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卓航控股集團

Trendzon Holdings Group Limited

Trendzon Holdings Group Limited

卓航控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1865)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Trendzon Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated audited results of the Group for the year ended 31 March 2024 (“**FY2024**”), together with the comparative figures for the year ended 31 March 2023 (“**FY2023**”), which have been reviewed by audit committee of the Company (the “**Audit Committee**”), and have been approved by the Board on 28 June 2024.

FINANCIAL SUMMARY

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
		<i>(Re-presented)</i>
Continuing operations		
Revenue	59,115	59,750
Gross profit	7,993	7,066
Loss before income tax	(10,481)	(1,105)
Loss for the year from continuing operations	(10,652)	(1,957)
Loss per share for loss attributable to owners of the Company from continuing operations		
– Basic and diluted (expressed in Singapore cents per share)	(0.78)	(0.18)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2024

		2024	2023
	<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>
			<i>(Re-presented)</i>
Continuing operations			
Revenue	4	59,115	59,750
Cost of sales		<u>(51,122)</u>	<u>(52,684)</u>
Gross profit		7,993	7,066
Other income	5	2,576	6,163
Other (losses)/gains, net	6	(67)	191
Allowance for expected credit losses		(407)	(423)
Administrative expenses		<u>(18,683)</u>	<u>(12,210)</u>
(Loss)/profit from operations		(8,588)	787
Finance costs	7	(1,727)	(1,613)
Share of losses of joint ventures		(101)	(259)
Impairment loss on investment in a joint venture		–	(20)
Impairment loss on goodwill		<u>(65)</u>	<u>–</u>
Loss before tax	8	(10,481)	(1,105)
Income tax expense	9	<u>(171)</u>	<u>(852)</u>
Loss for the year from continuing operations		(10,652)	(1,957)
Discontinued operation			
Loss for the year from discontinued operation		<u>(1,624)</u>	<u>(122)</u>
Loss for the year		<u>(12,276)</u>	<u>(2,079)</u>

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

For the Year Ended 31 March 2024 (Continued)

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
		<i>(Re-presented)</i>
Other comprehensive (expense)/income		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Surplus on revaluation of leasehold properties	708	433
 <i>Items that may be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive expense of joint ventures	(190)	(563)
Exchange differences on translating foreign operations	<u>(1,876)</u>	<u>(548)</u>
Other comprehensive expense for the year, net of tax	<u><u>(1,358)</u></u>	<u><u>(678)</u></u>
Total comprehensive expense for the year	<u><u>(13,634)</u></u>	<u><u>(2,757)</u></u>
 Loss for the year attributable to:		
– Owners of the Company	(11,987)	(2,062)
– Non-controlling interests	<u>(289)</u>	<u>(17)</u>
	<u><u>(12,276)</u></u>	<u><u>(2,079)</u></u>
 Loss for year attributable to owners of the Company arising from:		
– Continuing operations	(10,437)	(1,957)
– Discontinued operation	<u>(1,550)</u>	<u>(105)</u>
	<u><u>(11,987)</u></u>	<u><u>(2,062)</u></u>

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

For the Year Ended 31 March 2024 (Continued)

	<i>Note</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i> <i>(Re-presented)</i>
Total comprehensive (expense)/income			
for the year attributable to:			
– Owners of the Company		(13,352)	(2,777)
– Non-controlling interests		<u>(282)</u>	<u>20</u>
		<u>(13,634)</u>	<u>(2,757)</u>
Total comprehensive expense for the year			
attributable to owners of the Company			
arising from:			
– Continuing operations		(11,814)	(2,548)
– Discontinued operation		<u>(1,538)</u>	<u>(229)</u>
		<u>(13,352)</u>	<u>(2,777)</u>
Loss per share	<i>10</i>		
From continuing and discontinued operations			
Basic and diluted (Singapore cents)		<u>(0.89)</u>	<u>(0.19)</u>
From continuing operations			
Basic and diluted (Singapore cents)		<u>(0.78)</u>	<u>(0.18)</u>
From discontinued operation			
Basic and diluted (Singapore cents)		<u>(0.11)</u>	<u>(0.01)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Non-current assets			
Property, plant and equipment		17,191	17,519
Right-of-use assets		3,282	4,063
Goodwill		–	920
Intangible assets		–	103
Investments in joint ventures		9,906	5,943
Other deposits		–	35
		30,379	28,583
Current assets			
Trade and other receivables	<i>12</i>	23,086	29,623
Loan receivables		10,461	13,564
Amounts due from joint ventures		18,802	3,667
Contract assets		20,651	32,667
Pledged bank deposits		4,001	2,603
Bank balances – trust and segregated accounts		–	5,936
Cash and cash equivalents		1,439	3,710
		78,440	91,770
Assets of disposal group classified as held for sale	<i>14</i>	3,312	–
		81,752	91,770
Current liabilities			
Trade and other payables	<i>13</i>	12,748	25,430
Contract liabilities		658	4,622
Borrowings		10,457	12,493
Lease liabilities		519	709
Current tax liabilities		347	1,497
		24,729	44,751
Liabilities directly associated with disposal group classified as held for sale	<i>14</i>	1,717	–
		26,446	44,751
Net current assets		55,306	47,019
Total assets less current liabilities		85,685	75,602

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 31 March 2024 (Continued)

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Non-current liabilities		
Borrowings	12,769	15,747
Lease liabilities	2,855	3,437
Deferred tax liabilities	202	270
	<u>15,826</u>	<u>19,454</u>
Net assets	<u>69,859</u>	<u>56,148</u>
Capital and reserves		
Share capital	2,444	1,907
Reserves	67,242	53,949
	<u>69,686</u>	<u>55,856</u>
Equity attributable to owners of the Company	69,686	55,856
Non-controlling interests	173	292
	<u>69,859</u>	<u>56,148</u>
Total equity	<u>69,859</u>	<u>56,148</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1 CORPORATE INFORMATION

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

The Company’s registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Singapore is 38 Senoko Road, Singapore 758110. The principal place of business in Hong Kong is Room 39, 10/F, Block D, Mai Tak Industrial Building, 221 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

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

The audited consolidated financial statements are presented in thousands of units of Singapore dollars (“**S\$’000**”), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”). IFRSs comprise International Financial Reporting Standard (“**IFRS**”), International Accounting Standards (“**IASs**”), and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and amendments to IFRS that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1	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
Amendment to IAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the above new and amendments to IFRSs in the current year 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.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the IFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IAS 28 and IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to IAS 1	Non-current Liabilities with Covenants ¹
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ¹
Amendments to IAS 21	Lack of Exchangeability ²

¹ effective for annual periods beginning on or after 1 January 2024

² effective for annual periods beginning on or after 1 January 2025

³ to be determined

The directors of the Company anticipate that the application of all the above amendments to IFRS will have no material impact on the consolidated financial statements in the foreseeable future.

