



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)

2021

INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTOR

Mr. Yao Yongjie (*Chairman*)

NON-EXECUTIVE DIRECTORS

Mr. Chua Seng Hai

Ms. Lu Xuwen

Ms. Yu Zhuochen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Chung Yue, Howard

Dr. Zhang Weining

Mr. Yu Wenzhuo

AUDIT COMMITTEE

Mr. Chu Chung Yue, Howard (*Chairman*)

Dr. Zhang Weining

Mr. Yu Wenzhuo

REMUNERATION COMMITTEE

Dr. Zhang Weining (*Chairman*)

Mr. Yao Yongjie

Ms. Lu Xuwen

Mr. Chu Chung Yue, Howard

Mr. Yu Wenzhuo

NOMINATION COMMITTEE

Mr. Yao Yongjie (*Chairman*)

Ms. Lu Xuwen

Mr. Chu Chung Yue, Howard

Dr. Zhang Weining

Mr. Yu Wenzhuo

COMPANY SECRETARY

Mr. Wong Ngai

AUTHORISED REPRESENTATIVES

Mr. Yao Yongjie

Mr. Wong Ngai

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

18 Kaki Bukit Place
Eunos Techpark
Singapore 416196

CORPORATE INFORMATION *(Continued)*

**CAYMAN ISLANDS PRINCIPAL
SHARE REGISTRAR AND
TRANSFER OFFICE**

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

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER
OFFICE**

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

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

PRINCIPAL BANKS

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

COMPANY'S WEBSITE

www.grandshorestech.com

STOCK CODE

1647

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months ended 30 September	
		2021	2020
	Note	S\$ (Unaudited)	S\$ (Unaudited)
Revenue	4	18,146,703	17,328,873
Costs of sales and services		(13,230,937)	(11,888,504)
Gross profit		4,915,766	5,440,369
Other income	5A	465,533	787,664
Other gains and losses	5B	(196,962)	(687,413)
Selling expenses		(21,023)	(20,593)
Administrative expenses		(4,458,454)	(3,713,243)
Finance costs	6	(3,873)	(23,636)
Share of loss of an associate		(12,954)	(1,717)
Profit before taxation		688,033	1,781,431
Income tax expense	7	(294,867)	(610,909)
Profit for the period	8	393,166	1,170,522
Other comprehensive income for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		92,996	423,583
Total comprehensive income for the period		486,162	1,594,105

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

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021	2020
<i>Note</i>	S\$ (Unaudited)	S\$ (Unaudited)
Profit/(loss) for the period		
attributable to:		
Owners of the Company	394,363	877,897
Non-controlling interests	(1,197)	292,625
	393,166	1,170,522
Total comprehensive income/(loss)		
attributable to:		
Owners of the Company	613,363	1,388,620
Non-controlling interests	(127,201)	205,485
	486,162	1,594,105
Basic and diluted earnings per share		
<i>(S\$ cents)</i>	<i>10</i>	
	0.04	0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30 September 2021*

		30 September 2021	31 March 2021
	<i>Note</i>	S\$ (Unaudited)	S\$ (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	6,940,040	7,407,434
Interest in an associate		743,343	737,781
Equity Investment at FVTOCI		1,714,759	207,230
Financial assets at fair value through profit or loss		603,330	597,688
Finance lease receivable	16	956,893	1,467,879
Loan receivable		—	75,878
		10,958,365	10,493,890
Current assets			
Inventories	12	1,953,315	2,570,484
Trade receivables	13	7,297,733	9,681,659
Other receivables, deposits and prepayments	14	22,718,389	27,672,661
Amounts due from related companies	15	734,580	746,604
Financial assets at fair value through profit or loss		1,303,823	1,163,662
Finance lease receivable	16	1,019,786	956,266
Pledged bank deposits	17	208,948	786,008
Bank balances and cash	17	26,472,133	21,698,546
		61,708,707	65,275,890
Current liabilities			
Trade and other payables	18	5,245,470	8,111,258
Amount due to a related company	15	520,788	508,600
Lease liabilities		212,344	268,603
Income tax payable		1,620,907	2,085,042
		7,599,509	10,973,503
Net current assets		54,109,198	54,302,387
Total assets less current liabilities		65,067,563	64,796,277

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**As at 30 September 2021*

	30 September 2021	31 March 2021
<i>Note</i>	S\$ (Unaudited)	S\$ (Audited)
Non-current liabilities		
Deferred tax liabilities	205,701	205,701
Lease liabilities	50,924	128,100
	256,625	333,801
Net assets	64,810,938	64,462,476
EQUITY		
Capital and reserves		
Share capital	1,966,310	1,966,310
Reserves	61,012,873	60,360,426
Equity attributable to owners of the Company	62,979,183	62,326,736
Non-controlling interests	1,831,755	2,135,740
Total equity	64,810,938	64,462,476

