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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Grandshores Technology Group Limited (the "**Company**") is pleased to present the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2023 (the "**Review Period**"), together with the comparative figures for the corresponding six months ended 30 September 2022 (the "**Last Period**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

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

	Note	Six months ended 30 September	
		2023	2022
		S$	*S$*
		(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to:			
Owners of the Company		**(1,542,702)**	(2,339,613)
Non-controlling interests		**(37,652)**	36,017
		(1,580,354)	(2,303,596)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(2,189,860)**	(3,452,039)
Non-controlling interests		**(24,741)**	122,857
		(2,214,601)	(3,329,182)
Basic and diluted loss per share *(S$ cents)*	*9*	**(0.13)**	(0.20)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. GENERAL

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

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

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

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

2. BASIS OF PREPARATION

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

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

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

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

4. REVENUE AND SEGMENT INFORMATION

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

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

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

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

Note:

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

Information about the Major Customers

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

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

Notes:

(a) For Customer I, revenue for the six months ended 30 September 2023 and 2022 represents revenue generated from provision of both integrated building services and building construction works.

(b) For Customer II, revenue for the six months period ended 30 September 2023 represents revenue generated from provision of integrated building services only, while revenue for the six months period ended 30 September 2022 represents revenue generated from both integrated building services and building construction works.

(c) The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Geographical Information

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

	Six months ended 30 September	
	2023	2022
	S$	*S$*
	(Unaudited)	(Unaudited)
Revenue from external customers		
Singapore	**29,224,624**	23,214,034
People's Republic of China ("**PRC**")	**11,713**	—
	29,236,337	23,214,034
Income from external customers		
Hong Kong	**(30,517)**	(565,330)
Singapore	**(23,320)**	—
	(53,837)	(565,330)
	29,182,500	22,648,704

	30 September 2023 S$ (Unaudited)	31 March 2023 S$ (Audited)
Non-current assets		
Singapore	**6,949,563**	6,510,331
The People's Republic of China (including Hong Kong)	**3,110,053**	3,126,618
	10,059,616	9,636,949

Disaggregation of revenue

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

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

5. FINANCE COSTS

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

6. INCOME TAX EXPENSE

Singapore CIT is calculated at 17% (2022: 17%) of the estimated assessable profits. Singapore incorporated companies can enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for the years of assessment 2023 and 2022.

Under the two-tiered Hong Kong profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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

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

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

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

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

Note:

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

8. DIVIDENDS

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

9. LOSS PER SHARE

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

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

10. TRADE RECEIVABLES

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

Note:

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

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

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

11. FINANCE LEASE RECEIVABLE

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

	30 September 2023	31 March 2023
	S$	*S$*
	(Unaudited)	(Audited)
Analysis for reporting purpose:		
Current assets	**328,297**	328,732
	328,297	328,732

The following is a credit quality analysis of the finance lease receivable. In the event that an instalment repayment of a finance lease is overdue for more than 30 days, the entire outstanding balance of the finance lease receivable is classified as overdue. If the instalment repayment is overdue within 30 days, only the balance of this instalment is classified as overdue.

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

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

The finance lease receivable is secured by leased assets which are used in power supply. Additional collaterals may be obtained from customer to secure the repayment obligations under finance lease and such collaterals include property, plant and equipment, guarantee of the customer and/or its related parties.

12. TRADE AND OTHER PAYABLES

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group's revenue increased from approximately S$22.6 million for the Last Period to approximately S$29.2 million for the Review Period. The Group's gross profit increased from approximately S$2.9 million for the Last Period to approximately S$3.9 million for the Review Period, with the Group's gross profit margin increased from approximately 12.9% for the Last Period to approximately 13.4% for the Review Period.