4 SEGMENT INFORMATION

The Company's executive directors monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

For the year ended 31 March 2024, the chief operating decision-maker has been identified as the executive directors of the Group. The executive directors consider the segment from a business perspective. The Group has three operating segments that qualify as reporting segment under IFRS 8 and the information that is regularly reviewed by the executive directors for the purposes of allocating resources and assessing performance of the operating segment.

During the year ended 31 March 2024, one of the business segments namely, brokerage, placing and margin financing service segment, which was presented as a separate report at the segment of the Group in previous year, became a discontinued operation due to the classification of the of relevant subsidiaries as a disposal group's held for sale as at 31 March 2024 and the disposal of the relevant subsidiaries has been completed in 3 May 2024.

The Group's continuing operations comprised two reportable segments, which are: 1) Construction contracts and engineering services and 2) Trading of building materials. Prior year segment disclosures have been re-presented to conform with the current year's presentation of reportable segments in continuing operations. The segment information reported does not include any amounts for this discontinued operation.

The executive directors assess the performance based on a measure of (loss)/profit before tax, and consider all businesses are included in the reportable segments of the Group.

Continuing operations:

	Segment revenue		Segment results	
	2024 S\$'000	2023 S\$'000 <i>(Re-presented)</i>	2024 S\$'000	2023 S\$'000 <i>(Re-presented)</i>
Construction contracts and engineering services	59,097	59,750	7,975	7,066
Trading of building materials	18	–	18	–
Total segment	<u>59,115</u>	<u>59,750</u>	<u>7,993</u>	<u>7,066</u>
Other income			2,576	6,163
Other (losses)/gains, net			(67)	191
Allowance for expected credit losses (“ECL”)			(407)	(423)
Impairment loss on investment in a joint venture			–	(20)
Impairment loss on goodwill			(65)	–
Share of losses of joint ventures			(101)	(259)
Administrative expenses			(18,683)	(12,210)
Finance costs			(1,727)	(1,613)
Loss before tax			<u>(10,481)</u>	<u>(1,105)</u>
Discontinued operation:				
Loss for the year from discontinued operation			<u>(1,624)</u>	<u>(122)</u>

4 SEGMENT INFORMATION (Continued)

For the year ended 31 March 2024, there were six customers (2023: one) which individually contributed over 10% of the Group's total revenue. During the years ended 31 March 2024 and 2023, the revenue contributed from these customers was as follows:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Construction contracts segment		
Customer A	20,022	41,378
Customer B	9,286	N/A*
Customer C	8,121	N/A*
Customer D	7,645	N/A*
Customer E	7,327	N/A*
Customer F	6,163	N/A*

* Contributed under 10% of total revenue for the year ended 31 March 2023.

As at 31 March 2024, the total non-current assets, other than other deposits, approximately S\$19,793,000 (2023: S\$20,225,000), S\$298,000 (2023: S\$1,390,000) and S\$10,288,000 (2023: S\$6,933,000) were located in Singapore, Hong Kong and the PRC respectively.

5 OTHER INCOME

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i> <i>(Re-presented)</i>
Continuing operations		
Interest income	114	26
Government grants <i>(Note i)</i>	55	431
Loan interest income	252	566
Agency income <i>(Note ii)</i>	778	3,873
Others	1,377	1,267
	<u>2,576</u>	<u>6,163</u>

Notes:

- (i) During the year ended 31 March 2024, the Group recognised government grants of approximately S\$55,000 (2023: S\$431,000), which mainly represent the Foreign Worker Levy rebates and Jobs Growth Incentive provided by the Singapore government. The Group complied with all attached conditions and therefore such grants were recognised as other income during the year.
- (ii) Agency income received from selling as an agent is accounted for in accordance with IFRS 15.

6 OTHER (LOSSES)/GAINS, NET

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i> <i>(Re-presented)</i>
Continuing operations		
Gain/(loss) on disposals of property, plant, and equipment	2	(365)
Gains on disposals of subsidiaries	51	–
Surplus on revaluation of leasehold properties	–	562
Gain on termination of lease	14	–
Foreign exchange loss	(152)	(2)
Loss on disposal of intangible assets	–	(4)
Gain on disposal of a joint venture	18	–
	<u> </u>	<u> </u>
	<u> </u> <u> </u>	<u> </u> <u> </u>
	(67)	191

7 FINANCE COSTS

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i> <i>(Re-presented)</i>
Continuing operations		
Interests on:		
Hire purchase liabilities	–	7
Lease liabilities	83	80
Term loan	190	165
Other borrowings	595	149
Bonds	859	1,212
	<u> </u>	<u> </u>
	<u> </u> <u> </u>	<u> </u> <u> </u>
	1,727	1,613

8 LOSS BEFORE TAX

Loss before tax is stated after charging the following:

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Continuing operations		
Material costs under construction operation (included in cost of sales)	11,869	15,024
Subcontracting costs (included in cost of sales)	11,217	7,413
Technical service fees (included in cost of sales)	4,853	4,743
Auditor's remuneration		
– Audit services	140	144
Expenses relating to short-term lease	4,409	3,229
Depreciation of property, plant and equipment	1,617	1,601
Amortisation of intangible assets	19	19
Depreciation of right-of-use assets	721	721
Employee benefit costs, including directors' emoluments		
– Wages and salaries	15,406	12,071
– Equity-settled share-based payments	5,148	2,372
– Employer's contribution to defined contribution plans	711	569
	21,265	15,012

9 INCOME TAX EXPENSE

Tax for the group company incorporated in Singapore has been provided at the applicable Singapore statutory Corporate Income Tax rate of 17% (2023: 17%) on the estimated assessable profit during the financial year. Companies within the Group that are incorporated in the Cayman Islands and the British Virgin Islands (“BVI”) are not subject to any income tax. Under the two-tiered Profits Tax regime, the applicable tax rates for a qualified group company incorporated in Hong Kong is 8.25% (2023: 8.25%) on the first HK\$2,000,000 of assessable profit and 16.5% (2023: 16.5%) on the remaining assessable profit. The applicable tax rate for those non-qualified group companies incorporated in Hong Kong is 16.5% (2023: 16.5%). The applicable tax rate for group company incorporated in the PRC is 25% (2023: 25%).