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company										
	Share Capital	Share premium	Capital redemption reserve	Share Option reserve	Translation reserve	Merger reserve	Investment revaluation reserve (non-recycling)	Accumulated profits	Sub-total	Non-controlling interests	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Note A)	(Note B)	(Note C)	(Note D)	(Note E)	(Note F)					
At 1 April 2020	1,853,341	22,380,162	16,114	1,372,266	(457,927)	2,099,996	(1,310,180)	24,941,401	50,895,173	2,614,500	53,509,673
Profit for the period	—	—	—	—	—	—	—	877,897	877,897	292,625	1,170,522
Exchange difference arising from translation of foreign operation	—	—	—	—	510,723	—	—	—	510,723	(87,140)	423,583
Total comprehensive income for the period	—	—	—	—	510,723	—	—	877,897	1,388,620	205,485	1,594,105
Recognition of equity-settled share-based payments	—	—	—	386,051	—	—	—	—	386,051	—	386,051
At 30 September 2020 (unaudited)	1,853,341	22,380,162	16,114	1,758,317	52,796	2,099,996	(1,310,180)	25,819,298	52,669,844	2,819,985	55,489,829
At 1 April 2021	1,966,310	27,011,916	16,114	1,596,831	302,842	2,099,996	(1,310,180)	30,642,907	62,326,736	2,135,740	64,462,476
Profit/(loss) for the period	—	—	—	—	—	—	—	394,363	394,363	(1,197)	393,166
Exchange difference arising from translation of foreign operation	—	—	—	—	219,000	—	—	—	219,000	(126,004)	92,996
Total comprehensive income/(loss) for the period	—	—	—	—	219,000	—	—	394,363	613,363	(127,201)	486,162
Recognition of equity-settled share-based payments	—	—	—	39,084	—	—	—	—	39,084	—	39,084
Dividend declared by a subsidiary to non-controlling interest	—	—	—	—	—	—	—	—	—	(176,784)	(176,784)
Transfer of share-based payment reserve upon cancellation of share options	—	—	—	(114,093)	—	—	—	114,093	—	—	—
At 30 September 2021 (unaudited)	1,966,310	27,011,916	16,114	1,521,822	521,842	2,099,996	(1,310,180)	31,151,363	62,979,183	1,831,755	64,810,938

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the six months ended 30 September 2021

Note:

- (A) Share premium represents the excess of share issue over the par value.
- (B) Capital redemption reserve represents the nominal value of the shares repurchased which has been paid out of the distributable reserves of the Company.
- (C) Share option reserve represents the portion of the grant date fair value of unexercised share options granted to employees and consultants of the Company that has been recognized in accordance with the accounting policy adopted for share-based payments.
- (D) The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (E) Merger reserve represents the difference between the cost of the acquisition for the reorganisation and the value of share capital of the entities acquired.
- (F) The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of the unlisted equity investment designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2021*

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Operating activities		
Cash generated from operations	7,102,858	2,955,047
Tax paid	(759,002)	(225,441)
Net cash generated from operating activities	6,343,856	2,729,606
Investing activities		
Investment in equity investment at FVOCI	(1,484,042)	—
Purchase of property, plant and equipment	(10,679)	(200,175)
Receipt/(placement) of pledged bank deposits	577,060	(1,657)
Interest received	17,338	85,622
Acquisition of financial assets at fair value through profit or loss	(1,353,330)	—
Proceeds from disposal of financial assets at fair value through profit or loss	676,441	714,542
Decrease in deposits with banks over three months of maturity at acquisition	—	9,000,000
Repayment of loan receivable	75,638	—
Net cash (used in) generated from investing activities	(1,501,574)	9,598,332
Financing activities		
Repayment of borrowings	—	(2,119,166)
Interests paid	—	(16,550)
Repayment of lease liability	(137,043)	(405,201)
Dividends declared by a subsidiary to non-controlling interests	(176,784)	—
Net cash used in financing activities	(313,827)	(2,540,917)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*(Continued)**For the six months ended 30 September 2021*

	Six months ended	
	30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Net increase in cash and cash equivalents	4,528,455	9,787,021
Cash and cash equivalents at beginning of the period	21,698,546	16,518,479
Effect of foreign exchange rate changes	245,132	(409,208)
Cash and cash equivalents at end of the period, represented by bank balances and cash	26,472,133	25,896,292

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 18 May 2016 and its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “**Companies Ordinance**”) on 13 June 2016.

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

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

The unaudited consolidated financial statements for the six months ended 30 September 2021 were approved by the Board of the Company on 30 November 2021.

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 (the “**IASB**”). 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 (the “**Listing Rules**”) and by the Companies Ordinance.

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Except as described below, the accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2021.

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

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's consolidated financial statements:

- Amendments to IFRS 16 Covid-19 Related Rent Concessions
- Amendment to IFRS 16 Covid-19 Related Rent Concessions beyond 30 June 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform — Phase 2

None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents income from (i) providing integrated building services, with a focus on maintenance and installations of mechanical and electrical ("**M&E**") systems and including minor repairs and improvement works ("**Integrated Building Services**"), (ii) undertaking building and construction works ("**Building Construction Works**"), (iii) engaging in operation, maintenance and management of data centres and other high performance data processing facilities and equipment in relation to blockchain technologies, digital assets trading platform operation and blockchain strategic advisory services provision ("**Blockchain Technology Development and Application**") and (iv) engaging in hemp seed research, hemp cultivation, Cannabidiol ("**CBD**") extraction and CBD downstream product application ("**Industrial Hemp**").

Information is reported to the Executive Directors, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, i.e. "Integrated Building Services", "Building Construction Works", "Blockchain Technology Development and Application" and "Industrial Hemp" and profit for the period as a whole. No analysis of the Group's result, assets and liabilities is regularly provided to CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 "Operating Segments".

