



CTR Holdings Limited

(Incorporated in the Cayman Islands with members' limited liability)

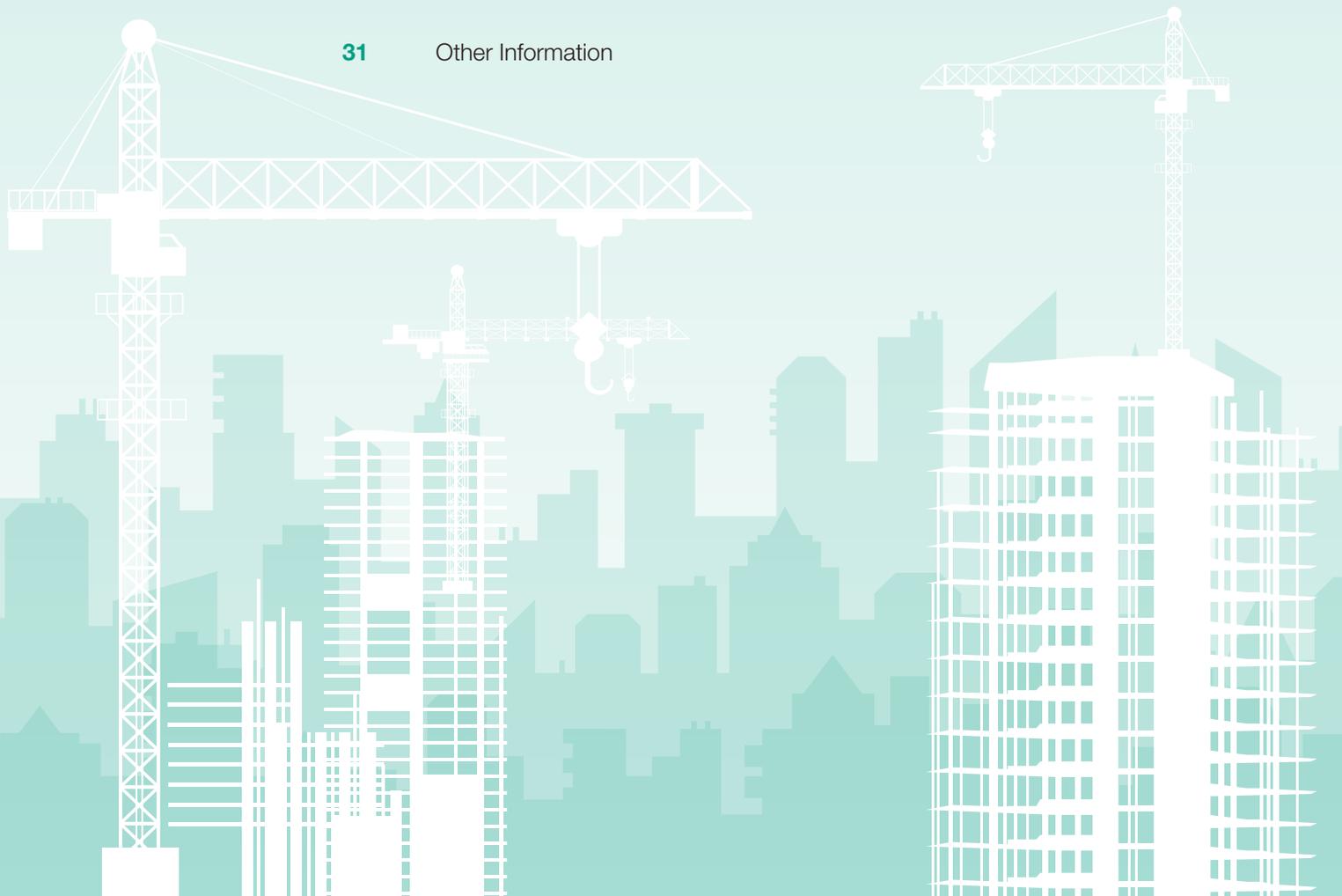
(Stock Code: 1416)

Interim Report 2022



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Xuping
(Chairman and Chief Executive Officer)
Mr. Xu Tiancheng

Independent Non-Executive Directors

Dr. Kung Wai Chiu Marco
Mr. Tang Chi Wang
Ms. Wang Yao

AUDIT COMMITTEE

Dr. Kung Wai Chiu Marco *(Chairman)*
Mr. Tang Chi Wang
Ms. Wang Yao

REMUNERATION COMMITTEE

Ms. Wang Yao *(Chairman)*
Dr. Kung Wai Chiu Marco
Mr. Tang Chi Wang

NOMINATION COMMITTEE

Mr. Tang Chi Wang *(Chairman)*
Dr. Kung Wai Chiu Marco
Ms. Wang Yao

COMPANY SECRETARY

Ms. Leung Hoi Yan

AUTHORISED REPRESENTATIVES

Mr. Xu Xuping
Ms. Leung Hoi Yan

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

21 Woodlands Close #08-11/12
Primz Bizhub
Singapore 737854

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 17/F, United Centre
95 Queensway, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKERS

Malayan Banking Berhad
United Overseas Bank Limited

AUDITOR

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong SAR

COMPANY'S WEBSITE

www.ctrholdings.com

STOCK CODE

1416



The board (the “Board”) of directors (the “Directors”) of CTR Holdings Limited (the “Company”) is pleased to present the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 August 2022, together with comparative figures for the corresponding period in 2021 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the six months ended 31 August	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue	4	39,585	43,968
Construction costs		(32,890)	(38,109)
Gross profit		6,695	5,859
Other income	5	1,453	1,397
Administrative expenses		(5,466)	(4,545)
Finance costs	6	(5)	–
Profit before tax	7	2,677	2,711
Income tax expense	9	(447)	(471)
Profit for the period		2,230	2,240
Other comprehensive expense:			
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		243	(206)
Other comprehensive income/(expense) for the period, net of tax		243	(206)
Total comprehensive income for the period		2,473	2,034
Total comprehensive income attributable to:			
Owners of the Company		2,473	2,034
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– Basic and diluted (SGD cents)	10	0.2	0.2