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

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Continuing operations		
Current tax		
Singapore Corporate Income Tax		
Current year	119	1,159
Under/(over) provision in prior years	120	(79)
	239	1,080
Hong Kong Profits Tax		
Current year	—	—
	239	1,080
Deferred tax	(68)	(228)
	171	852

10 LOSS PER SHARE

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

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i> <i>(Re-presented)</i>
Loss		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share		
– Continuing operations	(10,437)	(1,957)
– Discontinued operations	<u>(1,550)</u>	<u>(105)</u>
Continuing and discontinuing operations	<u><u>(11,987)</u></u>	<u><u>(2,062)</u></u>
	<i>'000</i>	<i>'000</i>
Number of share		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>1,336,111</u>	<u>1,063,671</u>
Basic loss per share (<i>Singapore cents</i>)		
– Continuing operations	(0.78)	(0.18)
– Discontinued operations	<u>(0.11)</u>	<u>(0.01)</u>
Continuing and discontinuing operations	<u><u>(0.89)</u></u>	<u><u>(0.19)</u></u>

No adjustment has been made to the basic loss per share for the years ended 31 March 2024 and 2023 as the outstanding share options which were potential ordinary shares of the Company did not have dilutive effect.

11 DIVIDENDS

The directors have resolved not to declare any dividend for the year ended 31 March 2024 (2023: Nil).

12 TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2024 S\$'000	2023 S\$'000
Current:			
Trade receivables from construction contracts and trading of building materials		4,759	9,815
Less: Allowance for ECL		<u>–</u>	<u>(6)</u>
	<i>(a)</i>	<u>4,759</u>	<u>9,809</u>
Trade receivables arising from brokerage, placing and margin financing business:			
– Cash clients		–	2,292
– Margin clients		–	397
– HKSCC		–	16
Less: Allowance for ECL		<u>–</u>	<u>(41)</u>
	<i>(b)</i>	<u>–</u>	<u>2,664</u>
Trade receivables arising from engineering services		141	–
Less: Allowance for ECL		<u>(27)</u>	<u>–</u>
		<u>114</u>	<u>–</u>
Prepayments, deposits and other receivables:			
– Prepayments		1,796	3,613
– Deposits		3,949	4,214
– Other receivables		12,700	9,504
Less: Allowance for ECL		<u>(232)</u>	<u>(181)</u>
		<u>18,213</u>	<u>17,150</u>
Total trade and other receivables		<u>23,086</u>	<u>29,623</u>

12 TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables from construction contracts and trading of building materials:

The Group normally grants credit terms to its customers from construction contracts and trading of building materials ranging from 30 to 45 days. The ageing analysis of the trade receivables from construction contracts and trading of building materials, based on invoice date, net of allowance for ECL is as follows:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
1 to 30 days	4,376	3,882
31 to 60 days	80	5,634
61 to 90 days	303	293
	<u>4,759</u>	<u>9,809</u>

12 TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade receivables arising from brokerage, placing and margin financing business:

The Group seeks to maintain tight control over its outstanding trade receivables and has procedures and policies to assess its clients' credit quality and define credit limits for each client. All client acceptances and credit limits are approved by designated approvers according to the clients' credit worthiness.

The settlement terms of trade receivables from cash client are two days after trade date.

Trade receivables from margin clients are repayable on demand. As at 31 March 2023, all balances were secured by sufficient collateral on an individual basis.

No ageing analysis by invoice date is disclosed for these trade receivables as in the opinion of the directors, the ageing analysis does not give additional value in view of the nature of financial services business. The Group offset certain trade receivable and trade payable when the Group has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.

The settlement terms of trade receivables arising from the provision of securities brokerage business with HKSCC are two days after trade date. All the trade receivables from HKSCC are neither past due nor impaired at 31 March 2023.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
SGD	13,162	9,830
HKD	4,431	10,750
RMB	5,493	9,043
	<u>23,086</u>	<u>29,623</u>

13 TRADE AND OTHER PAYABLES

	<i>Notes</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Trade payables arising from construction contracts and trading of building materials:			
Trade payables	<i>(a)</i>	<u>4,496</u>	<u>7,612</u>
Trade payables arising from brokerage, placing and margin financing business:			
– Cash clients		–	5,910
– Margin clients		–	287
– HKSCC		–	<u>1,632</u>
	<i>(b)</i>	<u>–</u>	<u>7,829</u>
Trade payables arising from engineering services:			
Trade payable		<u>204</u>	<u>–</u>
Total trade payables		<u>4,700</u>	<u>15,441</u>
Other payables:			
– Advances received from customers		32	25
– Provision for foreseeable losses on construction contracts		1,414	3,167
– Others	<i>(c)</i>	3,540	1,680
Accrued expenses		1,563	1,403
Accrued for trade related costs		685	825
Accrual for employee benefit expenses		<u>814</u>	<u>2,889</u>
		<u>8,048</u>	<u>9,989</u>
Total trade and other payables		<u><u>12,748</u></u>	<u><u>25,430</u></u>

Notes:

- (a) The ageing analysis of the trade payables arising from construction contracts and trading of building materials, based on invoice date, were as follows:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
1 to 30 days	2,853	4,352
31 to 60 days	1,615	2,722
61 to 90 days	28	528
Over 90 days	–	<u>10</u>
	<u>4,496</u>	<u>7,612</u>

13 TRADE AND OTHER PAYABLES (Continued)

(b) Trade payables arising from brokerage, placing and margin financing business:

No ageing analysis is disclosed for these trade payables as, in the opinion of the directors, the ageing analysis does not give additional value in view of the nature of financial services business. The normal settlement terms of trade payables to cash clients and margin clients are repayable on demand.

