CTR Holdings Limited

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

(Stock Code: 1416)

(1) INSIDE INFORMATION;
(2) UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 28 FEBRUARY 2021;
(3) DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 28 FEBRUARY 2021;
(4) SUSPENSION OF TRADING

This announcement is made by CTR Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DELAY IN PUBLICATION OF 2021 AUDITED ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") that there will be a delay in publication of the audited consolidated annual results of the Group for the year ended 28 February 2021 (the "**2021 Audited Annual Results**") as additional time is required to complete the audit process. During the year ended 28 February 2021, the Group settled certain transactions relating to distribution services, marketing and research services by paying to the bank accounts designated by the counterparties, which are maintained by other third parties. As of the date of this announcement, the outstanding audit procedures by the auditor of the Company, Ernst & Young (the "**Auditor**"), to obtain sufficient appropriate audit evidence included but not limited to interviewing the relevant third parties. Currently, the Company is working closely with the Auditor to arrange the interviews and provide all the necessary information in order to complete the audit process as soon as practicable. Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditor (so far as the information is available). The Board hereby announces the unaudited consolidated annual results of the Group for the year ended 28 February 2021 based on the management accounts (the "**FY2020/2021 Management Figures**"), together with the comparative figures for the corresponding year in 2020. The FY2020/2021 Management Figures have not been audited by the Auditor, as the Company has been informed by the Auditor that their audit of the FY2020/2021 Management Figures has not been completed as of the date of this announcement. The Board will endeavour to publish the 2021 Audited Annual Results, which shall be agreed with the Auditor, as soon as practicable and expected to be on or before 30 June 2021. However, this estimate may be subject to further changes and the Company will make further announcement(s) to keep the Shareholders informed of the latest developments.

The FY2020/2021 Management Figures have been reviewed by the audit committee of the Board of the Company (the "**Audit Committee**") and approved by the Board.

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 28 February 2021

	Notes	**Year ended 28 February 2021** *S$'000* **(Unaudited)**	Year ended 29 February 2020 *S$'000* (Audited)
Revenue	4	**35,806**	65,599
Construction costs		**(30,215)**	(46,071)
Gross profit		**5,591**	19,528
Other income	5	**4,643**	1,392
Administrative expenses		**(12,094)**	(11,253)
Loss allowance provision on financial assets and contract assets	6	**(198)**	(225)
(Loss)/profit before tax	6	**(2,058)**	9,442
Income tax expense	7	**(124)**	(2,057)
(Loss)/profit for the year		**(2,182)**	7,385

	Note	Year ended 28 February 2021 S$'000 (Unaudited)	Year ended 29 February 2020 S$'000 (Audited)
Other comprehensive (loss)/income:			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(681)**	366
Other comprehensive (loss)/income for the year, net of tax		**(681)**	366
Total comprehensive (loss)/income for the year		**(2,863)**	7,751
(Loss)/profit attributable to:			
Owners of the parent		**(2,863)**	7,385
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(2,863)**	7,751
(Loss)/earnings per share attributable to ordinary equity holders of the parent			
– Basic and diluted *(SGD cents)*	8	**(0.16)**	0.67

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

28 February 2021

	Notes	**As at 28 February 2021** *S$'000* **(Unaudited)**	As at 29 February 2020 *S$'000* (Audited)
Non-current assets			
Property, plant and equipment		**2,512**	2,804
Investment properties		**4,632**	4,646
Intangible asset		**1,427**	–
Contract assets	9	**6,351**	7,213
Total non-current assets		**14,922**	14,663
Current assets			
Inventories		**84**	–
Contract assets	9	**6,626**	7,109
Trade receivables	10	**5,427**	5,564
Other receivables and deposits		**2,100**	1,069
Prepayments		**203**	455
Amount due from related parties		**145**	147
Cash and cash equivalents		**25,900**	30,088
Total current assets		**40,485**	44,432
Total assets		**55,407**	59,095
Current liabilities			
Contract liabilities	9	**566**	1,372
Trade payables	11	**8,049**	4,731
Other payables and accruals		**2,247**	2,382
Amount due to related parties		**16**	2
Income tax payable		**200**	3,386
Total current liabilities		**11,078**	11,873
Net current assets		**29,407**	32,559
Total assets less current liabilities		**44,329**	47,222

	As at 28 February 2021 *S$'000* (Unaudited)	As at 29 February 2020 *S$'000* (Audited)
Non-current liability		
Deferred tax liabilities	**31**	61
Total non-current liability	**31**	61
Total liabilities	**11,109**	11,934
Net assets	**44,298**	47,161
Equity attributable to owners of the parent		
Share capital	**190**	190
Reserves	**44,108**	46,971
Total equity	**44,298**	47,161
Total equity and liabilities	**55,407**	59,095

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

28 February 2021

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 Group is engaged in the provision of structural engineering works and wet architectural works.