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	2,464	2,612
Investment properties	12	4,256	4,317
Right-of-use assets	13	314	360
Contract assets	14	15,103	13,020
Fixed deposit pledged to a bank	18	706	–
Total non-current assets		22,843	20,309
Current assets			
Contract assets	14	4,118	7,183
Inventories		54	52
Trade receivables	15	9,200	10,320
Prepayments, other receivables and deposits	16	962	1,564
Amount due from related parties	17	153	150
Time deposits with original maturity over three months	18	16,068	16,068
Cash and cash equivalents	18	17,034	9,141
Total current assets		47,589	44,478
Total assets		70,432	64,787
Current liabilities			
Contract liabilities	14	10,109	2,500
Trade payables	19	9,916	16,611
Other payables and accruals	20	3,979	2,029
Amount due to related parties	17	–	–
Lease liabilities	21	94	91
Income tax payable		746	408
Total current liabilities		24,844	21,639
Net current assets		22,745	22,839
Total assets less current liabilities		45,588	43,148
Non-current liability			
Lease liabilities		104	137
Deferred tax liabilities	22	82	82
Total non-current liability		186	219
Total liabilities		25,030	21,858
Net assets		45,402	42,929
Equity attributable to owners of the Parent			
Share capital	23	190	190
Reserves	24	45,212	42,739
Total equity		45,402	42,929
Total equity and liabilities		70,432	64,787



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital S\$'000	Share premium S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Retained profits S\$'000	Total S\$'000
At 28 February 2022 and 1 March 2022 (Audited)	190	17,739	(156)	1,100	24,056	42,929
Profit for the period	–	–	243	–	–	243
Other comprehensive income for the period						
Foreign currency translation	–	–	–	–	2,230	2,230
Total comprehensive income for the period	–	–	243	–	2,230	2,473
At 31 August 2022 (Unaudited)	190	17,739	87	1,100	26,286	45,402

	Share capital S\$'000	Share premium S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Retained profits S\$'000	Total S\$'000
At 28 February 2021 and 1 March 2021 (Audited)	190	17,739	(265)	1,100	24,362	43,126
Profit for the period	–	–	–	–	2,240	2,240
Other comprehensive income for the period						
Foreign currency translation	–	–	(206)	–	–	(206)
Total comprehensive income for the period	–	–	(206)	–	2,240	2,034
At 31 August 2021 (Unaudited)	190	17,739	(471)	1,100	26,602	45,160



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the six months ended 31 August	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Cash flows from operating activities			
Profit before tax		2,677	2,711
Adjustments for:			
Depreciation of property, plant and equipment	7	213	196
Depreciation of investment properties	7	61	(65)
Depreciation of right-of-use assets	7	62	–
Gain on disposal of property, plant and equipment	7	(5)	(66)
Interest income	5	(77)	112
Interest expenses		5	–
Operating cash flows before changes in working capital		2,936	2,794
(Increase)/decrease in inventories		(2)	36
Decrease/(increase) in contract assets		982	(3,990)
Decrease/(increase) in trade receivables		1,120	(537)
Decrease in prepayments, other receivables and deposits		606	875
Increase in contract liabilities		7,609	1,159
Decrease in trade payables and retention payables		(6,695)	(134)
Increase in other payables and accruals		1,942	658
Effect of exchange rate changes on balances in foreign currencies		–	(2)
Cash flows generated from operations		8,498	859
Interest received		17	17
Income taxes paid		(109)	(61)
Net cash flows from operating activities		8,406	815
Cash flows from investing activities			
Purchase of property, plant and equipment		(65)	(601)
Proceeds from disposal of property, plant and equipment		5	66
Interest received from fixed deposits		60	95
Increase in fixed deposit pledged to a bank		(706)	–
Net cash flows used in investing activities		(706)	(440)
Cash flows from financing activities			
Repayment of lease liabilities		(50)	–
Net cash flows used in financing activities		(50)	–
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of financial period		9,141	25,900
Effect of exchange rate changes on the balance of cash held on foreign currencies		243	(206)
Cash and cash equivalents at end of financial period	18	17,034	26,069



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 24 October 2018. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries were engaged in the provision of structural engineering works and wet architectural works.

The shares of the Company were listed (the "Listing") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 January 2020.

Brave Ocean Limited ("Brave Ocean"), a company incorporated in the British Virgin Islands (the "BVI"), is the immediate holding company of the Company, and in the opinion of the Directors, which is also the ultimate holding company of the Company.

The Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Company name	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Held by the Company					
Pinnacle Shine Ltd	British Virgin Islands 20 August 2018	US\$10	100	–	Investment holding
Held through a subsidiary					
Chian Teck Realty Pte Ltd	Singapore 30 March 2009	S\$6,500,000	–	100	Provision of structural engineering works and wet architectural works
Chian Teck Development Pte Ltd	Singapore 22 March 2006	S\$100,000	–	100	Provision of structural engineering works and wet architectural works



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PRESENTATION

The interim condensed consolidated financial information for the six months ended 31 August 2022 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standards (“IAS”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (the “IASB”). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 28 February 2022.

The financial statements have been prepared under the historical cost convention. These financial statements are presented in Singapore dollars (“SGD” or “S\$”) and all values are rounded to the nearest thousand (“S\$’000”) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 28 February 2022, except for the adoption of the following revised International Financial Reporting Standards (“IFRSs”) for the first time for the current period’s financial information.

Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16
Amendments to IFRS 16

Interest Rate Benchmark Reform – Phase 2
Covid-19-related Rent Concessions

The directors do not anticipate that the application of the revised IFRSs above will have a material effect on the Group’s interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group focuses primarily on the provision of structural engineering works and wet architectural works. Information reported to the Group’s Executive director, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group’s revenue is set out below:

	For the six months ended 31 August	
	2022 S\$’000 (Unaudited)	2021 S\$’000 (Unaudited)
Customer A	922	4,030
Customer Group B	5,188	33,705
Customer K	18,424	4,306
Customer P	4,638	–



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

During the six months ended 31 August 2022, 100% of the Group's total revenue was generated in Singapore (for the six months ended 31 August 2021: 100%).