The carrying amounts of trade and other payables approximate their fair values. The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
SGD	10,159	15,340
HKD	175	8,698
RMB	2,414	1,392
	<u>12,748</u>	<u>25,430</u>

(c) The other payables included consideration received in advance of approximately S\$2,376,000 from independent third parties for disposal of subsidiaries.

14 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In 26 January 2024, the Group entered into an equity transfer agreement with an independent third party whereby the Group agreed to dispose of its 96.13% equity interest in Wealth Link Securities Limited ("Wealth Link"). Wealth Link, a company incorporated in Hong Kong with limited liability, is principally engaged in the provision of securities brokerage, placing and underwriting services and margin financing services and comprised the whole "Brokerage, placing and margin financing services" reportable and operating segment of the Group. The transfer of the equity interest was completed on 3 May 2024. As at 31 March 2024, the directors of the Company were committed to the disposal plan for the sale of Wealth Link and the sale of Wealth Link was assessed to be highly probable. Accordingly, the assets and liabilities of Wealth Link as at 31 March 2024 were classified as assets and liabilities of a disposal group held for sale and the results of Wealth Link have been presented as loss from discontinued operation. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the results of Wealth Link in the year ended 31 March 2023 as loss from discontinued operation.

**14 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE
(Continued)**

The major classes of assets and liabilities of Wealth Link classified as held for sale as at 31 March 2024 were as follows:

	2024
	S\$'000
Property, plant and equipment	160
Goodwill	67
Intangible assets	86
Other deposits	35
Right-of-use assets	5
Trade and other receivables	750
Bank balances – trust and segregated accounts	977
Cash and cash equivalents	<u>1,232</u>
Total assets classified as held for sale	<u><u>3,312</u></u>
Trade and other payables	1,712
Lease liabilities	<u>5</u>
Total liabilities classified as held for sale	<u><u>1,717</u></u>

Loss for the year from discontinued operation comprised:

	2024	2023
	S\$'000	S\$'000
Revenue	309	353
Other income	–	13
Allowance for ECL	(86)	(88)
Administrative expense	(993)	(399)
Finance costs	(1)	(1)
Impairment loss on goodwill recognised on measurement to fair value less costs to sell of disposal group	(853)	–
Loss for the year from discontinued operation	<u><u>(1,624)</u></u>	<u><u>(122)</u></u>

15 EVENTS AFTER THE REPORTING PERIOD

- a) On 26 January 2024, the Company, as the vendor and the Mr. Mao Le (毛樂), Ms. Feng Qiuhe (奉秋和) and Ms. Ding Xiameng (丁霞夢), as the purchasers, entered into a sale and purchase agreement pursuant to which the Company has agreed to sell and the purchasers have agreed to acquire the shares representing the entire issued share capital of Jumbo Harvest Group Limited (“**Jumbo Harvest**”), a wholly-owned subsidiary of the Company, at a cash consideration of HK\$9,250,000 (the “**Jumbo Harvest Disposal**”).

Jumbo Harvest is an investment holding company. Wealth Link, the wholly owned subsidiary of Jumbo Harvest, is licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance. It is principally engaged in the provision of brokerage, placing and margin financing services in Hong Kong.

The Jumbo Harvest Disposal was completed in 3 May 2024.

- b) On 26 February 2024, the Company and Mr. Tan Tze Loong (“**Mr. Tan**”) entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and Mr. Tan has conditionally agreed to acquire the shares representing 22% of the equity interest in Integral Virtue Limited (“**IVL**”), a wholly-owned subsidiary of the Company, at the consideration of S\$6.25 million (the “**IVL Disposal**”). Upon completion of the IVL Disposal, IVL will remain as a subsidiary of the Company and will be owned by the Company and Mr. Tan as to 78% and 22%, respectively.

IVL is an investment holding company. IVL directly owns 100% of the equity interest in a principal subsidiary of the Group, namely, HSC Pipeline Engineering Pte. Ltd., which is principally engaged in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services in Singapore.

The IVL Disposal was completed on 19 April 2024.

Save as disclosed above, the Directors are not aware of any subsequent event which had a material effect on the Group which have occurred since 31 March 2024.

MANAGEMENT DISCUSSION & ANALYSIS

The comparative figures in this section are re-presented to reflect the reclassification between continuing operations and a discontinued operation of the Group.

BUSINESS REVIEW

During FY2024, the global economies and market behaviour underwent profound changes amid the three-year COVID-19 pandemic. Enterprises should enhance their core competitiveness and strengthen their ability to operate steadily in such challenging business environment and to face forthcoming uncertainties.

The high level of inflation rates together with the escalating war in Ukraine since early 2022 severely disrupted the global supply chain and caused the prices of materials and energy to soar. The labour costs also increased due to limited supply of manpower. In the year 2023, inflation rate declined steadily. The Board of the Company will continue to closely monitor factors that would significantly affect the infrastructural pipeline market in Singapore and the operations of the Group all over the globe.

The Group recorded a total revenue of approximately S\$59.1 million in FY2024, representing a slight decrease of approximately S\$0.7 million from approximately S\$59.8 million in FY2023. The decrease in revenue was mainly due to the combined effect of decrease in revenue from gas pipeline projects by approximately S\$21.4 million, increase in revenue from water pipeline projects by approximately S\$20.0 million and increase in revenue derived from provision of engineering services of approximately S\$0.7 million. During FY2024, the Group has been awarded one new gas project and one new water project with an aggregate contract sum of approximately S\$10.0 million, one of which commenced in FY2024.

Business strategies of the Group remained unchanged for FY2024. Since the listing of the Company, the management has continuously consolidated and strengthened the reputation of the Group through submission of tenders to keep its presence in the market. Leveraging its listing status, the Group's core business continued to earn good reputation and provided the Group with sound track record for potential business opportunities. Subsequent to FY2024, the Group has secured new projects, together with the ongoing projects on hand, its revenue could be sustained for the next financial year.

