong Kong, 28 June 2024

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

The Group is principally located in Singapore and providing integrated building services, with a focus on maintenance and/or installations of mechanical and electrical systems including minor repairs and improvement works, and undertaking building and construction works in Singapore. The Group is also engaging in information technology development and application business.

The Group is pleased to publish the environmental, social and governance ("**ESG**") report ("**ESG Report**"), which summarised the ESG management approaches, environmental and social performance of the Group for the year ended 31 March 2024 (the "**Review Year**").

## BOARD STATEMENT

The Board of Directors (the "**Board**") values environmental sustainability and has been striving to integrate the concept into every part of the Group's daily business operations. The Board has incorporated the ESG issues into the Group's business strategy. To enhance the Group's resilience and adaptive capacity to potential ESG-related risks and opportunities, all potential ESG issues are covered and evaluated in the annual risk assessment.

The Group has a well-established governance structure to effectively oversee its ESG issues and manage its sustainability performance. The Board has the ultimate responsibility for overseeing the Group's ESG-related risks and opportunities, establishing the ESG-related strategies and targets of the Group, and reviewing the Group's performance annually against the ESG-related targets.

Power and authority were delegated to the Group's executive committee and department heads to handle all ESG-related matters with work of formulating the ESG strategies, executing ESG plan, identifying ESG-related risk and achieving the ESG related goals set up by the executive committee. The Board required the executive committee to provide updates on ESG related laws and regulations, the process and difficulties during implementation.

The executive committee will also regularly review the implementation effectiveness of relevant ESG associated issues, environmental targets are being approved by the Board and required to be updated and cope with the latest regulatory requirements before issuance of ESG Report.

To ensure all the long-term sustainability goals and targets are relevant to the Group, the Board keeps track and continuously reviews the sustainability priorities through regular stakeholder engagement and embeds the results into the Group's sustainability initiatives and strategies. The Board also takes into consideration the industry practices, international trends, benchmarks against peers in setting and evaluating the Group's environmental and social key performance indicators as well as other ESG topics that are material to the Group's principal business.

## REPORTING BOUNDARIES AND PRINCIPLES

The boundary is consistent with the business units stated in the annual report, which covers the Group's business operations in relation to (i) provision of maintenance and/or installations of mechanical and electrical systems including minor repairs and improvement works; (ii) provision of building and construction works; and (iii) the Group's information technology development and application business, including provision of services related to blockchain technology and other internet applications, as well as digital assets trading.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ESG Report was prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKEX**") and is in adherence with the ESG reporting principles of materiality, quantitative, balance and consistency. In preparing the ESG Report, The Group has adopted the internationals standards and emission factors specified in the guidance materials on ESG issued by HKEX for computing the relevant KPIs, and there is no change from previous year in the way the ESG Report has been prepared, unless otherwise stated.

The Group has complied the Report in adherence with the following ESG reporting principles:

Materiality: The Group selected and identified material ESG issues that are significant to the stakeholders and the Group by stakeholder engagement and materiality assessment. The information of the materiality assessment has been disclosed in the relevant section under the ESG Report.

Quantitative: Information of the standards, methodologies, and source of conversion factors used, for the reporting of emissions and energy consumption has been disclosed. Please refer to the relevant section in the ESG Report for details.

Balance: The ESG Report presented the Group's environmental and social performance in an impartial basis to provide an objective reporting disclosure for readers.

Consistency: The methodology adopted for disclosing key environmental and social performance indicators is consistent with that of the previous review year.

## STAKEHOLDERS ENGAGEMENT

The Group believes that maintaining continuous communication with its stakeholders enables the Group to have a sound grasp of the potential impacts of its business strategies and make informed decisions. Being transparent and honest to the Group's stakeholders is one of the key activities to maintain sustainable development. The following table summarised the aspects that each stakeholder is concerned about and the corresponding communication channels:

| Stakeholders | Areas of Concerns and expectations | Communication channels |
|---|---|---|
| **Shareholders** | • Investment returns<br>• Sustainable business development<br>• Transparent financial information | • Company website<br>• General meetings<br>• Corporate reports and announcements |
| **Employees** | • Good work environment<br>• Business sustainability and job security<br>• Career development and promotion<br>• Remuneration and benefits, recognition and reward<br>• Career development<br>• Remuneration and benefits<br>• Occupational health and safety | • Emails and suggestion box<br>• Employee meeting<br>• Annual employee performance review<br>• Employee training<br>• Team building activities |
| **Customers** | • Quality product and services<br>• On-time delivery<br>• Reasonable prices and personal data protection | • Customer feedback and complaints<br>• Customer visit |
| **Suppliers/Subcontractors** | • Business opportunities, mutual beneficial relationship for sustainable business<br>• Fair and open competition<br>• Effective collaboration | • Supplier qualification and performance assessment<br>• On-going direct engagement<br>• Regular site inspection |

| Stakeholders | Areas of Concerns and expectations | Communication channels |
|---|---|---|
| **Regulatory agencies** | • Compliance with relevant laws and regulations<br>• Prevention of tax evasion<br>• Information disclosure and reporting materials | • Company website and announcements<br>• Inspections<br>• Tax returns and other information |
| **Community** | • Community development<br>• Employment opportunities<br>• Environmental protection<br>• Social welfare | • Community activities<br>• Press releases and announcements |

## MATERIALITY ASSESSMENT

To ensure the effectiveness of stakeholders engagement, the Group has conducted a materiality assessment in this ESG Report. The Group identified the following ESG issues based on the existing operations, and taking into the consideration of the disclosure requirements of "Environmental, Social and Governance Reporting Guide".

The Group will regularly review the material issues to ensure that the importance of each aspect of issues to different stakeholders can be accurately addressed. During the Review Year, no significant change in the material ESG issues was identified as there was no material change in the Group's operation scope.

The Group's materiality table for the Review Year is as follows:

| Subject Areas | Aspects | ESG issues |
|---|---|---|
| **A. Environmental** | A1: Emissions | Air emissions |
| | | Greenhouse gas emissions |
| | | Non-hazardous waste |
| | A2: Use of Resource | Energy saving |
| | | Water consumption |
| **B. Social** | B1: Employment | Employee policy |
| | B2: Health and Safety | Safe working environment and protecting employees from occupational hazards |
| | B3: Development and Training | Staff training |
| | B4: Labour Standards | Prohibition of child labour and forced labour |
| | B5: Supply Chain Management | Selecting suppliers and subcontractors based on their awareness of environmental and social responsibility |
| | B6: Services Responsibility | Services quality |
| | | Protecting customers' privacy |
| | B7: Anti-corruption | Anti-corruption |
| | B8: Community Investment | Community investment |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL

The Group endeavours to operate and develop its business in a sustainable manner by striking a balance between economic development and environmental protection. As such, the Group strives to minimise the negative impact on the environment resulting from its business operation. The Group has established an environmental management system in accordance with the ISO 14001 (Environmental Management System) for the provision of integrated building services works and building and construction works to govern ESG-related aspect of the Group's operations.

During the Review Year, the Group has complied with all applicable environmental protection laws and regulations in Singapore, including but not limited to the Environmental Public Health Act (Chapter 95), the Environmental Protection and Management Act (Chapter 94A), and the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations of Singapore.

### A1. Emissions

#### *A1.1 Air emissions from the use of vehicles*

The Group's air emissions are mainly derived from the combustion of fuels in motor vehicles. As at 31 March 2024, the Group owned 49 motor vehicles (as at 31 March 2023: 45) and the details of the air emissions data for the respective year set out as follows:

| | | For the year ended 31 March | |
|---|---|---|---|
| | **Unit** | **2024** | 2023 |
| Nitrogen oxides ($NO_x$) | kg | **1,772.11** | 1,543.73 |
| Sulphur oxides ($SO_x$) | kg | **3.12** | 2.77 |
| Particulate matter (PM) | kg | **164.68** | 143.47 |

Please refer to the paragraphs headed "A1.5. Measures to mitigate emissions" below in this section of the ESG Report for further details of fuel-saving practices.

### A1.2 Direct (scope 1) and indirect (scope 2 and 3) greenhouse gases ("GHG") emission

For GHG emission, the major direct emission (scope 1) is contributed by the combustion of fuels in motor vehicles, while the indirect emission (scope 2) is resulted from the electricity consumption and other indirect emission (scope 3) is resulted from the paper disposal. Details of the GHG emission data for the respective year set out as follows:

| | | For the year ended 31 March | |
|---|---|---|---|
| | **Unit** | **2024** | 2023 |
| Scope 1: Vehicle combustion | tonnes $CO_2e$ | **536.63** | 475.48 |
| Scope 2: Electricity consumption *(Note)* | tonnes $CO_2e$ | **97.43** | 76.79 |
| Scope 3: Paper disposal | tonnes $CO_2e$ | **13.51** | 10.37 |
| **Total GHG emissions** | **tonnes $CO_2e$** | **647.57** | **562.64** |
| Emission intensity | tonnes $CO_2e$/staff | **1.40** | 1.69 |

*Note:* Scope 2 GHG emission data is calculated based on "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX and the latest electricity grid emissions factors issued by Energy Market Authority of Singapore.

The usage of vehicles and paper depends on the number of projects and requirements of each project. As the amount of the integrated building services works and building construction works performed during the Review Year increased as compared to the year ended 31 March 2023, the usage of vehicles, electricity and paper increased accordingly. The overall emission intensity decreased during the Review Year as compared with the last reporting period, which was due to the fuel-saving measures, energy-saving measures and the Group's waste management as described below.

Please refer to the paragraphs headed "A1.5. Measures to mitigate emissions" and "A1.6. Waste management" below in this section of the ESG Report for further details of the fuel and energy-saving measures as well as the waste management.

### A1.3 Hazardous waste produced

Due to the business nature and to the best knowledge of the Directors, the Group did not generate any amount of hazardous waste in the course of its operation during the years ended 31 March 2024 and 2023.

### A1.4 Non-hazardous waste produced

In the building and construction projects, the Group typically subcontracts out the majority of the site works to subcontractors, and the Group's role is mainly to focus on project management and to ensure that the works are performed by its subcontractors properly and on a timely basis in accordance with the contract specifications and customers' requirements. Therefore, the Group considers that the construction and demolition waste produced by the Group as insignificant. The Group has its own policies in monitoring and managing environmental and social risks of its subcontractors. Please see the paragraph headed "B5. Supply chain management" below of the ESG Report for further details.

The major source of the Group's non-hazardous waste is the paper being disposed. Details of the paper usage for the respective year set out as follows:

| | | For the year ended 31 March | |
|---|---|---|---|
| | **Unit** | **2024** | 2023 |
| Paper usage | kg | **2,814.5** | 2,160.00 |
| Paper usage intensity | kg/staff | **6.11** | 6.49 |

The usage of paper depends on the number of projects and requirements of each project. As mentioned above, the amount of the integrated building services works and building construction works performed during the Review Year increased as compared to the year ended 31 March 2023, the usage of paper increased accordingly. The paper usage intensity decreased during the Review Year as compared with the last reporting period, which was primarily driven by the waste reduction practices as discussed below.

Please refer to the paragraphs headed "A1.6. Waste management" below in this section of the ESG Report for further details of waste reduction practices.

***A1.5 Measures to mitigate emissions***

All practicable practices are adopted to closely monitor and mitigate the environmental impact of the operations.

Although the Group is expected to expand its business operation and headcounts in the coming years, the Group targets to maintain its GHG emissions intensity derives from the combustion of fuels in motor vehicles and electricity consumption at the level no greater than the base line of the year ended 31 March 2022 in the coming years by the below measures.

For the air emission and GHG emissions derived from the combustion of fuels in motor vehicles, the Group has implemented the following measures, which includes but not limited to:

- Undergoing regular maintenance for the motor vehicles;
- Instructing drivers to switch off idling engines;
- Coaching its drivers to minimise fuel usage; and
- Closely monitoring the fuel consumption of its motor vehicles.

For the GHG emissions derived from the electricity consumption, the Group has implemented the following measures, which includes but not limited to:

- Switching off the lights, air-conditioners and electronic appliances when not in use;
- Placing reminders near all its switches to remind its employees to switch off all electricity when not in use;

- Designating a worker to be responsible to switch off all machines and equipment such as printers, lights, air-conditioners and fans at the end of the day; and

- Setting the temperature of the office's air conditioner to 25.5 Degree Celsius.

***A1.6 Waste management***

With the aim of minimising the environmental impacts from non-hazardous wastes generated from the business operations, the Group adopts green office practices to reduce paper usage and the impact on the environment. Employees in the Group have been encouraged to sort recycled wastes into appropriate containers.

Although the Group is expected to expand its business operation in the coming years, the Group targets to maintain paper consumption intensity at the level no greater than the base line of the year ended 31 March 2022 in the coming years by the below measures.

The Group encourages its employees to reduce paper consumption by (a) using electronic media for internal communication; (b) printing only when necessary; and (c) when printing is necessary, the employees are reminded to adapt the following measures, which includes but not limited to:

- Using suitable font size or shrinkage mode to minimise pages;

- Reusing single-sided paper to minimise paper usage, provided that the paper does not contain any confidential information;

- Deploying recycling bins to collect used paper products such as waste papers, posters, letters and envelopes;

- Using double-sided printing where feasible and appropriate;

- Writing on both sides of the papers where feasible and appropriate; and

- Bringing their own cup and avoid using paper cups.

**A2. Use of Resources**

The Group's policies on the efficient use of resources primarily reflect on the concept of "Reduce/Reuse/Recycle". Regular campaigns and training are provided to the Group's employees to cultivate such concept into their mindset. One of the Group's policies is the provision of recycling bins for different types of waste such as paper, drink cans and plastic bottles. Old and replaced air-conditioners, fans and other building systems from the provision of integrated building services works are sometimes reused in the Group's temporary site offices and meeting rooms (where appropriate).

### *A2.1 Energy consumption*

Details of the energy consumption for the respective year set out as follows:

| | Unit | Year ended 31 March 2024 | 2023 |
|---|---|---|---|
| Fuel consumption *(Note)* | kWh | **2,074,359.50** | 1,836,477.70 |
| Electricity consumption | kWh | **229,620.35** | 189,275.89 |
| **Energy consumption** | **kWh** | **2,303,979.85** | **2,025,753.59** |
| Energy consumption intensity | kWh/staff | **4,997.79** | 6,083.34 |

*Note:* The unit of fuel consumption data was converted from litre to kilowatt-hour based on "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX.

As mentioned above, the amount of the integrated building services works and building construction works performed during the Review Year increased as compared to the year ended 31 March 2023, the usage of vehicles and electricity increased accordingly. The energy consumption intensity decreased during the Review Year as compared with the last reporting period, which was due to the fuel-saving measures and energy-saving measures as described above.

Please also refer to the paragraphs headed "A1.5. Measures to mitigate emissions" above in this section of the ESG Report for the Group's fuel-saving and energy-efficient practices.

### *A2.2 Water consumption*

The Group does not primarily engage in businesses which produce a large amount of industrial waste water.

Details of the water consumption for the respective year set out as follows:

| | Unit | Year ended 31 March 2024 | 2023 |
|---|---|---|---|
| Water consumption | $m^3$ | **6,493.80** | 6,502.00 |
| Water consumption intensity | $m^3$/staff | **14.09** | 19.53 |

Despite the increasing amount of integrated building works and building construction works performed during the Review Year, the Group's water consumption remained relatively stable at approximately 6,500 cubic metre for the year ended 31 March 2024 and 2023. The water consumption intensity decreased during the Review Year as compared with the last reporting period, which was due to the water-saving practices as discussed below in the paragraph "A2.4 Sourcing water" in this section of the ESG Report for further details of water-saving practices.

### *A2.3 Energy efficiency target*

Although the Group is expanding its business operation and headcounts in the coming years, the Group targets to maintain its energy consumption intensity at the level no greater than the base line of the year ended 31 March 2022 in the coming years. Please also refer to the paragraphs headed "A1.5. Measures to mitigate emissions" above in this section of the ESG Report for the Group's energy-efficient practices.

***A2.4 Sourcing water***

The Group has not experienced any difficulties in sourcing water that is fit for purpose.

Notwithstanding the planned expansion of the Group in the coming years, the Group targets to maintain the water consumption intensity at the level no greater than the base line of the year ended 31 March 2022 in coming years by the following ways:

- Checking the Group's water consumption regularly and repair leakages and broken pipes in a timely manner;
- Placing notices near its water taps to remind its employees to turn off the tap after using; and
- Maintain regular inspections of water facilities, plumbing and flushing systems to prevent water dripping and leakage, in order to effectively eliminate water wastage.

***A2.5 Packaging material used***

Due to the nature of the Group's business, no packaging material is consumed in its business operation.

**A3. The Environment and Natural Resources**

Save as disclosed in the paragraphs headed "A1. Emissions" and "A2. Use of resources" above, the Group's operating activities have no significant impact on the environment and natural resources. Notwithstanding the aforementioned, the Group strives to minimise the negative environmental impacts. The Group has adopted an environmental management system and policies certified to be in compliance with the standard under ISO 14001. The Group also embarks on the Green & Gracious scheme initiated by the Building and Construction Authority. The implementation of the Green and Gracious practices enhance and complement the Group's environmental management system as well as raising the environmental consciousness and professionalism of the Group's project teams. From time to time, the Group will review and assess its actual and potential environmental-related risks regularly and formulate appropriate mitigation measures if necessary.

The Group is aware of its responsibility to the environment and the general public, hence the Group is dedicated to work closely with the communities affected by its business operation. Due to the business nature, the Group recognises its contract works potentially contribute to noise pollution and nuisance to the surrounding community and environment. Adhering to the applicable laws and regulations of construction noise control, the Group has deployed the following measures:

- Controlling noise at source and deploying of low emitting noise equipment/maintenance of equipment;
- Scheduling of activities to avoid time slot where surrounding neighbours can be adversely affected; and
- Setting up of noise monitoring system to ensure that noise emission is kept within limits.

### A4. Climate change

Extreme weather has been one of the most concerned issues in recent decades. The Group recognises that it may be exposed to the climate change risks which may have impact on the Group's business operations. As such, the Group has considered the potential climate-related risks in respect of the recommendations of the task force on climate-related financial disclosure, which are the physical risks such as extreme weather conditions and transition risks such as regulatory change or emerging technologies are summarised as below:

| Risks type | Potential implications | Mitigation strategy |
|---|---|---|
| Physical risks | • Acute physical risks: the increased severity of extreme weather events (e.g. heavy rain warning and hurricane) may cause damage to the Group's office buildings, site environment and construction equipment, which may lead to the delay in project timelines, the increased in operational costs, and the interruption of the Group's business operation; and<br><br>• Chronic physical risks: the changes in precipitation and weather patterns (e. g. flooding caused by heavy rainfall and heatwaves) and the rising temperatures may create hard working conditions for construction workers and result in submersion and damage to the office building and construction materials and equipment, thereby delaying project timelines. Additionally, more energy consumption caused by heatwaves may render higher operational and maintenance costs. | The precautionary measures include setting up work arrangements for extreme weather conditions such as heavy rain warning, hurricane, flooding and heatwaves. At construction site, the Group would install temporary structures to prevent losses and incidents arisen from flooding to protect the Group's asset and to ensure safety working environment. |
| Transition risks | • Policy risks: the changes in environmental-related regulations and energy efficient requirements may increase the Group's operational costs in adopting the new practices; and<br><br>• Technology risks: the development and the use of machineries and or materials that are more environmentally friendly may impose additional operational costs. | The Group will continue to monitor the coming new launch of national strategies, policies and regulations and the new technology available and their associated impacts on its financial status and assets as well as the operational control of the Group's businesses, so as to get earlier preparation for climate mitigation and adaptation. |

The Group will also continuously improve and raise awareness in relation to the climate change by reviewing the current measures and monitoring the potential impact.

## B. SOCIAL

The Group views its employees as the most valuable assets to the Group. The Group is committed to build a healthy and supportive workplace for its employees to advance their career progression and enhance their professional development. Looking ahead, the Group will continue to do its best to cater the needs of employees to enable them to thrive and grow with the Group.