4. REVENUE AND SEGMENT INFORMATION (Continued)

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

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Integrated Building Services	16,633,764	11,267,580
Building Construction Works	2,174,548	413,710
Industrial Hemp	—	—
	18,808,312	11,681,290
Income from other sources		
Blockchain Technology Development and Application (note)	(661,609)	5,647,583
	18,146,703	17,328,873

Note:

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Income from blockchain technology development and application business		
Trading of digital assets	—	4,020,728
Fair value (loss)/gain on digital assets inventories	(661,609)	433,831
Others	—	1,193,024
	(661,609)	5,647,583

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about the Major Customers

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

	Six months ended 30 September	
	2021	2020
	S\$ (Unaudited)	S\$ (Unaudited)
Customer I	4,344,738	3,691,941
Customer II	3,496,600	1,894,923
Customer III	1,902,263	<i>Note b</i>
Customer IV	Note b	1,809,853

Note:

- (a) For the six months ended 30 September 2021 and 2020, revenue from customers I, III and IV is generated from provision of integrated building services, while revenue from customer II is generated from provision of both integrated building services and building construction works.
- (b) The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical Information

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

	Six months ended	
	30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Revenue from external customers		
Singapore	18,808,312	11,681,290
People's Republic of China ("PRC")	—	—
	18,808,312	11,681,290
Income from external customers		
Hong Kong	(661,609)	5,534,565
Canada	—	113,018
	18,146,703	17,328,873
	30 September	31 March
	2021	2021
	S\$	S\$
	(Unaudited)	(Audited)
Non-current assets		
Singapore	6,816,335	7,231,336
Hong Kong	867,048	913,879
Canada	—	—
PRC	—	—
	7,683,383	8,145,215

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue

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

	Integrated		Building		Industrial Hemp		Total	
	Building Services	2020	Construction Works	2020	2021	2020	2021	2020
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Disaggregation by timing of revenue recognition								
Over time	16,633,764	11,267,580	2,174,548	413,710	—	—	18,808,312	11,681,290
	16,633,764	11,267,580	2,174,548	413,710	—	—	18,808,312	11,681,290

5A. OTHER INCOME

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Interest income	17,338	85,622
Government grants	335,415	207,258
Finance lease interest income	83,326	395,670
Others	29,454	99,114
	465,533	787,664

5B. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Fair value (loss)/gain on financial assets through profit or loss	(513,198)	230,084
Foreign exchange gain/(loss), net	333,304	(911,046)
Others	(17,068)	(6,451)
	(196,962)	(687,413)

6. FINANCE COSTS

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Interests on bank borrowings	—	16,550
Interest costs on lease liabilities	3,873	7,086
	3,873	23,636

7. INCOME TAX EXPENSE

Singapore corporate income tax has been provided at the rate of 17% (30 September 2020: 17%) on the estimated assessable profits arising in or derived from Singapore.

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits in Hong Kong (30 September 2020: provided at 16.5% of the assessable profits).

No PRC corporate income tax has been provided as the Group did not generate any assessable profits in the PRC for both periods.

7. INCOME TAX EXPENSE (Continued)

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current income tax		
— Singapore corporate income tax	445,011	456,654
— Hong Kong profits tax	—	154,255
— PRC corporate income tax	—	—
Overprovision in respect of prior years	(150,144)	—
	294,867	610,909

8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	348,391	496,034
Depreciation of right-of-use assets	130,649	336,725
Staff costs (including directors' remuneration)		
— Salaries and other benefits	3,708,294	3,036,226
— Contributions to Singapore CPF & Hong Kong MPF	131,792	155,747
— Equity-settled share-based payment	39,084	386,051
Total staff costs	3,879,170	3,578,024
Cost of materials	1,751,780	735,913
Subcontractor costs	9,718,455	4,911,559

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2021 (Six months ended 30 September 2020: Nil).

10. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (S\$)	394,363	877,897
Weighted average number of ordinary shares in issue for the purpose of basic and diluted earnings per share	1,095,040,000	1,030,540,000
Basic and diluted earnings per share (S\$ cents)	0.04	0.09

11. PROPERTY, PLANT AND EQUIPMENT

	30 September	31 March
	2021	2021
	S\$	S\$
	(Unaudited)	(Audited)
Carrying amount at 1 April 2021/2020	7,407,434	8,739,130
Additions	10,679	840,397
Disposals	—	(2,995)
Disposal of subsidiaries	—	(706,903)
Termination of lease arrangement	—	(17,126)
Depreciation provided during the period/year	(479,040)	(1,438,685)
Effect of foreign currency exchange differences	967	(6,384)
Carrying amount at 30 September/31 March	6,940,040	7,407,434

12. INVENTORIES

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Low value consumables	163,535	133,455
Digital assets inventories	1,789,780	2,437,029
	1,953,315	2,570,484

As at 30 September 2021 and 31 March 2021, the balance of digital assets inventories represents the Group's proprietary inventories. The balance is measured at fair value less costs to sell.

Since the Group trades digital assets and generating a profit from fluctuations in the price, the Group applies the guidance in IAS 2 to measure the digital assets inventories at fair value less costs to sell. The Group considers there are no significant "costs to sell" digital assets and hence measurement of digital assets is based on their fair values with changes in fair values recognised in the statement of profit or loss in the period of the changes. See Note 21(b) for estimation of fair value in respect of the digital assets inventories.

Fair value loss of S\$661,609 (30 September 2020: gain of S\$433,831) from remeasurement of digital assets inventories at 30 September 2021 is presented as part of the Revenue in the "Blockchain Technology Development and Application" Segment in the unaudited consolidated statement of profit or loss.

13. TRADE RECEIVABLES

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Billed trade receivables	5,821,151	8,222,562
Unbilled trade receivables (Note a)	1,476,582	1,459,097
	7,297,733	9,681,659

Note:

- (a) Unbilled trade receivables represent (i) the accrued revenue from Integrated Building Services for work performed but yet to be billed; and (ii) the remaining balances of construction revenue to be billed for completed Building Construction Works contracts which are entitled for billing.

