



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)

2023

INTERIM REPORT

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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 CHINA

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

CORPORATE INFORMATION *(Continued)*

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

18 Kaki Bukit Place
Eunos Techpark
Singapore 416196

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

Crowe (HK) CPA Limited
Certified Public Accountants
9/F, Leighton Centre
77 Leighton Road, Causeway Bay
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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

		Six months ended 30 September	
		2023	2022
	<i>Note</i>	S\$	S\$
		(Unaudited)	(Unaudited)
Revenue	4	29,182,500	22,648,704
Costs of sales and services		(25,265,247)	(19,731,633)
Gross profit		3,917,253	2,917,071
Other income	5A	1,686,312	327,330
Other gains and losses	5B	(173,252)	(115,200)
Selling expenses		(110,017)	(37,923)
Administrative expenses		(6,715,934)	(5,296,043)
Impairment loss (recognised)/reversed on financial assets		(711)	32,963
Finance costs	6	(61,887)	(9,440)
Share of loss of associates		(2,109)	(37,588)
Loss before taxation		(1,460,345)	(2,218,830)
Income tax expense	7	(120,009)	(84,766)
Loss for the period	8	(1,580,354)	(2,303,596)
Other comprehensive loss for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(634,247)	(1,025,586)
Total comprehensive loss for the period		(2,214,601)	(3,329,182)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 September 2023

		Six months ended 30 September	
		2023	2022
	Note	S\$ (Unaudited)	S\$ (Unaudited)
(Loss)/profit for the period			
attributable to:			
Owners of the Company		(1,542,702)	(2,339,613)
Non-controlling interests		(37,652)	36,017
		(1,580,354)	(2,303,596)
Total comprehensive (loss)/income			
attributable to:			
Owners of the Company		(2,189,860)	(3,452,039)
Non-controlling interests		(24,741)	122,857
		(2,214,601)	(3,329,182)
Basic and diluted loss per share			
<i>(S\$ cents)</i>	10	(0.13)	(0.20)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30 September 2023*

		30 September 2023	31 March 2023
	<i>Note</i>	S\$ (Unaudited)	S\$ (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	7,137,044	6,772,069
Interest in associates		2,922,572	2,864,880
Equity Investment at FVTOCI		342,094	318,346
Financial assets at fair value through profit or loss		409,527	391,963
		10,811,237	10,347,258
Current assets			
Inventories	12	4,087,502	787,414
Trade receivables	13	11,449,898	12,748,632
Finance lease receivable	16	328,297	328,732
Other receivables, deposits and prepayments	14	7,488,717	3,301,576
Financial assets at fair value through profit or loss		3,213,261	3,707,026
Fixed bank deposits	17	13,000,000	21,996,000
Bank balances and cash	17	14,984,172	15,317,016
		54,551,847	58,186,396
Current liabilities			
Trade and other payables	18	6,621,463	7,494,208
Amount due to related parties	15	—	50,208
Amount due to an associate		2,357,366	2,285,424
Lease liabilities		310,928	374,216
Income tax payable		224,744	145,338
		9,514,501	10,349,394
Net current assets		45,037,346	47,837,002
Total assets less current liabilities		55,848,583	58,184,260

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**As at 30 September 2023*

		30 September 2023	31 March 2023
	<i>Note</i>	S\$ (Unaudited)	S\$ (Audited)
Non-current liabilities			
Lease liabilities		17,007	138,083
Deferred tax liabilities		65,467	65,467
		82,474	203,550
Net assets		55,766,109	57,980,710
EQUITY			
Capital and reserves			
Share capital	19	2,142,708	2,142,708
Reserves		53,221,643	55,411,503
Equity attributable to owners of the Company		55,364,351	57,554,211
Non-controlling interests		401,758	426,499
Total equity		55,766,109	57,980,710