As an equal opportunity employer, the Group complies with all relevant employment laws and regulations that have a significant impact on it, including but not limited to the employment act of Singapore (the "**Employment Act**"), the Employment of Foreign Manpower Act, Employees' Compensation Ordinance, Central Provident Fund Act (Chapter 36) of Singapore and the Workplace Safety and Health (Risk Management) Regulations in Singapore. Not only that, the Group also has obtained ISO 9001 as a recognition of its quality management system as well as OHSAS 18001 as a recognition of its compliance with occupational health and safety requirements. During the Review Year, the Group did not identify any breaches of relevant employment laws and regulations.

### B1. Employment

***Human Resources Policies***

Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wage rates are usually subject to an annual review that are based on performance appraisals and other relevant factors. The Group strongly encourages internal promotion and a variety of job opportunities is offered to existing staff when it is best suited.

The Group ensures all employees are protected under the employment protection laws of Singapore or equivalent national regulations, the Group's procedures generally include:

- when an employee has handed in his/her resignation letter or being laid off, the Group's human resources staff will interview him/her to find out the reason of resignation;
- when the Group terminates an employment contract, the dismissed employee shall be given his/her due notice or wages in lieu of notice, and the notice should not be served during his/her annual leave and maternity leave;
- an employee cannot be dismissed when she has been confirmed pregnant by a qualified medical doctor or have given notice of pregnancy to the Group; and
- an employee cannot be dismissed when he/she takes a paid medical leave.

***Recruitment***

When there is a need for a job position to be filled, the department head will complete and submit approved hiring requisition form to Human Resource ("**HR**") department for processing. HR department will then proceed for job vacancy posting. The HR staff will find out the job responsibilities and screen the job applicants to find the right fit for the job without discrimination. The Group welcomes candidates with different background to bring diversity into the Group. The HR manager will then consult with the general manager in deciding on job applicants to be selected for an interview. In Singapore, all companies must comply with the Tripartite Guidelines on fair Employment Practices and adopt fair employment practices that are open, merit-based and non-discriminatory. The Group makes reasonable efforts to attract and consider Singaporeans for job positions on merit and to train and develop their potential and careers. Examples of such efforts in the Group's operation in Singapore include:

- ensuring that job positions must be open to Singaporeans; and

- developing skills and expertise of Singaporean employees for higher level jobs.

Additionally, in compliance for jobs bank advertising under the fair consideration framework, the Group's job advertisement posted:

- is open to Singaporeans; and

- is compliant with Tripartite Guidelines on Fair Employment Practices by avoiding stating a preference for nationality, age, gender, race, religion, marital status, family responsibilities.

The Group also does not include words or phrases that exclude Singaporeans or indicate preference for non-Singaporeans.

Successful interviewees will be awarded with a letter of appointment. Confirmed employees are entitled to all sorts of different employee benefits including but not limited to medical benefits, insurance coverage, allowance for certain expenses incurred in the course of work, etc.

***Dismissal***

In Singapore, for dismissal due to misconduct (S14) of Employment Act, employers may dismiss an employee, without notice and without salary in lieu of notice if he/she is found guilty of misconduct. Also, employer must establish misconduct through due inquiry before deciding whether to dismiss the employee or take other forms of disciplinary action. Examples include theft, dishonest, disorderly or immoral conduct at work (fighting, sexual harassment), wilful insubordination etc. the Group has established misconduct through due inquiry and the person hearing the inquiry is not in a position which may suggest bias, in order to achieve fairness to all employees.

***Staff Welfare***

Working hours and rest period falls under part IV of the Employment Act. All of the Group's on-site workers and supervisors are covered under part IV of the Employment Act. In Singapore, normal contractual hours are 44 hours a week. All of the office and site staff normal contractual working hours are less than or equal to 44 hours a week. In Singapore, employees covered under part IV of Employment Act are

- entitled to at least one rest day per week, comprising one whole day;
- rest day is not a paid day; and
- fixed rest day is determined by employer, it can be a Sunday or any other day of 24 hours (from midnight to midnight).

If an employee is needed to work on their rest day, employer must seek employee's agreement and pay employee two days of salary if the employee works for more than half of the daily contractual working hours. All of the Group's staff has a fixed rest day on Sunday as part of the employment contract and employees are not compelled to work on the rest day. In the event when employee on-site is required and agrees to work on their rest day, their salary will be calculated as per statutory requirement. The Group's payslips and attendance records are fully compliant with all applicable laws and regulations relating to working hours and rest periods.

All employees are given a staff handbook which they are required to adhere to. The staff handbook detailed out the general terms and conditions of employment as well as certain employment procedures of the Group. It includes conditions of employment, holidays and leaves, employee benefits and welfare, performance appraisal and promotion, code of conduct, working hours, rest periods and other matters such as disposal of confidential papers and energy conservation.

***Equal opportunity, diverse and anti-discrimination***

The Group is committed to equal opportunities and being open to diverse perspectives and characteristics. Pursuant to the Group's staff handbook, recruitment and selection policy and employee performance review policy, all existing and prospective employees are fairly treated and selected on the basis of merits (e.g. personal experience, qualifications and competencies), during the process of recruitment, transfer, promotion and performance appraisal, without prejudice to gender, age, race, religion, national origin, family status, disability and other factors unrelated to the position. All employees are protected under the relevant laws and the Group's policies on diversity and inclusion, and any forms of harassment in our workplace are strictly prohibited. The Group treats every member of its employees as part of its big family, whether it is managerial, executive or rank- and-file employee positions.

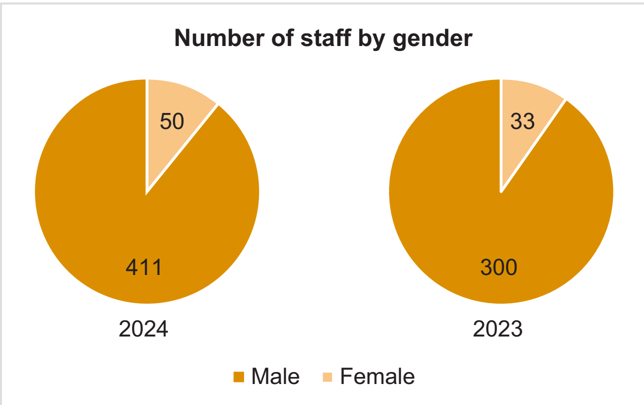
To attract, retain and motivate employees, the Group is committed to offer professional development opportunities and a healthy work environment for all employees and on-site staff. One of the main task of the Group is to ensure the wage rates of its employees are reasonable and competitive among its peers in the market. In addition, the Group's employees' total remuneration including basic salary and bonus system are unbiased and correlated with their individual performance.

The Group maintains high standards of business ethnics and sustain good personal conduct of its employees. The Group's staff handbook and internal control manual are readily accessible to all employees. The Group's standards on employment and labour standards are similar within Singapore and outside of Singapore.

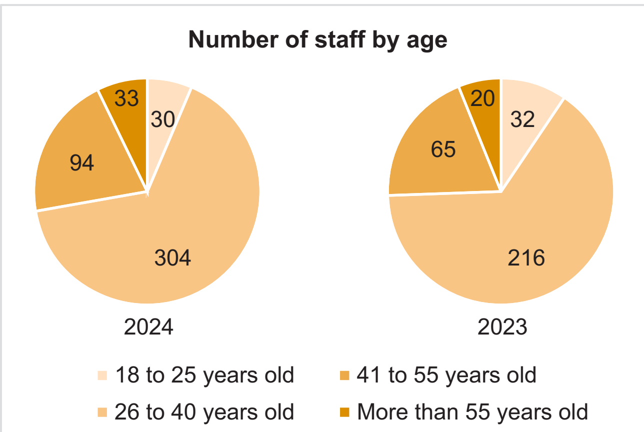
During the Review year, the Group had no violations with any laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, child labour, forced labour, and other benefits and welfare.

***B1.1 Total workforce***

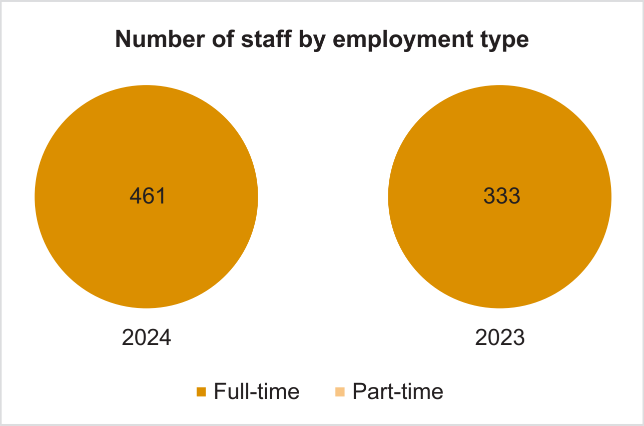
As at 31 March 2024, the Group had 461 staff (as at 31 March 2023: 333 staff). The staff composition of the Group as at 31 March 2024 and 2023 are as follows:



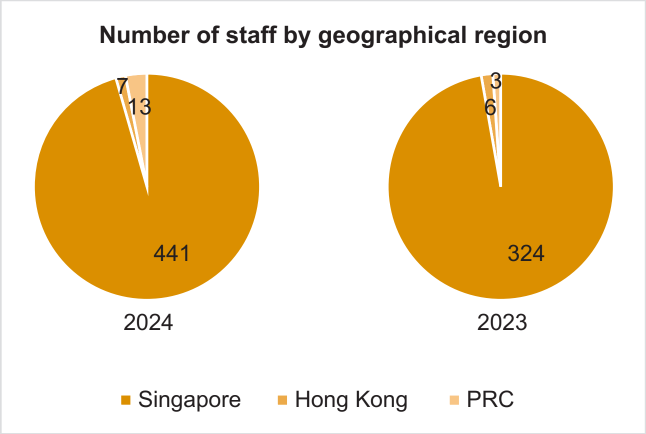

| Number of staff by gender | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Male | **411** | 300 |
| Female | **50** | 33 |




| Number of staff by age group | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| 18 to 25 | **30** | 32 |
| 26 to 40 | **304** | 216 |
| 41 to 55 | **94** | 65 |
| More than 55 | **33** | 20 |




| Number of staff by employment type | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Full-time | **461** | 333 |
| Part-time | **–** | – |




| Number of staff by geographical region | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Singapore | **441** | 324 |
| Hong Kong | **7** | 6 |
| PRC | **13** | 3 |

***B1.2 Turnover rate***

During the year ended 31 March 2024 and 2023, the turnover rates of the Group's staff are as follows:

| Turnover rate by gender | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Male | **2.4%** | 12.3% |
| Female | **12.0%** | 6.1% |

| Turnover rate by age group | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| 18 to 25 | **6.7%** | 40.6% |
| 26 to 40 | **4.3%** | 7.4% |
| 41 to 55 | **1.1%** | 12.3% |
| More than 55 | **0%** | 10.0% |

| Turnover rate by geographical region | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Singapore | **3.6%** | 11.4% |
| Hong Kong | **0%** | 0% |
| PRC | **0%** | 33.3% |

## B2. Health and Safety

The Group recognised the importance of maintaining a safe, effective and congenial working environment and policies to provide sufficient protection to its staff. Under the Workplace Safety and Health (Risk Management) Regulations, employers must provide a safe working environment and protecting employees from occupational hazards. Hence, the Group has put various occupational health and safety measures in place and regularly perform check on the working environment and staff facilities. Not only that, the Group has obtained OHSAS 18001 as a recognition of its compliance with occupational health and safety requirements.

### *B2.1 Number and rate of work-related fatalities*

During each of past three financial years, there were no reported cases of work-related fatalities.

### *B2.2 Lost days due to work injury*

The Group did not involve any work injury during the Review Year.

### *B2.3 Occupational health and safety measures adopted*

The Group's occupational health and safety management system include, among others, the following four steps:

1. *Hazard identification, risk assessment and controls' determination*

   The Group maintains a list of relevant occupational and health safety hazards, based on analysis of its services and works performed, inspection reports and incident reports. Upon identification of the potential hazards, a risk assessment will be carried out to designate certain potential hazards as significant. Particular attention will be paid to these significant hazards during the Group's formulation and implementation of controls. The list of potential hazards is reviewed and changes are updated on an annual basis.

2. *Legal and regulatory compliance*

   The Group maintains a list of applicable occupational health and safety regulations and ensures that this is up-to-date. Changes to these rules and regulations will be communicated to the Group's relevant departments and evaluation of the Group's occupational health and safety compliance will be carried out.

3. *Objectives, targets and key performance indicators*

   The Group has a key target of zero incident relating to occupational health and safety. The performance indicators are clearly defined, measured in terms of number of incidents.

4. *Training and responsibility of the employees*

   The Group provides training to its employees and subcontractors to educate them to prevent accidents and injuries, and promoting a healthy lifestyle. The Group encourages every employee to take responsibility in taking care of himself/herself and his/her fellow colleagues.

During the Review Year, the Group has complied with all the relevant health and safety laws and regulations in Singapore, including but not limited to the Workplace Safety and Health Act (Chapter 354A), the Work Injury Compensation Act (Chapter 354), the Workplace Safety and Health (Registration of Factories) Regulations 2008, Workplace Safety and Health (Safety and Health Management System and Auditing) Regulations 2009, the Workplace Safety and Health (Construction) Regulations 2007 and the Work Injury Compensation Bill 2019 of Singapore.

During the Review Year, the Group was not aware of any material non-compliance with laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

**B3. Development and Training**

The Group is committed to providing staff training and development programmes designed to help its employees enhancing their knowledge and skills to meet the challenges of a changing era. The Group recognises that the knowledge and skills of its employees are vital to its continued business development and success, the Group, therefore, encourages its staff to pursue further with their professional development. The Group nominates staff to attend both internal and external training programmes from time to time and when appropriate. The Group's training programmes range from professional and technical training to personal development skills. In addition, the Group provides adequate job training to employees in order to equip them with practical knowledge and skills to tackle situations and challenges encountered in diverse work sites. To continuously attract new talents, the Group also provides education subsidies to encourage its staff in further developing their skills and broaden their knowledge.

***B3.1 The workforce trained during the Review Year***

| Employee Category | Gender | For the year ended 31 March | |
|---|---|---|---|
| | | **2024** | 2023 |
| Management | Male | **20%** | 20% |
| | Female | **N/A** | N/A |
| Office Staff | Male | **10%** | 10% |
| | Female | **8%** | 8% |
| Site Staff | Male | **40%** | 40% |
| | Female | **N/A** | N/A |

***B3.2 The average training hours completed per employee during the Review Year***

| Employee Category | Gender | For the year ended 31 March | |
|---|---|---|---|
| | | **2024** | 2023 |
| Management | Male | **30 hours** | 30 hours |
| | Female | **N/A** | N/A |
| Office Staff | Male | **20 hours** | 20 hours |
| | Female | **20 hours** | 20 hours |
| Site Staff | Male | **50 hours** | 50 hours |
| | Female | **N/A** | N/A |

**B4. Labour Standards**

The Group advocates a community spirit that thrives on mutual respect and equal opportunities. The Group firmly complies with equal opportunities legislation and to ensure diversity and equality, the Group's selection process is non-discriminatory and is solely based on the employees' performance, experience and skills. Employees are also encouraged to discuss their targets in job advancement and career development with their senior management.

***B4.1 Measures to avoid child and forced labour***

The Group is fully committed to comply with the equal opportunities legislations as well as any relevant law and regulation and does not engage in any forced or child labour. In Singapore, employers need to comply with employment of children & young persons under the Employment Act. The Group does not employ any children or young persons less than the age of 16. The HR staff will check the age of each candidate before signing the employment contract with the candidate. Additionally, the Group aims to provide a conducive working environment that is characterized by equality and mutual respect. Also, none of the Group's employees should be made to work against his/her will or work as bonded/forced labour, or subject to corporal punishment or coercion. The human resources department and the site foremen are responsible for the implementation of this policy.

***B4.2 Steps to eliminate such practices when discovered***

If there is any irregularities on child labour and forced labour, employment with all these candidates will be immediately terminated. The Group would also take responsibility for investigation.

During the Review Year, the Group had no violations with any laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, preventing child and forced labour, and other benefits and welfare.

**B5. Supply Chain Management**

The Group highly values the long-term cooperation and strategic partnership with its business partners, including its subcontractors and suppliers, which is crucial to mutually sustain the Group's competitive advantage in the industry. The Group endeavors to operate with suppliers and subcontractors who share similar values and uphold high standards of business ethics, quality-safety-environment management and labour management.

***B5.1 Number of suppliers***

During the Review Year, the Group has 232 suppliers (year ended 31 March 2023: 230 suppliers), including material suppliers and subcontractors. During the Review Year, 230 (year ended 31 March 2023: 230) of the Group's suppliers and subcontractors for integrated building services and building construction works businesses are based in Singapore, while 2 suppliers (year ended 31 March 2023: nil) are based in the PRC.

***B5.2 Procedures for engaging suppliers and subcontractors***

The Group has established a sound procurement management system in supplier selection and performance assessment to ensure the purchase of materials and procurement of services are in a systematic manner and meet the customer requirements as well as the level of the Group's social and environmental awareness.

For projects where the Group is the main contractor, its subcontractors are required to adhere to the Group's Integrated Management System ("**IMS**") policy, which comprises of (i) ISO 9001 (Quality Management System); (ii) OHSAS 18001 (Occupational Health & Safety Management System); and (iii) ISO 14001 (Environmental Management System). The Group will perform assessments on all its suppliers and subcontractors prior to engaging them and inclusion in its approved suppliers list and its approved subcontractors list (the "**Approved Lists**"). One of the criteria in the Group's assessment relates to the existence and performance of the suppliers' and subcontractors' environmental, health and safety system. The Group also monitors and assesses its suppliers and subcontractors annually whereby those with poor performance will be removed from the Approved Lists.

***B5.3 Practices used to identify environmental and social risks***

The Group places a huge emphasis on the environmental and social risks of its suppliers and subcontractors with an aim to reduce the impact of its suppliers and subcontractors on the environment and the society.

*Environmental and social responsibility of the suppliers*

The Group's materials are purchased from qualified suppliers whose products meet the requirements of applicable environmental law and regulations. The tools and equipment are all inspected and evaluated to be in safe condition.

*Environmental and social responsibility of the subcontractors*

The Group provides on-site training to its subcontractors, and the Group's site foremen regularly inspect the practices of its subcontractors in order to achieve efficient use of resources and minimize emission of greenhouse gas. Any findings on environmental issues were recorded and passed on to corresponding subcontractors for their actions and improvements. Workers and subcontractors were required to report to the site agents or the safety officers immediately on any significant incidents and environmental risks.

Action of reduce work, suspending contract or replacing subcontractors may be taken to subcontractors who have subsequently failed to meet the Group's standard or those that have already experienced serious environmental pollution and safety accidents.

***B5.4 Practices used to promote environmental preferable products and service when selecting supplier and subcontractors***

To promote environmental preferable products and service when selecting suppliers and subcontractors, suppliers and subcontractors with certain environmental and social responsibility accreditation or no previous record of violation in environmental and social issue will be given preference when same package was offered by the potential suppliers and subcontractors. The Group regularly reviews the selection process to ensure it was properly carried out.

**B6. Service Responsibility**

The Group recognises that good customer and after-sales services are the key influential factors to its success and sustainability. Therefore, the Group has set up a customer communication channel dedicated to handle customers' queries and feedbacks efficiently. Similarly, customer complaints are thoroughly investigated and root causes are identified and acted upon accordingly. If any defect works occur, the Group will rectify the works until its customers are satisfied.

***B6.1 & 6.2 Percentage of products sold subject to recalls for safety and health reasons and number of products and services related complaints***

During the Review Year, the Group has not received any material complaints or requests to terminate projects due to poor quality and safety, nor there is any product labelling or products sold or shipped subject to recalls for safety and health reasons.

***B6.3 Protecting Intellectual Property Right***

The Group protects intellectual property rights by using licensed software and registering the company trademark for the Group's business operations.

***B6.4 Health and Safety and Quality Assurance***

Risk assessment was carried out for each project before the commencement of construction work to ensure the safety and health of the Group's workers and any onsite personnel. Appropriate safety training was offered to workers (both the Group's employees and subcontractors) at the beginning of a contract period and from time to time to maintain workers' safety awareness. Regular safety inspections were carried out to identify any deficiencies in safety controls and then implement timely remedial actions. Prior to delivering the works, the Group's project management team invited its customers to inspect the work progress and resolved safety and health concerns, if any.

With the implementation of the quality management system, the work quality of the Group is ensured through a systematic control process. In addition, work is periodically inspected by the Group's professionals and the Group maintains close communication with its customers regarding the work method, project timeline and human resources arrangement. Any below-standard performance could be detected at timely basis and rectified until meeting customer requirements.