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

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Within 90 days	5,000,190	7,359,036
91 days to 180 days	336,185	672,807
181 days to 365 days	345,636	97,562
Over 1 year but not more than 2 years	89,551	48,195
More than 2 years	49,589	44,962
	5,821,151	8,222,562

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Deposits	319,418	126,216
Prepayments	181,766	1,476,974
Advances to staff	28,500	28,500
Other receivables	1,002,759	1,448,893
Amount due from brokers	19,170,082	22,312,548
Amount due from an associate	2,015,864	2,279,530
	22,718,389	27,672,661

15. AMOUNTS DUE FROM/(TO) RELATED COMPANIES

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Amount due from:		
Trade related	710	19,483
Non-trade related	883,861	877,925
	884,571	897,408
Impairment of an amount due from a related company	(149,991)	(150,804)
	734,580	746,604
Amount due to:		
Non-trade related	520,788	508,600

Amount due from/(to) a related company-non-trade related is unsecured, interest-free and repayable on demand.

Amounts due from related companies — trade related are unsecured, interest-free and with a credit period of 30 days from the invoice date. The following is an aged analysis of amounts due from related companies — trade related presented based on the invoice date at the end of the reporting period:

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Within 90 days	—	19,483
91 days to 180 days	710	—
	710	19,483

16. FINANCE LEASE RECEIVABLE

	Minimum lease payments receivable		Present value of minimum lease payments receivable	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$	S\$	S\$	S\$
Finance lease receivable comprises:				
Within one year	1,188,112	1,160,306	1,072,286	1,008,766
After one year but within three years	990,093	1,547,074	956,893	1,467,879
	2,178,205	2,707,380	2,029,179	2,476,645
Less: Unearned finance lease income	(149,026)	(230,735)	—	—
	2,029,179	2,476,645	2,029,179	2,476,645
Less: Provision for impairment loss	(52,500)	(52,500)	(52,500)	(52,500)
Present value of minimum lease payments receivable	1,976,679	2,424,145	1,976,679	2,424,145
			30 September 2021	31 March 2021
			(Unaudited)	(Audited)
			S\$	S\$
Representing				
Current			1,019,786	956,266
Non-current			956,893	1,467,879
			1,976,679	2,424,145
Effective interest rates				
Finance lease receivable			7.5%	7.5%

16. FINANCE LEASE RECEIVABLE *(Continued)*

The ageing analysis of finance lease receivable as at the reporting date based on past due, and net of loss allowance is as follows:

	30 September 2021	31 March 2021
	(Unaudited)	(Audited)
	S\$	S\$
Not past due	1,976,679	2,424,145

Finance lease receivable is secured by lease assets.

17. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	30 September 2021	31 March 2021
	S\$	S\$
	(Unaudited)	(Audited)
Pledged bank deposits <i>(note a)</i>	208,948	786,008
Bank balances and cash <i>(note b)</i>	26,472,133	21,698,546

Notes:

- a) Pledged bank deposits represent deposits placed with banks with an original maturity of 12 months for corresponding amounts of performance guarantees granted to the Group in favour of customers. The balances carry interest of 0.25% per annum at 30 September 2021 and 31 March 2021.
- b) Bank balances carried interest at market rates was 0.1% (31 March 2021: 0.1%).

18. TRADE AND OTHER PAYABLES

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Trade payables	3,221,619	5,593,779
Trade accruals	950,428	1,151,447
	4,172,047	6,745,226
Accrued operating expenses	706,168	768,232
Other payables		
GST payable	323,760	455,374
Others	43,495	142,426
	5,245,470	8,111,258

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

	30 September 2021	31 March 2021
	S\$ (Unaudited)	S\$ (Audited)
Within 90 days	2,446,818	3,030,069
91 days to 180 days	292,120	1,805,252
181 days to 365 days	297,906	612,932
Over 1 year but not more than 2 years	139,307	94,668
Over 2 years	45,468	50,858
	3,221,619	5,593,779

The credit period on purchases from suppliers and subcontractors is between 15 to 90 days (31 March 2021: 15 to 90 days) or payable upon delivery.

19. SHARE CAPITAL

	Number of shares	Par value	Share capital
		HK\$	HK\$
Authorised share capital:			
At 31 March 2020 (audited), 31 March 2021 (audited) and 30 September 2021 (unaudited)	5,000,000,000	0.01	50,000,000

	Number of shares	Share capital
		S\$
Issued and fully paid:		
At 31 March 2020 (audited)	1,030,540,000	1,853,341
Issue of share capital (<i>note a</i>)	64,500,000	112,969
At 31 March 2021 (audited) and 30 September 2021 (unaudited)	1,095,040,000	1,966,310

Note:

- a) On 26 March 2021, the Company allotted and issued 64,500,000 ordinary shares of HK\$0.01 each to an independent third party at a subscription price of HK\$0.42 per share, giving rise to an increase of HK\$645,000 (equivalent to S\$112,969) and HK\$26,445,000 (equivalent to S\$4,631,754) for share capital and share premium, respectively.

20. RELATED PARTY TRANSACTIONS

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

20. RELATED PARTY TRANSACTIONS *(Continued)*

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

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Sales of services to related companies (note a)	10,807	28,736

Note:

- a) A key management personnel of the Group has significant influence over these related companies for the six months ended 30 September 2021 and 2020.

Compensation of Key Management Personnel

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

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Short term benefits	717,988	810,920
Post-employment benefits	15,743	19,403
Total compensation	733,731	830,323

21. FAIR VALUE MEASUREMENT

(a) Financial instruments measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13 "Fair value measurement".