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company											
	Share Capital	Share premium	Capital redemption reserve	Share Option reserve	Translation reserve	Other reserve	Merger reserve	Investment revaluation reserve (non-recycling)	Retained profits	Sub-total	Non-controlling interests	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Note A)	(Note B)	(Note C)	(Note D)	(Note E)	(Note F)	(Note G)					
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
Profit/(loss) for the period	—	—	—	—	—	—	—	—	(2,339,613)	(2,339,613)	36,017	(2,303,596)
Exchange difference arising from translation of foreign operation	—	—	—	—	(1,112,426)	—	—	—	—	(1,112,426)	86,840	(1,025,586)
Total comprehensive income/(loss) for the period	—	—	—	—	(1,112,426)	—	—	—	(2,339,613)	(3,452,039)	122,857	(3,329,182)
Issue of share capital (note 19)	176,398	2,360,204	—	—	—	—	—	—	—	2,536,602	—	2,536,602
Capital contribution from non-controlling interest of a subsidiary	—	—	—	—	—	—	—	—	—	—	196,105	196,105
Acquisition of additional interest in a subsidiary	—	—	—	—	—	—	—	—	—	—	(146,968)	(146,968)
Transfer of share-based payment reserve upon the lapse of share options	—	—	—	(239,841)	—	—	—	—	239,841	—	—	—
At 30 September 2022 (unaudited)	2,142,708	29,372,120	16,114	1,281,980	(352,355)	90,481	2,099,996	(1,310,180)	27,674,741	61,015,605	1,728,029	62,743,634
At 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
Loss for the period	—	—	—	—	—	—	—	—	(1,542,702)	(1,542,702)	(37,652)	(1,580,354)
Exchange difference arising from translation of foreign operation	—	—	—	—	(647,158)	—	—	—	—	(647,158)	12,911	(634,247)
Total comprehensive loss for the period	—	—	—	—	(647,158)	—	—	—	(1,542,702)	(2,189,860)	(24,741)	(2,214,601)
Transfer of share-based payment reserve upon the lapse of share options	—	—	—	(1,260,748)	—	—	—	—	1,260,748	—	—	—
At 30 September 2023 (unaudited)	2,142,708	29,372,121	16,114	—	(224,003)	90,481	2,099,996	(1,536,733)	23,403,667	55,364,351	401,758	55,766,109

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the six months ended 30 September 2023

Notes:

- (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 recognized 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 owners of the Company.
- (F) Merger reserve represents the difference between the cost of the acquisition for the reorganisation and the 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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2023*

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Operating activities		
Cash used in operations	(8,251,171)	(3,564,877)
Tax paid	(40,603)	(415,057)
Net cash used in operating activities	(8,291,774)	(3,979,934)
Investing activities		
Investment in equity investment at FVOCI	(28,828)	(204,127)
Purchase of property, plant and equipment	(805,643)	(324,939)
Interest received	449,078	11,563
Investment in associates	—	(2,631,016)
Payment for financial assets at fair value through profit or loss	(10,826,403)	(8,211,279)
Proceeds from disposal of financial assets at fair value through profit or loss	10,181,764	8,728,729
Acquisition of additional interest in a subsidiary	—	(61,190)
Release of fixed deposits with bank with original maturities over three months	8,996,000	—
Dividend received from financial assets at fair value through profit or loss — listed equity investment	8,235	—
Net cash generated from/(used in) investing activities	7,974,203	(2,692,259)
Financing activities		
Interest paid	(43,604)	—
Proceeds from issue of shares	—	2,536,602
Capital contribution from non-controlling interest of a subsidiary	—	196,105
Payment of lease liability	(204,325)	(152,548)
Proceeds from other borrowings	9,110,561	—
Repayment of other borrowings	(9,110,561)	—
Net cash (used in)/generated from financing activities	(247,929)	2,580,159

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*(Continued)**For the six months ended 30 September 2023*

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Net decrease in cash and cash equivalents	(565,500)	(4,092,034)
Cash and cash equivalents at beginning of the period	15,317,016	32,433,321
Effect of foreign exchange rate changes	232,656	424,487
Cash and cash equivalents at end of the period, represented by bank balances and cash	14,984,172	28,765,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services and undertaking building and construction works in Singapore. The Group is also engaging in information technology development and application business.

The functional currency of the Group is Singapore Dollars (“**S\$**”), which is also the presentation currency of the Group.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2023 were approved by the Board of the Company on 30 November 2023.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). In addition, the condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Companies Ordinance.

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2023.

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS *(Continued)*

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatorily effective for the current accounting period for the preparation of the Group's consolidated financial statements:

IFRS 17	Insurance Contracts and the related Amendments
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 1 and IFRS Practice Statement 2	Disclosure of accounting policies
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

The application of the new and amendments to IFRSs in the current interim period has no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements. The condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have not been audited but have been reviewed by the Company's Audit Committee. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. 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**"), (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 Directors, 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 period as a whole. No analysis of the Group's result, assets and liabilities is regularly provided to CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 "Operating Segments".