Please refer to the paragraph headed "B2. Health and Safety" above in this ESG report for details on the Group's policy on health and safety of the Group's employees.

***B6.5 Protecting Customers' Privacy***

Protecting and safe-guarding the Group's customers' privacy has been one of the Group's top agenda. Review and revision of the financial data and privacy policy are carried out regularly to ensure its effectiveness and compliance with relevant laws. Every employee shall respect any information which is confidential to the Group including but not limited to trade secrets, confidential knowledge or any information concerning the process or invention used by the Group. Breaches of confidentiality may be cause for disciplinary action. All of the Group's employees are required to sign an undertaking letter on compliance with the Personal Data Protection Act 2012.

Moreover, the Group acquired an ISO 9001 as an identification of its success in meeting customer expectations and delivering customer satisfaction. The Group does not engage in any advertising or labelling activities.

The Group adheres to the relevant regulations, such as the Personal Data Protection Act of Singapore, to ensure that the customers' personal data is securely kept and processed only for the purpose of which it has been collected.

During the Review Year, the Group was not aware of any material non-compliance with laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

## B7. Anti-Corruption

The Group is committed to maintain the highest ethical standards and vigorously enforce the integrity of its business practices in all aspects of the Group's operations. The Group has in place a policy to ensure the Group and its employees comply with anti-bribery, anti-corruption and anti-money laundering laws and governmental guidance. The Group and its employees (i) are prohibited from paying or receiving a bribe of any kind; (ii) are prohibited from giving or offering anything of value to a public official; (iii) are required to comply with the Group's guidelines and authorisation levels in relation to the giving and receiving of gifts and hospitality; and (iv) fully comply with the applicable laws and regulations relating to anti-money laundering and terrorist financing.

During the Review Year, the Group has complied with all applicable laws and regulations in relation to bribery, extortion, fraud and money laundering in Singapore including but not limited to the Prevention of Corruption Act of Singapore.

### *B7.1 Anti-Corruption*

During the Review Year, no legal cases regarding corruption were brought against the Group or its employees, and the Group is not aware of any incidents of bribery, extortion, fraud, money laundering or other violations.

### *B7.2 Preventive measures and whistle-blowing procedure*

To facilitate its employees to report illegality, irregularity, malpractice, unethical acts or behaviours, inappropriate conducts or actions, the Group has established a whistle-blowing policy and procedures. Employees are encouraged to report any suspicious activities or behaviours that violate our values and Group's policies regarding ethics, including but not limited to events that are non-compliant with the Group's policy, laws, rules, regulations, general practice of financial reporting and internal control. The Group's whistle-blowing policy allows employees to report suspicious cases in a confidential manner.

The Group handles reported cases cautiously and each submitted case will be handled and investigated promptly, thoroughly and seriously. A full investigation will then be conducted, disciplinary action will be applied to the employees involved upon confirmation of the occurrence, and further legal action may be taken depending on the nature and particular circumstances of each case. The whistle-blowing policy and its procedures are applicable to all levels of the members of the Group, and have been clearly stipulated in the employee handbook and have been circulated among employees for their reference.

### *B7.3 Anti-corruption training*

During the Review Year, the directors and the employees have participated in anti-corruption training by delivering the latest internal manuals and related information to strengthen and refresh related requirement.

### B.8 Community Investment

#### *B8.1 Community investment*

The Group recognizes the importance of social responsibilities and regards public welfare as one of the core aspects of its corporate culture. The Group encourages its employees to contribute to the community through volunteerism, philanthropy and community services.

The Group has established different communication channels to stakeholders, including hotline, company website, email and letters, and designates site personnel at each site to handle external feedback and complaints in order to maintain a two-way communication and harmonious relationship with the communities.

#### *B8.2 Resources contributed*

The Group actively seeks opportunities to repay society and in hope of creating a better living environment for local community. During the Review Year, the Group had not organized any community and charity activities. Looking forward, the Group will continue to contribute to the society and explore more opportunities.

McMillanWoods
Professionalism at the forefront

**INDEPENDENT AUDITOR'S REPORT**
**To the Shareholders of Grandshores Technology Group Limited**
*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Grandshores Technology Group Limited (the "**Company**") and its subsidiaries (herein referred to as the "**Group**") set out on pages 65 to 153, which comprise the consolidated statement of financial position as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("**IESBA Code**"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter we identified is:

1. Revenue recognition from integrated building services and building construction works

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue Recognition from Integrated Building Services and Building Construction Works** | |
| The Group recognised revenue from the provision of integrated building services and building construction works for the year ended 31 March 2024 amounted to S$56,055,847 and S$20,791,054 respectively. Revenue from integrated building services has inherent risk due to the large volumes of customer work orders and both types of revenue are recognised by reference to progress towards complete satisfaction of relevant performance obligations using output method.<br><br>Significant judgements are required to estimate the total budgeted contract revenue and costs which include estimation for variation works and any contract claims for each construction contract as the contract progresses. Any changes to these variables will impact the revenue recognised.<br><br>The accounting policies and disclosures in relation to the revenue from integrated building services and building construction works are set out in note 3(c), 4(b)(iii) and 6 to the consolidated financial statements. | Our audit procedures to assess the revenue recognition included the following:<br><br>• Obtaining an understanding of the design and implementation and testing the operating effectiveness of key internal controls over the contract revenue recognition processes.<br><br>• In relation to the recognition of revenue from integrated building services, we i) inspecting a sample of contract agreements with customers; ii) testing the actual costs to supplier's invoices and labor costs for the work orders on a sample basis; and iii) testing the invoices, acceptance of customers issued prior to and subsequent to the year-end on a sample basis for the appropriateness of timing of recorded transactions.<br><br>• In relation to the recognition of revenue from building construction works, we i) inspecting a sample of contract agreements with customers; ii) testing the actual costs to supplier's invoices and labor costs on a sample basis; iii) comparing the contract revenue recognised for major contracts during the year to certificates of work performed issued by independent surveyors and variation orders and claims approved by the customers; and iv) assessing the reasonableness of the gross profit margin by comparing the budgeted profit of the entire construction project. |

## OTHER MATTER

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

## OTHER INFORMATION

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

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

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

## RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assised by the audit committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

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

**McMillan Woods (Hong Kong) CPA Limited**
*Certified Public Accountants*

**Wong Ka Bo, Jimmy**
*Audit Engagement Director*
Practicing Certificate Number P07560

24/F, Siu On Centre, 188 Lockhart Road,
Wanchai, Hong Kong

28 June 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the financial year ended 31 March 2024*

| | Note | **2024** | 2023 |
|---|---|---|---|
| | | ***S$*** | *S$* |
| **Revenue** | *6* | **84,529,421** | 57,768,008 |
| Cost of sales and services | | **(66,866,673)** | (48,674,212) |
| **Gross profit** | | **17,662,748** | 9,093,796 |
| Other income | *7* | **1,970,521** | 558,224 |
| Other gains and losses | *8* | **(1,029,463)** | (3,170,837) |
| Selling expenses | | **(150,990)** | (23,701) |
| Administrative expenses | | **(15,718,081)** | (12,760,462) |
| Impairment loss on financial assets | *10* | **(145,918)** | (70,591) |
| Finance costs | *9* | **(95,181)** | (47,375) |
| Share of loss of associates | *16* | **(88,004)** | (37,977) |
| **Profit/(loss) before taxation** | *10* | **2,405,632** | (6,458,923) |
| Income tax expense | *11* | **(393,112)** | (29,565) |
| Profit/(loss) for the year | | **2,012,520** | (6,488,488) |
| **Other comprehensive loss for the year** | | | |
| *Item that may be reclassified subsequently to profit or loss:* | | | |
| *Exchange differences on translation of foreign operations* | | **(608,928)** | (380,023) |
| *Item that will not be reclassified to profit or loss:* | | | |
| *Fair value loss on equity investments at FVOCI* | | **(39,016)** | (226,553) |
| Other comprehensive loss for the year | | **(647,944)** | (606,576) |
| **Total comprehensive income/(loss) for the year** | | **1,364,576** | (7,095,064) |
| **Profit/(loss) for the year attributable to:** | | | |
| Owners of the Company | | **2,209,872** | (6,428,856) |
| Non-controlling interests | | **(197,352)** | (59,632) |
| | | **2,012,520** | (6,488,488) |
| **Total comprehensive income/(loss) attributable to:** | | | |
| Owners of the Company | | **1,551,880** | (6,992,325) |
| Non-controlling interests | | **(187,304)** | (102,739) |
| | | **1,364,576** | (7,095,064) |
| Basic and diluted earnings(/loss) per share (S cents) | *14* | **0.18** | (0.55) |

The notes on pages 72 to 153 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2024*

| | Note | 2024<br>S$ | 2023<br>S$ |
|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 15 | **16,120,278** | 6,772,069 |
| Interests in associates | 16 | **2,739,354** | 2,864,880 |
| Equity investments at FVOCI | 18 | **291,690** | 318,346 |
| Financial assets at fair value through profit or loss | 19 | **21,377** | 391,963 |
| | | **19,172,699** | 10,347,258 |
| **Current assets** | | | |
| Inventories | 20 | **2,604,192** | 787,414 |
| Trade receivables | 21 | **16,026,834** | 12,748,632 |
| Finance lease receivable | 17 | **173,377** | 328,732 |
| Other receivables, deposits and prepayments | 22 | **16,215,237** | 3,301,576 |
| Amount due from a related party | 23 | **238** | — |
| Financial assets at fair value through profit or loss | 19 | **2,900,438** | 3,707,026 |
| Fixed bank deposits | 24 | **1,000,000** | 21,996,000 |
| Bank balances and cash | 24 | **15,804,006** | 15,317,016 |
| | | **54,724,322** | 58,186,396 |
| **Current liabilities** | | | |
| Trade and other payables | 25 | **11,406,451** | 7,494,208 |
| Amounts due to related companies | 23 | **—** | 50,208 |
| Amount due to an associate | 29 | **2,330,650** | 2,285,424 |
| Lease liabilities | 26 | **306,352** | 374,216 |
| Income tax payable | | **256,839** | 145,338 |
| | | **14,300,292** | 10,349,394 |
| **Net current assets** | | **40,424,030** | 47,837,002 |
| **Total assets less current liabilities** | | **59,596,729** | 58,184,260 |
| **Non-current liabilities** | | | |
| Lease liabilities | 26 | **125,217** | 138,083 |
| Deferred tax liabilities | 27 | **125,372** | 65,467 |
| | | **250,589** | 203,550 |
| **Net assets** | | **59,346,140** | 57,980,710 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2024*

| | Note | 2024<br>S$ | 2023<br>S$ |
|---|---|---|---|
| **EQUITY** | | | |
| **Capital and reserves** | | | |
| Share capital | 28 | **2,142,708** | 2,142,708 |
| Reserves | | **56,963,383** | 55,411,503 |
| **Equity attributable to owners of the Company** | | **59,106,091** | 57,554,211 |
| Non-controlling interests | | **240,049** | 426,499 |
| **Total equity** | | **59,346,140** | 57,980,710 |

The consolidated financial statements on pages 65 to 153 were approved and authorised for issue by the Board of Directors on 28 June 2024 and are signed on its behalf by:

**Yao Yongjie**
*Director*

**Yu Zhuochen**
*Director*

The notes on pages 72 to 153 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the financial year ended 31 March 2024*

| | Share capital S$ | Share premium S$ *(note a)* | Capital redemption reserve S$ *(note b)* | Share option reserve S$ *(note c)* | Translation reserve S$ *(note d)* | Other reserve S$ *(note e)* | Merger reserve S$ *(note f)* | Investment revaluation reserve (non-recycling) S$ *(note g)* | Retained profits S$ | Sub-total S$ | Non-controlling interests S$ | Total equity S$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| At 1 April 2022 | 1,966,310 | 27,011,916 | 16,114 | 1,521,821 | 760,071 | 90,481 | 2,099,996 | (1,310,180) | 29,774,513 | 61,931,042 | 1,556,035 | 63,487,077 |
| Loss for the year | – | – | – | – | – | – | – | – | (6,428,856) | (6,428,856) | (59,632) | (6,488,488) |
| Exchange differences on translation of foreign operations | – | – | – | – | (336,916) | – | – | – | – | (336,916) | (43,107) | (380,023) |
| Fair value loss on equity investments at FVOCI net of tax | – | – | – | – | – | – | – | (226,553) | – | (226,553) | – | (226,553) |
| Total comprehensive loss for the year | – | – | – | – | (336,916) | – | – | (226,553) | (6,428,856) | (6,992,325) | (102,739) | (7,095,064) |
| Issuance of new shares *(note 28)* | 176,398 | 2,360,205 | – | – | – | – | – | – | – | 2,536,603 | – | 2,536,603 |
| Acquisition of non-controlling interests *(note 32)* | – | – | – | – | – | – | – | – | 78,891 | 78,891 | (1,147,462) | (1,068,571) |
| Capital contribution from a non-controlling shareholder of a subsidiary *(note h)* | – | – | – | – | – | – | – | – | – | – | 250,845 | 250,845 |
| Disposal of a subsidiary *(note 33)* | – | – | – | – | – | – | – | – | – | – | (130,180) | (130,180) |
| Transfer of share-based payment reserve upon the lapse of share options | – | – | – | (261,073) | – | – | – | – | 261,073 | – | – | – |
| At 31 March 2023 and 1 April 2023 | 2,142,708 | 29,372,121 | 16,114 | 1,260,748 | 423,155 | 90,481 | 2,099,996 | (1,536,733) | 23,685,621 | 57,554,211 | 426,499 | 57,980,710 |
| Profit/(loss) for the year | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **2,209,872** | **2,209,872** | **(197,352)** | **2,012,520** |
| Exchange differences on translation of foreign operations | **-** | **-** | **-** | **-** | **(618,976)** | **-** | **-** | **-** | **-** | **(618,976)** | **10,048** | **(608,928)** |
| Fair value loss on equity investments at FVOCI net of tax | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(39,016)** | **-** | **(39,016)** | **-** | **(39,016)** |
| Total comprehensive (loss)/income for the year | **-** | **-** | **-** | **-** | **(618,976)** | **-** | **-** | **(39,016)** | **2,209,872** | **1,551,880** | **(187,304)** | **1,364,576** |
| Incorporation of a subsidiary | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **854** | **854** |
| Transfer of share-based payment reserve upon the lapse of share options | **-** | **-** | **-** | **(1,260,748)** | **-** | **-** | **-** | **-** | **1,260,748** | **-** | **-** | **-** |
| At 31 March 2024 | **2,142,708** | **29,372,121** | **16,114** | **-** | **(195,821)** | **90,481** | **2,099,996** | **(1,575,749)** | **27,156,241** | **59,106,091** | **240,049** | **59,346,140** |

The notes on pages 72 to 153 are an integral part of these consolidated financial statements.

*Note:*

a. Share premium represents the excess of share issue over the par value.

b. Capital redemption reserve represents the nominal value of the shares repurchased which has been paid out of the distributable reserves of the Company.

c. Share option reserve represents the portion of the grant date fair value of unexercised share options granted to employees and consultants of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments.

d. The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, including associates.

e. Other reserve represents the difference between the cost of acquisition and the fair value of net assets attributable to the owner of the Company.

f. Merger reserve represents the difference between the cost of acquisition pursuant to the reorganisation and the total value of share capital of the entities acquired.

g. The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of the unlisted equity investment designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

h. During the year ended 31 March 2023, the amount represents capital contribution from a non-controlling shareholder of a subsidiary in form of cash contribution of RMB960,700 (equivalent to S$250,845).

# CONSOLIDATED STATEMENT OF CASH FLOWS

*For the financial year ended 31 March 2024*

| | Note | 2024<br>S$ | 2023<br>S$ |
|---|---|---|---|
| **Operating activities** | | | |
| Profit/(Loss) before taxation | | **2,405,632** | (6,458,923) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 10 | **1,077,810** | 773,067 |
| (Gain)/loss on disposals of property, plant and equipment | 8 | **(1,650)** | 249 |
| Finance costs | 9 | **95,181** | 47,375 |
| Loss on written-off of property, plant and equipment | 8 | **1,812** | — |
| Foreign exchange (gain)/loss, net | 8 | **(707,353)** | 343,434 |
| Bank interest income | 7 | **(625,895)** | (294,440) |
| Loan interest income | 7 | **—** | (40,697) |
| Interest income from financial assets at fair value through profit or loss | 7 | **(1,451)** | (2,017) |
| Dividend income from financial assets at fair value through profit or loss-listed equity investments | 7 | **(8,223)** | (11,089) |
| Loss on disposal of a subsidiary | 8 | **—** | 7 |
| Impairment loss on investment in an associate | 10 | **70,936** | — |
| Impairment loss on trade receivables | 10 | **—** | 238,725 |
| Impairment loss on other receivables | 10 | **—** | 6,243 |
| Impairment loss recognised/(reversed) on finance lease receivable | 10 | **145,918** | (174,377) |
| Share of loss of associates | 16 | **88,004** | 37,977 |
| Fair value (gain)/loss on digital assets inventories | 6 | **(976,808)** | 376,414 |
| Fair value loss on financial assets at fair value through profit or loss | 8 | **1,736,948** | 2,440,781 |
| **Operating cash flows before working capital changes** | | **3,300,861** | (2,717,271) |
| Movements in working capital: | | | |
| Increase in trade receivables | | **(2,994,649)** | (3,907,209) |
| (Increase)/decrease in other receivables, deposits and prepayments | | **(12,721,343)** | 8,729,420 |
| (Increase)/decrease in amounts due from related companies | | **(236)** | 235,448 |
| Increase in inventories | | **(806,549)** | (8,983) |
| Decrease in finance lease receivable | | **14,385** | 1,466,770 |
| Increase/(decrease) in trade and other payables | | **3,725,997** | (59,158) |
| Decrease in amounts due to related companies | | **(50,703)** | (587,919) |
| (Decrease)/increase in amount due to an associate | | **(261)** | 2,285,424 |
| Cash (used in)/generated from operations | | **(9,532,498)** | 5,436,522 |
| Income tax paid | | **(220,628)** | (940,238) |
| **Net cash (used in)/generated from operating activities** | | **(9,753,126)** | 4,496,284 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

*For the financial year ended 31 March 2024*

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | S$ | S$ |
| **Investing activities** | | | |
| Investment in equity investments at FVOCI | | **(27,868)** | (349,595) |
| Investment in associates | | **—** | (2,285,424) |
| Payment for financial assets at fair value through profit or loss | | **(17,159,675)** | (26,736,941) |
| Proceeds from disposals of financial assets at fair value through profit or loss | | **16,540,272** | 28,042,443 |
| Purchase of property, plant and equipment | | **(10,109,532)** | (338,634) |
| Proceeds from disposal of property, plant and equipment | | **39,480** | — |
| Interest received | | **627,346** | 296,457 |
| Dividend received from financial assets at fair value through profit or loss-listed equity investment | | **8,223** | 11,089 |
| Loan to a non-controlling shareholder | *32(a)* | **—** | (977,874) |
| Net cash from disposal of subsidiaries | *33* | **—** | 512,521 |
| Release/(placement) of fixed deposits with banks with original maturities over three months, net | | **20,996,000** | (21,996,000) |
| **Net cash generated from/(used in) investing activities** | | **10,914,246** | (23,821,958) |
| **Financing activities** | | | |
| Interest paid | | **(59,492)** | (27,275) |
| Payment for lease liabilities | | | |
| — Capital elements | | **(443,070)** | (326,745) |
| — Interest elements | | **(35,689)** | (20,100) |
| Capital contribution from a non-controlling interest of a subsidiary | | **—** | 250,845 |
| Acquisition of non-controlling interests | *32(b)* | **—** | (50,000) |
| Proceeds from other borrowings | | **12,601,742** | 13,796,821 |
| Repayment of other borrowings | | **(12,601,742)** | (13,796,821) |
| Proceeds from issue of shares | *28* | **—** | 2,536,603 |
| **Net cash (used in)/generated from financing activities** | | **(538,251)** | 2,363,328 |
| **Net increase/(decrease) in cash and cash equivalents** | | **622,869** | (16,962,346) |
| **Cash and cash equivalents at the beginning of the year** | | **15,317,016** | 32,433,321 |
| **Effect of exchange rate changes** | | **(135,879)** | (153,959) |
| **Cash and cash equivalents at the end of the year** | | **15,804,006** | 15,317,016 |
| **Analysis of balances of cash and cash equivalents** | | | |
| **Bank balances and cash** | *24* | **15,804,006** | 15,317,016 |

The notes on pages 72 to 153 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the financial year ended 31 March 2024*

## 1 GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 18 May 2016 and its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "**Companies Ordinance**") on 13 June 2016 and the principal place of business in Hong Kong is located at Unit 1503, 15/F., Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Kowloon. The principal place of business in Singapore is located at 18 Kaki Bukit Place, Eunos Techpark, Singapore 416196. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 30 March 2017.