4. REVENUE

(a) An analysis of revenue from contract with customers is as follows:

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Type of goods or services		
Structural engineering works	36,888	38,586
Wet architectural works	2,697	5,382
Total revenue from contracts with customers	39,585	43,968
Timing of transfer of goods or services		
Over time	39,585	43,968

(b) **Performance obligations**

Information about the Group's performance obligations is summarised below:

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Amounts expected to be recognised as revenue:		
Within one year	41,340	64,784
After one year	8,052	722
	49,392	65,506



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER INCOME

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Government grants*	462	873
Rendering of services	165	274
Rental income	664	55
Scrap sales	78	83
Interest income	77	112
Others	7	–
	1,453	1,397

* Government grants relates to Foreign Worker Levy Rebate and Jobs Growth Incentive. There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Interest on lease liabilities	5	–

7. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Construction costs (a) (b)	32,890	38,109
Depreciation of property, plant and equipment	213	196
Depreciation of investment properties	61	65
Depreciation of right-of-use assets	62	–
Gain on disposal of property, plant and equipment	(5)	(66)
Loss on foreign exchange, net	220	82
Employee benefit expense (including directors' remuneration)		
– Salaries and bonuses	2,544	2,442
– Central Provident Fund contributions	246	189

(a) Construction costs includes S\$4,902,000 of wages for the six months ended 31 August 2022 (for the six months ended 31 August 2021: S\$4,567,000).

(b) Construction costs includes S\$1,356,000 of rental expenses of short-term leases for the six months ended 31 August 2022 (for the six months ended 31 August 2021: S\$936,000).



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. DIRECTORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Salaries	180	180
Directors' fees	165	159
Central Provident Fund contributions	24	24
	369	363

On 24 October 2018, Mr. Xu Xuping and Mr. Xu Tiancheng were appointed as executive directors of the Company. Dr. Kung Wai Chiu Marco, Mr. Tang Chi Wang and Ms. Wang Yao were appointed as independent non-executive directors of the Company on 22 November 2019.

There were no fees or emoluments payable by the Company to the executive directors during the period ended 31 August 2022. The executive directors received remuneration from the subsidiaries now comprising the Group for their appointment as directors or officers of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements of the subsidiaries is set out below.

(a) Independent non-executive directors

Directors' fees	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Independent non-executive directors:		
Dr. Kung Wai Chiu Marco	15	13
Mr. Tang Chi Wang	15	13
Ms. Wang Yao	15	13
	45	39



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. DIRECTORS' REMUNERATION (Continued)

(b) Executive directors

For the six months ended 31 August 2022	Salaries S\$'000	Directors' fees S\$'000	Central Provident Fund contributions S\$'000	Total S\$'000
Executive directors:				
Mr. Xu Xuping	90	60	12	162
Mr. Xu Tiancheng	90	60	12	162
	180	120	24	324

For the six months ended 31 August 2021	Salaries S\$'000	Directors' fees S\$'000	Central Provident Fund contributions S\$'000	Total S\$'000
Executive directors:				
Mr. Xu Xuping	90	60	12	162
Mr. Xu Tiancheng	90	60	12	162
	180	120	24	324

There was no arrangement under which a director waived or agreed to waive any remuneration for the six months ended 31 August 2022 and 31 August 2021. During the six months ended 31 August 2022 and 31 August 2021, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

No discretionary performance related bonuses were made to the directors during the six months ended 31 August 2022 and 31 August 2021.

9. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands. Singapore profits tax has been provided at the rate of 17% on the estimated assessable profits arising in Singapore for the six months ended 31 August 2022 and 2021.

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Current – Singapore		
Charge for the period	447	471
Total tax charge for the period	447	471



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. INCOME TAX EXPENSE (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Profit before tax from continuing operations	2,677	2,711
Tax at the statutory tax rate of 17%	477	461
Adjustments:		
Non-deductible expenses	250	195
Income not subject to taxation	(242)	(94)
Effect of tax exemption*	(38)	(91)
Tax charge at the Group's effective rate	447	471

* Include corporate income tax rebate, tax exemption and tax deductions/allowances under the Productivity and Innovation Credit Scheme.

The tax exemption for the Year of Assessment of 2022 and 2023 is computed based on 75% of the chargeable income cap at S\$10,000 and the next 50% of the chargeable income cap at S\$190,000.

10. EARNINGS PER SHARE

Basic earnings per share is calculated as profit for the year attributable to owners of the Company divided by the weighted average number of ordinary shares issued during the year. The data used for the calculation is as follows:

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Profit for the year, attributable to owners of the Company used in the computation of basic and diluted earnings per share (S\$'000)	2,230	2,240
Number of shares ('000)		
Weighted average number of ordinary shares for basic earnings per share computation	1,400,000	1,400,000

No adjustment has been made to basic earnings per share as the Group had no potential dilutive ordinary shares in issue during the period ended 31 August 2022 and 31 August 2021.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

Group 31 August 2022	Office units S\$'000	Computers S\$'000	Furniture and fixtures S\$'000	Office equipment S\$'000	Motor vehicles S\$'000	Renovation S\$'000	Total S\$'000
At 1 March 2022:							
Cost	1,837	149	35	419	2,021	96	4,557
Accumulated depreciation	(207)	(104)	(31)	(297)	1,217	(89)	(1,945)
Net carrying amount	1,630	45	4	122	804	7	2,612
At 1 March 2022, net of accumulated depreciation	1,630	45	4	122	804	7	2,612
Additions	-	-	-	3	62	-	65
Depreciation provided during the period	(16)	(16)	(2)	(26)	(148)	(5)	(213)
At 31 August 2022, net of accumulated depreciation	1,614	29	2	99	718	2	2,464
At 31 August 2022:							
Cost	1,837	149	35	422	2,042	96	4,582
Accumulated depreciation	(223)	(120)	(33)	(323)	(1,324)	(94)	(2,118)
Net carrying amount (Unaudited)	1,614	29	2	99	718	2	2,464
Group 31 August 2021	Office units S\$'000	Computers S\$'000	Furniture and fixtures S\$'000	Office equipment S\$'000	Motor vehicles S\$'000	Renovation S\$'000	Total S\$'000
At 1 March 2021:							
Cost	1,837	149	35	377	1,687	96	4,181
Accumulated depreciation	(174)	(72)	(27)	(233)	(1,083)	(80)	(1,669)
Net carrying amount	1,663	77	8	144	604	16	2,512
At 1 March 2021, net of accumulated depreciation	1,663	77	8	144	604	16	2,512
Additions	-	-	-	22	579	-	601
Depreciation provided during the period	(16)	(17)	(2)	(29)	(127)	(5)	(196)
At 31 August 2021, net of accumulated depreciation	1,647	60	6	137	1,056	11	2,917
At 31 August 2021:							
Cost	1,837	149	35	399	2,125	96	4,641
Accumulated depreciation	(190)	(89)	(29)	(262)	(1,069)	(85)	(1,724)
Net carrying amount (Unaudited)	1,647	60	6	137	1,056	11	2,917