4. REVENUE AND SEGMENT INFORMATION (Continued)

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

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Integrated Building Services	20,402,097	17,750,204
Building Construction Works	8,822,527	5,463,830
Information Technology Development and Application	11,713	—
	29,236,337	23,214,034
Income from other sources		
Information Technology Development and Application (note)	(53,837)	(565,330)
	29,182,500	22,648,704

Note:

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Income from other sources under Information Technology Development and Application business		
Fair value loss on digital assets inventories	(53,837)	(565,330)

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about the Major Customers

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

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Customer I <i>(Note a)</i>	8,352,890	2,800,531
Customer II <i>(Note b)</i>	6,393,232	6,636,030
Customer III <i>(Note c)</i>	Note c	5,784,626

Notes:

- (a) For Customer I, revenue for the six months ended 30 September 2023 and 2022 represents revenue generated from provision of both integrated building services and building construction works.
- (b) For Customer II, revenue for the six months period ended 30 September 2023 represents revenue generated from provision of integrated building services only, while revenue for the six months period ended 30 September 2022 represents revenue generated from both integrated building services and building construction works.
- (c) The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical Information

The Group's revenue from customers and information about its specified non-current assets, comprising property, plant and equipment and interest in an associate, by geographical location are detailed below:

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Revenue from external customers		
Singapore	29,224,624	23,214,034
People's Republic of China ("PRC")	11,713	—
	29,236,337	23,214,034
Income from external customers		
Hong Kong	(30,517)	(565,330)
Singapore	(23,320)	—
	(53,837)	(565,330)
	29,182,500	22,648,704
	30 September	31 March
	2023	2023
	S\$	S\$
	(Unaudited)	(Audited)
Non-current assets		
Singapore	6,949,563	6,510,331
The People's Republic of China (including Hong Kong)	3,110,053	3,126,618
	10,059,616	9,636,949

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue

Revenue from contracts with customers within the scope of IFRS15 is further analysed as follows:

	Integrated		Building		Information Technology		Total	
	Building Services		Construction Works		Development and Application			
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Disaggregation by timing of revenue recognition								
Over time	20,402,097	17,750,204	8,822,527	5,463,830	11,713	—	29,236,337	23,214,034
	20,402,097	17,750,204	8,822,527	5,463,830	11,713	—	29,236,337	23,214,034

5A. OTHER INCOME

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Interest income	449,078	11,563
Government grants	1,177,565	270,026
Finance lease interest income	4,948	42,605
Others	54,721	3,136
	1,686,312	327,330

5B. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Fair value loss on financial assets through profit or loss	(1,145,900)	(2,309,738)
Foreign exchange gain, net	972,498	2,108,879
Others	150	85,659
	(173,252)	(115,200)

6. FINANCE COSTS

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Interest on lease liabilities	18,283	9,440
Interest on other borrowings	43,604	—
	61,887	9,440

7. INCOME TAX EXPENSE

Singapore CIT is calculated at 17% (2022: 17%) of the estimated assessable profits. Singapore incorporated companies can 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 2023 and 2022.

Under the two-tiered Hong Kong 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%.

The provision for Hong Kong Profits Tax for 2022 is calculated at 16.5% of the estimated assessable profits, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No provision for the Hong Kong profits tax has been made for the Review Period as the Group had not generated any taxable profits in Hong Kong during the Review Period.

PRC corporate income tax is calculated at 25% (2022: 25%) on the assessable profits. No PRC corporate income tax has been provided for the Last Period as the Group did not generate any assessable profits in the PRC for the Last Period.

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current income tax		
— Singapore corporate income tax	28,803	49,738
— Hong Kong profits tax	—	34,998
— PRC corporate income tax	91,206	—
Underprovision in respect of prior years	—	30
	120,009	84,766

8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	251,700	236,130
Depreciation of right-of-use assets	189,783	146,368
Impairment loss recognised/(reversed) on financial assets	711	(32,963)
Staff costs (including directors' remuneration)		
— Salaries and other benefits	5,583,734	4,275,720
— Retirement benefit scheme contributions (Note a)	199,710	160,541
Total staff costs	5,783,444	4,436,261
Cost of inventories recognised as cost of sales and services	1,716,588	1,296,058
Subcontractor costs recognised as cost of sales and services	20,824,707	16,432,257

Note:

- (a) The Group had no forfeited contributions (by employers on behalf of employees who leave the defined contribution schemes prior to vesting fully in such contributions) to offset existing level of contribution during the Review Period and Last Period.

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (Six months ended 30 September 2022: Nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company (S\$)	(1,542,702)	(2,339,613)
Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share	1,195,040,000	1,195,040,000
Basic and diluted loss per share (S\$ cents)	(0.13)	(0.20)

11. PROPERTY, PLANT AND EQUIPMENT

	30 September	31 March
	2023	2023
	S\$	S\$
	(Unaudited)	(Audited)
Carrying amount at 1 April 2023/2022	6,772,069	6,610,981
Additions	805,643	946,564
Disposals	—	(5,145)
Depreciation provided during the period/year	(441,483)	(773,067)
Effect of foreign currency exchange differences	815	(7,264)
Carrying amount at 30 September/31 March	7,137,044	6,772,069

12. INVENTORIES

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Low value consumables	389,967	217,312
Digital assets inventories	3,697,535	570,102
	4,087,502	787,414

As at 30 September 2023 and 31 March 2023, the balance of digital assets inventories represents the Group's proprietary inventories. The balance is measured at fair value less costs to sell.