The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services, with a focus on maintenance and installations of mechanical and electrical systems and including minor repairs and improvement works, and undertaking building and construction works in Singapore. The Group is also engaged in information technology development and application business.

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

## 2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

### a) New and Amendments to IFRSs that are mandatorily effective for the current year

During the year, the Group adopted the following new and amended standards which are relevant to the Group's operation and are mandatory for the year ended 31 March 2024.

| | |
|---|---|
| IFRS 17 | Insurance Contracts and the related Amendments |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to IAS 8 | Definition of Accounting Estimates |
| Amendments to IAS 12 | Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction |
| Amendments to IAS 12 | International Tax Reform - Pillar Two Model Rules |

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

## 2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(continued)*

### b) New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new standards and amendments and interpretations that have been issued but are not yet effective:

| | |
|---|---|
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4] |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current and Non-current liabilities with convenants [1] |
| Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements [1] |
| Amendments to IAS 21 | Lack of Exchangeability [2] |
| Amendments to IFRS 18 | Presentation and Disclosure in Financial Statements [3] |
| Amendments to IFRS 16 | Lease Liability in a Sales and Leaseback [1] |

[1] Effective for accounting period beginning on or after 1 January 2024
[2] Effective for accounting period beginning on or after 1 January 2025
[3] Effective for accounting period beginning on or after 1 January 2027
[4] Effective for accounting period beginning on or after a date to be determined

The Group's management assessed that the application of those new and amendments to IFRSs would not have a material impact on the consolidated financial statements.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which collective term includes all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and related Interpretations issued by the International Accounting Standards Board ("**IASB**").

In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the applicable disclosures required by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for the equity investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and digital assets inventories which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

### (a) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (a) Subsidiaries and non-controlling interests *(continued)*

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

***Changes in the Group's interests in existing subsidiaries***

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable HKFRSs). Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (b) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate after applying the ECL model to such long-term interests where applicable.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

### (c) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (c) Revenue and other income *(continued)*

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Further details of the Group's revenue and other income recognition policies are as follows:

***(i) Revenue from Integrated Building Services (as defined in note 6)***

Revenue from integrated building services is recognised over time by reference to the progress towards complete satisfaction of relevant performance obligation at the end of the reporting period. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Revenue from maintenance services was recognised over the contractual maintenance period.

***(ii) Revenue from Building Construction Works (as defined in note 6)***

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on real estate assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the output method based on direct measurements of value of services delivered or surveys of work performed.

For construction contracts that contain variable consideration such as variations in contract work, claims and incentive payment, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transactions price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (c) Revenue and other income *(continued)*

#### *(iii) Revenue from Information Technology Development and Application (as defined in note 6)*

The Group earns revenue by leasing software products to its customers and the nature of the Group's performance obligation in software license leasing is considered to be a right to access the Group's intellectual property. The Group accounts for the software license leasing as a performance obligation satisfied over time.

#### *(iv) Interest income*

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

#### *(v) Finance lease income*

Finance lease is recognised in the consolidated statement of profit or loss using the effective interest rate implicit in the lease over the term of the lease. Contingent rent is recognised as income in the period in which it is earned.

### (d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (e) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under “other income”.

### (f) Retirement benefit costs

Payments made to Central Provident Fund (“**CPF**”) are recognised as expense when employees have rendered service entitling them to the contributions.

Payments to the retirement contribution scheme including Mandatory Provident Fund Scheme (“**MPF Scheme**”) and state-managed retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

### (g) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deduction any amount already paid.

### (h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before taxation” as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (h) Taxation *(continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### (i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

| | |
|---|---|
| Plant and machinery | 5 years |
| Ownership interest in leasehold property | Shorter of 60 years or over the lease terms |
| Computer and office equipment | 3 to 5 years |
| Motor vehicles | 5 years |
| Furniture and fittings | 5 to 10 years |
| Leasehold improvements | Shorter of 5 years or over the lease terms |
| Other properties leased for own use | Over the lease terms |

The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (i) Property, plant and equipment *(continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

### (j) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("**FVPL**") for which transaction costs are recognised directly in profit or loss. These investments are subsequently accounted for as follows, depending on their classification.

#### *(i) Debt investments*

Debt investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

– fair value through other comprehensive income ("**FVOCI**") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses ("**ECL**"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (j) Other investments in debt and equity securities *(continued)*

#### *(ii) Equity investments*

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the investment revaluation reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the investment revaluation reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income unless the dividends clearly represent a recovery of part of the cost of the investment.

### (k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivable that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and include an allowance for credit losses.

### (l) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

### (m) Credit losses and impairment of assets

#### *(i) Credit losses from financial instruments, contract assets and lease receivables*

The Group recognises a loss allowance for expected credit losses ("**ECLs**") on the following items:

— financial assets measured at amortised cost (including bank balances and cash, fixed bank deposits, trade and other receivables, amount due from a related company)

— contract assets as defined in IFRS 15

— finance lease receivable

Other financial assets measured at fair value, including equity investments at FVOCI and equity and debt securities measured at fair value through projet or loss are not subject to the ECL assessment.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (m) Credit losses and impairment of assets *(continued)*

#### *(i) Credit losses from financial instruments, contract assets and lease receivables* (continued)

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

— fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate; and

— finance lease receivable: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECLs model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (m) Credit losses and impairment of assets *(continued)*

#### *(i) Credit losses from financial instruments, contract assets and lease receivables* (continued)

*Significant increases in credit risk*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

— failure to make payments of principal or interest on their contractually due dates;

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

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

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (m) Credit losses and impairment of assets *(continued)*

#### *(i)* ***Credit losses from financial instruments, contract assets and lease receivables*** *(continued)*

*Basis of calculation of interest income*

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or a past due event;

— it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

*Write-off policy*

The gross carrying amount of a financial asset, contract asset or finance lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (m) Credit losses and impairment of assets *(continued)*

#### *(ii) Impairment of other non-current assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment, including right-of-use assets;

– investments in subsidiaries and associates in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (m) Credit losses and impairment of assets *(continued)*

#### *(ii) Impairment of other non-current assets* *(continued)*

– Reversal of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### (n) Inventories

Inventories, excluding digital assets inventories, are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first- in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Digital assets inventories are held mainly for the purposes of trading in the ordinary course of the Group's information technology development and application business in the over-the-counter ("**OTC**") market.

Digital assets inventories held in the Group's digital asset wallets primarily comprise digital assets that are prefunded. They also include the Group's proprietary digital assets sourced from liquidity providers and exchanges.

Since the Group actively trades digital assets, purchasing them with a view to their resale in the near future, and generating a profit from fluctuations in the price, the Group applies the guidance in IAS 2 for commodity broker-traders and measures the digital assets inventories at fair value less costs to sell. The Group considers there are no significant "costs to sell" digital assets and hence measurement of digital assets is based on their fair values with changes in fair values recognised in the statement of profit or loss and other comprehensive income in the period of the changes.

### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are assessed for ECLs.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### (q) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### *(i) As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

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

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments (less any lease incentives receivable) payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (q) Leased assets *(continued)*

#### *(i) As a lessee (continued)*

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

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

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position. In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (q) Leased assets *(continued)*

#### *(ii) As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or operating leases, a lease is classified as a finance lease if it transfers substantially all the risks and rewards of the ownership of an underlying asset to the lessee. If this is not the case, the leases is classified as an operating leases.

When the Group is an intermediate lessor, the sub-leases are classified as a finance or an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies exemption described in note 3(q)(i), then the Group classifies the sub-lease as an operating lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (r) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Singapore dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (s) Related parties

(a) A person, or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (t) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs

### (u) Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

### (v) Share-based payments

***Share options granted to the directors and employees of the Group***

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share options reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share options reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share options reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the share options reserve until either the option is exercised (when it is included in the amount recognised in share capital and share premium for the shares issued) or the option expires (when it is released directly to retained profits).

## 3 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

**(v) Share-based payments** *(continued)*

***Share options granted to other participants***

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

## 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

**a) Critical judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

***i) Accounting of digital assets transactions and balances***

IFRSs do not specifically address accounting for digital assets. Accordingly, for the preparation of the Group's consolidated financial statements, management needs to apply judgement in determining appropriate accounting policies based on the facts and circumstances of the Group's information technology development and application business.

Given the business model of the Group, digital assets are accounted for as inventories and are measured at fair value less costs to sell on the consolidated statement of financial position.

Furthermore, in determining fair values, management needs to apply judgement to identify the relevant available markets, and to consider accessibility to and activity within those markets in order to identify the principal digital asset markets for the Group.

The carrying amount of digital assets inventories at 31 March 2024 was S$2,227,478 (2023: S$570,102).

## 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

**a) Critical judgements** *(continued)*

***ii) Determining the lease term of contracts with renewal options***

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and rights-of-use assets recognised. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

When assessing reasonable certainty, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

***iii) Properties with dual use***

During the year ended 31 March 2024, the Group acquired a property situated at 40 Kaki Bukit Cresent, Singapore 416266. A significant portion of the building was used in the production or supply of goods or services or for administrative purposes. Additionally, the portion of the building held to earn rentals or for capital appreciation cannot be sold separately (or leased out separately under a finance lease). In accordance with IAS 40, the Group does not account for the portion leased out separately and the whole building is classified as property, plant and equipment.

**b) Key sources of estimation uncertainty**

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

***i) Valuation of equity investments classified as level 3 in the fair value hierarchy***

The Group holds financial instruments that are not traded or quoted in active markets. The Group uses its judgment to select the appropriate methods and make assumptions based on market conditions existing at the end of the reporting period to estimate the fair value of these financial instruments and classifies them as level 3 in the fair value hierarchy. Although best estimate is used in estimating fair value, there are inherent limitations in any valuation technique. Estimated fair value may differ from the value that would have been used if a readily available market existed.

As at 31 March 2024, the carrying amount of equity investments classified as level 3 in the fair value hierarchy was S$291,690 (2023: S$694,478).

***ii) Impairment of financial assets measured at amortised cost***

The Group reviews portfolios of trade receivables, finance lease receivable, other receivables and deposits, and amount due from a related company to assess whether any impairment losses exist and the amount of impairment losses if there is any indication of impairment. Objective evidence for impairment includes observable data indicating that there is a measurable decrease in the estimated future cash flows for the respective financial instrument. It also includes observable data indicating adverse changes in the repayment status of the debtors, or change in national or local economic conditions that causes the default in payment.

## 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

### b) Key sources of estimation uncertainty *(continued)*

#### *ii) Impairment of financial assets measured at amortised cost* (continued)

The impairment loss for the respective financial instrument using the expected credit loss model is subjected to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. The expected credit losses for the respective financial instrument are derived from estimates whereby management takes into consideration historical data, the historical loss experience and other adjustment factors. Historical loss experience is adjusted on the basis of the relevant observable data that reflect current economic conditions and the judgment based on management's historical experience. Management reviews the selection of those parameters and the application of the assumptions regularly to reduce any difference between loss estimates and actual loss.

As at 31 March 2024, the carrying amount of billed trade receivables and other receivables were S$9,512,212 and S$202,687 (2023: S$8,685,761 and S$322,659), respectively.

The details of the impairment assessment are disclosed in note 36.3(c).

#### *iii) Recognition of revenue*

As explained in note 3, revenue from construction contracts are recognised over time using the output method. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Actual outcomes in terms of total costs or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

#### *iv) Income tax*

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be reflected in the income tax expense and deferred tax provisions in the period in which such determination is made. In addition, the realisation of future income tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilise income tax benefits and tax loss carry-forwards. Deviations of future profitability from estimates or in the income tax rate would result in adjustments to the value of future income tax assets and liabilities that could have a significant effect on the income tax expenses.

The carrying amount of income tax payable and deferred tax liabilities at 31 March 2024 was S$256,839 (2023: S$145,338) and S$125,372 (2023: S$65,467) respectively.

## 5 CAPITAL RISKS MANAGEMENT

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 of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalent and equity attributable to owners of the Group, comprising share capital and reserves.

The Group monitors capital on the basis of gearing ratio. The gearing rato (calalated based on loans and borrowings and lease liabilities divided by total equity) of the Group as of 31 March 2024 was approximately 0.7% (2023: approximately 0.9%).

The directors of the Company review the capital structure from time to time. As part of this review, the directors consider the cost of capital and their associated risks thereto. The Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts. The Group's overall strategy remains unchanged from 2023.

The externally imposed capital requirements for the Group is in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares.

## 6 REVENUE AND SEGMENT INFORMATION

Revenue represents income from (i) providing integrated building services, with a focus on maintenance and installations of mechanical and electrical systems ("**M&E**") and including minor repairs and improvement works ("**Integrated Building Services**"), (ii) undertaking building and construction works ("**Building Construction Works**") and (iii) engaging in information technology development and application businesses, including provision of service related to blockchain technologies and other internet applications, as well as digital assets trading ("**Information Technology Development and Application**").

Information is reported to the Executive Director, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, i.e. "Integrated Building Services", "Building Construction Works" and "Information Technology Development and Application" and profit or loss for the year as a whole. No analysis of the Group's results, assets and liabilities is regularly provided to CODM for review as the CODM does not regularly review such information for the purpose of resources allocation and performance assessment. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 "Operating Segments".

## 6 REVENUE AND SEGMENT INFORMATION *(continued)*

An analysis of the Group's revenue for the year is as follows:

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| Integrated Building Services *(note a and b)* | **56,055,847** | 48,036,403 |
| Building Construction Works *(note a and b)* | **20,791,054** | 10,108,019 |
| Information Technology Development and Application *(note c)* | **32,991** | — |
| | **76,879,892** | 58,144,422 |
| Income/(loss) from other sources | | |
| Information Technology Development and Application *(note d)* | **7,649,529** | (376,414) |
| | **84,529,421** | 57,768,008 |

*Notes:*

(a) The Group provides integrated building services and building construction works to its customers. Under the terms of contracts, the Group's performance creates and enhances the properties which the customers control during the course of work by the Group. Revenue from provision of contracting services is therefore recognised over time using output method. The Group normally receives progress payment from customers on a monthly basis with reference to the value of works done.

(b) The Group has applied practical expedient in paragraph 121 of IFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its contract revenue as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.

(c) For revenue from contracts with customers within the scope of IFRS15 under Information Technology Development and Application, the performance obligation of software license leasing under Information Technology is satisfied over time and upfront fee is normally required. The Group has applied practical expedient in paragraph 121 of IFRS 15 as the performance obligation is part of a contract that has an original expected duration of one year or less.

(d)

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| **Income/(loss) from information technology development and application business:** | | |
| Trading of digital assets | **6,672,721** | — |
| Fair value gain/(loss) on digital assets inventories | **976,808** | (376,414) |
| | **7,649,529** | (376,414) |

Income/(loss) from information technology development and application business mainly represents trading revenue arising from trading of Bitcoin, a digital asset and net gain or loss from remeasurement of digital assets inventories.

## 6 REVENUE AND SEGMENT INFORMATION *(continued)*

**Information about major customers**

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

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Customer A | **13,699,674** | 12,424,081 |
| Customer B | **N/A*** | 6,205,218 |
| Customer C | **N/A*** | 5,571,421 |
| Customer D | **18,879,453** | 16,331,291 |

*Note:*

The revenue from all the above customers are generated from provision of integrated building services and building construction works in Singapore.

* The respective customers did not generate over 10% of the total revenue of the Group in the Review Year.

**Geographical information**

The following table sets out information about the geographical location of the Group's revenue from customers and the Group's property, plant and equipment and interest in associates ("**specified non-current assets**"). The geographical locations of customers are based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of operations, in the case of interests in associates.

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| **Revenue from external customers** | | |
| Singapore | **76,846,901** | 58,144,422 |
| The People's Republic of China ("**PRC**") | **32,991** | — |
| **Income/(Loss) from other sources** | | |
| Hong Kong | **7,649,529** | (376,414) |
| | **84,529,421** | 57,768,008 |

## 6 REVENUE AND SEGMENT INFORMATION *(continued)*

**Geographical information** *(continued)*

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| **Non-current assets** | | |
| Singapore | **16,019,904** | 6,510,331 |
| PRC (including Hong Kong) | **2,839,728** | 3,126,618 |
| | **18,859,632** | 9,636,949 |

**Disaggregation of revenue**

Revenue from contracts with customers within the scope of IFRS 15 is further analysed as follows:

| | Integrated Building Services | | Building Construction Works | | Information Technology Development and Application | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| | ***S$*** | *S$* | ***S$*** | *S$* | ***S$*** | *S$* | ***S$*** | *S$* |
| Disaggregated by timing of revenue recognition | | | | | | | | |
| Over time | **56,055,847** | 48,036,403 | **20,791,054** | 10,108,019 | **32,991** | — | **76,879,892** | 58,144,422 |

## 7 OTHER INCOME

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Bank interest income | **625,895** | 294,440 |
| Loan interest income | **—** | 40,697 |
| Interest income from financial assets at fair value through profit or loss | | |
| — Wealth management product | **1,451** | 2,017 |
| Dividend income from financial assets at fair value through profit or loss-listed equity investments | **8,223** | 11,089 |
| Finance lease interest income | **4,911** | 64,759 |
| Government grants *(note)* | **1,179,057** | 80,813 |
| Rental income | **52,433** | — |
| Others | **98,551** | 64,409 |
| | **1,970,521** | 558,224 |

*Note:*

For the year ended 31 March 2024, the Group's government grant included S$1,124,184 (2023: S$Nil) related to a scheme in the People's Republic of China to encourage companies to move to Hangzhou. The condition of the grant has been fully satisfied.

For the year ended 31 March 2023, the Group has received government grants of HK$96,000 (equivalent to S$16,980) which represent the funding from the Anti-epidemic Fund as promulgated by the Government of Hong Kong Special Administrative Region. The remaining government grants of S$63,833 represent IRAS Jobs Growth Incentive and IRAS Job Support Scheme Payout renewed from the Singapore Government for the Group increase overall local workforce and retain local employees.

## 8 OTHER GAINS AND LOSSES

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Gain/(loss) on disposals of property, plant and equipment | **1,650** | (249) |
| Loss on written-off of property, plant and equipment | **(1,812)** | — |
| Foreign exchange gain/(loss), net | **707,353** | (719,761) |
| Net loss on disposal of subsidiaries | **—** | (7) |
| Net loss on financial assets at fair value through profit or loss | **(1,736,948)** | (2,457,127) |
| Others | **294** | 6,307 |
| | **(1,029,463)** | (3,170,837) |

## 9 FINANCE COSTS

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Interest on other borrowings | **59,492** | 27,275 |
| Interest on lease liabilities | **35,689** | 20,100 |
| | **95,181** | 47,375 |

## 10 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging/(crediting):

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Depreciation of property, plant and equipment *(note a)* | **1,077,810** | 773,067 |
| Impairment loss on investment in an associate | **70,936** | — |
| Impairment loss on trade receivables | **—** | 238,725 |
| Impairment loss on other receivables | **—** | 6,243 |
| Impairment loss recognised/(reversed) on finance lease receivable | **145,918** | (174,377) |
| | **145,918** | 70,591 |
| Auditor's remuneration: | | |
| — Audit services | **167,527** | 201,159 |
| — Non-audit services | **—** | 1,710 |
| Directors' remuneration *(note 12)* | **1,469,846** | 1,596,230 |
| Other staff costs | | |
| — Salaries and other benefits | **12,124,846** | 9,451,481 |
| — Retirement benefit scheme contributions *(note b)* | **478,922** | 358,417 |
| Total staff costs *(note c)* | **14,073,614** | 11,406,128 |
| Cost of inventories recognised as cost of sales and services | **8,161,075** | 2,678,476 |
| Subcontractor costs recognised as cost of sales and services | **52,619,297** | 41,439,138 |

*Note:*

a. Depreciation of S$115,992 (2023: S$69,218) is included in cost of sales and services.

b. The Group has no forfeited contributions (by employers on behalf of employees who leave the defined contribution scheme prior to vesting fully in such contributions) to offset existing level of contribution during the Review Year and the Last Year.

c. Staff costs of S$5,963,007 (2023: S$4,453,480) are included in cost of sales and services.