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
As at 30 September 2021				
(unaudited):				
Financial asset at FVOCI				
— Unlisted equity investment				
in Singapore	—	—	—	—
in PRC	—	—	212,196	212,196
in Hong Kong	—	—	1,502,563	1,502,563
Financial asset at FVPL				
— Unlisted equity investment				
	—	—	603,330	603,330
— Listed equity investment	1,303,823	—	—	1,303,823
	1,303,823	—	2,318,089	3,621,912
As at 31 March 2021				
(audited):				
Financial asset at FVOCI				
— Unlisted equity investment				
in Singapore	—	—	—	—
in PRC	—	—	207,230	207,230
Financial asset at FVPL				
— Unlisted equity investment				
	—	—	597,688	597,688
— Listed equity investment	1,163,662	—	—	1,163,662
	1,163,662	—	804,918	1,968,580

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

The Group did not have any financial liabilities measured at fair value as at 30 September 2021 and 31 March 2021.

During the six months ended 30 September 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and liabilities (year ended 31 March 2021: Nil).

Information about Level 3 fair value measurement

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

The Group uses the market approach and equity allocation model with unobservable inputs to determine the fair value of the unlisted equity investment measured at FVPL as at 30 September 2021.

The Group uses the recent transaction price to determine the fair value of the unlisted equity investment measured at FVOCI as at 30 September 2021.

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

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Unlisted equity investment		
At 1 April	207,230	729,514
Addition	1,484,042	—
Exchange alignment	23,487	(28,451)
	1,714,759	701,063

21. FAIR VALUE MEASUREMENT (Continued)

(b) Non-financial instruments measured at fair value

i. Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial instruments that are recognized and measured at fair value in the unaudited consolidated interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial instruments into the three levels prescribed under the accounting standards.

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
As at 30 September 2021 (unaudited):				
— Digital assets inventories	1,789,780	—	—	1,789,780
 As at 31 March 2021 (audited):				
— Digital assets inventories	2,437,029	—	—	2,437,029

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

ii. Valuation inputs and relationship to fair value

Digital asset inventories are held mainly for the purposes of trading in the ordinary course of the Group's blockchain technology development and application business in the OTC market.

As at 30 September 2021, the digital assets inventories are measured at level 1 fair value. The fair value of the digital assets inventories is determined with reference to the quoted prices from the principal digital asset markets of the corresponding digital assets.

22. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 September 2021 and up to the approval date of these financial statements, the market price of Bitcoin has been increased to approximately US\$57,000 resulting to fair value gain on digital assets inventories of approximately US\$420,000 (equivalent to approximately S\$575,000).

23. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited consolidated interim financial statements for the six months ended 30 September 2021 were approved and authorised for issue by the board of Directors on 30 November 2021.

24. REVIEW OF UNAUDITED INTERIM FINANCIAL STATEMENTS

The unaudited interim financial statements for the six months ended 30 September 2021 have been reviewed with no disagreement by the Audit Committee of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group's revenue for the six months ended 30 September 2021 was approximately S\$18.1 million (30 September 2020: approximately S\$17.3 million). The Group's gross profit decreased from approximately S\$5.4 million for the six months ended 30 September 2020 to approximately S\$4.9 million for the six months ended 30 September 2021, while the Group's gross profit margin decreased from approximately 31.2% for the six months ended 30 September 2020 to approximately 27.1% for the six months ended 30 September 2021.

According to Singapore Building and Construction Authority ("BCA"), the total construction demand in 2021 is projected to recover. In the medium term, BCA expects a steady improvement in construction demand. Demand is projected to reach between S\$25 billion and S\$32 billion per year from 2022 to 2025. Similarly, the public sector is expected to lead the demand and contribute some S\$14-18 billion per year from 2022 to 2025, with similar proportions of demand coming from building projects and civil engineering works. Meanwhile, private sector construction demand is also expected to improve steadily in the same period, to reach between S\$11 billion and S\$14 billion per year. This is in anticipation of a gradual recovery of the global economy, contingent on the successful deployment and effectiveness of COVID-19 treatment and vaccines as well as easing of lockdown restrictions.

The Group is monitoring the situation closely and will maintain operational and financial prudence amidst a challenging economy. The Group will work with the relevant Singapore Government authorities and customers to mitigate any potential issues and continue to manage its expenditure, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW AND OUTLOOK *(Continued)*

The Group's blockchain technology development and application business includes operation, maintenance and management of data centres and high performance data processing facilities and equipment in relation to blockchain technologies, digital assets trading platform, blockchain strategic advisory service. During the Review Period, the blockchain technology development and application business recorded a decrease in revenue from approximately S\$5.6 million revenue for the six months ended 30 September 2020 to approximately S\$662,000 loss for the six months ended 30 September 2021. The loss for the Review Period was due to the decrease in Bitcoin price from approximately US\$59,000 at the end of March 2021 to approximately US\$43,000 at the end of September 2021. However, after the end of the Review Period the price of Bitcoin regained momentum and hit record high, so the Group is expected to benefit from such surge in price afterwards. The market price of Bitcoin was approximately US\$57,000 as at the date of this report.

The Group's industrial hemp business was not active during the Review Period.

FUTURE PROSPECTS

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

Although the revenue and gross profit of the blockchain technology development decreased during the Review Period, our Directors are positive about the future of the blockchain technology development and application business, considering the ongoing expansion of blockchain technology applications in different field and industries.

For industrial hemp business, the Group will review the market condition regularly to explore the development and expansion opportunities in this industry.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2021, the Group recorded a revenue of approximately S\$18.1 million (30 September 2020: approximately S\$17.3 million), an increase of approximately S\$0.8 million or approximately 4.6%.