Since the Group trades digital assets and generating a profit from fluctuations in the price, the Group applies the guidance in IAS 2 to measure 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 in the period of the changes. See Note 22(b) for estimation of fair value in respect of the digital assets inventories.

Fair value loss of S\$53,837 (30 September 2022: loss of S\$565,330) from remeasurement of digital assets inventories at 30 September 2023 is presented as part of the Revenue in the "Information Technology Development and Application" Segment in the unaudited consolidated statement of profit or loss.

13. TRADE RECEIVABLES

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Billed trade receivables	8,447,140	8,685,761
Unbilled trade receivables (Note a)	3,002,758	4,062,871
	11,449,898	12,748,632

Note:

- (a) Unbilled trade receivables represent (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 contracts which are entitled for billing.

The Group grants credit terms to customers typically between 15 and 60 days from the invoice date for trade receivables. The following is an ageing analysis of trade receivables by age presented based on the invoice date at the end of each reporting period:

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Within 90 days	6,658,269	7,770,309
91 days to 180 days	1,399,552	614,721
181 days to 365 days	237,715	183,808
Over 1 year but not more than 2 years	84,640	23,454
More than 2 years	66,964	93,469
	8,447,140	8,685,761

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Deposits	873,569	290,801
Prepayments	276,307	193,880
Advances to staff	28,500	28,500
Other receivables	407,366	322,659
Value added tax receivable	244,529	159,748
Amount due from brokers (Note a)	5,114,560	1,778,701
Amount due from associates (Note b)	543,886	527,287
	7,488,717	3,301,576

Notes:

- (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.
- (b) The amount due from associates are unsecured, interest free and repayable on demand.

15. AMOUNTS DUE TO RELATED PARTIES

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Amount due to:		
Non-trade related balances	—	50,208

As at 31 March 2023, the non-trade balance due to related parties are due to companies controlled by the controlling shareholder of the Company. The balances are unsecured, interest-free and repayable on demand.

16. FINANCE LEASE RECEIVABLE

	Minimum lease payments receivable		Present value of minimum lease payments receivable	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)	S\$ (Unaudited)	S\$ (Audited)
Finance lease receivable comprises:				
Within one year	358,694	364,511	358,694	358,886
Less: Unearned finance lease income	—	(5,625)	—	—
Less: Provision for impairment loss	(30,397)	(30,154)	(30,397)	(30,154)
Present value of minimum lease payments receivable	328,297	328,732	328,297	328,732
			30 September 2023	31 March 2023
			S\$ (Unaudited)	S\$ (Audited)
Analysis for reporting purpose:				
Current assets			328,297	328,732
			328,297	328,732

16. FINANCE LEASE RECEIVABLE *(Continued)*

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.

As at 30 September 2023, certain instalments of the finance lease receivable have been overdue for more than 90 days. The directors considered that there has been a significant increase in credit risk in the finance lease receivable. However, taken into account the historical repayment patterns of the debtor, the directors considered that the finance lease receivable is not credit-impaired.

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Overdue but not credit impaired		
— Overdue within 90 days	89,673	—
— Overdue more than 90 days	269,021	—
Neither past due nor credit-impaired	—	358,886
Less: allowance for impairment losses	(30,397)	(30,154)
	328,297	328,732

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.

17. FIXED BANK DEPOSITS/BANK BALANCES AND CASH

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Fixed bank deposit (<i>note a</i>)	13,000,000	21,996,000
Bank balances and cash (<i>note b</i>)	14,984,172	15,317,016

Notes:

- (a) Fixed bank deposits represent deposits placed with banks with an original maturity over 3 months. The balances carry interest at 3.28% per annum at 30 September 2023 (31 March 2023: from 3.28% to 4.55%).
- (b) Bank balances carried interest at market rates of 0.1% per annum (31 March 2023: 0.001%).

18. TRADE AND OTHER PAYABLES

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Trade payables	5,134,295	2,538,862
Trade accruals	2,996	3,294,210
	5,137,291	5,833,072
Accrued operating expenses	1,028,484	1,111,633
Other payables		
GST payable	282,621	393,268
Others	173,067	156,235
	6,621,463	7,494,208

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30 September 2023	31 March 2023
	S\$ (Unaudited)	S\$ (Audited)
Within 90 days	4,957,075	2,396,024
91 days to 180 days	70,861	28,763
181 days to 365 days	13,184	13,446
Over 1 year but not more than 2 years	25,365	26,042
Over 2 years	67,810	74,587
	5,134,295	2,538,862

The credit period on purchases from suppliers and subcontractors is between 15 to 90 days (31 March 2023: 15 to 90 days) or payable upon delivery.