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

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

The Group believes that the outlook for the construction sector will remain challenging for 2023 and 2024 in view of the continued uncertainties in the external environment and negative economic outlook in Singapore and major economies around the world impacted by COVID-19. All of these constraints make tenders far more competitive. Another challenge is the labor shortage in Singapore has driven up the Group's labor and subcontracting charges. The Group is monitoring the situation closely and will maintain operational and financial prudence amidst a challenging economy. The Group will continue to manage its expenditure, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

During the Review Period, the Group's fair value loss on digital assets inventories from Information Technology Development and Application businesses was approximately S$54,000 as compared with a loss of approximately S$565,000 for the Last Period. The decrease in loss was mainly due to a comparatively stable Bitcoin price during the Review Period.

Future Prospects

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

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

Financial Review

Revenue

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

The revenue from the integrated building services increased from approximately S$17.8 million for the Last Period to approximately S$20.4 million for the Review Period, an increase of approximately S$2.6 million or approximately 14.6%. The revenue from the building construction works increased from approximately S$5.5 million for the Last Period to approximately S$8.8 million for the Review Period, an increase of approximately S$3.3 million or approximately 60.0%. The increases in both the revenue from the integrated building services and the building construction works were mainly due to more tenders won and worked performed during the Review Period as a result of aggressive pricing strategy implemented by the Group.

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

Cost of sales and services

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

Gross profit and gross profit margin

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

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

Other income

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

Other gains and losses

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

Administrative expenses

The Group's administrative expenses increased from approximately S$5.3 million for the Last Period to approximately S$6.7 million for the Review Period, an increase of approximately S$1.4 million or approximately 26.4%. The increase was mainly due to the increase in the total number of employees which resulted in more salary and staff related expenses incurred during the Review Period.

Finance costs

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

Income tax expense

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

Loss attributable to owners of the Company

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

Interim dividend

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

Liquidity and financial resources

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

The loans and borrowings and lease liabilities of the Group as at 30 September 2023 was approximately S$328,000 (31 March 2023: approximately S$512,000). The gearing ratio (calculated based on loans and borrowings and lease liabilities divided by total equity) of the Group as of 30 September 2023 was approximately 0.6% (31 March 2023: approximately 0.9%).

Exposure to foreign exchange rate risks

The functional currency of the Group's major operating subsidiaries is Singapore dollars. However, certain subsidiaries of the Company have their assets and liabilities denominated in Hong Kong dollars and Renminbi. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in Hong Kong dollars and Renminbi. During the Review Period, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk. The Group recorded a foreign exchange gain of approximately S$1.0 million for the Review Period (gain of approximately S$2.1 million for the Last Period).

Material acquisition and disposal of subsidiaries and associated companies and joint ventures

There was no material acquisitions and disposals of subsidiaries and associates and joint ventures during the six months ended 30 September 2023.

Employees and remuneration policy

As at 30 September 2023, the Group employed a total of 445 full-time employees (including executive Director), as compared to 333 full-time employees as at 31 March 2023. The Group's employees are remunerated according to their job scope, responsibilities, and performance. Local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The Group's foreign workers of the Singapore integrated building 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.

Events after the Reporting Period

(a) On 13 June 2023, SH Integrated Services Pte. Ltd. ("**SH Integrated**"), an indirect wholly-owned subsidiary entered into a option to purchase agreement ("**Agreement**") with Avenue Engineering Pte. Ltd. ("**AE**"), pursuant to which SH Integrated agreed to purchase and AE agreed to sell, a property located at 40 Kaki Bukit Crescent, Singapore 416266 with a consideration of S$9,050,000 (exclusive of GST) (the "**Acquisition**"). For details, please refer to the announcement of the Company dated 13 June 2023 and 15 August 2023, as well as the circular of the Company dated 28 July 2023.

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

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

Compliance with the Corporate Governance Code

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

The Company has adopted the corporate governance code (the "**CG Code**") contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

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

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

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

Purchase, Sales or Redemption of the Company's Securities

For the six months ended 30 September 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

Review of Interim Results by the Audit Committee

The unaudited consolidated financial results of the Group for the six months ended 30 September 2023 have been reviewed by the Audit Committee of the Company.

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

Hong Kong, 30 November 2023

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.