The revenue from the integrated building services increased from approximately S\$11.3 million for the six months ended 30 September 2020 to approximately S\$16.6 million for the six months ended 30 September 2021, an increase of approximately S\$5.3 million or 46.9%. The increase is mainly due to the lifting of the Circuit Breaker measures imposed by Singapore Government from 7 April 2020 to 1 June 2020 (the “**Circuit Breaker Period**”) to combat the local transmission of Coronavirus Disease 2019 (“**COVID-19**”) in Singapore. Majority of the Group’s projects were halted during the Circuit Breaker Period and resulted in a significant slowdown in the progress of the Group’s integrated building services and building construction works in prior period, six months ended 30 September 2020.

Revenue attributable to the building construction works increased approximately S\$1.8 million or approximately 450%, from approximately S\$0.4 million for the six months ended 30 September 2020 to approximately S\$2.2 million for the six months ended 30 September 2021, mainly due to the lifting of the Circuit Breaker measures imposed by Singapore Government as discussed above.

The increase in revenue was partly offset by the decrease in revenue generated from the blockchain technology development and application business of approximately S\$6.3 million, decreased from approximately S\$5.6 million revenue for the six months ended 30 September 2020 to approximately S\$662,000 loss for the six months ended 30 September 2021. The loss for the Review Period is mainly due to the drop in price of Bitcoin during the Review Period so that the Group recorded negative fair value change.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Cost of sales and services

The Group's cost of sales and services increased from approximately S\$11.9 million for the six months ended 30 September 2020 to approximately S\$13.2 million for the six months ended 30 September 2021, representing an increase of approximately S\$1.3 million or approximately 10.9%, which was mainly due to the increase in revenue from integrated building service business and building constructions works business as discussed above.

Gross profit and gross profit margin

The Group's gross profit decreased from approximately S\$5.4 million for the six months ended 30 September 2020 to approximately S\$4.9 million for the six months ended 30 September 2021, a decrease of approximately S\$0.5 million or approximately 9.3%. Such decrease was mainly due to the decrease in the revenue from the blockchain technology development and application business discussed above.

The Group's gross profit margin decreased from 31.2% for the six months ended 30 September 2020 to approximately 27.1% for the six months ended 30 September 2021 which is also due to the increase in the revenue contributed from integrated building services and building construction works which are traditionally at a lower gross profit margin.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Other gains and losses

The Group's other gains and losses changed from loss of approximately S\$687,000 for the six months ended 30 September 2020 to loss of approximately S\$197,000 for the six months ended 30 September 2021. Such change was partly due to the foreign exchange gain of approximately S\$333,000 (30 September 2020: loss of approximately S\$911,000) for the monetary items and cash and cash equivalent denominated in Hong Kong dollars as Hong Kong dollars appreciate against Singapore dollars for the six months ended 30 September 2021. The other reason for the change in the Group's other gains and losses was the fair value loss of approximately S\$513,000 (30 September 2020: gain of approximately S\$230,000) for the financial assets at fair value through profit or loss during the period.

Administrative expenses

The Group's administrative expenses increased from approximately S\$3.7 million for the six months ended 30 September 2020 to approximately S\$4.5 million for the six months ended 30 September 2021, an increase of approximately S\$0.8 million or approximately 21.6%. In prior period, the Group benefitted from the support measures by the Singapore Government to the construction sector on the COVID-19 situation. The Group enjoyed the foreign worker levy waiver and rebates, as well as the grants to subsidize the local employees' salaries. As a result, the administrative expenses for prior period dropped significantly.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Finance costs

The Group's finance costs decreased from approximately S\$24,000 for the six months ended 30 September 2020 to approximately S\$4,000 for the six months ended 30 September 2021. As the mortgage loan was fully repaid before the beginning of the Review Period, there was no bank loan interest for the six months ended 30 September 2021 (30 September 2020: approximately S\$17,000). Lease interest also reduced from approximately S\$7,000 for the six months ended 30 September 2020 to approximately S\$4,000 for the six months ended 30 September 2021.

Income tax expense

The Group's income tax expense decreased from approximately S\$611,000 for the six months ended 30 September 2020 to approximately S\$295,000 for the six months ended 30 September 2021, a decrease of approximately S\$316,000 or approximately 51.7% which is due to the decrease in profit before taxation.

Profit attributable to owners of the Company

The Group has profit attributable to owners of the Company of approximately S\$394,000 for the six months ended 30 September 2021 (Six months ended 30 September 2020: approximately S\$878,000), a decrease of approximately S\$484,000. This was mainly due to the unsatisfactory performance of the blockchain technology development and application business during the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

INTERIM DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2021 (Six months ended 30 September 2020: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy financial position during the six months ended 30 September 2021. As at 30 September 2021, the Group had total bank balances and cash of approximately S\$26.5 million (31 March 2021: approximately S\$21.7 million). The current ratio of the Group as at 30 September 2021 was approximately 8.1 times (31 March 2021: approximately 5.9 times).

TREASURY POLICY

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

PLEDGE OF ASSETS

As at 30 September 2021, the Group had approximately S\$209,000 (31 March 2021: approximately S\$786,000) of pledged bank deposits for corresponding amounts of performance guarantees issued in favour of customers.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

The functional currency of the Group's major operating subsidiaries is Singapore dollars. However, certain subsidiaries of the Company have their assets and liabilities denominated in Hong Kong dollars and Renminbi. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in Hong Kong dollars and Renminbi. During the six months ended 30 September 2021, 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\$333,000 for the six months ended 30 September 2021 (30 September 2020: loss of approximately S\$911,000).