Despite challenging operating conditions in the year ahead, the Group believes that it is positioned on the right track for sustainable development. Looking forward, the Group will continue to focus on strengthening the market position in the construction industry and developing the Trendzon Diandian Science and Technology Innovation City's Industrial Park in the PRC. The Group will continue to keep a close watch on the global economic trend and market situations to capture business opportunities in turn to achieve synergies and better operating results.

The Board is proactively exploring new business opportunities in different geographical locations in the world in order to identify markets with growth potential, so as to diversify the business development of the Group. The Board is of the opinion that the development of potential business represents a good opportunity for increasing the sources of revenue of the Group. The Group is well-positioned for the challenges and competition ahead, to carry out research to prepare for the development of different business and new business opportunities. This enables the Group to enrich the Group business portfolio and create a sustainable business development model to striving to deliver satisfactory return to the shareholders of the Company (the “**Shareholder(s)**”).

ONGOING PROJECTS

As at 31 March 2024, the Group had two ongoing gas pipeline projects and nine water pipeline projects with an aggregated contract sum of approximately S\$122.5 million, of which approximately S\$69.1 million has been recognised as revenue as at 31 March 2024 (FY2023: two gas pipeline projects and eight water pipeline projects, with an aggregate contract sum of S\$148.0 million). The remaining balance will be recognised as the Group's revenue in subsequent periods in accordance with IFRS 15.

The management considered that all ongoing projects were on schedule and none of which is expected to cause the Group to indemnify the third parties and incur any contingent liabilities as at 31 March 2024.

FINANCIAL REVIEW

Revenue

Revenue from contracts with customers

The following table sets out the breakdown of the Group's revenue from contracts with customers, the number of projects/contracts performed and the percentage contribution to total revenue for FY2024 and FY2023.

	For the year ended 31 March					
	2024			2023		
	Number of projects/ contracts performed	Revenue (S\$'000)	Percentage of revenue (%)	Number of projects/ contracts performed	Revenue (S\$'000)	Percentage of revenue (%)
Gas pipeline	4	20,022	33.9	5	41,378	69.3
Water pipeline	10	38,332	64.8	13	18,372	30.7
Cable	1	5	0.0	–	–	–
	15	58,359	98.7	18	59,750	100.0
Trading of building materials		18	0.1		–	–
Engineering services income		738	1.2		–	–
Total		<u>59,115</u>	<u>100.0</u>		<u>59,750</u>	<u>100.0</u>

Revenue of the Group has decreased by approximately S\$0.7 million from approximately S\$59.8 million in FY2023 to approximately S\$59.1 million in FY2024 was mainly due to the following:

- (i) Decrease in revenue from gas pipeline projects by approximately S\$21.4 million;
- (ii) Increase in revenue from water pipeline projects by approximately S\$20.0 million; and
- (iii) Increase in revenue derived from provision of engineering services by approximately S\$0.7 million.

The decrease in revenue from the gas pipeline projects by approximately S\$21.4 million in FY2024 as compared with FY2023 was due to the combined effect of decrease in revenue from gas pipeline projects relating to the supply and lay of gas mains and renewal services of approximately S\$20.7 million and decrease in revenue from other gas pipeline projects relating to a gas transmission pipeline and conversion of gas pressure networks by approximately S\$0.7 million.

The increase in revenue from the water pipeline projects by approximately S\$20.0 million in FY2024 as compared with FY2023 was due to the combined effect of increase in revenue from new water pipeline projects relating to district cooling system of approximately S\$13.8 million, increase in revenue from water pipeline projects relating to the supply and laying of watermains of approximately S\$7.0 million and decrease in other water related pipeline projects of approximately S\$0.8 million.

In FY2024, revenue contributed by the provision of engineering services amounted to approximately S\$0.7 million.

Cost of Sales

Cost of sales of the Group decreased by approximately S\$1.6 million or 3.0% from approximately S\$52.7 million in FY2023 to approximately S\$51.1 million in FY2024 which was generally in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

The Group's total gross profits increased by approximately S\$0.9 million from approximately S\$7.1 million in FY2023 to approximately S\$8.0 million in FY2024. Gross profit margin increased by approximately 1.7% from 11.8% in FY2023 to approximately 13.5% in FY2024. The increase was primarily due to the additional cost recognised for foreseeable losses in the two water related construction projects during FY2023.

Other Income

Other income decreased by approximately S\$3.6 million from approximately S\$6.2 million in FY2023 to approximately S\$2.6 million in FY2024. It was mainly attributable to the decrease in agency income of approximately S\$3.1 million.

Other (Losses)/Gains, net

Other losses recognised during FY2024 mainly comprise of foreign exchange losses and gains on disposals of subsidiaries.

Recognition of allowance for expected credit losses

The Group recorded the allowance for expected credit losses amounting to approximately S\$407,000 in FY2024 (FY2023: approximately S\$423,000), which was mainly recognised on the balance under the contract assets, trade and other receivables and the loan receivables in FY2024.

Administrative Expenses

The Group recorded administrative expenses amounting to approximately S\$18.7 million in FY2024 (FY2023: approximately S\$12.2 million). The increase was mainly attributable to the increase in (i) general operating expenses in relation to the newly acquired business during FY2024; (ii) equity-settled share based payment expense from approximately S\$2.4 million for FY2023 to approximately S\$5.1 million for FY2024; and (iii) wages and salaries of approximately S\$3.3 million due to the increase of average number of headcounts.

Finance Costs

Finance costs of the Group remains stable and approximately S\$1.7 million was recognised in FY2024 (FY2023: approximately S\$1.6 million).

Impairment of goodwill

Regarding the Group's goodwill arising from business acquisition, impairment loss of approximately S\$0.7 million was recognised in FY2024.

Loss for the year from discontinued operation

The loss for the year attributable to discontinued operation for FY2024 amounted to approximately S\$1.6 million (FY2023: approximately S\$0.1 million).

Loss for the Year

Due to the above, a loss of approximately S\$12.3 million was recorded in FY2024 as compared to the loss of approximately S\$2.1 million recorded in FY2023.