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

The office units held by the Group are as follows:

Description and location	Existing use	Remaining useful lives	
		As at 31 August 2022 Years	As at 28 February 2022 Years
21 Woodlands Close #08-10 Primz Bizhub	Office	48	49
21 Woodlands Close #08-11 Primz Bizhub	Office	48	49
21 Woodlands Close #08-12 Primz Bizhub	Office	48	49
21 Woodlands Close #08-29 Primz Bizhub	Warehouse	48	49

12. INVESTMENT PROPERTIES

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
At the beginning of the year	4,317	4,632
Depreciation provided during the period/year	(61)	(130)
Provision of impairment provided during the year	–	(185)
At the end of the period/year	4,256	4,317



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES (Continued)

The investment properties held by the Group are as follows:

Description and location	Existing use	Remaining unexpired lease term	
		As at 31 August 2022 Years	As at 28 February 2022 Years
25 Mandai Estate #06-09*	Office/Shop	*	*
98 Kaki Bukit Industrial Terrace	Industrial	32	33

Description and location	Estimated fair value	
	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
25 Mandai Estate #06-09*	780	780
98 Kaki Bukit Industrial Terrace	3,600	3,600

* Tenure – Freehold

Valuation of investment properties

The Group's investment properties are stated at cost less accumulated depreciation and accumulated impairment. The fair value of the investment properties as at 31 August 2022 and 2021 are disclosed above. The valuations were performed by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties valued.

The fair values of the investment properties are determined using the comparison method by making references to comparable sale evidence as available in the relevant market. Comparable properties of similar size, character and location are analysed and selected for each investment property in order to arrive at a fair comparison of their fair values. The fair value measurement is positively correlated to the market unit sale rate. There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. RIGHT-OF-USE ASSETS

	Leasehold land and buildings S\$'000	Motor vehicle S\$'000	Office equipment S\$'000	Total S\$'000
Cost:				
At 1 March 2022	125	297	–	422
Addition	–	–	16	16
At 31 August 2022	125	297	16	438
Accumulated depreciation:				
At 1 March 2022	31	31	–	62
Depreciation provided during the period	31	30	1	62
At 31 August 2022	62	61	1	124
Net carrying amount:				
At 31 August 2022	63	236	15	314
At 31 August 2022 (Unaudited)	63	236	15	314

	Leasehold land and buildings S\$'000	Motor vehicle S\$'000	Office equipment S\$'000	Total S\$'000
Cost:				
At 1 March 2021	–	–	–	–
Addition	125	297	–	422
At 28 February 2022	125	297	–	422
Accumulated depreciation:				
At 1 March 2021	–	–	–	–
Depreciation provided during the year	31	31	–	62
At 28 February 2022	31	31	–	62
Net carrying amount:				
At 28 February 2022	94	266	–	360
At 28 February 2022	94	266	–	360

The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CONTRACT ASSETS/LIABILITIES

(a) Contract assets

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Unbilled revenue (note (i))	3,272	7,293
Retention receivables (note (ii))	16,507	13,471
	19,779	20,764
Less: Loss allowance provision	(558)	(561)
	19,221	20,203
Represented by:		
Contract assets		
– Non-current	15,103	13,020
– Current	4,118	7,183
	19,221	20,203

Notes:

(i) Unbilled revenue is initially recognised for revenue earned from the provision of construction work as the receipt of consideration is conditional on successful completion of construction. Upon completion of construction and acceptance by the customer, the amounts recognised as unbilled revenue are reclassified to trade receivables.

(ii) Retention receivables included in contract assets represents the Group's right to consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over the maintenance period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically after the expiry date of the maintenance period.

As at 1 March 2021, contract assets amounted to approximately S\$12,977,000.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9 which permits the use of the lifetime expected loss providing for contract assets.

The movements in loss allowance provision of contract assets are as follows:

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
At the beginning of the year	561	358
(Reversal) of loss allowance provision	(3)	203
At the end of the period/year	558	561



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CONTRACT ASSETS/LIABILITIES (Continued)

(b) Contract liabilities

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Construction contracts	10,109	2,500

The Group receives payments from customers based on invoices issued for work performed that were certified by the main contractor.

As at 1 March 2021, contract liabilities amounted to approximately S\$566,000.

The revenue recognised related to the carried-forward contract liabilities are as follows:

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Revenue recognised in the year from the amounts included in the contract liabilities at the beginning of the year	2,500	566

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Construction contracts

In recognising the construction revenue, the Group adjusts the amount of payment received for the effect of the time value of money of the goods and services transferred to the customers. In certain circumstances, the adjustment will result the amount of payment received in excess of the revenue recognised to date. Such difference will be recorded as contract liabilities.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE RECEIVABLES

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Trade receivables	9,486	10,606
Less: Loss allowance provision	(286)	(286)
	9,200	10,320

The credit period is generally 30 to 90 days.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance is as follows:

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Within 1 month	4,792	8,278
1 to 2 months	4,095	1,904
2 to 3 months	108	7
Over 3 months	205	131
	9,200	10,320

The movements in loss allowance provision of trade receivables are as follows:

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
At the beginning of the year	286	151
Loss allowance provision for the year/period	–	135
At the end of the period/year	286	286

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9 which permits the use of the lifetime expected loss providing for all trade receivables.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Other receivables	32	12
Less: Loss allowance provision	–	–
	32	12
Deposits	569	799
Prepayments	361	513
Grant receivables	–	180
Net Good and Services Tax (“GST”) receivables	–	60
	962	1,564

The movements in loss allowance provision of other receivables are as follows:

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
At the beginning of the year	–	3
Loss allowance reversal	–	(3)
At the end of the period/year	–	–

17. AMOUNT DUE FROM/(TO) RELATED PARTIES

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Amount due from ultimate holding company	153	150

The amount was non-trade in nature, unsecured, interest-free and have no fixed term of repayment.