CAPITAL STRUCTURE

As at 30 September 2021, the share capital and equity attributable to the owners of the Company amounted to approximately S\$1.9 million and S\$63.0 million respectively (31 March 2021: approximately S\$1.9 million and S\$62.3 million respectively).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES AND JOINT VENTURES

There was no material acquisitions and disposals of subsidiaries and associates and joint ventures during the six months ended 30 September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group employed a total of 249 full-time employees (including executive Director), as compared to 257 full-time employees as at 31 March 2021. 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 service 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

CONTINGENT LIABILITIES

As at 30 September 2021, the Group had no material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments during the period ended 30 September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

USE OF PROCEEDS FROM LISTING

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

The net proceeds from the Listing, after deducting listing related expenses, were approximately S\$21.6 million (equivalent to approximately HK\$124.1 million), out of which approximately S\$10.2 million has been utilised as at 30 September 2021.

Business objectives	Amount		Amount utilised during the period	Amount utilised as at		Balance as at 30 September 2021	Expected timeline of full utilisation of the proceeds
	Net proceeds	utilised as at 1 April 2021		Balance as at 1 April 2021	30 September 2021		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Various investments in manpower and plant and equipment for expanding the scale of operation and undertake more integrated building services projects in Singapore	12,475	3,856	8,619	278	4,134	8,341	By the end of financial year ending 31 March 2023
Various investments in manpower and plant and equipment for expanding the in-house capabilities and reducing the use of subcontractors in relation to plumbing and sanitary works, electrical works and air-conditioning works	6,971	3,582	3,389	307	3,889	3,082	By the end of financial year ending 31 March 2023
Working capital	2,137	2,131	—	—	2,137	—	Fully utilised
	21,583	9,575	12,008	585	10,160	11,423	

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)***USE OF PROCEEDS FROM SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

The Company has completed the Subscription of 64,500,000 new ordinary shares on 26 March 2021. A total of 64,500,000 new ordinary shares were allotted and issued by the Company under general mandate to a Subscriber at HK\$0.420 per Subscription Share.

The net proceeds from the Subscription, after deducting legal expenses, were approximately S\$4.7 million (equivalent to approximately HK\$27.0 million), out of which S\$2.2 million has been utilised as at 30 September 2021.

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

Business objectives	Amount		Amount utilised during the period	Amount utilised as at		Expected timeline of full utilisation of the unutilised proceeds
	Net proceeds	Balance as at		30 September 2021	30 September 2021	
	1 April 2021	1 April 2021		30 September 2021	30 September 2021	
	\$S'000	\$S'000	\$S'000	\$S'000	\$S'000	
Working capital	4,729	—	2,243	2,243	2,486	By the end of financial year ending 31 March 2022

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 September 2021 and up to the approval date of these financial statements, the market price of Bitcoin has been increased to approximately US\$57,000 resulting to fair value gain on digital assets inventories of approximately US\$420,000 (equivalent to approximately S\$575,000).

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2021, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

LONG POSITION IN ORDINARY SHARES OF THE COMPANY

Name of Director	Capacity/Nature	Number of Shares held/interested	Approximate percentage of shareholding
Mr. Yao Yongjie (“Mr. Yao”)	Through a controlled corporation	366,175,000 (Note 1)	33.44%

Note:

- (1) As at 30 September 2021, 365,175,000 shares are held by Morgan Hill Holdings Limited (“Morgan Hill”) which is owned as to 51% by Great Scenery Ventures Limited, a company wholly and beneficially owned by Mr. Yao, 1,000,000 shares were personally owned by Mr. Yao.

LONG POSITION IN THE UNDERLYING SHARES OF THE COMPANY

Ms. Lu Xuwen, a non-executive director, has been granted options under the share option scheme of the Company, details of which are set out in the section “Share Option Scheme” below.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Save as disclosed above, as at 30 September 2021, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 September 2021, the interests and short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)***INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES** *(Continued)***LONG POSITION IN ORDINARY SHARES OF THE COMPANY**

Name	Capacity/Nature of interest	Number of Shares held	Percentage of the Company's total issued share capital
<i>Substantial shareholders</i>			
Morgan Hill	Directly beneficially owned	365,175,000 <i>(Note 1)</i>	33.35%
Great Scenery Ventures Limited <i>("Great Scenery") (Note 3)</i>	Through a controlled corporation	365,175,000 <i>(Note 1)</i>	33.35%
Emperor Grand International Limited <i>("Emperor Grand") (Note 4)</i>	Through a controlled corporation	365,175,000 <i>(Note 1)</i>	33.35%
Mr. Zhu Guangping <i>("Mr. Zhu") (Note 4)</i>	Through a controlled corporation	365,175,000 <i>(Note 1)</i>	33.35%

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)***INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES** *(Continued)***LONG POSITION IN ORDINARY SHARES OF THE COMPANY** *(Continued)*

Name	Capacity/Nature of interest	Number of Shares held	Percentage of the Company's total issued share capital
<i>Other persons</i>			
Mr. Leung Shek Kong	Directly beneficially owned	66,665,000	6.09%
Lion Brokers Limited ("Lion Brokers")	Directly beneficially owned	64,500,000 <i>(Note 2)</i>	5.89%
Lion Financial Group Limited ("Lion Financial") <i>(Note 5)</i>	Through a controlled corporation	64,500,000 <i>(Note 2)</i>	5.89%
Lion Group Holding Ltd. ("Lion Group") <i>(Note 5)</i>	Through a controlled corporation	64,500,000 <i>(Note 2)</i>	5.89%
Mr. Wang Jian ("Mr. Wang") <i>(Note 5)</i>	Through a controlled corporation	64,500,000 <i>(Note 2)</i>	5.89%