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

Brave Ocean Limited ("**Brave Ocean**"), a company incorporated in the British Virgin Islands, is the immediate holding company of the Company, and in the opinion of the Directors, Brave Ocean 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$1,000,000	–	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
Promontory Company Limited	Hong Kong 25 February 2020	HK$10,000	–	100	Distribution of foaming cement
Hong Kong Integrated Sport Therapy Centre Limited	Hong Kong 3 March 2014	HK$1,000	–	100	Dormant

2 BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which include all International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 28 February 2021. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received; (ii) the fair value of any investment retained; and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. OPERATING SEGMENT INFORMATION

The Group focused primarily on the provision of structural engineering works and wet architectural works during the Relevant Periods. Information reported to the Group's Executive director, for the purpose of resource 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:

	Year ended 28 February 2021 ***S$'000*** **(Unaudited)**	Year ended 29 February 2020 *S$'000* (Audited)
Customer A	**4,367**	7,142
Customer Group B	**25,427**	29,736
Customer N	**3,913**	16,821

Geographical information

During the year ended 28 February 2021, 100% of the Group's total revenue was generated in Singapore (29 February 2020: 100%).

4. REVENUE

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

	Year ended 28 February 2021 ***S$'000*** **(Unaudited)**	Year ended 29 February 2020 *S$'000* (Audited)
Structural engineering works	**34,901**	59,232
Wet architectural works	**905**	6,367
Total revenue from contracts with customers	**35,806**	65,599
Timing of transfer of goods or services		
Over time	**35,806**	65,599

(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:

	Year ended 28 February 2021	Year ended 29 February 2020
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Amounts expected to be recognised as revenue:		
Within one year	**53,033**	65,415
After one year	**6,116**	40,857
	59,149	106,272

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

5. OTHER INCOME

	Year ended 28 February 2021	Year ended 29 February 2020
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Gain on foreign exchange, net	**403**	18
Government grants*	**3,183**	75
Rendering of services	**639**	1,077
Rental income	**95**	97
Interest income	**80**	52
Reversal of impairment loss on investment properties	**112**	–
Others	**131**	73
	4,643	1,392

* Government grants relate to the Jobs Support Scheme and the Foreign Worker Levy Rebate in Singapore. There are no unfulfilled conditions or contingencies relating to these grants.

6. (LOSS)/PROFIT BEFORE TAX

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

	Year ended 28 February 2021 *S$'000* **(Unaudited)**	Year ended 29 February 2020 *S$'000* (Audited)
Construction costs *(a)(b)*	**30,215**	46,071
Bad debts written off	**1**	–
Depreciation of property, plant and equipment	**432**	412
Depreciation of investment properties	**126**	132
(Reversal of impairment loss)/impairment loss on investment properties	**(112)**	218
Amortisation of intangible asset	**647**	–
Loss on disposal of property, plant and equipment	**–**	49
Written-off of property, plant and equipment	**3**	49
Loss allowance provision:		
– Contract assets	**138**	159
– Trade receivables	**66**	59
– Other receivables	**–**	7
Write-back of loss allowance provision for other receivables	**(6)**	–
Listing expenses	**–**	1,875
Employee benefit expense (including Directors' remuneration)		
– Salaries and bonuses	**5,959**	6,007
– Central Provident Fund contributions	**371**	401

(a) Construction costs included $6,177,000 of wages for the year ended 28 February 2021 (the year ended 29 February 2020: $9,875,000).

(b) Construction costs included $1,958,000 of rental expenses of short-term leases for the year ended 28 February 2021 (the year ended 29 February 2020: $1,839,000).

7. 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 tax has been provided at the rate of 17% (the year ended 29 February 2020: 17%) on the estimated assessable profits arising in Singapore during the year.

	Year ended 28 February 2021 *S$'000* **(Unaudited)**	Year ended 29 February 2020 *S$'000* (Audited)
Current – Singapore		
Charge for the year	**148**	2,012
Underprovision in prior years	**6**	68
Deferred – Singapore		
Origination and reversal of temporary differences	**(30)**	(23)
Total tax charge for the year	**124**	2,057

A reconciliation of the tax expense applicable to (loss)/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:

	Year ended 28 February 2021 *S$'000* **(Unaudited)**	Year ended 29 February 2020 *S$'000* (Audited)
(Loss)/profit before tax	**(2,058)**	9,442
Tax at domestic rates applicable to profits in the countries where the Group operates	**(431)**	1,690
Adjustments:		
Non-deductible expenses	**770**	335
Income not subject to taxation	**(203)**	–
Effect of tax exemption*	**(18)**	(36)
Underprovision of income tax in respect of prior years	**6**	68
	124	2,057

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

Tax exemption for the Year of Assessment of 2021 and 2022 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.

8. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated as (loss)/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:

	Year ended 28 February 2021 *S$'000* **(Unaudited)**	Year ended 29 February 2020 *S$'000* (Audited)
(Loss)/profit for the year, attributable to owners of the Company used in the computation of basic and diluted earnings per share *(S$'000)*	**(2,182)**	7,385
Number of shares *('000)*		
Weighted average number of ordinary shares for basic earnings per share computation	**1,400,000**	1,094,110

No adjustment has been made to basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 28 February 2021 and 29 February 2020.

9. CONTRACT ASSETS/LIABILITIES

	As at 28 February 2021 S$'000 (Unaudited)	As at 29 February 2020 S$'000 (Audited)
Cost incurred and attributable profits	**73,335**	90,318
Less: Progress billings	**(67,219)**	(84,633)
Add: Retention receivables	**6,653**	7,485
	12,769	13,170
Less: Loss allowance provision	**(358)**	(220)
	12,411	12,950
Represented by:		
Contract assets		
– Non-current	**6,351**	7,213
– Current	**6,626**	7,109
	12,977	14,322
Contract liabilities	**(566)**	(1,372)
	12,411	12,950

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

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

	As at 28 February 2021 S$'000 (Unaudited)	As at 29 February 2020 S$'000 (Audited)
Revenue recognised in the year from the amounts included in the contract liabilities at the beginning of the year	**1,372**	352

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 28 February 2021 *S$'000* (Unaudited)	As at 29 February 2020 *S$'000* (Audited)
At the beginning of the year	**220**	61
Loss allowance provision	**138**	159
At the end of the year	**358**	220

The loss allowance provision for contract assets as at 28 February 2021 and 29 February 2020 is determined as follows:

	As at 28 February 2021 *S$'000* (Unaudited)	As at 29 February 2020 *S$'000* (Audited)
Contract assets	**13,335**	14,542
Expected credit loss rate	**2.68%**	1.51%
Loss allowance provision	**(358)**	(220)

10. TRADE RECEIVABLES

	As at 28 February 2021 *S$'000* (Unaudited)	As at 29 February 2020 *S$'000* (Audited)
Trade receivables	**5,578**	5,649
Loss allowance provision	**(151)**	(85)
	5,427	5,564

The Group's trading terms with its customers are on credit. The credit period is generally 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 28 February 2021	As at 29 February 2020
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Within 1 month	**5,069**	4,783
1 to 2 months	**140**	766
Over 2 months	**218**	15
	5,427	5,564

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

	As at 28 February 2021	As at 29 February 2020
	S$'000	*S$'000*
	(Unaudited)	(Audited)
At the beginning of the year	**85**	26
Loss allowance provision	**66**	59
At the end of the year	**151**	85

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.

The loss allowance provision as at 29 February 2020 and 28 February 2021 is determined as follows:

	As at 28 February 2021	As at 29 February 2020
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Trade receivables	**5,578**	5,649
Expected credit loss rate	**2.70%**	1.51%
Loss allowance provision	**(151)**	(85)

11. 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 28 February 2021 *S$'000* **(Unaudited)**	As at 29 February 2020 *S$'000* (Audited)
Trade payables:		
Within 1 month	**7,170**	2,800
1 to 2 months	**439**	568
2 to 3 months	**39**	256
Over 3 months	**401**	1,107
	8,049	4,731

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

12. DIVIDENDS

No dividends has been declared by the Company during the year and up to the date of this announcement (the year ended 29 February 2020: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

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

The Group participates in 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 residential estates, office buildings and data centres which are driven by property developers.

As at 28 February 2021, the Group had a total of 12 (29 February 2020: 12) projects on hand (including projects in progress and projects which are yet to commence), including 8 (29 February 2020: 11) structural engineering projects and 4 (29 February 2020: 1) wet architectural projects. The aggregated contract sum of the above projects is approximately S$132.5 million, of which approximately S$73.3 million has been recognised as revenue up to 28 February 2021. The remaining balance will be recognised as Group's revenue in accordance with the respective stage of completion of the projects.

Prospects

The operating conditions in the construction sector remain challenging due to the COVID-19 pandemic. The pace of resumption of the construction activity in Singapore has been slow and is expected to continue to be limited by manpower deployment challenges, and higher cost and more time resources are needed to comply with precautionary restrictive measures such as border entry approval for foreign employees, rostered routine swab testing, staggered rest days, safe accommodation and transportation arrangement. Amid the evolving COVID-19 situation in the region, the supply chain for materials and manpower may be disrupted. All construction and project worksites are required to adhere to application to resume work and fulfilling safe worksite requirements. The delay in progress of the Group's ongoing projects and unforeseen additional costs incurred due to the impact of the COVID-19 pandemic led to a decrease in Group's revenue and gross profit margin on ongoing projects for the year ended 28 February 2021 when compared to the year ended 29 February 2020.