19. SHARE CAPITAL

	Number of shares	Par value	Share capital
		<i>HK\$</i>	<i>HK\$</i>
Authorised share capital:			
At 31 March 2022 (audited), 31 March 2023 (audited), and 30 September 2023 (unaudited)	5,000,000,000	0.01	50,000,000
		Number of shares	Share capital
			<i>S\$</i>
Issued and fully paid:			
At 31 March 2022 (audited)		1,095,040,000	1,966,310
Issue of share capital (<i>note a</i>)		100,000,000	176,398
At 31 March 2023 (audited) and 30 September 2023 (unaudited)		1,195,040,000	2,142,708

Note:

- (a) On 30 May 2022, the Company allotted and issued 100,000,000 ordinary shares of HK\$0.01 each to an independent third party 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) for share capital and share premium, respectively.

20. COMMITMENT

The outstanding capital commitment contracted but not provided for in the condensed consolidated financial statements is as follows:

	30 September 2023	31 March 2023
	S\$	S\$
	(Unaudited)	(Audited)
Contracted but not provided for:		
Purchase of property, plant and equipment	8,597,500	—

21. RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these consolidated financial statements.

Apart from details disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following transactions with related parties during the reporting period:

Compensation of Key Management Personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Short term benefits	728,386	694,743
Post-employment benefits	22,390	15,529
Total compensation	750,776	710,272

22. FAIR VALUE MEASUREMENT

(a) Financial instruments measured at fair value

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, categorized into the three-level fair value hierarchy as defined in IFRS 13 "Fair value measurement".

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
As at 30 September 2023				
(unaudited):				
Financial asset at FVOCI				
— Unlisted equity investment	—	—	342,094	342,094
Financial asset at FVPL				
— Unlisted equity investment	—	—	387,973	387,973
— Listed debts securities	48,966	—	—	48,966
— Listed equity investment	3,185,849	—	—	3,185,849
	3,234,815	—	730,067	3,964,882
As at 31 March 2023 (audited):				
Financial asset at FVOCI				
— Unlisted equity investment	—	—	318,346	318,346
Financial asset 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 investment	3,402,289	—	—	3,402,289
	3,508,022	214,835	694,478	4,417,335

22. FAIR VALUE MEASUREMENT *(Continued)***(a) Financial instruments measured at fair value** *(Continued)*

The Group did not have any financial liabilities measured at fair value as at 30 September 2023 and 31 March 2023.

During the six months ended 30 September 2023, there were no transfers of fair value measurements between Level 1 and Level 2 (year ended 31 March 2023: Nil) and no transfers into or out of Level 3 for both financial assets and liabilities.

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.

For wealth management product, the fair value is determined based on the net asset value as published by the manager of the product.

Information about Level 3 fair value measurement

Unlisted equity investments are measured using valuation techniques based on inputs that can be observed in the markets in addition to unobservable inputs such as company specific financial information.

22. FAIR VALUE MEASUREMENT (Continued)

(a) Financial instruments measured at fair value (Continued)

Information about Level 3 fair value measurement (Continued)

The following table summarises the basis of valuation used in Level 3 fair value measurements:

Description	Fair value		Valuation techniques	Significant unobservable inputs	Range
	30 September 2023	At 31 March 2023			
	\$	\$			
Financial asset at FVOCI					
— Unlisted equity investment	342,094	318,346	Market approach	N/A	N/A
Financial asset at FVPL					
— Unlisted equity investment	387,973	376,132	Discounted cash flow model	Revenue growth rate	10% to 124%
				Pre-tax discount rate	25.5%
				Discount for lack of marketability	20%
	730,067	694,478			

22. FAIR VALUE MEASUREMENT *(Continued)*(a) Financial instruments measured at fair value *(Continued)*

The movement during the period in the balance of the Level 3 fair value measurement are as follows:

	Six months ended 30 September	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
At 1 April	694,478	1,957,542
Addition	28,828	207,436
Fair value loss recognised in profit or loss (included in other gains and losses)	—	(214,509)
Exchange alignment	6,761	78,408
	<hr/>	<hr/>
At 30 September	730,067	2,028,877
	<hr/>	<hr/>

22. FAIR VALUE MEASUREMENT (Continued)

(b) 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 are recognized and measured at fair value in the unaudited consolidated interim 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.