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)***INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES** *(Continued)***LONG POSITION IN ORDINARY SHARES OF THE COMPANY** *(Continued)*

Notes:

- (1) The shareholding interests in 365,175,000 shares of the Company represents the same block of shares.
- (2) The shareholding interests of 64,500,000 shares of the Company represents the same block of shares.
- (3) Great Scenery's deemed shareholding interests were held by virtue of the 51% shareholding interests in Morgan Hill.
- (4) Emperor Grand's deemed shareholding interest were held by virtue of its 49% shareholding interests in Morgan Hill. Emperor Grand is wholly and beneficially owned by Mr. Zhu.
- (5) Lion Financial's deemed shareholding interests were held by virtue of its 100% shareholding interests in Lion Brokers. Lion Group's deemed shareholding interest were held by virtue of its 100% shareholding in Lion Financial. Lion Group is 63.1% beneficially owned by Mr Wang.

Save as disclosed above, as at 30 September 2021, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Interests of Directors and Chief Executive in Shares, Underlying Shares and Debentures" above, had any interests or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 5 January 2017 (the “**Adoption Date**”). The Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date until 4 January 2027. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rule.

The purpose of the Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest (“**Invested Entity**”).

The participants of the Share Option Scheme shall be:

- (1) any employee (whether full-time or part-time) of the Company, any of the subsidiaries and any Invested Entity;
- (2) any director (including executive, non-executive and independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (3) any supplier of goods or services to any member of the Group or any Invested Entity;
- (4) any customer of the Group or any Invested Entity;
- (5) any consultant, adviser, manager, officer or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- (6) or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group or any Invested Entity eligible for options under the Share Option Scheme.

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

The total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant. The minimum period for which an option must be held before it can be exercised is determined by the Board upon the grant of an option.

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

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

During the six months ended 30 September 2021, no share options were granted, 8,000,000 share options were lapsed and no share options were exercised under the share option scheme. Subsequent to 30 September 2021 and up to date of this report, no share options were granted, lapsed or exercised.

At 30 September 2021, the Directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 30 September 2021 was HK\$0.217) granted for a consideration of S\$1 under the Share Option Scheme:

Date granted	No. of options outstanding as at 1 April 2021	No. of option lapsed during the period	No. of option outstanding at end of the period	Period which options are exercisable	Exercise price per share	Market value of share at date of grant of options	
						HK\$	HK\$
Director							
Ms Lu Xuwen	23 August 2018	1,000,000	—	1,000,000	50% of share options: 23 August 2019 to 22 August 2022 50% of share options: 23 August 2020 to 22 August 2022	1.20	1.20

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

SHARE OPTION SCHEME (Continued)

	Date granted	No. of options outstanding as at 1 April 2021	No. of option lapsed during the period	No. of option outstanding at end of the period	Period which options are exercisable	Exercise price per share	Market value of share at date of grant of options
						HK\$	HK\$
Employees	23 August 2018	1,000,000	—	1,000,000	50% of share options: 23 August 2019 to 22 August 2022	1.20	1.20
					50% of share options: 23 August 2020 to 22 August 2022		
	16 May 2019	1,500,000	—	1,500,000	50% of share options: 16 May 2020 to 15 May 2023	1.17	1.17
					50% of share options: 16 May 2021 to 15 May 2023		

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

SHARE OPTION SCHEME (Continued)

		No. of options outstanding as at 1 April 2021	No. of option lapsed during the period	No. of option outstanding at end of the period	Period which options are exercisable	Exercise price per share	Market value of share at date of grant of options
Date granted						HK\$	HK\$
Consultants (Note 1)							
Mr Chan Kam Kwan	23 August 2018	2,000,000	—	2,000,000	50% of share options: 23 August 2019 to 22 August 2022 50% of share options: 23 August 2020 to 22 August 2022	1.20	1.20
Ms Peng Cheng	15 May 2019	5,000,000	—	5,000,000	The exercise of the Share Options is subject to Grantee meeting the performance targets as determined by the Company and is valid until four years from the Date of Grant	1.20	1.19

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

SHARE OPTION SCHEME (Continued)

Date granted	No. of options outstanding as at 1 April 2021	No. of option lapsed during the period	No. of option outstanding at end of the period	Period which options are exercisable	Exercise price per share	Market value of share at date of grant of options
						HK\$
Consultants (Note 1)						
Ms Ma Jingping	16 May 2019	10,000,000	—	10,000,000	50% of share options: 1.17	1.17
Ms Gao Ya		10,000,000	—	10,000,000	16 May 2020 to	
Ms Lin Yanxi		1,000,000	—	1,000,000	15 May 2023	
Ms Wang Tingting		1,000,000	—	1,000,000		
Mr Hong Jiangxin		1,000,000	—	1,000,000	50% of share options:	
Mr Chen Ye		1,000,000	—	1,000,000	16 May 2021 to 15 May 2023	
Ms Yao Jun	18 September 2019	8,000,000	(8,000,000)	—	N/A	0.568

Note:

- (1) The Group engaged these consultants for providing advice on its business projects and investor relations matters. The share options are granted to these consultants as services fees. The Board considers that the grant of share options to these consultants provides motivations and incentives for them to contribute to the success and development of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability. The Company has adopted the corporate governance code (the “**CG code**”) contained in Appendix 14 of the Listing Rules. To the best of the knowledge of the Board, the Company has complied with the CG code for the six months ended 30 September 2021.

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

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the required Model Code’s standard for the six months ended 30 September 2021.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SECURITIES

For the six months ended 30 September 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

On behalf of the Board

Yao Yongjie

Chairman

30 November 2021