18. FIXED DEPOSIT PLEDGED TO A BANK, CASH AND CASH EQUIVALENTS/TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS

The cash and cash equivalents carry interest at floating rates based on daily bank deposit rates. The time deposits carried market interest rates of 0.60% – 2.00% (2022: 0.50% – 0.60%) per annum with original maturity over three months.

Fixed deposit of S\$706,000 was pledged to a bank as security for a construction project for the period ended 31 August 2022 (28 February 2022: Nil).



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date is as follows:

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Trade payables:		
Within 1 month	3,708	14,534
1 to 2 months	2,922	1,955
2 to 3 months	752	120
Over 3 months	2,534	2
	9,916	16,611

The trade payables are non-interest bearing and are normally settled on 30 to 60 day terms.

20. OTHER PAYABLES AND ACCRUALS

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Other payables and accruals	2,520	910
Accrued staff cost	875	1,100
Deposits received	19	19
Net Goods and Services Tax ("GST") payables	565	–
	3,979	2,029

Other payables are non-interest bearing and are repayable on demand.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. LEASE LIABILITIES

As at 31 August 2022, the Group leases various motor vehicles, office equipment, leasehold land and buildings for a period of time through lease arrangements with lease terms ranging from 2 to 5 years. These liabilities were measured at the net present value of the lease payments during the lease terms that are not yet paid.

The interest rates are 4.96% (2021: Nil) per annum.

The total future minimum lease payments under lease arrangements and their present value were as follows:

	Minimum lease payments as at 31 August 2022 S\$'000 (Unaudited)	Present value of minimum lease payments as at 31 August 2022 S\$'000 (Unaudited)	Minimum lease payments as at 28 February 2022 S\$'000 (Audited)	Present value of minimum lease payments as at 28 February 2022 S\$'000 (Audited)
With 1 year	103	95	99	91
After 1 year but not exceeding 2 years	37	33	66	62
After 2 year but not exceeding 5 years	72	70	79	75
	212	198	244	228
Less: Total future interest expenses	(14)		(16)	
Present value of lease liabilities	198		228	
Less: Amount due for settlement within one year		(94)		(91)
Amount due for settlement after one year		104		137

Analysed by:

	As at 31 August 2022 S\$'000 (Unaudited)	As at 28 February 2022 S\$'000 (Audited)
Leasehold land and buildings	64	95
Motor vehicle	119	133
Office equipment	15	–
	198	228



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities during the year are as follows:

	Depreciation in excess of related depreciation allowance	Total
	S\$'000	S\$'000
At 1 March 2021 and 31 August 2021	31	31
Deferred tax credited to profit or loss during the period	51	51
At 28 February 2022, 1 March 2022 and 31 August 2022	82	82

23. SHARE CAPITAL

	Number of shares in issue	S\$'000
Ordinary shares of US\$0.0001		
Authorised:		
At 1 March 2021, 28 February 2022 and 31 August 2022	5,000,000,000	678
Issued and fully paid:		
At 1 March 2021, 28 February 2022 and 31 August 2022	1,400,000,000	190

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

24. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the period ended 31 August 2022 and period ended 31 August 2021 are presented in the consolidated statements of changes in equity.

Share premium

Share premium represents the difference between the nominal value and the issuing value of the shares.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Merger reserve

For the purposes of the preparation of the consolidated statements of financial position, the balance of merger reserve at the financial period ended 31 August 2022 and period ended 31 August 2021 represents the aggregate of the paid up share capital of the subsidiaries now comprising the Group attributable to the Controlling Shareholders prior to the Reorganisation.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. OPERATING LEASE ARRANGEMENTS

As lessor

The Group has entered into leases on its investment properties. These non-cancellable leases have remaining lease terms ranging from one to two years.

Future minimum rental receivable under non-cancellable operating leases are as follows:

	As at 31 August 2022 S\$'000	As at 28 February 2022 S\$'000
Within one year	118	110
In the second year	33	85
	151	195

As lessee

The Group leases dormitories under operating lease arrangements. The leases are negotiated for one year term. The Group applies the short-term lease recognition exemption to its short-term leases of dormitories (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Future minimum rental payments under non-cancellable operating leases are as follows:

	As at 31 August 2022 S\$'000	As at 31 August 2021 S\$'000
Within one year	688	311



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

26. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group did not have transactions with related parties during the period.

Outstanding balances with related parties

As at 31 August 2022, the Group had a net outstanding balance due to directors (non-trade) of S\$6 (28 February 2021: S\$6). Details of the balances are disclosed in Note 17 of the interim condensed consolidated financial statements.

Personal guarantees by directors

During the period ended 31 August 2022 and year ended 28 February 2022, performance bonds issued by insurance companies that were secured by corporate guarantee provided by a subsidiary.

Compensation of key management personnel of the Group

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Salaries	180	180
Central Provident Fund contributions	24	24
	204	204

Further details of the directors' emoluments as disclosed in Note 8 to the financial statements.

27. DIVIDENDS

No dividend has been declared by the Company or group entities during the six months ended 31 August 2022 and 2021 or subsequent to the period end.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Business Review

The Group is a Singapore-based contractor specialising in structural engineering works and wet architectural works. Structural engineering works are comprising (i) reinforced concrete works which include steel reinforcement works, formwork erection and concrete works; and (ii) precast installation works. Wet architectural works are comprising (i) masonry building works; (ii) plastering and screeding works; (iii) tiling works; and (iv) waterproofing works.