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
As at 30 September 2023				
(unaudited):				
— Digital assets				
inventories	3,697,535	—	—	3,697,535
As at 31 March 2023				
(audited):				
— Digital assets				
inventories	570,102	—	—	570,102

There were no transfer between levels 1,2 and 3 for recurring fair value measurements during the period.

ii. Valuation inputs and relationship 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 30 September 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 assets markets of the corresponding digital assets.

23. EVENTS AFTER THE REPORTING PERIOD

- (a) On 13 June 2023, SH Integrated Services Pte. Ltd. ("**SH Integrated**"), an indirect wholly-owned subsidiary entered into a 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 with a consideration of S\$9,050,000 (exclusive of GST) (the "**Acquisition**"). For details, please refer to the announcement of the Company dated 13 June 2023 and 15 August 2023, as well as the circular of the Company dated 28 July 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.

- (b) Subsequent to 30 September 2023 and up to the date of this report, the market price of Bitcoin has been increased from approximately US\$27,000 as at 30 September 2023 to approximately US\$38,000 as at the date of this report.

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited consolidated interim financial statements for the six months ended 30 September 2023 were approved and authorised for issue by the board of Directors on 30 November 2023.

25. REVIEW OF THE INTERIM FINANCIAL STATEMENTS

The unaudited consolidated interim financial statements for the six months ended 30 September 2023 have been reviewed with no disagreement by the Audit Committee of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group's revenue increased from approximately S\$22.6 million for the six months ended 30 September 2022 (the "**Last Period**") to approximately S\$29.2 million for the Review Period. The Group's gross profit increased from approximately S\$2.9 million for the Last Period to approximately S\$3.9 million for the Review Period, with the Group's gross profit margin increased from approximately 12.9% for the Last Period to approximately 13.4% for the Review Period.

According to Singapore Building and Construction Authority ("**BCA**"), the total construction demand (i.e. the value of construction contracts to be awarded) in 2023 is projected to be between S\$27 billion and S\$32 billion. The public sector is expected to contribute about 60 percent of the total construction demand, between S\$16 billion and S\$19 billion. The private sector construction demand is anticipated to reach between S\$11 billion and S\$13 billion in 2023, comparable with 2022 figures. Both residential and industrial building construction demand are expected to be similar to Last Year's level, underpinned by the development of new condominiums and high-specification industrial buildings. Due to the rescheduling of some major projects from 2022 to 2023 as well as the redevelopment of old commercial premises to enhance asset values, commercial building demand is anticipated to increase.

Over the medium-term, BCA expects the total construction demand to reach between S\$25 billion and S\$32 billion per year from 2024 to 2027. The public sector will continue to lead demand and is expected to contribute S\$14 billion to S\$18 billion per annum from 2024 to 2027, with about 60% of demand made up by building projects and the rest by civil engineering works. Private sector construction demand is projected to remain steady over the medium-term, reaching approximately S\$11 billion to S\$14 billion per annum from 2024 to 2027, in view of healthy investment commitments amid Singapore's strong economic fundamentals.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW AND OUTLOOK *(Continued)*

The Group believes that the outlook for the construction sector will remain challenging for 2023 and 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 far more competitive. Another challenge is the labor shortage in Singapore has driven up the Group's labor and subcontracting charges. 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 Period, the Group's fair value loss on digital assets inventories from Information Technology Development and Applications businesses was approximately S\$54,000 as compared with a loss of approximately S\$565,000 for the Last Period. The decrease in loss was mainly due to a comparatively stable Bitcoin price during the Review Period.

FUTURE PROSPECTS

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 development and application.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW

Revenue

For the Review Period, the Group recorded a revenue of approximately S\$29.2 million (approximately S\$22.6 million for the Last Period), an increase of approximately S\$6.6 million or approximately 29.2%.

The revenue from the integrated building services increased from approximately S\$17.8 million for the Last Period to approximately S\$20.4 million for the Review Period, an increase of approximately S\$2.6 million or approximately 14.6%. The revenue from the building construction works increased from approximately S\$5.5 million for the Last Period to approximately S\$8.8 million for the Review Period, an increase of approximately S\$3.3 million or approximately 60.0%. 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 Period as a result of aggressive pricing strategy implemented by the Group.

The revenue from the information technology development and application business decreased from a loss of approximately S\$565,000 for the Last Period to a loss of approximately S\$42,000 for the Review Period, a decrease of approximately S\$523,000 or approximately 92.6%. The decrease in loss was mainly due to less fair value loss on digital assets inventories compared with Last Period as a result of a comparatively stable Bitcoin price during the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Cost of sales and services

The Group's cost of sales and services increased from approximately S\$19.7 million for the Last Period to approximately S\$25.3 million for the Review Period, an increase of approximately S\$5.6 million or approximately 28.4%. The increase was mainly driven by the increase in revenue from integrated building service business and building construction works business.

