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INTERIM
REPORT



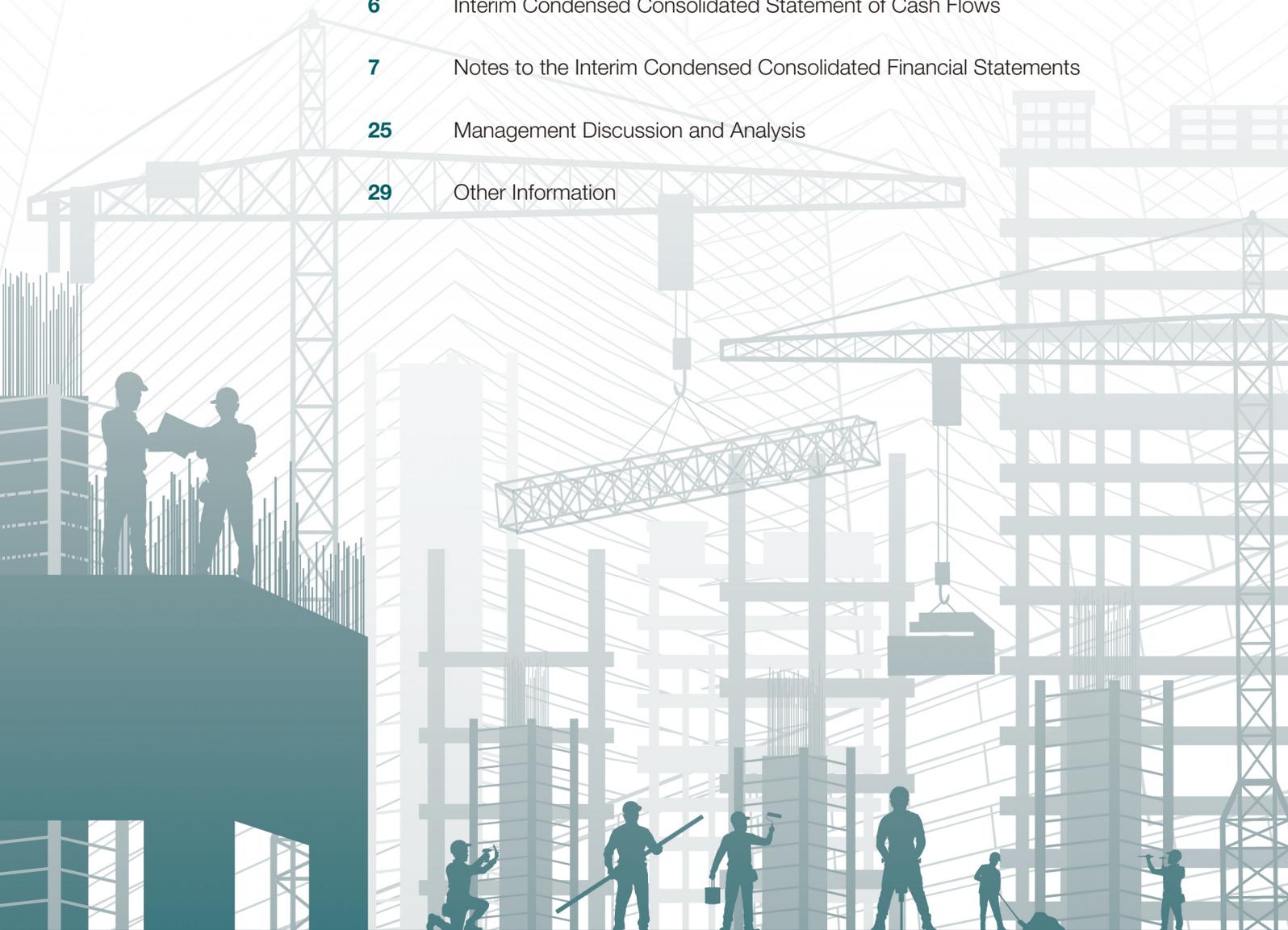
CTR Holdings Limited

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

(Stock Code: 1416)