## 11 INCOME TAX EXPENSE

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Tax expense comprises: | | |
| Current tax | | |
| — Singapore corporate income tax ("**CIT**") | **255,427** | 68,987 |
| — PRC corporate income tax | **8,261** | 55 |
| Under provision in respect of prior years | **69,519** | 15,757 |
| Deferred tax *(note 27)* | **59,905** | (55,234) |
| | **393,112** | 29,565 |

Singapore CIT is calculated at 17% (2023: 17%) on the estimated assessable profits eligible for CIT rebate of 50%, capped at S$40,000 for the year of assessment 2024. Singapore incorporated companies can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for the years of assessment 2024 and 2023.

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No provision for the Hong Kong profits tax has been made as the Group had not generated any taxable profits in Hong Kong during the year (2023: Nil).

PRC corporate income tax is calculated at 25% on the assessable profits.

The income tax expense for the year can be reconciled to the profit/(loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Profit/(loss) before taxation | **2,405,632** | (6,458,923) |
| Tax at the income tax rate of 17% | **408,957** | (1,098,017) |
| Effect of different tax rate of the companies operating in other jurisdictions | **(73,287)** | 4,112 |
| Tax effect of expenses not deductible for tax purpose | **813,081** | 374,195 |
| Tax effect of income not subject to tax | **(550,594)** | (53,371) |
| Effect of tax concessions and partial tax exemptions | **(34,850)** | (17,425) |
| Under provision in respect of prior years | **69,519** | 15,757 |
| Tax effect of unused tax losses not recognised | **133,548** | 804,314 |
| Utilisation of previously unrecognised tax losses | **(270,758)** | — |
| Tax effect of deductible temporary differences not recognised | **(102,504)** | — |
| Income tax expense | **393,112** | 29,565 |

## 12 DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

### a) Directors' and chief executive's emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

**Year ended 31 March 2024**

| | Fees | Discretionary bonus *(note b)* | Salaries, allowances and benefit in kind | Contributions to retirement benefit scheme | Total |
|---|---|---|---|---|---|
| | *S$* | *S$* | *S$* | *S$* | *S$* |
| **Executive Director** | | | | | |
| Mr. Yao Yongjie *(note a)* | — | — | 312,706 | 3,127 | 315,833 |
| **Non-Executive Directors** | | | | | |
| Mr. Chua Seng Hai | — | 600,000 | 360,000 | 11,602 | 971,602 |
| Ms. Lu Xuwen | 43,431 | — | — | — | 43,431 |
| Ms. Yu Zhuochen | 34,745 | — | — | — | 34,745 |
| **Independent Non-Executive Directors** | | | | | |
| Mr. Chu Chung Yue, Howard | 34,745 | — | — | — | 34,745 |
| Mr. Fan Jianyin | 34,745 | — | — | — | 34,745 |
| Mr. Li Kanlin | 34,745 | — | — | — | 34,745 |
| | 182,411 | 600,000 | 672,706 | 14,729 | 1,469,846 |

## 12 DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS *(continued)*

### a) Directors' and chief executive's emoluments *(continued)*

**Year ended 31 March 2023**

| | Fees | Discretionary bonus *(note b)* | Salaries, allowances and benefit in kind | Contributions to retirement benefit scheme | Total |
|---|---|---|---|---|---|
| | S$ | S$ | S$ | S$ | S$ |
| **Executive Director** | | | | | |
| Mr. Yao Yongjie *(note a)* | — | — | 318,370 | 3,184 | 321,554 |
| **Non-Executive Directors** | | | | | |
| Mr. Chua Seng Hai | — | 720,000 | 360,000 | 8,790 | 1,088,790 |
| Ms. Lu Xuwen | 44,218 | — | — | — | 44,218 |
| Ms. Yu Zhuochen | 35,374 | — | — | — | 35,374 |
| **Independent Non-Executive Directors** | | | | | |
| Mr. Chu Chung Yue, Howard | 35,374 | — | — | — | 35,374 |
| Mr. Fan Jianyin (appointed on 14 October 2022) | 16,512 | — | — | — | 16,512 |
| Mr. Li Kanlin (appointed on 20 May 2022) | 30,516 | — | — | — | 30,516 |
| Mr. Yu Wenzhuo (resigned on 14 October 2022) | 19,033 | — | — | — | 19,033 |
| Dr. Zhang Weining (resigned on 20 May 2022) | 4,859 | — | — | — | 4,859 |
| | 185,886 | 720,000 | 678,370 | 11,974 | 1,596,230 |

*Note:*

a) Mr. Yao Yongjie acts as the chairman of the Company.

b) The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

The emoluments for the executive director shown above were for his services in connection with the management affairs of the Company and the Group.

The emoluments for the independent non-executive directors shown above were mainly for their services as directors of the Company.

## 12 DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS *(continued)*

### a) Directors' and chief executive's emoluments *(continued)*

During both reporting periods, there was no arrangement under which a director waived or agreed to waive any remuneration.

Save for disclosed in note 29 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Groujp's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during both reporting periods.

### b) Individuals with highest emoluments

Of the five individuals with the highest emoluments in the Group, two (2023: two) are directors of the Company whose emoluments are disclosed in note(a) above. The emoluments of the remaining three (2023: three) individuals are as follows:

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Salaries and allowances | **551,417** | 498,731 |
| Discretionary bonus | **157,306** | 662,400 |
| Contributions to retirement benefits scheme | **38,640** | 43,964 |
| | **747,363** | 1,205,095 |

The emoluments of the three (2023: three) individuals with the highest emoluments are within the following bands:

| | Number of employees | |
|---|---|---|
| | **2024** | 2023 |
| **Emolument bands** | | |
| HK$1,000,001 to HK$1,500,000 | **2** | 1 |
| HK$1,500,001 to HK$2,000,000 | **1** | 1 |
| HK$2,000,001 to HK$2,500,000 | **—** | — |
| HK$2,500,001 to HK$3,000,000 | **—** | — |
| HK$3,000,001 to HK$3,500,000 | **—** | — |
| HK$3,500,001 to HK$4,000,000 | **—** | 1 |
| | **3** | 3 |

During both reporting periods, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

## 13 DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year end 31 March 2024 (2023: Nil).

## 14 EARNINGS/(LOSS) PER SHARE

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| Profit/(loss) attributable to the owners of the Company (S$) | **2,209,872** | (6,428,856) |
| Weighted average number of ordinary shares in issue (number of shares) | **1,195,040,000** | 1,178,601,644 |

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to owners of the Company and the weighted average number of shares in issue.

For the year ended 31 March 2024, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options since their exercise price is higher than the average market price of the Company's share for the year and there was no outstanding share options as at 31 March 2024. Accordingly, the basic and diluted earnings per share are the same.

The computation of diluted loss per share does not assume the exercise of the outstanding share options since the assumed conversion would result in a decrease in loss per share for the year ended 31 March 2023.

## 15 PROPERTY, PLANT AND EQUIPMENT

| | Plant and machinery | Ownership interest in leasehold property | Computer and office equipment | Motor vehicles | Furniture and fittings | Other properties leased for own use | Leasehold improvements | Total |
|---|---|---|---|---|---|---|---|---|
| | *S$* | *S$* | *S$* | *S$* | *S$* | *S$* | *S$* | *S$* |
| **Cost** | | | | | | | | |
| **At 1 April 2022** | 317,300 | 7,150,000 | 1,343,897 | 2,924,723 | 45,617 | 903,561 | 327,362 | 13,012,460 |
| Additions | 27,800 | — | 59,834 | 251,000 | — | 607,930 | — | 946,564 |
| Termination of a lease | — | — | — | — | — | (170,683) | — | (170,683) |
| Disposals | — | — | (1,660) | — | — | — | — | (1,660) |
| Disposal of a subsidiary | — | — | (4,896) | — | — | — | — | (4,896) |
| Exchange alignment | — | — | (346) | (2,073) | (63) | (3,398) | (37) | (5,917) |
| **At 31 March 2023 and 1 April 2023** | 345,100 | 7,150,000 | 1,396,829 | 3,173,650 | 45,554 | 1,337,410 | 327,325 | 13,775,868 |
| Additions | — | 9,472,100 | 117,042 | 300,573 | — | 359,954 | 219,817 | 10,469,486 |
| Disposals/written-off | — | — | (39,921) | — | — | — | — | (39,921) |
| Exchange alignment | — | — | 200 | 1,894 | 57 | (3,302) | 34 | (1,117) |
| **At 31 March 2024** | 345,100 | 16,622,100 | 1,474,150 | 3,476,117 | 45,611 | 1,694,062 | 547,176 | 24,204,316 |
| **Accumulated depreciation** | | | | | | | | |
| **At 1 April 2022** | 289,400 | 1,551,944 | 696,582 | 2,818,556 | 34,103 | 683,772 | 327,122 | 6,401,479 |
| Charge for the year | 15,793 | 166,279 | 191,003 | 97,474 | 4,422 | 297,856 | 240 | 773,067 |
| Termination of a lease | — | — | — | — | — | (170,683) | — | (170,683) |
| Elimination on disposals | — | — | (1,411) | — | — | — | — | (1,411) |
| Exchange alignment | — | — | (214) | (1,732) | (64) | 3,394 | (37) | 1,347 |
| **At 31 March 2023 and 1 April 2023** | 305,193 | 1,718,223 | 885,960 | 2,914,298 | 38,461 | 814,339 | 327,325 | 7,003,799 |
| Charge for the year | 16,720 | 272,123 | 201,207 | 128,795 | 2,101 | 443,556 | 13,308 | 1,077,810 |
| Elimination on disposals/written-off | — | — | (279) | — | — | — | — | (279) |
| Exchange alignment | — | — | 182 | 1,428 | 52 | 1,012 | 34 | 2,708 |
| **At 31 March 2024** | 321,913 | 1,990,346 | 1,087,070 | 3,044,521 | 40,614 | 1,258,907 | 340,667 | 8,084,038 |
| **Carrying amount** | | | | | | | | |
| **At 31 March 2024** | 23,187 | 14,631,754 | 387,080 | 431,596 | 4,997 | 435,155 | 206,509 | 16,120,278 |
| **At 31 March 2023** | 39,907 | 5,431,777 | 510,869 | 259,352 | 7,093 | 523,071 | — | 6,772,069 |

## 15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

*Note:*

Right-of-use assets

(i) The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

| | At 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Ownership interests in leasehold property held for own use, carried at depreciated cost, with remaining lease term between 10 and 50 years | **14,631,754** | 5,431,777 |
| Other properties leased for own use, carried at depreciated cost | **435,155** | 523,071 |
| | **15,066,909** | 5,954,848 |

The other properties leased for own use represents office and staff quarters.

(ii) The analysis of expense items in relation to leases recognised in the consolidated statement of profit or loss is as follows:

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Depreciation charge of right-of-use assets by class of underlying asset: | | |
| Other properties leased for own use | **443,556** | 297,856 |
| Ownership interests in leasehold property | **272,123** | 166,279 |
| | **715,679** | 464,135 |
| Interest expense on lease liabilities | **35,689** | 20,100 |

(iii) Additional information relating to leases:

The additions of right-of-use assets of S$9,832,054 (2023: S$607,930) were related to the capitalised lease payments payable under new or renewed tenancy agreements and an acquisition of a building in Singapore with remaining lease term between 10 and 50 years. During the year ended 31 March 2024, the additions of right-or-use assets of S$359,954 (2023: S$607,930) were non-cash transactions.

## 15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

*Note: (continued)*

(iv) Amounts included in the consolidated statement of cash flows for leases comprise the following:

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Within financing cash flows | **478,759** | 346,845 |
| | **478,759** | 346,845 |

Details of the maturity analysis of the Group's lease liabilities are set out notes 26 and 36.3(d).

## 16 INTERESTS IN ASSOCIATES

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Cost of investments in associates | **3,133,738** | 3,133,738 |
| Share of post-acquisition losses and other comprehensive income, net of dividends received | **(258,506)** | (200,346) |
| Share of net assets | **2,875,232** | 2,933,392 |
| Less: provision for impairment loss | **(135,878)** | (68,512) |
| | **2,739,354** | 2,864,880 |

On 27 May 2022, Grandshores Technology (Hong Kong) Limited ("**GS (HK)**"), a wholly owned subsidiary of the Company, and Lion Wealth Management Limited ("**Lion WM**"), agreed to increase their capital contribution in Aquarius II Sponsor Ltd. ("**Aquarius II**") by subscription of 49 and 51 new ordinary shares with no par value in the issued share capital of Aquarius II for an aggregate subscription price of US$1,592,500 and US$1,657,500, respectively (the "**Capital Increase**"). Aquarius II is an associate of the Company and is owned as to 49% and 51% by GS (HK) and Lion WM, respectively, since its incorporation. Upon completion of the Capital Increase, the Group continues to hold 49% of the issued shares of Aquarius II and will continue to account for its interest in Aquarius II as an associate.

## 16 INTERESTS IN ASSOCIATES *(continued)*

All of the associates are accounted for using the equity method. Particulars of the associates as at 31 March 2024 are as follows:

| Name | Place of incorporation/ operation | Particulars of paid up capital and issued share capital | Proportion of ownership interest indirectly held by the Company | | Principal activities |
|---|---|---|---|---|---|
| | | | 2024 | 2023 | |
| Hangzhou Shunpu Trading Co., Ltd.* ("**Hangzhou Shunpu**") (杭州舜樸貿易有限公司) | PRC | RMB10,000,000 | 40% | 40% | Inactive |
| Aquarius Sponsor Ltd. | BVI/Hong Kong | USD100 | 49% | 49% | Investment |
| Aquarius II Sponsor Ltd. ("**Aquarius II**") | BVI/Hong Kong | USD300 | 49% | 49% | Investment |

* *The English name of companies established in the PRC are for identification purpose only.*

(a) Material associates

Hangzhou Shunpu and Aquarius II are considered material to the Group and their summarised financial information is set out below:

| | Aquarius II | | Hangzhou Shunpu | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | ***S$*** | S$ | ***S$*** | S$ |
| Non-current assets | **—** | — | **—** | 2,344 |
| Current assets | **5,048,931** | 4,688,069 | **1,696,862** | 1,709,320 |
| Current liabilities | **(566,305)** | (98,832) | **—** | — |
| Net assets | **4,482,626** | 4,589,237 | **1,696,862** | 1,711,664 |

| | Aquarius II | | Hangzhou Shunpu | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | ***S$*** | S$ | ***S$*** | S$ |
| Revenue | **—** | — | **—** | — |
| (Loss)/profit for the year | **(196,716)** | (77,480) | **20,966** | (29) |
| Other comprehensive income/(loss) | **90,105** | — | **(35,768)** | (144,095) |
| Total comprehensive loss | **(106,611)** | (77,480) | **(14,802)** | (144,124) |

## 16 INTERESTS IN ASSOCIATES *(continued)*

(a) Material associates *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interests in an associates recognised in the consolidated financial statements is as follows:

| | Aquarius II | | Hangzhou Shunpu | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | ***S$*** | S$ | ***S$*** | S$ |
| Net assets | **4,482,626** | 4,589,237 | **1,696,862** | 1,711,664 |
| Proportion of the Group's ownership interest | **49%** | 49% | **40%** | 40% |
| The Group's share of net assets | **2,196,487** | 2,248,726 | **678,745** | 684,666 |
| Provision for impairment loss *(note)* | **—** | — | **(135,878)** | (68,512) |
| Carrying amount in the consolidated financial statements | **2,196,487** | 2,248,726 | **542,867** | 616,154 |

*Note:* As at 31 March 2024, in view of the continuous unsatisfactory operation results of Hangzhou Shunpu, the management of the Group carried out an impairment assessment on the Group's interest in Hangzhou Shunpu by comparing its recoverable amount with its carrying amount. Based on the result of the review, the recoverable amount of the Group's interest in Hangzhou Shunpu is estimated to be lower than its carrying amount and accordingly, an impairment loss of S$70,936 is recognized in the profit or loss during the year ended 31 March 2024.

The recoverable amount of the investment in Hangzhou Shunpu was assessed to be S$542,867. The fair value less costs of disposal method was adopted in calculating at the recoverable amount. Valuation techniques used to support the valuation include the asset-based approach which uses the fair market value of its total assets minus its total liabilities. The fair value on which the recoverable amount is based on is categorised as a Level 3 measurement.

## 16 INTERESTS IN ASSOCIATES *(continued)*

(b) Other associates

Aggregate information of associates that are not individual material is summarised as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***S$*** | *S$* |
| Aggregate carrying amount of individually immaterial associates in the consolidated financial statements | **—** | — |
| Aggregate amounts of the Group's share of | | |
| Loss for the year | **—** | — |
| Other comprehensive income | **—** | — |
| Total comprehensive loss | **—** | — |

## 17 FINANCE LEASE RECEIVABLE

| | **2024** | 2023 |
|---|---|---|
| | ***S$*** | *S$* |
| Minimum finance lease receivable: | | |
| — Within one year | **346,754** | 364,511 |
| Gross amount of finance lease receivable | **346,754** | 364,511 |
| Less: Unearned finance lease income | **—** | (5,625) |
| Present value of minimum finance lease receivable | **346,754** | 358,886 |
| Less: allowance for impairment loss | **(173,377)** | (30,154) |
| Carrying amount of finance lease receivable | **173,377** | 328,732 |

| | **2024** | 2023 |
|---|---|---|
| | ***S$*** | *S$* |
| Present value of minimum finance lease receivable: | | |
| — Within one year | **346,754** | 358,886 |
| **Total** | **346,754** | 358,886 |

## 17 FINANCE LEASE RECEIVABLE *(continued)*

**Analysis of security**

The finance lease receivable is secured by leased assets which are used in power supply. Additional collaterals may be obtained from customer to secure the repayment obligations under finance lease and such collaterals include property, plant and equipment, guarantee of the customer and/or its related parties.

**Analysis of credit quality**

The following is a credit quality analysis of the finance lease receivable. In the event that an instalment repayment of a finance lease is overdue for more than 30 days, the entire outstanding balance of the finance lease receivable is classified as overdue. If the instalment repayment is overdue within 30 days, only the balance of this instalment is classified as overdue.

| | **2024** | 2023 |
|---|---|---|
| | ***S$*** | *S$* |
| Overdue and credit impaired | **346,754** | — |
| Neither past due nor credit-impaired | **—** | 358,886 |
| Less: allowances for impairment losses | **(173,377)** | (30,154) |
| | **173,377** | 328,732 |

On 31 March 2024, the Group and the customer entered into a repayment extension agreement, whereby the customer agreed to repay the entire amount of RMB1,866,373 (equivalent to approximately S$346,754) on or before 31 December 2024. The same amount had defaulted during the year ended 31 March 2024. In accordance with the repayment extension agreement, both parties agreed to waive the default interest, which was approximately 0.05% per day from 1 April 2023 until 31 December 2024 on the condition that the customer fulfills its obligation under the repayment extension agreement. The default interest would be applicable should the customer fail to repay the amount on or before 31 December 2024 and the Group retains the right to collect the amount since 1 April 2023, being the first default date. Up to 31 March 2024, the accumulated default interest waived was approximately S$50,279.