Property, Plant and Equipment

Property, plant and equipment slightly decreased by approximately S\$0.3 million, mainly due to the depreciation charged during FY2024, partially offset by the addition of property, plant and equipment during the same period.

Trade and Other Receivables

The Group's trade and other receivables decreased by approximately S\$6.5 million from approximately S\$29.6 million as at 31 March 2023 to approximately S\$23.1 million as at 31 March 2024. The decrease was mainly attributable to the decrease in trade receivables of approximately S\$7.6 million, partially offset by increase in prepayments, deposits, and other receivables of approximately S\$1.1 million.

Loan Receivables

As at 31 March 2024, loan receivables amounted to approximately S\$10.5 million, comprised of (i) loan to shareholder of a joint venture of the Group of approximately S\$3.2 million (interest-free); (ii) loans to other individual third parties of approximately S\$6.9 million (fixed interest rates ranging from 6% to 14% per annum); (iii) loan interest receivables of approximately S\$0.5 million; less (iv) allowance for expected credit loss of approximately S\$0.1 million. All the loan receivables were with original maturity of one year or less. All the loan receivables were unsecured.

The Group has actively explored investment opportunities to diversify the business portfolio and broaden its revenue stream, and as such the Group has established the money lending business. The loans to other individual third parties were granted with the main purpose to earn interest income and contribute return to the Group. For loan to the shareholder of a joint venture of the Group, the directors of the Company are of the view that it would be able to streamlining the process of project development, facilitate the strategic cooperation between the parties, as well as the operation of the joint venture by providing sufficient fund to its shareholder.

Trade and Other Payables

Trade and other payables decreased by approximately S\$12.7 million from approximately S\$25.4 million as at 31 March 2023 to approximately S\$12.7 million as at 31 March 2024.

Borrowings

Borrowings decreased by approximately S\$5.0 million from approximately S\$28.2 million as at 31 March 2023 to approximately S\$23.2 million as at 31 March 2024. The decrease was mainly attributable to the repayment of bank and other borrowings during FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group maintained a healthy liquidity position. As at 31 March 2024, the Group had net current assets of approximately S\$55.3 million (31 March 2023: net current assets of approximately S\$47.0 million), net assets of approximately S\$69.9 million (31 March 2023: net assets of approximately S\$56.1 million) and bank balances and cash of approximately S\$1.4 million (31 March 2023: approximately S\$3.1 million). The Group's gearing ratio (calculating by total interest-bearing debt over total equity) as at 31 March 2024 was approximately 38%, decrease of approximately 20% from approximately 58% as at 31 March 2023. The decrease in gearing ratio was mainly attributable to the decrease in borrowings as well as the equity fund raising activity completed during FY2024.

CAPITAL STRUCTURE

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

The capital structure of the Group consists of net debts (including lease liabilities, hire purchase liabilities, bonds, bank and other borrowings, net of cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital, share premium, reserves and retained earnings).

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

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had a total of 481 employees (31 March 2023: 476 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries, bonus and allowances.

USE OF LISTING PROCEEDS

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

On 17 January 2023, the Board has resolved and approved to change the use of the unutilised Net Proceeds of approximately S\$4.9 million. Based on the economic development, the available tenders, the ongoing and potential projects and the overall cost versus benefit, the Board considered that the purchase of two pipe jacking machines will not be beneficial to the Group. The Group plans to carry out addition and alteration works to the foreign worker dormitory in conformity to the regulatory requirement announced on 17 September 2021 by the Ministry of Manpower of Singapore. Without any addition and alteration works to our existing dormitory, the number of workers allowed to stay in the dormitory will be revised downwards on the next license renewal and the Group will be required to seek other alternative such as third-party dormitory to house the excess workers. Moreover, the rental rate for third party dormitory in the market has also risen significantly post-COVID pandemic and engaging them will give rise to additional costs such as rental, transportation and other related costs. Hence, the Board estimated that approximately S\$2.0 million would be allocated for the proposed addition and alteration works on the foreign worker dormitory. The remaining unutilised Net Proceeds of approximately S\$2.9 million would be used as working capital and other general corporate purposes such as repayment of loans, hire purchase and other operational expenses. Please refer to the announcement of the Company dated 17 January 2023 for further details.

On 12 October 2023, the Board has resolved and approved to further change the use of the unutilised Net Proceeds of approximately S\$2.0 million. Despite the reasons disclosed above and in the annual report of the Company for the year ended 31 March 2023, based on the current economic development, the Board considered the number of foreign workers that the Group hires may fluctuate or reduce, hence it is not cost efficient and beneficial to the Group to carry out addition and alteration works at this juncture. If the addition and alteration works were to be carried out, our existing dormitory would not be available for use and the Group would face additional operational inconveniences and inefficiency as the Group would need to relocate all its foreign workers to third party dormitory operators at which the location may be unfavourable in terms of distance. The Group may incur more costs to maintain the dormitory as well as to comply with any new rules and regulations as may be imposed by the Singapore Government in future. Hence, the Board has decided to reallocate the remaining unutilised Net Proceeds of approximately S\$2.0 million towards supporting the current operations of the Group, which may include, short term dormitory lease based on project duration, engaging sub-contractors as per project requirement, repayment of loans, and other operational expenses. Please refer to the announcement of the Company dated 12 October 2023 for further details.

Set out below are details of the allocation of the Net Proceeds, the utilised amounts of Net Proceeds as at 31 March 2024, taking into account the changes made in the use of the unutilised Net Proceeds on 17 January 2023 and 12 October 2023 respectively:

	Planned use of net proceeds as disclosed in the Prospectus <i>S\$'000</i>	Reallocation of unutilised net proceeds <i>S\$'000</i>	Utilised from the Listing up to 31 March 2023 <i>S\$'000</i>	Utilised in FY2024 <i>S\$'000</i>	Total remaining net proceeds available as at 31 March 2024 <i>S\$'000</i>	Expected timeline for utilising the remaining net proceeds <i>(Note 1)</i>
Use of net proceeds						
(a) Relocate to a new property to be acquired to be used as our new office, foreign worker dormitory and warehouse for our machinery	9,368	-	(9,368)	-	-	N/A
(b) Purchase two pipe jacking machines	4,896	(4,896)	-	-	-	N/A
(c) Working capital	1,428	2,000	(1,428)	(2,000)	-	N/A
(d) Working capital and other general corporate purposes	-	2,896	(2,896)	-	-	N/A
	<u>15,692</u>	<u>-</u>	<u>(13,692)</u>	<u>(2,000)</u>	<u>-</u>	

As at 31 March 2024, all the Net Proceeds were fully utilised as intended.