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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. Fung Mei Ling (appointed on 3 April 2023)
Ms. Leung Hoi Yan (resigned on 3 April 2023)

AUTHORISED REPRESENTATIVES

Mr. Xu Xuping
Ms. Fung Mei Ling (appointed on 3 April 2023)
Ms. Leung Hoi Yan (resigned on 3 April 2023)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. 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
P.O. 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

Maybank Singapore Limited
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 2023, together with comparative figures for the corresponding period in 2022 as follows:

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

				For the six months ended 31 August		
		Notes	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)		
Revenue	4		60,652	39,585		
Construction costs			(53,090)	(32,890)		
Gross profit			7,562	6,695		
Other income	5		549	1,453		
Administrative expenses			(4,662)	(5,466)		
Finance costs	6		(2)	(5)		
Profit before tax	7		3,447	2,677		
Income tax expense	9		(654)	(447)		
Profit for the period			2,793	2,230		
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations			17	243		
Other comprehensive income for the period, net of tax			17	243		
Total comprehensive income for the period			2,810	2,473		
Total comprehensive income attributable to:						
Owners of the Company			2,810	2,473		
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 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	2,427	2,511
Investment properties	12	4,400	4,466
Right-of-use assets	13	188	235
Contract assets	14	17,367	13,149
Total non-current assets		24,382	20,361
Current assets			
Inventories		45	69
Contract assets	14	16,856	16,157
Trade receivables	15	11,359	8,803
Prepayments, other receivables and deposits	16	2,028	1,549
Amount due from related parties	17	151	150
Other financial assets	18	1,000	–
Pledged deposit	19	706	706
Time deposits with original maturity over three months	19	19,831	19,831
Cash and cash equivalents	19	6,711	9,906
Total current assets		58,687	57,171
Total assets		83,069	77,532
Current liabilities			
Contract liabilities	14	3,384	4,342
Trade payables	20	16,620	18,779
Other payables and accruals	21	8,858	2,750
Lease liabilities	22	33	48
Income tax payable		1,558	1,791
Total current liabilities		30,453	27,710
Net current assets		28,234	29,461
Total assets less current liabilities		52,616	49,822
Non-current liabilities			
Lease liabilities		69	86
Deferred tax liabilities	23	61	60
Total non-current liabilities		130	146
Total liabilities		30,583	27,856
Net assets		52,486	49,676
Equity attributable to owners of the Company			
Share capital	24	190	190
Reserves	25	52,296	49,486
Total equity		52,486	49,676
Total equity and liabilities		83,069	77,532



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 2023 and 1 March 2023 (Audited)	190	17,739	(284)	1,100	30,931	49,676
Profit for the period	–	–	–	–	2,793	2,793
Other comprehensive income for the period						
Foreign currency translation	–	–	17	–	–	17
Total comprehensive income for the period	–	–	17	–	2,793	2,810
At 31 August 2023 (Unaudited)	190	17,739	(267)	1,100	33,724	52,486

	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



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		For the six months ended 31 August	
	Notes	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Cash flows from operating activities			
Profit before tax		3,447	2,677
Adjustments for:			
Depreciation of property, plant and equipment	7	212	213
Depreciation of investment properties	7	66	61
Depreciation of right-of-use assets	7	46	62
Gain on disposal of property, plant and equipment	7	(5)	(5)
Loss allowance provision on/(reversal of provision on):			
– Contract assets		109	–
– Trade receivables		(2)	–
Interest income	5	(382)	(77)
Interest expenses		2	5
Foreign exchange loss, net		16	–
Operating cash flows before changes in working capital		3,509	2,936
Decrease/(increase) in inventories		24	(2)
(Increase)/decrease in contract assets		(5,025)	982
(Increase)/decrease in trade receivables		(2,554)	1,120
(Increase)/decrease in prepayments, other receivables and deposits		(128)	606
(Decrease)/increase in contract liabilities		(958)	7,609
Decrease in trade payables and retention payables		(2,158)	(6,695)
Increase in other payables and accruals		6,107	1,942
Cash flows (used in)/generated from operations		(1,183)	8,498
Interest received		6	17
Income taxes paid		(886)	(109)
Net cash flows (used in)/from operating activities		(2,063)	8,406
Cash flows from investing activities			
Purchase of property, plant and equipment		(143)	(65)
Proceeds from disposal of property, plant and equipment		20	5
Acquisition of other financial assets		(1,000)	–
Interest received from fixed deposits		25	60
Placement of time proceeds with original maturity over three months		(29,249)	(5,706)
Proceeds from time deposits with original maturity over three months		29,249	5,000
Net cash flows used in investing activities		(1,098)	(706)
Cash flows from financing activities			
Repayment of lease liabilities		(34)	(50)
Net cash flows used in financing activities		(34)	(50)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of financial period		9,906	9,141
Effect of exchange rate changes on the balance of cash held on foreign currencies		–	243
Cash and cash equivalents at end of financial period	19	6,711	17,034