The Group participates various building and infrastructure projects in both public and private sectors in Singapore. Public sector projects include the building of hospitals and MRT stations which are initiated by the Singapore Government departments, statutory bodies or Government-controlled entities. Private sector projects include the building of office buildings and data centres which are driven by property developers.

As at 31 August 2022, the Group had a total of 30 (28 February 2022: 20) projects on hand (including projects in progress and projects which are yet to commence) including 22 (28 February 2022: 15) structural engineering projects and 8 (28 February 2022: 5) wet architectural projects. The aggregated contract sum of the above projects is approximately S\$245 million, of which approximately S\$196 million has been recognised as revenue up to 31 August 2022. The remaining balance will be recognised as Group's revenue in accordance with the respective stage of completion.

Prospects

Looking ahead, the construction sector continues to operate at below pre-pandemic level due to labour shortages. While the labour shortage issue was slightly mitigated by the government's worker retention scheme, the high cost of recruiting migrant workers and increased cost of materials, machinery transport, and other construction related cost would lead to higher construction costs. We will focus on ensuring the smooth operational progress of our projects.

With manpower and materials cost expected to remain high due to inflation, we will continue to stay competitive and enhance productivity through skills upgrading and the adoption of innovation and technology to enhance our efficiency.

Revenue

The following table sets out the breakdown of the Group's revenue derived from (i) the provision of structural engineering works and (ii) the provision of wet architectural works for each period indicated:

	For the six months ended 31 August	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Structural engineering works	36,888	38,586
Wet architectural works	2,697	5,382
	39,585	43,968

The revenue of the Group decreased by approximately S\$4.4 million or 10.0% from approximately S\$44.0 million for the six months ended 31 August 2021 to approximately S\$39.6 million for the six months ended 31 August 2022. The decrease was mainly due to the completion of contracts in hand in prior year resulting in a decrease in outstanding contracts brought forward from the beginning of the reporting period.



MANAGEMENT DISCUSSION AND ANALYSIS

Construction Costs

The Group's construction costs decreased by approximately S\$5.2 million or 13.4% from approximately S\$38.1 million for the six months ended 31 August 2021 to approximately S\$32.9 million for the six months ended 31 August 2022. The less-than-proportionate decrease in construction cost for the six months ended 31 August 2022 was mainly due to reduce in subcontracting charges while labour shortage issue was slightly mitigated.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately S\$0.8 million or 14.3% from approximately S\$5.9 million for the six months ended 31 August 2021 to approximately S\$6.7 million for the six months ended 31 August 2022. The Group's gross profit margin also increased from approximately 13.3% for the six months ended 31 August 2021 to approximately 16.9% for the six months ended 31 August 2022. The significant increases were both primarily due to the decrease in revenue and the less-than-proportionate decrease in construction costs as discussed above.

Other Income

The Group's other income increased by approximately S\$0.1 million from approximately S\$1.4 million for the six months ended 31 August 2021 to approximately S\$1.5 million for the six months ended 31 August 2022, mainly attributable to increase in rental income which is partially offset by decrease in government grant during the six months ended 31 August 2022.

Administrative Expenses

The Group's administrative expenses increased by approximately S\$0.9 million or 20.3% from approximately S\$4.5 million for the six months ended 31 August 2021 to approximately S\$5.4 million for the six months ended 31 August 2022, mainly due to the increase in legal and professional fees, transportation and foreign exchange difference during the six months ended 31 August 2022.

Finance Cost

The Group's finance cost increased by approximately S\$5,000 or 100% for the six months ended 31 August 2022, mainly due to increase in the Group's lease liabilities.

Income Tax Expenses

The Group's income tax expense remained relatively stable for the six months ended 31 August 2021 and the six months ended 31 August 2022, which amounted to approximately S\$0.4 million in both periods, respectively.

Profit for the Period

As a result of the foregoing, the profit for the period amounted to approximately S\$2.2 million (six months ended 31 August 2021: approximately S\$2.2 million).

Capital Structure, Liquidity and Financial Resources

Since the shares of the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 15 January 2020, there has been no change in capital structure of the Group. The capital of the Group comprises of issued ordinary share capital and capital reserves. The Group had approximately S\$0.2 million as at 31 August 2022.

The Group's sources of funding comprise of its cash and cash equivalents and time deposits. As at 31 August 2022, the Group's cash and cash equivalents recorded a increase by 87.2% from approximately S\$9.1 million as at 28 February 2022 to approximately S\$17.0 million, which was mainly due to net cash flows generated from operating activities during the period.

The cash and cash equivalents of the Group, mainly denominated in SGD and HKD, are generally deposited with authorised financial institutions. As at 31 August 2022, 96.8% (28 February 2022: 96.8%) of the Group's cash and cash equivalents was denominated in Singapore dollar and 3.2% (28 February 2022: 3.2%) was denominated in Hong Kong dollar.



MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 August 2022, the Group had bank facilities with credit limit amounting to approximately S\$1.0 million (28 February 2022: S\$1.0 million), of which approximately S\$1.0 million (28 February 2022: S\$1.0 million) was unutilised.

Gearing Ratio

Gearing ratio is calculated as net debt (i.e. total borrowings, including amount due to related parties, net off cash and cash equivalents) divided by the capital plus net debt as at the end of respective period.

As at 31 August 2022, the gearing ratio of the Group was negative, which was mainly due to the significant amount of Group's cash and cash equivalents from the listing proceeds (28 February 2022: negative).

Treasury Policy

The Group has continued to implement a prudent financial management policy and maintained healthy liquidity and capital ratios in order to support its business and maximise shareholders' value during the year. The Group strives to reduce credit risk by conducting ongoing credit assessments and trading with recognised and creditworthy customers. To maintain a balance between continuity of funding and flexibility through the use of funds generated from operations, the management of the Group closely monitors the overall business performance and liquidity position. Taking into account the cash at banks, net proceeds of the Share Offer that are not immediately used for intended purpose and credit facilities available, the Directors considered that the Group has sufficient working capital for its present operation and meet its funding requirements all the time.