Gross profit and gross profit margin

The Group's gross profit increased from approximately S\$2.9 million for the Last Period to approximately S\$3.9 million for the Review Period, an increase of approximately S\$1.0 million or approximately 34.5%. The increase was mainly due to the increase in the revenue discussed above.

The Group's gross profit margin also increased from approximately 12.9% for the Last Period to approximately 13.4% for the Review Period. The Group's gross profit margin remained relatively steady.

Other income

Other income increased from approximately S\$327,000 for the Last Period to approximately S\$1,686,000 for the Review Period, an increase of approximately S\$1,359,000. The increase was mainly resulted from the increase in government grants from approximately S\$270,000 for the Last Period to approximately S\$1,178,000 for the Review Period; and increase in interest income from approximately S\$12,000 for the Last Period to approximately S\$449,000 for the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Other gains and losses

The Group's other gains and losses increased from loss of approximately S\$115,000 for the Last Period to loss of approximately S\$173,000 for the Review Period. The recognition of foreign exchange gain on monetary items and cash and cash equivalent decreased from approximately S\$2.1 million for the Last Period to approximately S\$1.0 million for the Review Period, which resulted from the lessened appreciation of Hong Kong dollars and USD against Singapore dollars compared with Last Period. The decrease in foreign exchange gain on monetary items and cash and cash equivalent was outweighed by the decrease in the recognition of fair value loss on financial assets through profit or loss from approximately S\$2.3 million for the Last Period to approximately S\$1.1 million for the Review Period.

Administrative expenses

The Group's administrative expenses increased from approximately S\$5.3 million for the Last Period to approximately S\$6.7 million for the Review Period, an increase of approximately S\$1.4 million or approximately 26.4%. 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 Period.

Finance costs

The Group's finance costs increased from approximately S\$9,000 for the Last Period to approximately S\$62,000 for the Review Period. This is mainly due to the increase in interest on other borrowings during the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Income tax expense

The Group's income tax expense increased from approximately S\$85,000 for the Last Period to approximately S\$120,000 for the Review Period, an increase of approximately S\$35,000 or approximately 41.2% which is due to the increase in taxable profit of certain subsidiaries.

Loss attributable to owners of the Company

The Group's loss attributable to owners of the Company decrease from loss of approximately S\$2.3 million for the Last Period to loss of approximately S\$1.5 million for the Review Period. The change was mainly due to the increase in gross profit and in other income which was partly offset by the increase in administrative expenses as discussed above.

Interim dividend

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2023 (Six months ended 30 September 2022: Nil).

Liquidity and financial resources

The Group maintained a healthy financial position during the Review Period. As at 30 September 2023, the Group had total bank balances and cash of approximately S\$15.0 million (31 March 2023: approximately S\$15.3 million). The current ratio of the Group as at 30 September 2023 was approximately 5.7 times (31 March 2023: approximately 5.6 times).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Liquidity and financial resources *(Continued)*

The loans and borrowings and lease liabilities of the Group as at 30 September 2023 was approximately S\$328,000 (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 30 September 2023 was approximately 0.6% (31 March 2023: approximately 0.9%).

CAPITAL COMMITMENT

Details of the Group's capital commitments as at 30 September 2023 and 31 March 2023 are set out in Note 20 to the interim condensed consolidated financial statements.

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 monitor 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 30 September 2023, the Group had S\$nil (31 March 2023: S\$nil) of pledged bank deposits for corresponding amounts of performance guarantees issued in favour of customers.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

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 Hong Kong dollars and Renminbi. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in Hong Kong dollars and Renminbi. During the Review Period, 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\$1.0 million for the Review Period (gain of approximately S\$2.1 million for the Last Period).

CAPITAL STRUCTURE

As at 30 September 2023, the share capital and equity attributable to the owners of the Company amounted to approximately S\$2.1 million and S\$55.4 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 was no material acquisitions and disposals of subsidiaries, associated companies and joint ventures during the six months ended 30 September 2023.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group employed a total of 445 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.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

CONTINGENT LIABILITIES

As at 30 September 2023, the Group had no material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments with a market value that account for 5% or more of the Group's total assets as at the end of the Review Period and the year ended 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), out of which approximately S\$14.6 million has been utilised as at 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

USE OF PROCEEDS FROM LISTING (Continued)

Business objectives	Net proceeds S\$'000	Amount utilised as at 1 April 2023 S\$'000	Unutilised net proceeds as at 1 April 2023 S\$'000	(Note)	(Note)	Amount utilised during the review period S\$'000	Amount utilised as at 30 September 2023 S\$'000	Unutilised net proceed as at 30 September 2023 S\$'000	Expected timeline of full utilisation of the unutilised proceeds
				Revised use of net proceeds after the change announced on 13 June 2023 S\$'000	Unutilised net proceeds after the change announced on 13 June 2023 S\$'000				
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	—	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	—	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	Note
	21,583	14,196	7,387	21,583	7,387	358	14,554	7,029	

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 (Continued)**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\$2.32 million has been utilised as at 30 September 2023.