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 2023 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 2023.

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 2023, 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	
	2023 S\$’000 (Unaudited)	2022 S\$’000 (Unaudited)
Customer A	—*	922
Customer B	6,837	5,188
Customer K	—*	18,424
Customer P	—*	4,638
Customer T	25,381	—*

* The revenue contribution was less than 10% of the Group’s revenue.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

During the six months ended 31 August 2023, 100% of the Group's total revenue was generated in Singapore (for the six months ended 31 August 2022: 100%).

4. REVENUE

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

	For the six months ended 31 August	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Type of goods or services		
Structural engineering works	54,037	36,888
Wet architectural works	6,615	2,697
Total revenue from contracts with customers	60,652	39,585
Timing of transfer of goods or services		
Over time	60,652	39,585

(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	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Amounts expected to be recognised as revenue:		
Within one year	142,135	41,340
After one year	10,076	8,052
	152,211	49,392



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER INCOME

	For the six months ended 31 August	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Government grants and subsidy	1	462*
Rendering of services	–	165
Rental income	75	664
Interest income	382	77
Others	91	85
	549	1,453

* 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	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Interest on lease liabilities	2	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	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Construction costs (Notes (a), (b))	53,090	32,890
Depreciation of property, plant and equipment	212	213
Depreciation of investment properties	66	61
Depreciation of right-of-use assets	46	62
Gain on disposal of property, plant and equipment	(5)	(5)
Employee benefit expense (including directors' remuneration)		
– Salaries and bonuses	2,412	2,544
– Central Provident Fund contributions	241	246
Loss allowance provision on/(reversal of provision on)		
– Contract assets	109	(3)
– Trade receivables	(2)	–

Notes:

(a) Construction costs includes S\$6,637,000 of wages for the six months ended 31 August 2023 (for the six months ended 31 August 2022: S\$4,902,000).

(b) Construction costs includes S\$1,021,000 of rental expenses of short-term leases for the six months ended 31 August 2023 (for the six months ended 31 August 2022: S\$1,356,000).



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	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Directors' fees	162	165
Salaries	180	180
Central Provident Fund contributions	24	24
	366	369

There were no fees or emoluments payable by the Company to the executive directors during the period ended 31 August 2023. 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 executive directors as recorded in the financial statements of the subsidiaries is set out below.

For the six months ended 31 August 2023	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 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

There was no arrangement under which a director waived or agreed to waive any remuneration for the six months ended 31 August 2023 and 31 August 2022. During the six months ended 31 August 2023 and 31 August 2022, 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 2023 and 31 August 2022.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 2023 and 2022.

	For the six months ended 31 August	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Current – Singapore		
Charge for the period	661	447
Overprovision in respect of prior year	(7)	–
Total tax charge for the period	654	447

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	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Profit before tax from continuing operations	3,447	2,677
Tax at the statutory rate of 17%	586	477
Adjustments:		
Non-deductible expenses	104	250
Non-taxable income	(1)	(242)
Effect of tax exemption and relief	(28)	(38)*
Overprovision in respect of prior year	(7)	–
Tax charge at the Group effective rate	654	447

* 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 2023 and 2024 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.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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	
	2023 (Unaudited)	2022 (Unaudited)
Profit for the year, attributable to owners of the Company used in the computation of basic and diluted earnings per share (S\$'000)	2,793	2,230
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 2023 and 31 August 2022.

