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## **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)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Grandshores Technology Group Limited (the “**Company**”) is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2024 (the “**Review Year**”), together with the comparative figures for the corresponding year ended 31 March 2023 (the “**Last Year**”).

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the financial year ended 31 March 2024*

	<i>Note</i>	<b>2024</b>	2023
		<b>S\$</b>	S\$
<b>Revenue</b>	4	<b>84,529,421</b>	57,768,008
Cost of sales and services		<u><b>(66,866,673)</b></u>	<u>(48,674,212)</u>
<b>Gross profit</b>		<b>17,662,748</b>	9,093,796
Other income		<b>1,970,521</b>	558,224
Other gains and losses		<b>(1,029,463)</b>	(3,170,837)
Selling expenses		<b>(150,990)</b>	(23,701)
Administrative expenses		<b>(15,718,081)</b>	(12,760,462)
Impairment loss on financial assets	6	<b>(145,918)</b>	(70,591)
Finance costs	5	<b>(95,181)</b>	(47,375)
Share of loss of associates		<u><b>(88,004)</b></u>	<u>(37,977)</u>
<b>Profit/(loss) before taxation</b>	6	<b>2,405,632</b>	(6,458,923)
Income tax expense	7	<u><b>(393,112)</b></u>	<u>(29,565)</u>
<b>Profit/(loss) for the year</b>		<u><b>2,012,520</b></u>	<u>(6,488,488)</u>

		2024	2023
	<i>Note</i>	S\$	S\$
<b>Other comprehensive loss for the year</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(608,928)	(380,023)
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on equity investments at FVOCI		<u>(39,016)</u>	<u>(226,553)</u>
Other comprehensive loss for the year		<u>(647,944)</u>	<u>(606,576)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><b>1,364,576</b></u>	<u><b>(7,095,064)</b></u>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		2,209,872	(6,428,856)
Non-controlling interests		<u>(197,352)</u>	<u>(59,632)</u>
		<u><b>2,012,520</b></u>	<u><b>(6,488,488)</b></u>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		1,551,880	(6,992,325)
Non-controlling interests		<u>(187,304)</u>	<u>(102,739)</u>
		<u><b>1,364,576</b></u>	<u><b>(7,095,064)</b></u>
<b>Basic and diluted earnings/(loss) per share (S cents)</b>	9	<u><b>0.18</b></u>	<u><b>(0.55)</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 S\$	2023 S\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		16,120,278	6,772,069
Interests in associates		2,739,354	2,864,880
Equity investments at FVOCI		291,690	318,346
Financial assets at fair value through profit or loss		21,377	391,963
		<u>19,172,699</u>	<u>10,347,258</u>
<b>Current assets</b>			
Inventories		2,604,192	787,414
Trade receivables	10	16,026,834	12,748,632
Finance lease receivable		173,377	328,732
Other receivables, deposits and prepayments		16,215,237	3,301,576
Amount due from a related party		238	—
Financial assets at fair value through profit or loss		2,900,438	3,707,026
Fixed bank deposits		1,000,000	21,996,000
Bank balances and cash		15,804,006	15,317,016
		<u>54,724,322</u>	<u>58,186,396</u>
<b>Current liabilities</b>			
Trade and other payables	11	11,406,451	7,494,208
Amounts due to related companies		—	50,208
Amount due to an associate		2,330,650	2,285,424
Lease liabilities		306,352	374,216
Income tax payable		256,839	145,338
		<u>14,300,292</u>	<u>10,349,394</u>
<b>Net current assets</b>		<u>40,424,030</u>	<u>47,837,002</u>

	2024	2023
	S\$	S\$
<b>Total assets less current liabilities</b>	<u>59,596,729</u>	<u>58,184,260</u>
<b>Non-current liabilities</b>		
Lease liabilities	125,217	138,083
Deferred tax liabilities	<u>125,372</u>	<u>65,467</u>
	<u>250,589</u>	<u>203,550</u>
<b>Net assets</b>	<u><u>59,346,140</u></u>	<u><u>57,980,710</u></u>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	2,142,708	2,142,708
Reserves	<u>56,963,383</u>	<u>55,411,503</u>
<b>Equity attributable to owners of the Company</b>	<u>59,106,091</u>	<u>57,554,211</u>
Non-controlling interests	<u>240,049</u>	<u>426,499</u>
<b>Total equity</b>	<u><u>59,346,140</u></u>	<u><u>57,980,710</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

## 1 GENERAL

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

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

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

## 2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), which collective term includes all International Financial Reporting Standards, International Accounting Standards (“**IAS**”) and related interpretations issued by the International Accounting Standards Board.