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

Business objective	Net proceeds S\$'000	Amount utilised as at 1 April 2023 S\$'000	Unutilised net proceed as at 1 April 2023 S\$'000	Amount utilised during the review period S\$'000	Amount utilised as at 30 September 2023 S\$'000	Unutilised net proceed as at 30 September 2023 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
Development new financial services business	409	119	290	71	190	219	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	71	2,318	219	

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

EVENTS AFTER THE REPORTING PERIOD

- (a) On 13 June 2023, SH Integrated Services Pte. Ltd. ("**SH Integrated**"), an indirect wholly-owned subsidiary entered into a 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 with a consideration of S\$9,050,000 (exclusive of GST) (the "**Acquisition**"). For details, please refer to the announcement of the Company dated 13 June 2023 and 15 August 2023, as well as the circular of the Company dated 28 July 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.

- (b) Subsequent to 30 September 2023 and up to the date of this report, the market price of Bitcoin has been increased from approximately US\$27,000 as at 30 September 2023 to approximately US\$38,000 as at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2023, the interests and short positions of the Directors or 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 Future Ordinance (Chapter 571 of the laws of Hong Kong) (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 30 September 2023, 365,175,000 shares are 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 THE UNDERLYING SHARES OF THE COMPANY

Save as disclosed above, As at 30 September 2023, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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

As at 30 September 2023, 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
<i>Substantial shareholders</i>			
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%
<i>Other persons</i>			
Mr. Liu Zihao	Directly beneficially owned	100,000,000	8.37%
Mr. Leung Shek Kong	Directly beneficially owned	66,665,000	5.58%

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES *(Continued)*

LONG POSITION IN ORDINARY SHARES OF THE COMPANY *(Continued)*

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 30 September 2023, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

SHARE OPTION SCHEME

The Company has 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 Rule.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

SHARE OPTION SCHEME *(Continued)*

With effect from 1 April 2023, definition of eligible participants of the Share Option Scheme will comply 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 30 September 2023 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.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)***SHARE OPTION SCHEME** *(Continued)*

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

At 30 September 2023, the Directors, employees and consultants of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 30 September 2023 was HK\$0.05) granted for a consideration of S\$1 under the Share Option Scheme.

Other participants are consultants of the Group or persons 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 services 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.

Date granted	No. of options outstanding as at 1 April 2023	Movements during the Review Year			No. of option outstanding as at 30 September 2023	Period which options are exercisable	Exercise price per share HK\$	Market value of share at date of grant of options HK\$	
		No. of options granted	No. of options exercised	No. of options lapsed					
Employees	16 May 2019 (Note 1)	1,000,000	—	—	(1,000,000)	—	50% share options: 16 May 2020 to 15 May 2023 50% share options: 16 May 2021 to 15 May 2023	1.17	1.17

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

SHARE OPTION SCHEME (Continued)

Date granted	No. of options outstanding as at 1 April 2023	Movements during the Review Year			No. of options outstanding as at 30 September 2023	Period which options are exercisable	Exercise price per share HK\$	Market value of share at date of grant of options HK\$	
		No. of options granted	No. of options exercised	No. of options lapsed					
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:	1.17	1.17
Ms Gao Ya		10,000,000	—	—	(10,000,000)	—	16 May 2020		
Ms Lin Yanxi		1,000,000	—	—	(1,000,000)	—	to 15 May 2023		
Ms Wang Tingting		1,000,000	—	—	(1,000,000)	—	50% of share options:		
Mr Hong Jiangxin		1,000,000	—	—	(1,000,000)	—	16 May 2021		
Mr Chen Ye		1,000,000	—	—	(1,000,000)	—	to 15 May 2023		

Notes:

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

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

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

During the Review Period, 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 is vacated following the resignation of Mr. Li Wei on 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.

To the best knowledge of the Board, the Company has complied with the CG code for the Review Period, save for the deviation from code provision C.2.1 as disclosed above.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 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 Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

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

On behalf of the Board

Yao Yongjie

Chairman

30 November 2023