11. PROPERTY, PLANT AND EQUIPMENT

Group 31 August 2023	Furniture and fixtures						Total S\$'000
	Office units S\$'000	Computers S\$'000	Office equipment S\$'000	Motor vehicles S\$'000	Renovation S\$'000		
At 1 March 2023:							
Cost	1,837	154	41	437	2,251	96	4,816
Accumulated depreciation	(240)	(136)	(34)	(349)	(1,450)	(96)	(2,305)
Net carrying amount	1,597	18	7	88	801	-	2,511
At 1 March 2023, net of accumulated depreciation	1,597	18	7	88	801	-	2,511
Additions	-	-	-	31	112	-	143
Depreciation provided during the period	(16)	(12)	(1)	(27)	(156)	-	(212)
Disposal	-	-	-	-	(15)	-	(15)
At 31 August 2023, net of accumulated depreciation	1,581	6	6	92	742	-	2,427
At 31 August 2023:							
Cost	1,837	154	41	468	2,263	96	4,859
Accumulated depreciation	(256)	(148)	(35)	(376)	(1,521)	(96)	(2,432)
Net carrying amount (Unaudited)	1,581	6	6	92	742	-	2,427



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

The office units held by the Group are as follows:

Description and location	Existing use	Remaining useful lives	
		As at 31 August 2023 Years	As at 28 February 2023 Years
21 Woodlands Close #08-10 Primz Bizhub	Office	47	48
21 Woodlands Close #08-11 Primz Bizhub	Office	47	48
21 Woodlands Close #08-12 Primz Bizhub	Office	47	48
21 Woodlands Close #08-29 Primz Bizhub	Warehouse	47	48



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
At the beginning of the year	4,466	4,317
Depreciation provided during the period/year	(66)	(133)
Provision of impairment provided during the year	–	282
At the end of the period/year	4,400	4,466

The investment properties held by the Group are as follows:

Description and location	Existing use	Remaining unexpired lease term	
		As at 31 August 2023 Years	As at 28 February 2023 Years
25 Mandai Estate #06-09*	Office/Shop	*	*
98 Kaki Bukit Industrial Terrace	Industrial	31	32

* Tenure – Freehold

Description and location	Estimated fair value	
	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
25 Mandai Estate #06-09*	910	910
98 Kaki Bukit Industrial Terrace	3,900	3,900

* 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 2023 and 2022 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 2023	125	297	–	422
Addition	–	–	15	15
Written off	(64)	–	–	(64)
At 31 August 2023	61	297	15	373
Accumulated depreciation:				
At 1 March 2023	94	93	–	187
Depreciation provided during the period	15	27	4	46
Written off	(48)	–	–	(48)
At 31 August 2023	61	120	4	185
Net carrying amount:				
At 31 August 2023	–	177	11	188
At 31 August 2023 (Unaudited)	–	177	11	188

	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

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 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Unbilled revenue (note (i))	16,863	16,167
Retention receivables (note (ii))	19,535	15,205
	36,398	31,372
Less: Loss allowance provision	(2,175)	(2,066)
	34,223	29,306
Represented by:		
Contract assets		
– Non-current	17,367	13,149
– Current	16,856	16,157
	34,223	29,306

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 2022, contract assets amounted to approximately S\$20,203,000.

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 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
At the beginning of the year	2,066	561
Impairment loss recognised	109	1,505
At the end of the period/year	2,175	2,066



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CONTRACT ASSETS/LIABILITIES (Continued)

(b) Contract liabilities

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Construction contracts	3,384	4,342

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

As at 1 March 2022, contract liabilities amounted to approximately S\$2,500,000.

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

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Revenue recognised in the year from the amounts included in the contract liabilities at the beginning of the year	4,342	2,500

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.