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

## 3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

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

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

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

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

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

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

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

<sup>1</sup> Effective for accounting period beginning on or after 1 January 2024

<sup>2</sup> Effective for accounting period beginning on or after 1 January 2025

<sup>3</sup> Effective for accounting period beginning on or after 1 January 2027

<sup>4</sup> Effective for accounting period beginning on or after a date to be determined

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

## 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**”) and (iii) engaging in information technology development and application businesses, including provision of service related to blockchain technologies and other internet applications, as well as digital assets trading (“**Information Technology Development and Application**”).

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

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

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

### **Information about major customers**

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

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

*Note:*

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

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

## Geographical information

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

	Year ended 31 March	
	2024	2023
	S\$	S\$
<b>Revenue from external customers</b>		
Singapore	76,846,901	58,144,422
The People’s Republic of China (“PRC”)	32,991	—
	<u>76,879,892</u>	<u>58,144,422</u>
<b>Income/(loss) from other sources</b>		
Hong Kong	7,649,529	(376,414)
	<u>7,649,529</u>	<u>(376,414)</u>
	<u>84,529,421</u>	<u>57,768,008</u>
	As at 31 March	
	2024	2023
	S\$	S\$
<b>Non-current assets</b>		
Singapore	16,019,904	6,510,331
PRC (including Hong Kong)	2,839,728	3,126,618
	<u>18,859,632</u>	<u>9,636,949</u>

## Disaggregation of revenue

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

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



## 5 FINANCE COSTS

	Year ended 31 March	
	2024	2023
	S\$	S\$
Interest on other borrowings	59,492	27,275
Interest on lease liabilities	35,689	20,100
	<u>95,181</u>	<u>47,375</u>

## 6 PROFIT/(LOSS) BEFORE TAXATION

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

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

*Note:*

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

## 7 INCOME TAX EXPENSE

	Year ended 31 March	
	2024	2023
	S\$	S\$
Tax expense comprises:		
Current tax		
— Singapore corporate income tax (“CIT”)	255,427	68,987
— PRC corporate income tax	8,261	55
Under provision in respect of prior years	69,519	15,757
Deferred tax	59,905	(55,234)
	<u>393,112</u>	<u>29,565</u>

## 8 DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year end 31 March 2024 (2023: Nil).

## 9 EARNINGS/(LOSS) PER SHARE

	Year ended 31 March	
	2024	2023
Profit/(loss) attributable to the owners of the Company (S\$)	<u>2,209,872</u>	<u>(6,428,856)</u>
Weighted average number of ordinary shares in issue ( <i>number of shares</i> )	<u>1,195,040,000</u>	<u>1,178,601,644</u>

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to owners of the Company and the weighted average number of shares in issue.

For the year ended 31 March 2024, the computation of diluted earnings per share does not assume the exercise of the Company’s outstanding share options since their exercise price is higher than the average market price of the Company’s share for the year and there was no outstanding share options as at 31 March 2024. Accordingly, the basic and diluted earnings per share are the same.

The computation of diluted loss per share does not assume the exercise of the outstanding share options since the assumed conversion would result in a decrease in loss per share for the year ended 31 March 2023.

## 10 TRADE RECEIVABLES

	As at 31 March	
	2024	2023
	S\$	S\$
Billed trade receivables	9,512,212	8,685,761
Unbilled trade receivables ( <i>note</i> )	6,514,622	4,062,871
	<u>16,026,834</u>	<u>12,748,632</u>

*Note:*

Unbilled trade receivables represents (i) the accrued revenue from integrated building services for work performed but yet to be billed; and (ii) the remaining balances of construction revenue to be billed for completed building construction works which are entitled for billing.

For the majority of customers, invoices are issued upon completion of rendering services.