Use of Proceeds

The net proceeds from the Share Offer were approximately HK\$82.0 million (equivalent to approximately S\$14.3 million). Details of the proposed applications of such net proceeds are as disclosed in "Future Plans and Use of Proceeds" of the prospectus of the Company dated 30 December 2019 (the "Prospectus"). The below table sets out the proposed applications and actual usage of the net proceeds from the date of listing to 31 August 2022:

	Planned use of proceeds HK\$'000	Actual use of proceeds from Listing Date to 31 August 2022 HK\$'000	Unutilised balance as at 31 August 2022 HK\$'000	Expected timeline for utilisation of the unutilised net proceeds
Payment of upfront costs for projects	61,040	61,040	–	–
Strengthen the workforce	21,003	21,003	–	N/A
	82,043	82,043	–	

As at 31 August 2022, the Group had fully utilised the net proceeds in accordance with the intentions previously disclosed.

Significant Investment, Material Acquisitions and Disposal of Subsidiaries and Associated Companies

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the six months ended 31 August 2022.

Future Plans for Material Investments or Capital Assets

Save as disclosed under the section headed "Use of Proceed" in this report, the Group did not have other future plans for material investments or capital assets as at 31 August 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Exchange Exposure

The headquarters and principle place of business of the Group is in Singapore with its revenue and cost of sales mainly denominated in Singapore dollar, which is the functional currency of most of the Group's operating companies. As such, the Group had not committed to any financial instrument for hedging its foreign currency risk exposure during the period.

However, the Group has certain bank balances denominated in Hong Kong dollars amounting to approximately HK\$6.1 million that are exposed to fluctuations in foreign exchange rate risks. The Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of Asset

As at 31 August 2022, a fixed deposit of approximately S\$0.7 million (28 February 2022: nil) was pledged to the banks to secure the bank facilities granted to the Group.

Contingent Liabilities

As at 31 August 2022, the Group had no contingent liabilities (28 February 2022: nil).

Capital Commitments

The Group had no capital commitments as at 31 August 2022 (28 February 2022: nil).

The Group leases dormitories under operating lease arrangements. The leases are negotiated for one year term.

Capital Expenditures

For six months ended 31 August 2022, the Group's capital expenditure in respect of the acquisition of properties, plant and equipment amounting to approximately S\$65,000 (FY2021/2022: S\$0.8 million).

Employees and Remuneration Policy

As at 31 August 2022, the Group had a total of 469 (28 February 2022: 485) employees in Singapore, of which comprising 12% was Singapore citizens and 88% was foreigners. With a view to mitigating the impact of shortage of foreign workers arising from changes in relevant laws, rules and regulations in Singapore and/or other countries where the foreign workers originated, the management has adopted a policy of employing foreign workers from more than one country, including the PRC, Bangladesh, India, Myanmar, Vietnam and the Philippines during the period.

Total staff costs, including Directors' emoluments, salaries, wages and contributions, for the six months ended 31 August 2022 amounted to approximately S\$7.7 million (the six months ended 31 August 2021: S\$7.2 million). The Group reviews the performance of its employees on a periodical basis and make salary adjustment if necessary. In addition, the Group is required to make monthly Central Provident Fund contributions in respect of its employees who are either citizens or permanent residents of Singapore.

The emoluments of the Directors have been reviewed by the Remuneration Committee of the Company, having regard to the performance of Directors and market standards, and approved by shareholders. The Company has adopted a share option scheme as an incentive to Directors and eligible employees of the Group.

Events after the Reporting Period

Save as disclosed in this report, there is no material subsequent event undertaken by the Group after 31 August 2022 and up to the date of this report.

Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 31 August 2022 (the six months ended 31 August 2021: nil).



OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 August 2022, the interests and short positions of the Directors and chief executives 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 Futures Ordinance of Hong Kong (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Long positions in the shares of US\$0.0001 each of the Company (the "Shares")

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Xu Xuping ("Mr. XP Xu") (Note)	Interest in controlled corporation	1,050,000,000	75%
Mr. Xu Tiancheng ("Mr. TC Xu") (Note)	Interest in controlled corporation	1,050,000,000	75%

Note: 1,050,000,000 Shares are held by BRAVE OCEAN LIMITED ("Brave Ocean") which is beneficially owned as to 40% by Mr. XP Xu, 40% by Mr. TC Xu and 20% by Ms. Gou Shuzhen ("Ms. Gou"). Mr. XP Xu, Mr. TC Xu and Ms. Gou are regarded as a group of controlling shareholders of the Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together are interested in a total of 75% of the issued share capital of the Company. Mr. XP Xu and Mr. TC Xu are deemed to be interested in the Shares held by Brave Ocean pursuant to the SFO.

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held	Percentage of interest in associated corporation
Mr. XP Xu (Note)	Brave Ocean	Beneficial owner	4	40%
Mr. TC Xu (Note)	Brave Ocean	Beneficial owner	4	40%

Note: The Company is owned as to 75% by Brave Ocean. Brave Ocean is beneficially owned as to 40% by Mr. XP Xu, 40% by Mr. TC Xu and 20% by Ms. Gou. Mr. XP Xu, Mr. TC Xu and Ms. Gou are regarded as a group of controlling shareholders of the Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together are interested in a total of 75% of the issued share capital of the Company.

Save as disclosed above, as at 31 August 2022, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules.



OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 August 2022, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
Brave Ocean (Note 1)	Beneficial owner	1,050,000,000	75%
Mr. XP Xu (Note 1)	Interest in controlled corporation	1,050,000,000	75%
Mr. TC Xu (Note 1)	Interest in controlled corporation	1,050,000,000	75%
Ms. Le Thi Minh Tam (Note 2)	Interest of spouse	1,050,000,000	75%
Ms. Lin Qingling (Note 3)	Interest of spouse	1,050,000,000	75%
Ms. Gou (Note 4)	Interests held jointly with another	1,050,000,000	75%
Mr. Xu Junjie (Note 5)	Interest of spouse	1,050,000,000	75%

Notes:

- 1,050,000,000 Shares are held by Brave Ocean which is beneficially owned as to 40% by Mr. XP Xu, 40% by Mr. TC Xu and 20% by Ms. Gou. Mr. XP Xu, Mr. TC Xu and Ms. Gou are regarded as a group of controlling shareholders of the Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together are interested in a total of 75% of the issued share capital of the Company. Mr. XP Xu and Mr. TC Xu are deemed to be interested in the Shares held by Brave Ocean pursuant to the SFO.
- Ms. Le Thi Minh Tam is the spouse of Mr. XP Xu. Under the SFO, Ms. Le Thi Minh Tam is deemed to be interested in the same number of Shares in which Mr. XP Xu is interested.
- Ms. Lin Qingling is the spouse of Mr. TC Xu. Under the SFO, Ms. Lin Qingling is deemed to be interested in the same number of Shares in which Mr. TC Xu is interested.
- Mr. XP Xu and Mr. TC Xu are sons of Ms. Gou. Mr. XP Xu, Mr. TC Xu and Ms. Gou hold their interest in the Group through Brave Ocean. Mr. XP Xu, Mr. TC Xu and Ms. Gou are persons acting in concert pursuant to the confirmation and undertaking (the "Acting In Concert Confirmation And Undertaking") entered into among Mr. XP Xu, Mr. TC Xu and Ms. Gou dated 28 November 2018 and accordingly each of them is deemed to be interested in the Shares held by the others. By the Acting In Concert Confirmation And Undertaking, each of Mr. XP Xu, Mr. TC Xu and Ms. Gou confirmed that, since 17 June 2011, they have been parties acting in concert with one another in respect of all major affairs concerning each member of the Group, adopted a consensus building approach to reach decisions on a unanimous basis, voted as a group (by themselves and/or through companies controlled by them) in respect of all corporate matters relating to the financials and operations of the Group at the shareholder level of each member company within the Group (where applicable), and will continue to do so.
- Mr. Xu Junjie is the spouse of Ms. Gou. Under the SFO, Mr. Xu Junjie is deemed to be interested in the same number of Shares in which Ms. Gou is interested.

Save as disclosed above, as at 31 August 2022, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.



OTHER INFORMATION

UPDATES ON DIRECTOR'S INFORMATION

Pursuant to rule 13.51B(1) of the Listing Rules, the profile of the Director of the Company has been updated as follows:

Independent non-executive Director

Dr. Kung Wai Chiu Marco (孔維釗博士) ("Dr. Kung"), aged 48, was appointed as an independent non-executive Director on 22 November 2019. He also serves as the chairman of the audit committee of the Company and a member of remuneration committee and nomination committee of the Company. He is responsible for providing independent advice to the Board.

Dr. Kung has over 24 years of experience in the business advisory and auditing field in Hong Kong. Dr. Kung has been a director and cofounder of WinPark CPA Company Limited, Certified Public Accountants (Practising) (永栢和豐會計師事務所有限公司), a company incorporated in Hong Kong, where he is primarily responsible for the overall management of its business since March 2020.

Dr. Kung also possesses experience in compliance, company secretary and financial management for listed companies. He worked at Sanai Health Industry Group Company Limited (previously known as Wuyi International Pharmaceutical Company Limited), a company listed on the Main Board of the Stock Exchange (Stock Code: 1889), from August 2006 to June 2016, in which he was once the financial controller and his last position was company secretary and authorised representative. He was the chief financial officer of Alpha Professional Holdings Limited (previously known as Z-Obee Holdings Limited), a company listed on the Main Board of the Stock Exchange (Stock Code: 948), from April 2017 to January 2019 and has been appointed as the company secretary and authorised representative of the same company from November 2017 to January 2020. Dr. Kung was appointed as the company secretary and authorized representative of Hailan Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2278) from September 2018 to March 2019. Dr. Kung was appointed as the independent non-executive director of Quantong Holdings Limited (formerly known as Pak Wing Group (Holdings) Limited), a company listed on the GEM of the Stock Exchange (Stock Code: 8316) from January 2021.

Dr. Kung graduated from Lingnan College (currently known as the Lingnan University) in Hong Kong with a Bachelor of Business Administration degree in November 1997. He further obtained a Master's degree in Business Administration from The University of Wollongong in Australia, in August 2005 and a Master's degree in Corporate Governance from The Hong Kong Polytechnic University in October 2008. Dr. Kung has been awarded of Doctor's degree in Business Administration from The Hong Kong Polytechnic University in 2022. Dr. Kung was admitted as a fellow of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong in September 2005, February 2008 and July 2010, respectively. In addition, Dr. Kung was admitted as an associate of both The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) in February 2009. Dr. Kung was registered as a Certified Public Accountant (Practising) in January 2007 and was also registered as a Certified Tax Adviser (Non-Practising) in Hong Kong in July 2010. In September 2018, Dr. Kung became a Chartered Governance Professional of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries).

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Group. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors' securities transactions throughout the six months period ended 31 August 2022.



OTHER INFORMATION

CORPORATE GOVERNANCE

During the six months ended 31 August 2022, the Company complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules except for the following deviation:

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Xu Xuping is the chief executive officer (the “CEO”) and the chairman of the Board (the “Chairman”). In view of Mr. Xu Xuping has been operating and managing the Group since January 2007, the Board believes that the vesting of the roles of the Chairman and the CEO in Mr. Xu Xuping is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. Accordingly, the Company has not segregated the roles of the CEO and the Chairman.

SHARE OPTION SCHEME

The shareholders of the Company approved and conditionally adopted a share option scheme on 22 November 2019 (the “Share Option Scheme”) to enable the Company to grant options to the eligible participants as incentives or rewards 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 any member of the Group holds any equity interest. No share options have been granted, exercised, lapsed or cancelled under the Share Option Scheme since then and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 31 August 2022.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed the Group’s unaudited interim results for the six months ended 31 August 2022 and discussed with the management of the Company on the accounting principles and policies adopted by the Group with no disagreement by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The unaudited interim results announcement of the Company for the six months ended 31 August 2022 has been published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at <http://www.ctrholdings.com>. This interim report will be dispatched to the shareholders of the Company and made available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
CTR Holdings Limited
Xu Xuping

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 October 2022