15. TRADE RECEIVABLES

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Trade receivables	11,644	9,090
Less: Loss allowance provision	(285)	(287)
	11,359	8,803

The credit period is generally 30 to 90 days.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE RECEIVABLES (Continued)

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 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Within 1 month	10,817	8,200
1 to 2 months	170	427
2 to 3 months	269	60
Over 3 months	103	116
	11,359	8,803

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

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
At the beginning of the year	287	286
(Reversal of)/loss allowance provision for the year/period	(2)	1
At the end of the period/year	285	287

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.

16. PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Other receivables	9	53
Interest receivables	351	163
Deposits	1,168	868
Prepayments	500	465
	2,028	1,549



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. AMOUNT DUE FROM/(TO) RELATED PARTIES

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Amount due from ultimate holding company	151	150

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

18. OTHER FINANCIAL ASSETS

Other financial assets of RMB1.0 million (28 February 2023: Nil) relate to investment in money market funds with a short-term maturity, and will be measured at fair value through profit and loss.

19. 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 0.40%–4.15% (2023: 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 2023 (28 February 2023: S\$706,000).

20. 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 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Trade payables:		
Within 1 month	8,565	12,227
1 to 2 months	7,232	5,161
2 to 3 months	641	819
Over 3 months	182	572
	16,620	18,779

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



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. OTHER PAYABLES AND ACCRUALS

	As at 31 August 2023 S\$'000 (Unaudited)	As at 28 February 2023 S\$'000 (Audited)
Other payables and accruals	6,648	696
Accrued staff cost	1,507	1,678
Deposits received	25	20
Retention payables	316	177
Net Goods and Services Tax ("GST") payables	362	179
	8,858	2,750

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

22. LEASE LIABILITIES

As at 31 August 2023, 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 range from 3.1% and 4.96% (2023: 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 2023 S\$'000 (Unaudited)	Present value of minimum lease payments as at 31 August 2023 S\$'000 (Unaudited)	Minimum lease payments as at 28 February 2023 S\$'000 (Audited)	Present value of minimum lease payments as at 28 February 2023 S\$'000 (Audited)
Within 1 year	36	33	53	48
After 1 year but not exceeding 2 years	36	34	36	34
After 2 year but not exceeding 5 years	36	35	54	52
	108	102	142	134
Less: Total future interest expenses	(6)		(9)	
Present value of lease liabilities	102		134	
Less: Amount due for settlement within one year		(33)		(48)
Amount due for settlement after one year		69		86



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23. 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 2022 and 31 August 2022	82	82
Deferred tax credited to profit or loss during the period	(22)	(22)
At 28 February 2023 and 1 March 2023	60	60
Charged to profit and loss during the period	1	1
At 31 August 2023	61	61

24. SHARE CAPITAL

	Number of shares in issue	S\$'000
Ordinary shares of US\$0.0001		
Authorised:		
At 1 March 2022, 28 February 2023 and 31 August 2023	5,000,000,000	678
Issued and fully paid:		
At 1 March 2022, 28 February 2023 and 31 August 2023	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.

25. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the period ended 31 August 2023 and period ended 31 August 2022 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.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. RESERVES (Continued)

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 2023 and period ended 31 August 2022 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.

26. OPERATING LEASE ARRANGEMENTS

As lessor

The Group has entered into leases on its investment properties. These non-cancellable leases have remaining lease terms of one year or less.

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

	As at 31 August 2023 S\$'000	As at 28 February 2023 S\$'000
Within one year	47	91

27. 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 2023, the Group had a net outstanding balance due to directors (non-trade) of S\$6 (28 February 2023: S\$6).

Personal guarantees by directors

During the period ended 31 August 2023 and year ended 28 February 2022, performance bonds issued by insurance companies that were secured by corporate guarantee provided by a subsidiary.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

27. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel of the Group

	For the six months ended 31 August	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Directors' fees	120	120
Salaries	180	180
Central Provident Fund contributions	24	24
	324	324

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

28. DIVIDENDS

No dividend has been declared by the Company or group entities during the six months ended 31 August 2023 and 2022 or subsequent to the period end.