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

	As at 31 March	
	2024	2023
	S\$	S\$
Within 90 days	7,889,762	7,770,309
91 days to 180 days	981,829	614,721
181 days to 365 days	436,970	183,808
Over 1 year but not more than 2 years	122,718	23,454
More than 2 years	80,933	93,469
	<u>9,512,212</u>	<u>8,685,761</u>

## 11 TRADE AND OTHER PAYABLES

	As at 31 March	
	2024	2023
	S\$	S\$
Trade payables	7,131,020	2,538,862
Trade accruals	<u>2,516,780</u>	<u>3,294,210</u>
	9,647,800	5,833,072
Accrued operating expenses	1,161,673	1,111,633
Deposit	47,173	—
Other payables		
GST payable	390,588	393,268
Others	<u>159,217</u>	<u>156,235</u>
	<u><b>11,406,451</b></u>	<u><b>7,494,208</b></u>

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

	As at 31 March	
	2024	2023
	S\$	S\$
Within 90 days	6,721,845	2,396,024
91 to 180 days	298,613	28,763
181 days to 365 days	16,760	13,446
Over 1 year but not more than 2 years	8,533	26,042
Over 2 years	<u>85,269</u>	<u>74,587</u>
	<u><b>7,131,020</b></u>	<u><b>2,538,862</b></u>

The credit period on purchases from suppliers and subcontractors is between 15 to 90 days or payable upon delivery.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Outlook

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

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

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

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

During the Review Year, the bitcoin price exhibited an ascending trend, and the Group strategically increased the volume of bitcoin trading. The Group's revenue from trading of digital assets increased from S\$Nil for Last Year to approximately S\$6.7 million for the Review Year. Furthermore, as a result of the increase in Bitcoin price from approximately US\$28,000 at the end of March 2023 to approximately US\$70,000 at the end of the Review Year, the Group recognized a gain on fair value changes of digital assets inventories for the Review Year of approximately S\$1.0 million as compared with a loss of approximately S\$0.4 million for the Last Year.

## **Future Prospect**

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

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

## **Financial Review**

### *Revenue*

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

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

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

### ***Costs of Sales and Services***

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

### ***Gross Profit and Gross Profit Margin***

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

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

- (i) The increase in revenue contribution from Information Technology Development and Application business. Gross profit margin for Information Technology Development and Application business is higher than the gross profit margin for Integrated Building Services and Building Construction Works, resulted in the Group's higher gross profit margin.
- (ii) The increase in magnitude in cost of sales and services from Integrated Building Services and Building Construction Works business is lower than the increase in revenue from the same business as a result of a better leverage of economy of scale during the Review Year.

### ***Other income***

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

### ***Other Gains and Losses***

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

### ***Administrative Expenses***

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

### ***Finance Costs***

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

### ***Income Tax Expense***

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

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

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

### **Contingent Liabilities**

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

### **Final Dividend**

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

### **Liquidity and Financial Resources**

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

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



## **Exposure to Foreign Exchange Rate Risks**

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

## **Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures**

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

## **Employees and Remuneration Policy**

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

## **Significant Events After the Reporting Period**

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

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

## **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 C1 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 separate and should not be performed by the same individual.

During the Review Year, the role of the Chairman of the Board is performed by Mr. Yao Yongjie, while the office of the Chief Executive Officer of the Company 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 Year, save for the deviation from code provision C.2.1 as disclosed above.

## **Purchase, Sales or Redemption of the Company’s Securities**

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

## **Review of Annual Results by the Audit Committee**

The consolidated financial results of the Group for the Review Year has been reviewed by the Audit Committee of the Company.

## **Scope of Work of McMillan Woods (Hong Kong) CPA Limited**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group’s auditors, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), to the amounts set out in the Group’s audited consolidated financial statements for the Review Year. The work performed by McMillan Woods in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods on the preliminary announcement.

## **Publication of Annual Results Announcement and Annual Report**

The annual results announcement of the Company is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.grandshorestech.com](http://www.grandshorestech.com)). The annual report of the Company for the Review Year containing all the relevant information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company on or before 31 July 2024.

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

Hong Kong, 28 June 2024

*As at the date of this announcement, the Board comprises Mr. Yao Yongjie as an executive Director; Mr. Chua Seng Hai, Ms. Lu Xuwen and Ms. Yu Zhuochen as non-executive Directors; and Mr. Chu Chung Yue, Howard, Mr. Li Kanlin and Mr. Fan Jianyin as independent non-executive Directors.*