Having taken into account the historical repayment pattern of the debtor, the repayment extension agreement and default event which occurred during the year ended 31 March 2024, the directors considered that the finance lease receivable had become credit impaired. Details of the expected credit loss assessment are further detailed as below.

| | **2024** | 2023 |
|---|---|---|
| | **Lifetime ECL - credit impaired** | Lifetime ECL - credit impaired |
| | ***S$*** | *S$* |
| Present value of minimum finance lease receivable | **346,754** | — |
| Less: Provision for impairment loss | **(173,377)** | — |
| Carrying amount of finance lease receivable | **173,377** | — |

## 17 FINANCE LEASE RECEIVABLE *(continued)*

**Analysis of credit quality** *(continued)*

| | **2024** | 2023 |
|---|---|---|
| | **12 month ECL** | 12 month ECL |
| | ***S$*** | *S$* |
| Present value of minimum finance lease receivable | **—** | 358,886 |
| Less: Provision for impairment loss | **—** | (30,154) |
| Carrying amount of finance lease receivable | **—** | 328,732 |

The movements in the provision for impairment loss of finance lease receivable is as follows:

| | **12 month ECL** | **Lifetime ECL - not credit impaired** | **Lifetime ECL - credit impaired** |
|---|---|---|---|
| | *S$* | *S$* | *S$* |
| At 1 April 2022 | — | 218,196 | — |
| Transfer to 12 month ECL | 218,196 | (218,196) | — |
| Net remeasurement of loss allowance | (174,377) | — | — |
| Exchange movement | (13,665) | — | — |
| At 31 March 2023 | 30,154 | — | — |
| At 1 April 2023 | **30,154** | **—** | **—** |
| Transfer to Lifetime ECL - credit impaired | **(30,154)** | **—** | **30,154** |
| Net remeasurement of loss allowance | **—** | **—** | **145,918** |
| Exchange movement | **—** | **—** | **(2,695)** |
| At 31 March 2024 | **—** | **—** | **173,377** |

## 18 EQUITY INVESTMENTS AT FVOCI

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Unlisted equity investments *(note)* | | |
| — 杭州麥塔文化科技有限公司 | **172,785** | 177,727 |
| — 麥塔宇宙數字科技(杭州)有限公司 | **118,905** | 140,619 |
| — 浙江鈦鎂文化傳播有限公司 (“**浙江鈦鎂**”) | **—** | — |
| | **291,690** | 318,346 |

*Note:*

The Group has elected to designate the investments as financial assets at FVOCI (non-recycling) as the investments are held for long term strategic purposes.

In March 2022, the Group entered into a share transfer agreement with a third party to dispose of the unlisted equity investment in 浙江鈦鎂 at a consideration of RMB1,120,000 (equivalent to S$238,339). According to the share transfer agreement, the third party shall pay the consideration on or before 15 December 2022. However, the third party failed to pay the consideration on the due date and the disposal has not been completed up to the date of approval of these financial statements. Details of the fair value of the unlisted equity investments are set out in note 36.3(g).

## 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | As at 31 March | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | ***S$*** | *S$* |
| Non-current | | | |
| Unlisted equity investment | *a* | **—** | 376,132 |
| Listed equity investment | *b* | **21,377** | 15,831 |
| | | **21,377** | 391,963 |
| Current | | | |
| Listed debt securities | *c* | **28,641** | 105,733 |
| Listed equity investments | *c* | **2,871,797** | 3,386,458 |
| Wealth management product | *d* | **—** | 214,835 |
| | | **2,900,438** | 3,707,026 |
| | | **2,921,815** | 4,098,989 |

## 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

*Notes:*

a) On 27 April 2021, the Group entered into an investment agreement with Hong Kong Beian Network Technology Co., Limited ("**Beian**") and its shareholders, pursuant to which the Group agreed to subscribe 10% equity interest in Beian at a consideration of HK$8,500,000 (equivalent to S$1,484,716). Beian is a private limited liability company incorporated in Hong Kong and principally engaged in the development and operation of a social platform. The details of the fair value of the unlisted equity investment in Beian are set out in note 36.3(g).

b) The listed equity investment represented the shares of Statehouse Holdings Inc. (formerly known as "Harborside Inc."). held in escrow which were allocated to the Group after a period of 12 months known as the lock-up period in July 2022. The details of the fair value of the listed equity investment in Statehouse Holdings Inc. as at 31 March 2024 and 2023 are set out in note 36.3(g). After the lock-up period, the fair value of the listed equity investment in Statehouse Holdings Inc. is determined at the quoted market bid price on the stock exchange.

c) As at 31 March 2024 and 2023, the fair value of the listed equity investments and listed debt securities is determined at the quoted active market bid price on the respective stock exchanges.

d) The fair value of the wealth management product is determined based on the net asset value as published by the manager of the product.

## 20 INVENTORIES

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Low value consumables | **376,714** | 217,312 |
| Digital assets inventories | **2,227,478** | 570,102 |
| | **2,604,192** | 787,414 |

The balance of digital assets inventories represents the Group's proprietary inventories. The balance is measured at fair value less costs to sell.

## 21 TRADE RECEIVABLES

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Billed trade receivables | **9,512,212** | 8,685,761 |
| Unbilled trade receivables *(note)* | **6,514,622** | 4,062,871 |
| | **16,026,834** | 12,748,632 |

*Note:*

Unbilled trade receivables represents (i) the accrued revenue from integrated building services for work performed but yet to be billed; and (ii) the remaining balances of construction revenue to be billed for completed building construction works which are entitled for billing.

For the majority of customers, invoices are issued upon completion of rendering services.

The Group grants credit terms to customers typically between 15 to 60 days from the invoice date for billed trade receivables. The following is an aged analysis of the billed trade receivables presented based on the invoice date at the end of the reporting period:

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Within 90 days | **7,889,762** | 7,770,309 |
| 91 days to 180 days | **981,829** | 614,721 |
| 181 days to 365 days | **436,970** | 183,808 |
| Over 1 year but not more than 2 years | **122,718** | 23,454 |
| More than 2 years | **80,933** | 93,469 |
| | **9,512,212** | 8,685,761 |

Before accepting any new customer, the Group assesses the potential customer's credit quality and defined credit limit to each customer on an individual basis. Limits attributed to customers are reviewed once a year.

In determining the recoverability of trade receivables, the management of the Group considers any change in the credit quality of the trade receivables from the initial recognition date to the end of the reporting period. Movement in the provision for impairment of trade receivable which have been net with the amount stated above are as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***S$*** | *S$* |
| At the beginning of the year | **238,725** | — |
| Provision for impairment | **—** | 238,725 |
| Written-off | **(238,725)** | — |
| At the end of the year | **—** | 238,725 |

Details of the impairment assessment are set out in note 36.3(c).

## 21 TRADE RECEIVABLES *(continued)*

The following is an aged analysis of the billed trade receivables, presented based on the due date at the end of each reporting period:

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Not past due | **5,694,071** | 7,211,299 |
| Less than 90 days | **2,937,889** | 958,931 |
| 91 days to 180 days | **387,326** | 360,751 |
| More than 180 days | **492,926** | 154,780 |
| | **9,512,212** | 8,685,761 |

The Group does not hold any collateral over these balances.

## 22 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Deposits | **422,653** | 290,801 |
| Prepayments | **1,930,400** | 193,880 |
| Advances to staff | **28,500** | 28,500 |
| Other receivables | **202,687** | 322,659 |
| Goods and services tax recoverable | **7,737** | — |
| Value-added tax receivable | **195,953** | 159,748 |
| Amounts due from brokers *(Note a)* | **12,889,585** | 1,778,701 |
| Amounts due from associates *(Note b)* | **537,722** | 527,287 |
| | **16,215,237** | 3,301,576 |

*Note a:* The Group trades digital assets and securities through brokers and has maintained trading accounts with them. Amount due from brokers represents prefunding for future trading and unwithdrawn trading proceeds kept in the trading accounts with brokers. The balance in the trading accounts are freely withdrawable at the discretion of the Group.

*Note b:* The amounts due from associates are unsecured, interest free and repayable on demand.

Details of impairment assessment of financial assets included other receivables and deposits for the years ended 31 March 2024 and 2023 are set out in note 36.3(c).

## 23 AMOUNTS DUE FROM/(TO) RELATED PARTIES

### (a) Amount due from a related party

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Non-trade balance due from a related party | **238** | — |

As at 31 March 2024, the non-trade balance was due from a key management personnel of the Company. The non-trade balance was unsecured, interest-free and repayable on demand.

### (b) Amounts due to related companies

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Non-trade balance due to related companies | **—** | 50,208 |

The amounts are due to companies controlled by the controlling shareholder of the Company and unsecured, interest-free and repayable on demand.

## 24 FIXED BANK DEPOSITS/BANK BALANCES AND CASH

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Fixed bank deposits *(note a)* | **1,000,000** | 21,996,000 |
| Bank balances and cash *(note b)* | **15,804,006** | 15,317,016 |

*Note:*

a) Fixed bank deposits represent deposits placed with banks with an original maturity over 3 months. The balances carry interest at 3.1% per annum at 31 March 2024.

b) Bank balances carried interest at market rates at 0.1% to 0.15% (2023: 0.001% per annum) per annum as at 31 March 2024.

**Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

| | **Other borrowings** | **Lease liabilities** | **Total** |
|---|---|---|---|
| | *S$* | *S$* | *S$* |
| | | *(Note 26)* | |
| At 1 April 2022 | — | 239,365 | 239,365 |
| Cash flows | | | |
| — Proceeds from other borrowings | 13,796,821 | — | 13,796,821 |
| — Repayment of other borrowings | (13,824,096) | — | (13,824,096) |
| — Repayment for lease liabilities | — | (346,845) | (346,845) |
| Addition of leases | — | 607,930 | 607,930 |
| Interest expenses | 27,275 | 20,100 | 47,375 |
| Exchange alignment | — | (8,251) | (8,251) |
| At 31 March 2023 and 1 April 2023 | — | 512,299 | 512,299 |
| Cash flows | | | |
| — Proceeds from other borrowings | 12,601,742 | — | 12,601,742 |
| — Repayment of other borrowings | (12,661,234) | — | (12,661,234) |
| — Repayment for lease liabilities | — | (478,759) | (478,759) |
| Addition of leases | — | 359,954 | 359,954 |
| Interest expenses | 59,492 | 35,689 | 95,181 |
| Exchange alignment | — | 2,386 | 2,386 |
| At 31 March 2024 | — | 431,569 | 431,569 |

## 25 TRADE AND OTHER PAYABLES

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Trade payables | **7,131,020** | 2,538,862 |
| Trade accruals | **2,516,780** | 3,294,210 |
| | **9,647,800** | 5,833,072 |
| Accrued operating expenses | **1,161,673** | 1,111,633 |
| Deposit | **47,173** | — |
| Other payables | | |
| GST payable | **390,588** | 393,268 |
| Others | **159,217** | 156,235 |
| | **11,406,451** | 7,494,208 |

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Within 90 days | **6,721,845** | 2,396,024 |
| 91 to 180 days | **298,613** | 28,763 |
| 181 days to 365 days | **16,760** | 13,446 |
| Over 1 year but not more than 2 years | **8,533** | 26,042 |
| Over 2 years | **85,269** | 74,587 |
| | **7,131,020** | 2,538,862 |

The credit period on purchases from suppliers and subcontractors is between 15 to 90 days or payable upon delivery.

## 26 LEASE LIABILITIES

At 31 March 2024, the lease liabilities were repayable as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***S$*** | *S$* |
| Within 1 year | **306,352** | 374,216 |
| After 1 year but within 2 years | **118,737** | 138,083 |
| After 2 years but within 3 years | **6,480** | — |
| | **125,217** | 138,083 |
| | **431,569** | 512,299 |

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 24 and the maturity analysis of lease liabilities is disclosed in Note 36.

## 27 DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods:

| | **Accelerated tax depreciation** |
|---|---|
| | *S$* |
| At 1 April 2022 | 120,701 |
| Credit to profit or loss *(note 11)* | (55,234) |
| At 31 March 2023 | 65,467 |
| At 1 April 2023 | 65,467 |
| Credit to profit or loss *(note 11)* | 59,905 |
| At 31 March 2024 | 125,372 |

*Note:*

Deferred tax liabilities resulted from temporary differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

The Group had unrecognized tax losses of approximately S$9,870,000 as at 31 March 2024 (2023: S$11,283,000) that may be carried forward for offsetting against future taxable income. Tax loss of PRC entities amounting to approximately S$593,000 (2023: S$66,000) will expire in five years after the losses were incurred and the remaining tax losses have no expiry date and can be carried forward indefinitely.

## 28 SHARE CAPITAL

| | **Number of shares** | **Par value** | **Share capital** |
|---|---|---|---|
| | | *HK$* | *HK$* |
| Authorised share capital: | | | |
| At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024 | 5,000,000,000 | 0.01 | 50,000,000 |

| | **Number of shares** | **Share capital** |
|---|---|---|
| | | *S$* |
| At 1 April 2022 | 1,095,040,000 | 1,966,310 |
| Issue of share capital *(note)* | 100,000,000 | 176,398 |
| At 31 March 2023, 1 April 2023 and 31 March 2024 | 1,195,040,000 | 2,142,708 |

## 28 SHARE CAPITAL *(continued)*

*Note:*

On 25 April 2022, the Company entered into a subscription agreement (the "**Subscription Agreement**") with a third party namely Mr. Liu Zihao ("**Mr. Liu**") pursuant to which the Company conditionally agreed to allot and issue, and Mr. Liu conditionally agreed to subscribe for 100,000,000 new ordinary Shares of the Company at the subscription price of HK$0.1438 per share. On 30 May 2022, the conditions under the Subscription Agreement have been fulfiled and the Company allotted and issued 100,000,000 ordinary shares of HK$0.01 each to Mr. Liu at a subscription price of HK$0.1438 per share, giving rise to an increase of HK$1,000,000 (equivalent to S$176,398) and HK$13,380,000 (equivalent to S$2,360,205) in share capital and share premium, respectively.

## 29 RELATED PARTY TRANSACTIONS

Apart from those related party transactions disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties.

### a) Compensation of key management personnel

The remuneration of key management personnel of the Group, including the amounts paid to the directors and certain of the highest paid employees as disclosed in note 12 during the reporting period was as follows:

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Short term benefits | **2,359,842** | 2,937,387 |
| Post-employment benefits | **64,959** | 64,728 |
| Total compensation | **2,424,801** | 3,002,115 |

### b) Balances with related parties

| | | As at 31 March | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | ***S$*** | *S$* |
| Amounts due from associates | *22* | **537,722** | 527,287 |
| Amount due from a related party | *23* | **238** | — |
| Amounts due to related companies | *23* | **—** | 50,208 |
| Amount due to an associate | *(i)* | **2,330,650** | 2,285,424 |

*Note(i)* The amount is non-trade in nature, unsecured, interest free and repayable on demand.

## 30 PARTICULARS OF SUBSIDIARIES

Details of the Group's principal subsidiaries held by the Company as at 31 March 2024 are set out below.

| Name | Place of incorporation/ operation | Issued and fully paid share capital/registered capital | Proportion of ownership interest held by the Group | Principal activities |
|---|---|---|---|---|
| Directly held by the Company | | | | |
| Jinfeng Ventures Limited | BVI | US$1 | 100% | Investment holding |
| Pine Vantage Limited | BVI | US$1 | 100% | Investment holding |
| Grand Shores Blockchain Group Limited（雄岸區塊鏈集團有限公司） | Hong Kong | HK$1 | 100% | Investment holding |
| Grandshores Technology (Hong Kong) Limited（雄岸科技（香港）有限公司） | Hong Kong | HK$1 | 100% | Provision of information technology development and application products and services |
| Silver Fame Investment Limited（銀榮投資有限公司） | Hong Kong | HK$1 | 100% | Investment holding |
| Indirectly held by the Company | | | | |
| SH Integrated Service Pte. Ltd. | Singapore | S$3,000,000 | 100% | General contractors (building services with a focus on maintenance and/or installations of mechanical systems including repairs and renovation services and construction works) |
| CSH Development Pte. Ltd. | Singapore | S$100,000 | 100% | Property investment |
| Hong Kong Grandshores Digital Economy Development Limited（香港雄岸數字經濟發展有限公司） | Hong Kong | HK$15,000,000 | 75% | Provision of financial technology services |
| Grandshores Creative Technology Limited（雄岸創意科技有限公司） | Hong Kong | HK$14,500,000 | 100% | Provision of information technology development and application products and services |
| Hong Kong Grandshores Star Technology Limited#（香港雄岸星辰科技有限公司） | Hong Kong | HK$10,000 | 51% | Provision of information technology development and application products and services |
| 杭州雄岸偉成科技有限公司 (Hangzhou Grandshores Weicheng Technology Co., Ltd.)*@ | PRC | RMB17,305,000 | 100% | Provision of information technology development and application products and services |
| Hangzhou Grandshores Investment Management Company Limited (杭州雄岸投資管理有限公司)@@@ | PRC | RMB2,000,000 | 100% | Provision of investment management service |

## 30 PARTICULARS OF SUBSIDIARIES *(continued)*

| Name | Place of incorporation/ operation | Issued and fully paid share capital/registered capital | Proportion of ownership interest held by the Group | Principal activities |
|---|---|---|---|---|
| Grandshores Asset Management Limited (雄岸資產管理有限公司) | Hong Kong | HK$2,000,000 | 100% | Provision of asset management and other financial services |
| 杭州聚瀾數字科技有限公司 (Hangzhou Julan Digital Technology Co., Ltd.)*@@ | PRC | RMB2,040,816 | 49.98% | Provision of information technology development and application products and services |

None of the subsidiaries had issued any debt securities at the end of the reporting period.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

| Name of subsidiary | Place of incorporation and principal place of business | Proportion of ownership interests and voting rights held by non-controlling interests | | Loss allocated to non-controlling interests | | Accumulated non-controlling interests | |
|---|---|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | | | S$ | S$ | S$ | S$ |
| Hong Kong Grandshores Digital Economy Development Limited (香港雄岸數字經濟發展有限公司) | Hong Kong | 25% | 25% | (122) | (33) | 434,814 | 426,499 |
| Hong Kong Grandshores Star Technology Limited (香港雄岸星辰科技有限公司) | Hong Kong | 49% | N/A | (197,230) | N/A | (194,765) | N/A |
| Individually immaterial subsidiaries with non-controlling interests | | | | – | (59,599) | – | – |
| | | | | (197,352) | (59,632) | 240,049 | 426,499 |

* *English name for identification purpose only.*

\# *The subsidiary was newly incorporated during the year ended 31 March 2024.*

@ *The subsidiary is wholly foreign-owned enterprise established under the PRC Law.*

@@ *The subsidiary is 98% foreign-owned enterprise established under the PRC Law.*

@@@ *The subsidiary is a limited liability company established under the PRC Law.*

## 30 PARTICULARS OF SUBSIDIARIES *(continued)*

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

| | Hong Kong Grandshores Digital Economy Development Limited | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| Current assets | **1,739,257** | 1,705,995 |
| Current liabilities | **—** | — |
| Net assets | **1,739,257** | 1,705,995 |
| Carrying amount of non-controlling interests | **434,814** | 426,499 |
| Revenue | **—** | — |
| Expenses | **(497)** | (130) |
| Loss and total comprehensive loss for the year | **(497)** | (130) |
| Loss allocated to non-controlling interests | **(122)** | (33) |
| Cash flows used in operating activities | **(83)** | (131) |
| Cash flows from investing activities | **—** | — |
| Cash flows used in financing activities | **—** | — |
| Net decrease in cash and cash equivalents | **(83)** | (131) |
| Dividend paid to non-controlling interests | **—** | — |

## 30 PARTICULARS OF SUBSIDIARIES *(continued)*

| | **Hong Kong Grandshores Star Technology Limited and its subsidiary 2024** *S$* |
|---|---|
| Non-current assets | 71,915 |
| Current assets | 269,892 |
| Current liabilities | (739,288) |
| Net liabilities | (397,481) |
| Carrying amount of non-controlling interests | (194,765) |
| Revenue | 32,991 |
| Expenses | (435,502) |
| Loss and total comprehensive loss or the year | (402,511) |
| Loss allocated to non-controlling interests | (197,230) |
| Cash flows used in operating activities | (394,235) |
| Cash flows used in investing activities | (8,781) |
| Cash flows from financing activities | 580,807 |
| Net increase in cash and cash equivalents | 177,791 |
| Dividend paid to non-controlling interests | – |

## 31 ACQUISITION OF A SUBSIDIARY

There are no acquisition of subsidiaries during the year ended 31 March 2023 and 2024.

## 32 ACQUISITION OF NON-CONTROLLING INTERESTS

**For the year ended 31 March 2023**

(a) On 4 April 2022, Grand Shores Blockchain Group Limited ("**GS Blockchain**"), a wholly owned subsidiary of the Company, entered into a loan agreement with Ms. Zhou Hongmei ("**Ms. Zhou**"), pursuant to which GS Blockchain agreed to provide Ms. Zhou with a loan in the principal amount of HK$5,800,000 (equivalent to $977,874) at an interest rate of 8% per annum for a period of six months (the "**Loan**"). Ms. Zhou held 40% equity interest in Grandshores Creative Technology Limited ("**Grandshores Creative**"), a 60%-owned subsidiary of the Company.