MANAGEMENT DISCUSSION AND ANALYSIS

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 2023, the Group had a total of 32 (28 February 2023: 30) projects on hand (including projects in progress) including 25 (28 February 2023: 23) structural engineering projects and 7 (28 February 2023: 7) wet architectural projects. The aggregated contract sum of the above projects is approximately S\$328 million, of which approximately S\$176 million has been recognised as revenue up to 31 August 2023. The remaining balance will be recognised as Group's revenue in accordance with the respective stage of completion.

PROSPECTS

The Group's prudent cash management approach has ensured that its cash flow position remains healthy and in a strong position to tender and secure more structural engineering and wet architecture projects. Currently, it has a strong project pipeline with 32 uncompleted projects.

With inflation, the Group's construction costs remain high, hence, it must judiciously manage its project costs. To stay competitive, it will need to step up its efforts and improve its efficiency and productivity level to ensure the smooth execution and delivery of its projects. In addition, it will also focus on its trade collections and will continue to work closely with its customers to avoid disruptions to its ongoing projects.

FINANCIAL REVIEW

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	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Structural engineering works	54,037	36,888
Wet architectural works	6,615	2,697
	60,652	39,585

The Group's revenue increased by approximately S\$21.1 million or 53.2% from approximately S\$39.6 million for the six months ended 31 August 2022 to approximately S\$60.7 million for the six months ended 31 August 2023. The increased construction activities performed on the large scale projects mainly explained for the increase in revenue.



MANAGEMENT DISCUSSION AND ANALYSIS

Construction Costs

In line with the increase in business activities, and taking into account higher costs of construction materials, rental and labour costs, construction costs rose 61.4% to approximately S\$53.1 million for the six months ended 31 August 2023, from approximately S\$32.9 million for the six months ended 31 August 2022.

Gross Profit and Gross Profit Margin

As a result of the above, the Group's gross profit increased by approximately S\$0.9 million from approximately S\$6.7 million for the six months ended 31 August 2022 to approximately S\$7.6 million for the six months ended 31 August 2023.

In view of the higher costs incurred on the projects and lower margins from large scale projects, the Group's gross profit margin declined by approximately 4.4% from approximately 16.9% during the six months ended 31 August 2022 to approximately 12.5% during the six months ended 31 August 2023.

Other Income

The Group's other income decreased by approximately S\$1.0 million from approximately S\$1.5 million for the six months ended 31 August 2022 to approximately S\$0.5 million for the six months ended 31 August 2023. The decrease was attributed to the absence of the government grant and rendering of services amounting to approximately S\$0.6 million in aggregate. In addition, rental income was also lower by approximately S\$0.6 million.

The above decrease was partly offset by the higher interest income received of approximately S\$0.3 million as the Group benefitted from higher interest rates on its time deposits.

Administrative Expenses

The Group's administrative expenses decreased by approximately S\$0.8 million from approximately S\$5.5 million for the six months ended 31 August 2022 to approximately S\$4.7 million for the six months ended 31 August 2023. The decrease was mainly attributed to lower (i) payroll of approximately S\$0.4 million as a result of decrease in headcount; (ii) legal and professional fees of S\$0.4 million as the Group no longer requires advisory services relating to its listing in Hong Kong; and (iii) exchange loss of S\$0.2 million.

The above decrease was partly offset by an increase in impairment loss allowance of S\$0.1 million computed based on the application of the expected credit loss model.

Finance Costs

The Group's finance costs decreased by approximately S\$3,000 from approximately S\$5,000 for the six months ended 31 August 2022 to approximately S\$2,000 for the six months ended 31 August 2023. This was in line with the decrease in lease liabilities.

Income Tax Expenses

With a higher profit before taxation, the Group's income tax expenses increased by approximately S\$207,000 from approximately S\$447,000 for the six months ended 31 August 2022 to approximately S\$654,000 for the six months ended 31 August 2023. The income tax rate of 19% for the six months ended 31 August 2023 was higher than the corporate tax rate of 17% due to decrease in non-taxable income.

Profit for the Period

As a result of the foregoing, the Group's profit for the period amounted to approximately S\$2,793,000 (six months ended 31 August 2022: S\$2,230,000).