USE OF 2022 SUBSCRIPTION PROCEEDS

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

Set out below are details of the allocation of the net proceeds, the utilised and unutilised amounts of net proceeds in relation to the 2022 Subscriptions as at 31 March 2024:

Use of net proceeds	Planned use of net proceeds HK\$'000	Utilised up to 31 March 2023 HK\$'000	Utilised in FY2024 HK\$'000	Total remaining net proceeds available as at 31 March 2024 HK\$'000	Expected timeline for utilising the remaining net proceeds (Note 1)
(a) Development of the Group's joint venture businesses:					
– The expansion of smart parking businesses of Trendzon Zhilian (Shenzhen) Technology Company Limited* (卓航智聯(深圳)科技有限公司), namely the construction and maintenance costs of the smart carparks, located in 24 towns in Guizhou Province, PRC, including (i) procurement of construction materials and (ii) precision parking and vehicle identification software and hardware procurement, development and maintenance	6,000 11,000	(6,000) –	– –	– 11,000	N/A Before 30 September 2024
(b) Future investment funds:					
– Reserved funds as capital for the development of placing and underwriting business of Wealth Link	12,000	–	(12,000)	–	N/A
– Reserved funds as loan principals for the money lending business of All Good Finance Limited, a wholly-owned subsidiary of the Company and licenced to conduct money lending business in Hong Kong	12,000	(12,000)	–	–	N/A
(c) General working capital and settlement of liabilities of the Group:					
– Repayment of the unsecured unlisted bonds which will be due in August 2022 in the principal amount of RMB40,000,000	42,000	(42,000)	–	–	N/A
– General working capital including salaries, rental payments, professional fees, office overheads and other day-to-day operation payments for the operation of the Group's Hong Kong and PRC businesses	4,000	(4,000)	–	–	N/A
	<u>87,000</u>	<u>(64,000)</u>	<u>(12,000)</u>	<u>11,000</u>	

The net proceeds from the 2022 Subscriptions were used and expected to be used according to the intentions previously disclosed in the aforesaid announcements of the Company.

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

USE OF 2023 SUBSCRIPTION PROCEEDS

On 1 June 2023, the Company entered into five separate subscription agreements with each of the five subscribers respectively, pursuant to which the Company has agreed to allot and issue and the five subscribers have conditionally agreed to subscribe for an aggregate of 220,800,000 new shares of the Company at the subscription price of HK\$0.43 per subscription share on the terms and subject to the conditions set out in the subscription agreements (the “**2023 Subscriptions**”). The gross proceeds of the 2023 Subscriptions were approximately HK\$94.9 million and the net proceeds from the 2023 Subscriptions were approximately HK\$94.6 million. The 2023 Subscriptions were completed in July 2023. Please refer to the announcements of the Company dated 1 June 2023 and 10 July 2023 for more details.

Set out below are details of the allocation of the net proceeds, the utilised and unutilised amounts of net proceeds in relation to the 2023 Subscriptions as at 31 March 2024:

	Planned use of net proceeds	Utilised in FY 2024	Total remaining net proceeds available as at 31 March 2024	Expected timeline for utilising the remaining net proceeds
Use of net proceeds	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
(a) The second phase development of Trendzon Diandian Science and Technology Innovation City	75,716	(75,716)	–	N/A
(b) The replenishment of general working capital	9,464	(9,464)	–	N/A
(c) Settlement of the liabilities of the Group	<u>9,464</u>	<u>(9,464)</u>	<u>–</u>	N/A
	<u>94,644</u>	<u>(94,644)</u>	<u>–</u>	

The net proceeds from the 2023 Subscriptions were fully utilised according to the intentions previously disclosed in the aforesaid announcements of the Company.

MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES AND SIGNIFICANT INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

- (a) On 11 July 2023, Trendzon Industrial Limited (“**TIL**”), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with Zhejiang Taiguang Construction Technology Co., Ltd.* (浙江台廣建築科技有限公司) (“**Zhejiang Taiguang**”), an independent third party of the Group, pursuant to which TIL has conditionally agreed to acquire, and Zhejiang Taiguang has conditionally agreed to sell 51% equity interest of Zhejiang Taiding Construction Co., Ltd.* (浙江台鼎建設有限公司) (“**Zhejiang Taiding**”) (the “**Zhejiang Taiding Acquisition**”), a company incorporated in the PRC with limited liability. The total consideration for the Zhejiang Taiding Acquisition is RMB5.1 million (subject to adjustments), which should be satisfied by TIL to the Zhejiang Taiguang in three tranches. The adjustments to the total consideration and the payment manner should be made reference to the financial performance of Zhejiang Taiding in the financial years ending 31 December 2023 and 2024 as agreed in the conditional sale and purchase agreement dated 11 July 2023.

Zhejiang Taiding is a construction enterprise integrating planning, design, construction and procurement. It takes engineering, procurement, and construction (EPC) technical support and project management as its core competence, integrates upstream and downstream resources of the construction industry, and leads the market with the advantages of industrial chain resources. Also, Zhejiang Taiding is a construction industry management company with a complete information management platform, risk control management system and modern enterprise management system. It mainly engages in various engineering and construction related businesses.

The Zhejiang Taiding Acquisition was completed in July 2023, whereby Zhejiang Taiding became an indirect non-wholly owned subsidiary of the Company and its financial results were consolidated into the financial statements of the Company.

Please refer to the announcement of the Company dated 11 July 2023 for further details.

The goodwill arising on the acquisition of Zhejiang Taiding was approximately S\$65,000 which was entirely impaired during FY2024.

* *For identification purpose only*

Zhejiang Taiding contributed approximately S\$0.7 million to the Group's revenue and approximately S\$0.4 million to the Group's loss for the period between the date of acquisition and the end of the reporting period.