On 3 October 2022, the Group acquired the 40% equity interest in Grandshores Creative held by Ms. Zhou, increasing its equity interest to 100%. The consideration of the acquisition was HK$6,050,000 (equivalent to S$1,018,571) which was set off with the loan and outstanding interest totalling S$1,018,571, receivable from Ms. Zhou.

The carrying amount of the net assets of Grandshores Creative at the date of acquisition was S$2,536,348. The details of the additional interest acquired in Grandshores Creative are as follows:

| | *S$* |
|---|---|
| Consideration for the acquisition of non-controlling interests | 1,018,571 |
| Carrying amount of the additional interest in Grandshores Creative | (1,014,539) |
| Difference recognised in retained profits | 4,032 |

(b) On 7 May 2022, the Group acquired the 49% equity interest in Hangzhou Grandshores Investment Management Company Limited ("**Hangzhou Grandshores**") held by the non-controlling shareholder of Hangzhou Grandshores, increasing its equity interest to 100%. The consideration of the acquisition was RMB256,000 (equivalent to S$50,000).

The carrying amount of the net assets of Hangzhou Grandshores at the date of acquisition was S$271,271. The details of the additional interest acquired in Hangzhou Grandshores are as follows:

| | *S$* |
|---|---|
| Consideration paid to non-controlling interests | 50,000 |
| Carrying amount of the additional interest in Hangzhou Grandshores | (132,923) |
| Difference recognised in retained profits | (82,923) |

There are no acquisition of non controlling interests during the year ended 31 March 2024.

## 33 DISPOSAL OF A SUBSIDIARY

On 5 March 2023, the Group entered into a sale and purchase agreement to dispose of 51% equity interest in 雄岸偉達數字科技有限公司 ("**雄岸偉達**") to a third party at a consideration of RMB693,798 (equivalent to S$135,502). 雄岸偉達 was engaged in internet application business. The loss on disposal of the subsidiary is calculated as follows:

| | 2023 |
|---|---|
| | *S$* |
| Cash consideration | 135,502 |
| Net assets disposed of | (265,689) |
| Non-controlling interest | 130,180 |
| Loss on disposal before taxation | (7) |
| Taxation | — |
| Loss on disposal after taxation | (7) |

| | 2023 |
|---|---|
| **Net assets disposed of** | *S$* |
| Property, plant and equipment | 4,896 |
| Other receivable, deposits and prepayments | 7,911 |
| Bank balances and cash | 252,981 |
| Trade and other payables | (99) |
| | 265,689 |

| | 2023 |
|---|---|
| **Net cash outflow arising on disposal** | *S$* |
| Cash consideration | 135,502 |
| Less: bank balances and cash disposed of | (252,981) |
| Net cash outflow arising on disposal | (117,479) |

On 18 December 2020, the Group disposed of its entire equity interests in Innovative Plus Investments Limited and its subsidiary which was engaged in the Integrated building services business at a total consideration of S$2,100,000. During the year ended 31 March 2022, the Group received S$840,000 (2021: S$630,000) from the disposal. The remaining balance of S$630,000 included in other receivables was fully settled during the year ended 31 March 2023.

## 34 SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 5 January 2017 (the "**Share Option Scheme**") for the purpose of providing an incentive or a reward to any employee, director, supplier, customer, consultant, advisor or other eligible person (collectively the "**Eligible Persons**") for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest ("**Invested Entity**"). Under the Share Option Scheme, the Board of Directors of the Company may grant options to the aforementioned Eligible Persons, to subscribe for shares in the Company.

Under the Share Option Scheme, the total number of shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

The maximum number of shares issued and to be issued upon exercise of the options granted to each Eligible Persons (including both exercised and outstanding options), in any 12-month period shall not exceed 1% of the shares of the Company in issue for the time.

Options granted shall be taken up upon payment of S$1 as consideration for the grant of option. Options may be exercised at any time not exceeding a period of 10 years from the date which the share option is deemed to be granted and accepted. The exercise price is determined by the Board of Directors of the Company, and shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant and (iii) the nominal value of a share on the date of grant.

### (a) The terms and conditions of the options granted are as follows:

For the year ended 31 March 2024

| Category of grantee | Date of grant | Exercise period | Contractual life of options | Number of options as at 1 April 2023 | Number of options lapsed during the year | Number of options as at 31 March 2024 | Vesting conditions |
|---|---|---|---|---|---|---|---|
| Employees | 16 May 2019 | 16 May 2020 to 15 May 2023 | 4 years | 500,000 | (500,000) | – | One year from the date of grant |
| | | 16 May 2021 to 15 May 2023 | 4 years | 500,000 | (500,000) | – | Two years from the date of grant |
| Non-employees | 15 May 2019 | 15 May 2019 to 14 May 2023 | 4 years | 5,000,000 | (5,000,000) | – | Upon achievement of specific performance target |
| | 16 May 2019 | 16 May 2020 to 15 May 2023 | 4 years | 12,000,000 | (12,000,000) | – | One year from the date of grant |
| | | 16 May 2021 to 15 May 2023 | 4 years | 12,000,000 | (12,000,000) | – | Two years from the date of grant |
| | | | | 30,000,000 | (30,000,000) | – | |

## 34 SHARE OPTION SCHEME *(continued)*

### (a) The terms and conditions of the options granted are as follows: *(continued)*

For the year ended 31 March 2023

| Category of grantee | Date of grant | Exercise period | Contractual life of options | Number of options as at 1 April 2022 | Number of options lapsed during the year | Number of options as at 31 March 2023 | Vesting conditions |
|---|---|---|---|---|---|---|---|
| Directors | 23 August 2018 | 23 August 2019 to 22 August 2022 | 4 years | 500,000 | (500,000) | – | One year from the date of grant |
| | | 23 August 2020 to 22 August 2022 | 4 years | 500,000 | (500,000) | – | Two years from the date of grant |
| Employees | 23 August 2018 | 23 August 2019 to 22 August 2022 | 4 years | 500,000 | (500,000) | – | One year from the date of grant |
| | | 23 August 2020 to 22 August 2022 | 4 years | 500,000 | (500,000) | – | Two years from the date of grant |
| | 16 May 2019 | 16 May 2020 to 15 May 2023 | 4 years | 750,000 | (250,000) | 500,000 | One year from the date of grant |
| | | 16 May 2021 to 15 May 2023 | 4 years | 750,000 | (250,000) | 500,000 | Two years from the date of grant |
| Non-employees | 23 August 2018 | 23 August 2019 to 22 August 2022 | 4 years | 1,000,000 | (1,000,000) | – | One year from the date of grant |
| | | 23 August 2020 to 22 August 2022 | 4 years | 1,000,000 | (1,000,000) | – | Two years from the date of grant |
| | 15 May 2019 | 15 May 2019 to 14 May 2023 | 4 years | 5,000,000 | – | 5,000,000 | Upon achievement of specific performance target |
| | 16 May 2019 | 16 May 2020 to 15 May 2023 | 4 years | 12,000,000 | – | 12,000,000 | One year from the date of grant |
| | | 16 May 2021 to 15 May 2023 | 4 years | 12,000,000 | – | 12,000,000 | Two years from the date of grant |
| | | | | 34,500,000 | (4,500,000) | 30,000,000 | |

## 34 SHARE OPTION SCHEME *(continued)*

**(b) The movements of number of share options and weighted average exercise price of share options are as follows:**

| | **Weighted average exercise price 2024** | **Number of options 2024** | Weighted average exercise price 2023 | Number of options 2023 |
|---|---|---|---|---|
| Outstanding at the beginning of the year | **HK$1.18** | **30,000,000** | HK$1.18 | 34,500,000 |
| Lapsed during the year | **HK$1.18** | **30,000,000** | HK$1.2 | (4,500,000) |
| Outstanding at the end of the year | **—** | **—** | HK$1.18 | 30,000,000 |
| Exercisable at the end of the year | **—** | **—** | HK$1.17 | 25,000,000 |

There were no options outstanding as at 31 March 2024. The options outstanding as at 31 March 2023 had an exercise price of HK$1.2 or HK$1.17.

There was no remaining contractual life as at 31 March 2024. The weighted average remaining contractual life as at 31 March 2023 was 0.12 years.

## 34 SHARE OPTION SCHEME *(continued)*

### (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured by reference to valuations performed by ValQuest Advisory Group Limited, an independent professional valuer not connected to the Group, based on the Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model.

| | On 23 August 2018 | | On 15 May 2019 | On 16 May 2019 | | On 18 september 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Vesting date | 23 August 2019 | 23 August 2020 | 15 May 2019 | 16 May 2020 | 16 May 2021 | 18 September 2019 | 18 March 2020 | 18 September 2020 | 18 March 2021 | 18 September 2021 |
| Fair value at measurement date | HK$0.33 | HK$0.34 | HK$0.37 | HK$0.35 | HK$0.36 | HK$0.15 | HK$0.085 | HK$0.086 | HK$0.093 | HK$0.076 |
| Share price at date of grant | HK$1.2 | HK$1.2 | HK$1.19 | HK$1.17 | HK$1.17 | HK$0.56 | HK$0.56 | HK$0.56 | HK$0.56 | HK$0.56 |
| Exercise price | HK$1.2 | HK$1.2 | HK$1.2 | HK$1.17 | HK$1.17 | HK$0.568 | HK$0.568 | HK$0.568 | HK$0.568 | HK$0.568 |
| Life of options | 4 years | 4 years | 4 years | 4 years | 4 years | 2 years | 2.5 years | 3 years | 3.5 years | 4 years |
| Risk free rate | 2.06% | 2.06% | 1.59% | 1.56% | 1.56% | 1.67% | 1.60% | 1.53% | 1.44% | 1.44% |
| Dividend yield | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Volatility | 34.02% | 34.02% | 38.21% | 38.27% | 38.27% | 46.82% | 43.57% | 43.08% | 40.34% | 40.34% |
| Exercise multiple | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| Employee exit rate post-vesting | 10% | 10% | 0% | 10% | 10% | 0% | 0% | 0% | 0% | 0% |

*Note:*

(a) Exercise multiple defines the early exercise strategy.

(b) Risk free rate represents the yields to maturity of Hong Kong Exchange Fund Note with respective terms to maturity as at the valuation date.

(c) Dividend yield was calculated based on the closing price as at valuation date and the historical dividends per share.

(d) Employee exit rate-post vesting is the percentage of share option lapsed after the vesting period.

(e) Volatility is the annualised standard deviation of daily return of the share price of the comparable listed companies which are engaged in similar business of the Company with reference to Bloomberg.

The fair value of the share options granted to non-employees are measured at fair values of options granted as these participants are providing services that are similar to those rendered by employees.

## 35 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| **ASSETS AND LIABILITIES** | | |
| **Non-current assets** | | |
| Investments in subsidiaries | **5** | 5 |
| **Current assets** | | |
| Amounts due from subsidiaries | **25,577,330** | 25,730,075 |
| Prepayments and other receivable | **57,423** | 58,263 |
| Bank balances and cash | **137,530** | 185,887 |
| | **25,772,283** | 25,974,225 |
| **Current liabilities** | | |
| Other payables | **175,225** | 287,485 |
| Amounts due to subsidiaries | **125,863** | 125,863 |
| | **301,088** | 413,348 |
| **Net current assets** | **25,471,195** | 25,560,877 |
| **Net assets** | **25,471,200** | 25,560,882 |
| **EQUITY** | | |
| **Capital and reserves** | | |
| Share capital | **2,142,708** | 2,142,708 |
| Reserves | **23,328,492** | 23,418,174 |
| **Equity attributable to owners of the Company** | **25,471,200** | 25,560,882 |

## 35 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

A summary of the Company's reserves is as follows:

| | Share premium S$ | Capital redemption reserve S$ | Share option reserve S$ | Accumulated losses S$ | Total S$ |
|---|---|---|---|---|---|
| **At 1 April 2022** | 27,011,916 | 16,114 | 1,521,821 | (6,357,199) | 22,192,652 |
| Total comprehensive loss for the year: | | | | | |
| Loss for the year | — | — | — | (1,134,683) | (1,134,683) |
| Transactions with owners, recognised directly in equity: | | | | | |
| Issuance of new shares | 2,360,205 | — | — | — | 2,360,205 |
| Transfer of share-based payment reserve upon the lapse of share options | — | — | (261,073) | 261,073 | — |
| Total | 2,360,205 | — | (261,073) | 261,073 | 2,360,205 |
| **At 31 March 2023 and 1 April 2023** | 29,372,121 | 16,114 | 1,260,748 | (7,230,809) | 23,418,174 |
| Total comprehensive loss for the year: | | | | | |
| Loss for the year | **—** | **—** | **—** | **(89,682)** | **(89,682)** |
| Transactions with owners, recognised directly in equity: | | | | | |
| Transfer of share-based payment reserve upon the lapse of share options | **—** | **—** | **(1,260,748)** | **1,260,748** | **—** |
| Total | **—** | **—** | **(1,260,748)** | **1,260,748** | **—** |
| **At 31 March 2024** | **29,372,121** | **16,114** | **—** | **(6,059,743)** | **23,328,492** |

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

**Categories of financial instruments**

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***S$*** | *S$* |
| **Financial assets** | | |
| *Financial assets at FVOCI* | | |
| Equity investment | **291,690** | 318,346 |
| *Financial assets at FVPL* | | |
| Equity investments | **2,893,174** | 3,778,421 |
| Debt securities | **28,641** | 105,733 |
| Wealth management product | **—** | 214,835 |
| | **2,921,815** | 4,098,989 |
| *Financial assets at amortised cost* | | |
| Trade receivables | **16,026,834** | 12,748,632 |
| Other receivables and deposits | **14,081,147** | 2,947,948 |
| Finance lease receivable | **173,377** | 328,732 |
| Amount due from a related party | **238** | — |
| Fixed bank deposits | **1,000,000** | 21,996,000 |
| Bank balances and cash | **15,804,006** | 15,317,016 |
| | **47,085,602** | 53,338,328 |
| Total | **50,299,107** | 57,755,663 |
| **Financial liabilities** | | |
| *Financial liabilities at amortised cost* | | |
| Trade and other payables | **11,015,863** | 7,100,940 |
| Amounts due to related companies | **—** | 50,208 |
| Amount due to an associate | **2,330,650** | 2,285,424 |
| Lease liabilities | **431,569** | 512,299 |
| Total | **13,778,082** | 9,948,871 |

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.1 Business development and the associated risks

During the year, the Group was engaged in the information technology development and application business line.

Management considers that the risks and uncertainties associated with the information technology development and application business is largely related to information technology, safekeeping of digital assets, fluctuation of asset prices as well as the fast developing nature of the markets. As the industry is in a growth stage, the Group has been implementing an operational infrastructure to support business development and growth. These initiatives include identifying physical locations, expanding IT infrastructure and hiring additional management personnel with an emphasis on experience in legal, regulatory, financial reporting, operations and technology development.

### 36.2 Risk management of the information technology development and application business

***(i) Price risk of digital assets inventories***

The Group holds digital assets inventories for the information technology development and application business. Price volatility of digital assets may cause significant impact to the Group's performance.

To manage the risk, the level of digital asset holdings is closely monitored by the Group's top management. During times of heightened price volatility, the Group may choose to reduce its digital asset inventory exposure by selling down or entering into hedge transactions such as exchange traded futures contracts.

For further details of the financial risk related to pricing, refer to note 36.3(e).

***(ii) Risks related to safekeeping of assets***

The Group maintains digital assets in both "hot" (connected to the Internet) and "cold" (not connected to the internet) wallets. "Hot" wallets are more susceptible to cyber-attacks or potential theft due to the fact they are connected to the public internet. To mitigate such risks, the Group has implemented guidelines and risk control protocols to dynamically adjust the level of digital assets maintained in "hot" wallets required to facilitate settlement. The Group has developed a proprietary digital asset wallet solution for its wallets with comprehensive security controls and risk mitigation processes in place. Control procedures cover wallet generation, day-to-day wallet management and security, as well as monitoring and safeguarding of the Group's "hot" and "cold" wallets and public and private keys.

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, finance lease receivable, amount due from a related party, fixed bank deposits, equity investments at FVOCI, financial assets at fair value through profit or loss, bank balances and cash, trade and other payables, amounts due to related companies, amount due to an associate and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk, liquidity risk and other price risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### *(a) Market risk*

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on bank balances. The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings and fixed interest on pledged bank deposits and time deposits. It is the Group's policy to maintain an appropriate level between its fixed-rate and variable-rate borrowings so as to minimize the fair value and cash flow interest rate risks.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

*Sensitivity analysis*

The directors of the Company consider that the exposure of cash flow interest rate risk arising from bank balances is not significant as the fluctuation of the interest rates on bank balances is minimal. Accordingly, no sensitivity analysis is prepared and presented.

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(b) Currency risk*

The Group undertakes certain transactions which expose the Group to foreign currency risk. The related balances include other receivables, fixed bank deposits, cash and cash equivalents and other payables, denominated in a currency other than the functional currency, and so exposures to exchange rate fluctuations arise. The Group currently does not have any foreign currency hedging policy. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The carrying amounts of the Group's monetary assets and monetary liabilities which are denominated in a currency other than the functional currency of the relevant group entities at the reporting date are as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **United States Dollars** | **Hong Kong Dollars** | United States Dollars | Hong Kong Dollars |
| | ***S$*** | ***S$*** | *S$* | *S$* |
| Trade and other receivables | **12,836,183** | **—** | 771,435 | — |
| Fixed bank deposits | **—** | **—** | 9,996,000 | — |
| Cash and cash equivalents | **3,589,767** | **137,502** | 3,984,814 | 185,870 |
| Trade and other payables | **—** | **(175,224)** | — | (287,485) |
| Gross exposure arising from recognised assets and liabilities | **16,425,950** | **(37,722)** | 14,752,249 | (101,615) |

As the Hong Kong dollar is pegged against the United States dollar, it is assumed that there would not be any material change in value of the United States dollar against Hong Kong dollars.

Assuming that all other variables remain constant at year end, a 5% (2023: 5%) depreciation/appreciation of the S$ against USD, the profit before taxation would increase/decrease by S$821,298 (2023: loss before taxation would decrease/increase by S$515,926) for the year ended 31 March 2024.

In the management's opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

The Group monitors foreign currency exposure and will consider hedging significant currency exposure should the need arise.

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(c) Credit risk*

In order to minimize the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 25% (2023: 32%) and 43% (2023: 64%) of the total trade receivables was due from the Group's largest customer and the five largest customers which exposed the Group to concentration of credit risk. In addition, the finance lease receivable of S$173,377 (2023: S$328,732) and an amount due from a broker of S$12,116,957 (2023: S$962,981) were due from single debtor.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Given the customers of the Group are mainly reputable companies and the Government of Singapore and its related organisations and institutional bodies and the Group has not experienced any significant credit losses in the past, management considered that the allowance for ECLs is insignificant. As a result, no provision for impairment of trade receivables is necessary during the year except for certain credit impaired and doubtful trade receivables.

The Group has taken measures to identify credit risks arising from loan receivables. The Group manages credit risk at every stage of the risk management system, including pre-approval, review and credit approval and post-transaction monitoring processes. The Group conducts acceptance and due diligence during the pre-approval process. A transaction may be subject to the review and approval depending on the transaction size.

During the post-transaction monitoring process, the Group performs credit evaluations on each and every major debtors periodically. These evaluations focus on the debtors' past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtors operate. In addition, the Group performs impairment assessment under ECL model under IFRS 9 on loan receivables. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### (c) Credit risk *(continued)*

In respect of other receivables, individual credit evaluations are performed on all debtors requiring credit over a certain amount. These evaluations focus on the debtor's past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtor operates.