MANAGEMENT DISCUSSION AND ANALYSIS

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 2023, the Group's cash and cash equivalents recorded a decrease by 33.3% from approximately S\$9.1 million as at 28 February 2022 to approximately S\$6.7 million, which was mainly due to net cash flows used in operating, investing and financing activities.

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 2023, 98.0% (28 February 2023: 99.9%) of the Group's cash and cash equivalents was denominated in Singapore dollar and 2.0% (28 February 2023: 0.1%) was denominated in Hong Kong dollar.

As at 31 August 2023, the Group had bank facilities with credit limit amounting to approximately S\$1.0 million (28 February 2023: S\$1.0 million), of which approximately S\$1.0 million (28 February 2023: 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 2023, the gearing ratio of the Group was 4.3%, which was mainly due to the higher liabilities accrued for the large scale projects during the six month period ended 31 August 2023 (28 February 2023: -5.5%).

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 and cash equivalents, short-term time deposits 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 obtained of approximately HK\$82.0 million (equivalent to approximately S\$14.3 million) from the Company's listing have been fully utilised in FY2022/2023.

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 2023.

Future Plans for Material Investments or Capital Assets

The Group did not have other future plans for material investments or capital assets as at 31 August 2023.

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.



MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 August 2023, the Group does not have major exposure to foreign currency risk. It has maintained only 2.0% of the Group's cash and cash equivalents in Hong Kong dollars for its compliance costs in Hong Kong.

Pledge of Asset

As at 31 August 2023, a fixed deposit of approximately S\$706,000 (28 February 2023: S\$706,000) was pledged as a banker's guarantee in relation to a structural engineering contract. Subsequent to end of the financial period, the banker's guarantee is released back to the Group as it has fully fulfilled its contract obligations.

Contingent Liabilities

As at 31 August 2023, the Group had contingent liabilities amounting to S\$15,370,000 (28 February 2023: S\$17,696,000) in respect of performance bonds to guarantee for the due and proper performance of the obligations undertaken by the Group's subsidiary for projects in its ordinary course of business. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

In August 2023, the Court rendered its judgement and ruled in favour of the Company in respect of the performance bond of S\$1,123,000 which was previously under dispute with a customer and pending the outcome of the Court's ruling. Given the favourable verdict, no provision is required.

Capital Commitments

The Group had no capital commitments as at 31 August 2023 (28 February 2023: nil).

Capital Expenditures

For six months ended 31 August 2023, the Group's capital expenditure in respect of the acquisition of properties, plant and equipment and right-of-use assets amounting to approximately S\$0.1 million and S\$15,000 (FY2022/2023: S\$0.3 million and nil) respectively.

Employees and Remuneration Policy

As at 31 August 2023, the Group had a total of 623 (28 February 2023: 479) 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 2023 amounted to approximately S\$9.1 million (the six months ended 31 August 2022: S\$7.7 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 2023 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 2023 (the six months ended 31 August 2022: 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 2023, 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: The 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 and parties acting in concert to exercise their voting rights in the Company pursuant to a confirmation and undertaking entered into among Mr. XP Xu, Mr. TC Xu and Ms. Gou dated 28 November 2018 (the "Acting in Concert Confirmation and Undertaking"); 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 and parties acting in concert to exercise their voting rights in the Company pursuant to the Acting in Concert Confirmation and Undertaking; 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 2023, 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 2023, 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 person	1,050,000,000	75%
Mr. Xu Junjie (Note 5)	Interest of spouse	1,050,000,000	75%

Notes:

- The 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 and parties acting in concert to exercise their voting rights in the Company pursuant to the Acting in Concert Confirmation and Undertaking; 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 the 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 the 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 Acting in Concert Confirmation and Undertaking 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 the Shares in which Ms. Gou is interested.

Save as disclosed above, as at 31 August 2023, 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 49, 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 (the “Audit Committee”) 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 25 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 China Hongbao Holdings Limited (formerly known as Quantong 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 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 2023.



OTHER INFORMATION

CORPORATE GOVERNANCE

During the six months ended 31 August 2023, 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 2023.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group’s unaudited interim results for the six months ended 31 August 2023 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 2023 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 of the Company for the six months ended 31 August 2023 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, 31 October 2023