- (b) On 9 May 2023, Trendzon (Guangzhou) Construction Investment Company Limited* (卓航(廣州)建設投資有限公司) (“**TGZCI**”), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with Mr. Wang Tinghui (“**Mr. Wang**”), an independent third party of the Group, pursuant to which TGZCI has conditionally agreed to acquire, and Mr. Wang has conditionally agreed to sell, the entire issued share capital of Zhongshan Jiantaiying Electric Appliance Manufacturing Co., Ltd.* (中山市堅泰盈電器製造有限公司) (“**Zhongshan Jiantaiying**”) (the “**Zhongshan Jiantaiying Acquisition**”), a company incorporated in the PRC with limited liability. The maximum consideration of RMB8.0 million shall be paid by TGZCI to Mr. Wang in cash by installments and is subject to the adjustment to be made (if applicable) with reference to the financial performance of Zhongshan Jiantaiying in the financial years ending 31 December 2023, 2024 and 2025 as agreed in the conditional sale and purchase agreement dated 9 May 2023. The principal business of Zhongshan Jiantaiying is (i) the production of mold, pipe industry accessories and electrical appliances; and (ii) the production of pipe fitting products by way of original equipment manufacturing (OEM) and original design manufacturing (ODM).

As at the date of this announcement, the Zhongshan Jiantaiying Acquisition has not completed yet. Upon completion of the Zhongshan Jiantaiying Acquisition, Zhongshan Jiantaiying will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

Please refer to the announcements of the Company dated 3 November 2022, 9 May 2023 and 23 May 2023 for further details.

- (c) On 26 January 2024, the Company, as the vendor and the Mr. Mao Le (毛樂), Ms. Feng Qiuhe (奉秋和) and Ms. Ding Xiameng (丁霞夢), as the purchasers, entered into a sale and purchase agreement pursuant to which the Company has agreed to sell and the purchasers have agreed to acquire the shares representing the entire issued share capital of Jumbo Harvest Group Limited (“**Jumbo Harvest**”), a wholly-owned subsidiary of the Company, at a cash consideration of HK\$9,250,000 (the “**Jumbo Harvest Disposal**”).

* For identification purpose only

Jumbo Harvest is an investment holding company. Wealth Link, the wholly-owned subsidiary of Jumbo Harvest, is licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. It is principally engaged in the provision of brokerage, placing and margin financing services in Hong Kong.

The Jumbo Harvest Disposal was completed in May 2024.

Please refer to the announcements of the Company dated 26 January 2024 and 23 February 2024 for further details.

- (d) On 26 February 2024, the Company and Mr. Tan Tze Loong (“**Mr. Tan**”) entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and Mr. Tan has conditionally agreed to acquire the shares representing 22% of the equity interest in Integral Virtue Limited (“**IVL**”), a wholly-owned subsidiary of the Company, at the consideration of S\$6.25 million (the “**IVL Disposal**”). Upon completion of the IVL Disposal, IVL will remain as a subsidiary of the Company and will be owned by the Company and Mr. Tan as to 78% and 22%, respectively.

IVL is an investment holding company. IVL directly owns 100% of the equity interest in a principal subsidiary of the Group, namely, HSC Pipeline Engineering Pte. Ltd., which is principally engaged in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services in Singapore.

The IVL Disposal constitute a major transaction of the Company pursuant to Rule 14.06(3) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The IVL Disposal was completed in April 2024.

Please refer to the announcements of the Company dated 26 February 2024 and 19 April 2024 and the circular of the Company dated 26 March 2024 for further details.

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

INVESTMENTS HELD

Save as disclosed above, as at 31 March 2023 and 2024, the Group did not hold any significant investments.

FOREIGN EXCHANGE EXPOSURE

The Group has operations in Singapore, Hong Kong, and the PRC. The Group transacts mainly in Singapore Dollar (“S\$”) and Renminbi (“RMB”), which are the functional currencies of the Group. Foreign exchange risk arises when a group entity has transactions denominated in currencies other than its own functional currency.

The income and expenses, assets and liabilities of the Company and its subsidiaries which denominated in currencies other than the functional currency are converted into S\$ for financial reporting purpose. Fluctuations in exchange rates may have an impact on the Group’s financial position and results. The Group monitors the exposure to fluctuations in exchange rates and takes appropriate measures to mitigate and manage the risk on a timely and effective manner. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure to fluctuations in exchange rates as at 31 March 2024.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus, maintained a healthy liquidity position throughout FY2024. The finance department of the Group is responsible for treasury management functions, which include, amongst others, researching and sourcing investment options for further consideration by the management and the Board, and monitoring the investments on a continuous basis.

CHARGES ON ASSETS

As at 31 March 2024, the carrying amount of properties pledged for bank borrowings was S\$14,250,000 (2023: approximately S\$14,000,000).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 14 to the consolidated financial statements of this announcement.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors of the Company confirm that they have fully complied with the relevant requirements set out in its own code of conduct throughout the FY2024.

CORPORATE GOVERNANCE CODE

The Company has complied with the provisions of its Code on Corporate Governance Practices (the "Code") which adopted practices that meet the requirements as set out in Appendix C1 to the Listing Rules during FY2024.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2024.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend for FY2024 (FY2023: Nil).

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting procedure, risk management and internal controls systems of the Company. The Audit Committee comprises three independent non-executive directors, namely Mr. Wu Kai Tang, Mr. Shek Jun Chong and Mr. Qiu Yue. The Audit Committee has reviewed the annual results for FY2024.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED (“ELITE PARTNERS”)

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2024 have been agreed by the Group’s auditor, Elite Partners, to the amounts set out in the Group’s consolidated financial statements for the year ended 31 March 2024. The work performed by Elite Partners in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite Partners on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.trendzon1865.com), and the annual report of the Company for the FY2024 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Trendzon Holdings Group Limited
Feng Jiamin
Chairman

Hong Kong, 28 June 2024

As at the date of this announcement, the Board comprises Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Law Wai Yip, Ms. Liao Qinghua, Ms. Katsaya Wiriyachart and Mr. Fong Hang Fai as executive Directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wu Kai Tang as independent non-executive Directors.