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

*Impairment assessment for the years ended 31 March 2024 and 2023*

The Group's internal credit risk grading assessment comprises the following categories:

| **Internal credit rating** | **Description** | **Trade receivables** | **Other financial assets/ other items** |
|---|---|---|---|
| Low risk | The counterparty has a low risk of default and does not have any past-due amounts | Lifetime ECL — not credit-impaired | 12-month ECL |
| Watch list | Debtor frequently repays after due dates but usually settle after due date | Lifetime ECL — not credit-impaired | 12-month ECL |
| Doubtful | There have been significant increases in credit risk since initial recognition through information developed internally or external resources | Lifetime ECL — not credit-impaired | Lifetime ECL — not credit-impaired |
| Loss | There is evidence indicating the asset is credit impaired | Lifetime ECL — credit-impaired | Lifetime ECL — credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery | Amount is written off | Amount is written off |

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(c)* ***Credit risk*** *(continued)*

*Impairment assessment for the years ended 31 March 2024 and 2023 (continued)*

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

| | *Note* | **Internal credit rating** | **12-month or lifetime ECL** | **Gross carrying amounts** | |
|---|---|---|---|---|---|
| | | | | *2024* | *2023* |
| | | | | *S$* | *S$* |
| **Financial assets at amortised cost** | | | | | |
| Trade receivables *(note i)* | *21* | Low risk | Lifetime ECL — not credit-impaired | 5,694,071 | 2,253,920 |
| | | Watch list | Lifetime ECL — not credit-impaired | 2,937,889 | 4,986,327 |
| | | Doubtful | Lifetime ECL — not credit-impaired | 800,252 | 5,651,988 |
| | | Loss | Lifetime ECL — credit-impaired | — | 95,122 |
| Other receivables and deposits *(note ii)* | *22* | Low risk | 12-month ECL | 14,081,147 | 2,947,948 |
| | | Loss | Lifetime ECL — credit-impaired | 6,243 | 6,243 |
| Finance lease receivable *(note iii)* | *17* | Low risk | 12-month ECL | — | 358,886 |
| | | Loss | Lifetime ECL — credit-impaired | 346,754 | — |
| Non-trade balances due from a related party *(note iv)* | *23* | Low risk | 12-month ECL | 238 | — |
| Fixed bank deposits *(note v)* | *24* | Low risk | 12-month ECL | 1,000,000 | 21,996,000 |
| Bank balances and cash *(note v)* | *24* | Low risk | 12-month ECL | 15,804,006 | 15,317,016 |

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(c) Credit risk (continued)*

*Impairment assessment for the years ended 31 March 2024 and 2023 (continued)*

*Note:*

(i) Trade receivables

The Group has applied the simplified approach in IFRS 9 to measure the loss allowance on lifetime ECL basis for trade receivables. The Group assessed ECL allowance for trade receivables individually and/or collectively using a provision matrix, grouped by internal credit rating adjusted by forward-looking information. Given the customers of the Group are mainly credit worthy companies with good payment history and the Government of Singapore and its related organisations and institutional bodies and the Group has not experienced any significant credit loss in the past, management concluded that the ECL allowance for trade receivables were insignificant.

(ii) Other receivables and deposits

In determining the ECL for other receivables, the management has made periodic individual assessment on the recoverability of these balances based on historical settlement records, past experience, and also forward-looking information, as appropriate. The management has considered the consistently low historical default rate in connection with relevant counterparties, and concluded the credit risk inherent in these amounts is insignificant for non credit-impaired other receivable and thus no loss allowance was recognised while the loss allowances for credit-impaired other receivables were measured at an average loss rate of 100%.

(iii) Finance lease receivable

For the purpose of internal credit risk management, the Group uses historical past due experience and forward-looking information to assess whether credit risk has increased significantly since initial recognition. As at 31 March 2024, the management assessed that there has been a significant increase in credit risk in the finance lease receivable and the balance is considered to be loss and the lifetime ECL credit-impaired rate of 50% is being used in the calculation of the loss allowance. As at 31 March 2023, the finance lease receivable is considered to have low risk and the 12-month ECL rate for finance lease receivable with a loss rate of 8.4%.

(iv) Non-trade balance due from a related party

As at 31 March 2024, for purpose of impairment assessment, the Group uses historical past due experience and forward-looking information to assess whether credit risk has increased significantly since initial recognition. The non-trade balances due from a related party is considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for the asset, the loss allowance is measured at an amount equal to 12m ECL. The management determines the non-trade balance due from a related party is subject to immaterial credit loss and thus no loss allowance was recognized.

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(c)* ***Credit risk*** *(continued)*

*Impairment assessment for the years ended 31 March 2024 and 2023 (continued)*

*Note: (continued)*

(v) Fixed bank deposits and bank balances and cash

Fixed bank deposits and bank balances were placed in the banks in Hong Kong, Singapore and the PRC and governed by relevant regulatory authorities. In view of the stable bank systems in Hong Kong, Singapore and the PRC, and the high credit rating assigned by international or PRC rating agencies to these banks, the ECL allowance is expected to be very minimal.

The following table shows reconciliation of loss allowances that have been recognised for trade receivables and other receivables:

| | **Trade receivables** | | **Other receivables** | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | ***S$*** | *S$* | ***S$*** | *S$* |
| At the beginning of the year | **238,725** | — | **6,243** | — |
| Provided for the year | **—** | 238,725 | **—** | 6,243 |
| Written-off | **(238,725)** | — | **—** | — |
| At the end of the year | **—** | 238,725 | **6,243** | 6,243 |

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(d) Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

*Non-derivative financial liabilities*

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows, where applicable.

| Liquidity and interest rate tables | Weighted average effective interest rate | On demand or within one year | After one year, but within two years | After two years, but within three years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | % | S$ | S$ | S$ | S$ | S$ |
| **As at 31 March 2024** | | | | | | |
| *Non-interest bearing instruments* | | | | | | |
| Trade and other payables | – | 11,015,863 | – | – | 11,015,863 | 11,015,863 |
| Amount due to an associate | – | 2,330,650 | – | – | 2,330,650 | 2,330,650 |
| *Fixed interest bearing instruments* | | | | | | |
| Lease liabilities | 2.48-5.25 | 325,598 | 121,440 | 6,480 | 453,518 | 431,569 |
| Total | | 13,672,111 | 121,440 | 6,480 | 13,800,031 | 13,778,082 |

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(d)* *Liquidity risk* *(continued)*

| Liquidity and interest rate tables | Weighted average effective interest rate | On demand or within one year | After one year, but within two years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|
| | *%* | *S$* | *S$* | *S$* | *S$* |
| **As at 31 March 2023** | | | | | |
| *Non-interest bearing instruments* | | | | | |
| Trade and other payables | — | 7,100,940 | — | 7,100,940 | 7,100,940 |
| Amounts due to related companies | — | 50,208 | — | 50,208 | 50,208 |
| Amount due to an associate | — | 2,285,424 | — | 2,285,424 | 2,285,424 |
| *Fixed interest bearing instruments* | | | | | |
| Lease liabilities | 2.48-5.25 | 404,984 | 143,178 | 548,162 | 512,299 |
| Total | | 9,841,556 | 143,178 | 9,984,734 | 9,948,871 |

*Non-derivative financial assets*

All financial assets of the Group as at 31 March 2024 and 2023 are non-interest bearing and repayable on demand or due within one year, except for fixed bank deposits and bank balances as disclosed in note 24.

#### *(e)* *Other price risk*

*Price risk on equity investments*

The Group's equity investments at FVOCI and listed equity investments and debt securities, wealth management product and unlisted equity investments at fair value through profit or loss are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk in relation to these financial assets. In order to mitigate such risk, the Group would monitor the price risk and will consider hedging the risk exposure should the need arise.

*Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to price risks at the reporting date.

If the prices of the listed equity investments, listed debt securities, wealth management product and unlisted equity investments measured at fair value through profit or loss had been 5% (2023: 5%) higher/lower, the profit before taxation would increase/decrease by S$146,091 (2023: loss before taxation would decrease/increase by S$204,949).

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(e) Other price risk (continued)*

*Price risk on digital assets inventories*

Digital assets inventories that the Group deals with in its trading activities are Bitcoin which can be traded in a number of public exchanges.

The Group's exposure to price risk arises from digital assets inventories which is measured at fair value basis. In particular, the Group's operating results may depend upon the market price of Bitcoin. Digital assets prices have fluctuated significantly from time to time. There is no assurance that digital asset price will reflect historical trends.

The Group has proprietary inventories of S$2,227,478 (2023: S$570,102) and 100% (2023: 100%) of the balances are Bitcoin.

*Sensitivity analysis*

At 31 March 2024, if the price of digital assets inventories held by the Group had been 30% (2023: 30%) higher/lower in the principal markets with other variables held constant, the profit before taxation would increase/decrease by S$668,243 (2023: loss before taxation would decrease/increase by S$171,031).

#### *(f) Financial instruments not measured at fair value*

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

#### *(g) Financial instruments measured at fair value*

The Group has a team headed by the finance manager performing valuations for the financial instruments which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the financial controller. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the financial controller. Discussion of the valuation process and results with the financial controller is held twice a year, to coincide with the reporting dates.

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(g)* ***Financial instruments measured at fair value*** *(continued)*

The Group did not have any financial liabilities measured at fair value as at 31 March 2024 and 2023. The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 "Fair value measurement".

**Fair value hierarchy**

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| | ***S$*** | ***S$*** | ***S$*** | ***S$*** |
| As at 31 March 2024: | | | | |
| Financial asset at FVOCI | | | | |
| — Unlisted equity investments | **—** | **—** | **291,690** | **291,690** |
| *Financial assets at FVPL* | | | | |
| — Listed debt securities | **28,641** | **—** | **—** | **28,641** |
| — Listed equity investments | **2,893,174** | **—** | **—** | **2,893,174** |
| | **2,921,815** | **—** | **291,690** | **3,213,505** |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | *S$* | *S$* | *S$* | *S$* |
| As at 31 March 2023: | | | | |
| Financial asset at FVOCI | | | | |
| — Unlisted equity investments | — | — | 318,346 | 318,346 |
| *Financial assets at FVPL* | | | | |
| — Unlisted equity investment | — | — | 376,132 | 376,132 |
| — Wealth management product | — | 214,835 | — | 214,835 |
| — Listed debt securities | 105,733 | — | — | 105,733 |
| — Listed equity investments | 3,402,289 | — | — | 3,402,289 |
| | 3,508,022 | 214,835 | 694,478 | 4,417,335 |

For wealth management product, the fair value is determined based on the net asset value as published by the manager of the product.

During the year ended 31 March 2024, there were no transfers of fair value measurements between Level 1 and Level 2 (2023: Nil).

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(g)* ***Financial instruments measured at fair value*** *(continued)*

*Information about Level 3 fair value measurement*

The following table summarises the basis of valuation used in Level 3 fair value measurements:

| | | Fair value As 31 March | |
|---|---|---|---|
| **Description** | *Note* | **2024** | 2023 |
| | | ***S$*** | *S$* |
| Zhejiang Ti Mg Culture Communication Co., Ltd.* ("**Zhejiang Ti Mg**") 浙江鈦鎂文化傳播有限公司 | *(i)* | **—** | — |
| 杭州麥塔文化科技有限公司 | *(ii)* | **172,785** | 177,727 |
| 麥塔宇宙數字科技(杭州)有限公司 | *(ii)* | **118,905** | 140,619 |
| Hong Kong Beian Network Technology Co., Limited ("**Beian**") | *(iii)* | **—** | 376,132 |
| | | **291,690** | 694,478 |

(i) In March 2022, the Group entered into a share transfer agreement with a third party to dispose of Zhejiang Ti Mg for a consideration of RMB1,120,000 (equivalent to S$238,339). As at 31 March 2022, the fair value was determined by reference to the said transaction price. According to the share transfer agreement, the third party shall pay the consideration on or before 15 December 2022. However, the third party failed to pay the consideration on the due date and the disposal has not been completed up to the date of approval of these financial statements. Based on the financial information and poor performance of Zhejiang Ti Mg, the directors considered that the fair value of the investment in Zhejiang Ti Mg was nil as at 31 March 2023 and 2024.

(ii) The Group engaged an independent professional valuer to perform the fair value valuation of the unlisted equity investments in 杭州麥塔文化科技有限公司 and 麥塔宇宙數字科技(杭州)有限公司. The fair value of these investments is determined using the guideline public company method under market approach. Key inputs used in valuing the investments including the quoted market price of comparable companies with an average comparable decrease in market price of 9.8% (2023: 6.4%). The fair value measurement is positively correlated to the market price of comparable companies. As at 31 March 2024, it is estimated that with all other variables held constant, an increase/decrease in market price of the comparable companies by 20% would increase/decrease the fair value of 杭州麥塔文化科技有限公司 and 麥塔宇宙數字科技(杭州)有限公司 by S$34,557 and S$23,781 (2023: S$35,545 and S$28,124) respectively.

**The English name of companies established in the PRC are for identification purpose only.*

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

***(g) Financial instruments measured at fair value*** *(continued)*

*Information about Level 3 fair value measurement (continued)*

(iii) The Group engaged an independent professional valuer to perform the fair value valuation of the unlisted equity investment in Beian. The fair value of Beian as at 31 March 2023 was determined using the discounted cash flow adjusted for lack of marketability discount. The fair value measurement was negatively correlated to the discount for lack of marketability and discount rate and positively correlated to revenue growth rate. The key unobservable inputs were revenue growth rate of 10% to 124%, pre-tax discount rate of 25.5% and discount for lack of marketability of 20%. The revenue base of Beian was relatively small in the initial year of operation, so there was a significant growth rate of 124% in the second year of the financial projection. The growth rate was declining during the period of financial projection. As at 31 March 2024, it is estimated that with all other variables held constant, an increase/decrease in revenue growth rate by 10% would increase/decrease the fair value of Beian by S$Nil (2023: S$68,388/S$51,291), an increase/decrease in discount rate by 5% would decrease/increase the fair value of Beian by S$Nil (2023: S$85,485/S$153,872) and an increase/decrease in discount rate for lack of marketability by 10% would decrease/increase the fair value of Beian by S$Nil (2023: S$51,921).

The movements during the period in the balance of the Level 3 fair value measurement are as follows:

| Unlisted equity investments | 2024 | 2023 |
|---|---|---|
| | S$ | S$ |
| At the beginning of the year | **694,478** | 1,957,542 |
| Additions | **27,868** | 349,595 |
| Transfer out of Level 3 to Level 1 | **—** | (85,439) |
| Fair value loss recognised in profit or loss (included in other gains and losses) | **(383,576)** | (1,286,306) |
| Fair value loss recognised in other comprehensive income | **(39,016)** | (226,553) |
| Exchange alignment | **(8,064)** | (14,361) |
| At the end of the year | **291,690** | 694,478 |
| Total losses for the period included in profit or loss for assets held at the end of the reporting period | **(383,576)** | (1,286,306) |

The fair value loss recognised in profit or loss on financial assets at fair value through profit or loss is included in "net loss on financial assets at fair value through profit or loss". Transfers between levels of the fair value measurement hierarchy were recognised as of the date of the event or change in circumstances that caused the transfer.

During the year ended 31 March 2023, the listed shares of Statehouse Holdings Inc. held by the Group, which were classified as financial assets at fair value through profit or loss and subject to a lock-up period, were transferred from Level 3 to Level 1 since the lock-up period expired.

## 36 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT *(continued)*

### 36.3 Financial risk management objectives and policies *(continued)*

#### *(h) Non-financial instruments measured at fair value*

*(i) Fair value hierarchy*

This note explains the judgements and estimates made in determining the fair values of the non-financial instruments that is recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is provided in note 3 above.

| | Level 1 | Level 2 | Level 3 | total |
|---|---|---|---|---|
| | *S$* | *S$* | *S$* | *S$* |
| As at 31 March 2024: | | | | |
| — Digital assets inventories | **2,227,478** | **—** | **—** | **2,227,478** |

| | Level 1 | Level 2 | Level 3 | total |
|---|---|---|---|---|
| | *S$* | *S$* | *S$* | *S$* |
| As at 31 March 2023: | | | | |
| — Digital assets inventories | 570,102 | — | — | 570,102 |

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

*(ii) Valuation inputs and relationships to fair value*

Digital assets inventories are held mainly for the purposes of trading in the ordinary course of the Group's information technology development and application business in the OTC market.

As at 31 March 2024 and 2023, the digital assets inventories are measured at level 1 fair value. The fair value of the digital assets inventories is determined with reference to the quoted prices from the principal digital asset markets of the corresponding digital assets.

## 37 COMMITMENTS

As at 31 March 2024 and 2023, the Group has no outstanding capital commitment.

**Operating lease commitments - where the Group is a lessor**

Certain portion of the property located at 40 Kaki Bukit Cresent, Singapore 416266 was leased out to external third parties.

The future minimum lease receivables under non-cancellable operating lease contracted for at the end of the reporting period are as follows:

| | 2024 | 2023 |
|---|---|---|
| | *S$* | *S$* |
| Within one year | 170,040 | — |
| Within one to two years | 70,850 | — |
| | 240,890 | — |

## 38 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period and up to the date of approval of these financial statements, the market price of Bitcoin decreased from approximately US$70,000 as at 31 March 2024 to approximately US$62,000 as at the date of this report.

## 39 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 March 2024, the directors consider the immediate holding company and ultimate holding company of the Group to be Morgan Hill Holdings Limited and Great Scenery Ventures Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Yao Yongjie. Morgan Hill Holdings Limited and Great Scenery Ventures Limited does not produce financial statements available for public use.

## 40 COMPARATIVE FIGURES

Certain figures have been reclassified to conform to the current year's presentation of the consolidated financial statements. Please refer to note 16 which has reclassified disclosures for material associates.

# FINANCIAL SUMMARY

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

| | **2024** | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| | ***S$*** | *S$* | *S$* | *S$* | *S$* |
| **RESULTS** | | | | | |
| **Revenue** | **84,529,421** | 57,768,008 | 44,702,564 | 49,149,302 | 46,611,664 |
| Costs of services | **(66,866,673)** | (48,674,212) | (32,657,745) | (27,381,933) | (33,834,055) |
| **Gross profit** | **17,662,748** | 9,093,796 | 12,044,819 | 21,767,369 | 12,777,609 |
| Other income | **1,970,521** | 558,224 | 740,453 | 1,225,844 | 1,455,166 |
| Other gains and losses | **(1,029,463)** | (3,170,837) | (2,364,454) | (950,619) | 395,870 |
| Selling expenses | **(150,990)** | (23,701) | (41,951) | (79,942) | (214,392) |
| Administrative expenses | **(15,863,999)** | (12,831,053) | (10,820,783) | (12,843,119) | (13,713,056) |
| Finance costs | **(95,181)** | (47,375) | (6,158) | (30,689) | (84,778) |
| Share of loss of an associate | **(88,004)** | (37,977) | (24,578) | (3,655) | (84,128) |
| **Profit/(loss) before taxation** | **2,405,632** | (6,458,923) | (472,652) | 9,085,189 | 532,291 |
| Income tax expense | **(393,112)** | (29,565) | (694,955) | (2,083,834) | (970,688) |
| **Profit/(loss) for the year** | **2,012,520** | (6,488,488) | (1,167,607) | 7,001,355 | (438,397) |
| **Profit/(loss) for the year attributable to:** | | | | | |
| — owners of the Company | **2,209,872** | (6,428,856) | (982,487) | 5,276,960 | (900,568) |
| — non-controlling interests | **(197,352)** | (59,632) | (185,120) | 1,724,395 | 462,171 |
| | **2,012,520** | (6,488,488) | (1,167,607) | 7,001,355 | (438,397) |
| **ASSETS AND LIABILITIES** | | | | | |
| Non-current assets | **19,172,699** | 10,347,258 | 9,636,424 | 10,493,890 | 10,276,474 |
| Current assets | **54,724,322** | 58,186,396 | 63,348,688 | 65,275,890 | 55,834,427 |
| **Total assets** | **73,897,021** | 68,533,654 | 72,985,112 | 75,769,780 | 66,110,901 |
| Non-current liabilities | **250,589** | 203,550 | 202,276 | 333,801 | 280,452 |
| Current liabilities | **14,300,292** | 10,349,394 | 9,295,759 | 10,973,503 | 12,320,776 |
| **Total liabilities** | **14,550,881** | 10,552,944 | 9,498,035 | 11,307,304 | 12,601,228 |
| **Total equity** | **59,346,140** | 57,980,710 | 63,487,077 | 64,462,476 | 53,509,673 |
| **Equity attributable to owners of the Company** | **59,106,091** | 57,554,211 | 61,931,042 | 62,326,736 | 50,895,173 |
| **Non-controlling interests** | **240,049** | 426,499 | 1,556,035 | 2,135,740 | 2,614,500 |
| | **59,346,140** | 57,980,710 | 63,487,077 | 64,462,476 | 53,509,673 |