The Group expects a gradual recovery of business operations and financial performance in 2021 when the COVID-19 pandemic becomes stable. The Group continues to prioritise cash conservation and cost control, and will exercise caution when exploring business opportunities in the upcoming year.

FINANCIAL REVIEW

Revenue

The following table sets forth 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 year indicated:

	FY2020/2021	FY2019/2020
	S$'000	*S$'000*
	(Unaudited)	(Audited)
Structural engineering works	**34,901**	59,232
Wet architectural works	**905**	6,637
Total revenue	**35,806**	65,599

The Group's revenue decreased by approximately S$29.8 million or 45.4% from approximately S$65.6 million for the year ended 29 February 2020 ("**FY2019/2020**") to approximately S$35.8 million for the year ended 28 February 2021 ("**FY2020/2021**"). Such decrease was mainly due to the decrease in construction activities in Singapore during 2020. In particular, due to the Circuit Breaker (the "**Circuit Breaker**"), the majority of the Group's projects were halted during the Circuit Breaker period and the operations of the Group did not immediately resume to its normal level even after the Circuit Breaker was lifted.

Construction Costs

The Group's construction costs decreased by approximately S$15.9 million or 34.5% from approximately S$46.1 million for FY2019/2020 to approximately S$30.2 million for FY2020/2021. Such decrease was mainly due to the net effect of (i) the Group had to pay wages for its direct labours during the Circuit Breaker period while such costs could not generate any corresponding project revenue during the Circuit Breaker period; (ii) additional costs were incurred in the adoption and implementation of additional safe and controlled restart measures for the Group's employees before resumption of the Group's operating activities; (iii) the increase of overall labour costs and subcontracting costs due to the labour shortage in Singapore under the weak manpower supply under the anti-epidemic policies and the global lockdown; (iv) the decrease in direct material costs that is generally in-line with the decrease of revenue; and (v) foreign workers' levy waiver in certain months and levy rebates provided by the Singapore government to partially support the upkeep and well-being of foreign workers.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately S$13.9 million or 71.3% from approximately S$19.5 million for FY2019/2020 to approximately S$5.6 million for FY2020/2021. The Group's gross profit margin also decreased from approximately 29.8% for FY2019/2020 to approximately 15.6% for FY2020/2021. The decrease in gross profit was primarily driven by the decrease of revenue as discussed above. The decrease in gross profit margin was mainly because the extent of decrease in revenue outweighed the extent of decrease in construction costs.

Other Income

The Group's other income increased by approximately S$3.2 million from approximately S$1.4 million for FY2019/2020 to approximately S$4.6 million for FY2020/2021, mainly attributable to the government grants received, such as (i) the Jobs Support Scheme, which provides wage support to help employers retain local employees; and (ii) the Construction Restart Booster and Foreign Worker Levy for supporting the development of construction industry.

Administrative Expenses

The Group's administrative expenses increased by approximately S$0.8 million or 7.1% from approximately S$11.3 million for FY2019/2020 to approximately S$12.1 million for FY2020/2021, mainly due to the increase in legal and professional fees in relation to additional compliance cost incurred after the shares of Company were listed on the Main Board of the Stock Exchange; and the effect of which is partially offset by the decrease in the Listing expenses.

Income Tax Expense

The Group's income tax expense decreased by approximately S$2.0 million from approximately S$2.1 million for FY2019/2020 to approximately S$0.1 million for FY2020/2021, which was generally due to the decrease in taxable profit for this year.

(Loss)/Profit for the Year

As a result of the foregoing, the Group recorded a loss of approximately S$2.2 million for FY2020/2021 as compared to profit of approximately S$7.4 million for FY2019/2020, represented a decrease of approximately S$9.6 million.

Capital Structure, Liquidity and Financial Resources

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 15 January 2020 (the "**Listing Date**") by way of share offer (the "**Share Offer**") and there has been no change in capital structure of the Group since then. The capital of the Group comprises issued ordinary share capital and capital reserves. The Group does not have any bank borrowings, debt securities or indebtedness as at 28 February 2021.

The Group's sources of funding comprise cash and cash equivalents, cash flows generated from operations, and net proceeds from the Share Offer. As at 28 February 2021, the Group's cash and cash equivalents amounted to approximately S$25.9 million.

The Group's cash and cash equivalents, mainly denominated in SGD and HKD, are generally deposited with authorised financial institutions. As at 28 February 2021, 96.8% (29 February 2020: 41.8%) of the Group's cash and cash equivalents was denominated in Singapore dollar and 3.2% (29 February 2020: 58.2%) was denominated in Hong Kong dollar.

As at 28 February 2021, the Group had banking facilities with credit limit amounting to approximately S$1.0 million (29 February 2020: S$5.0 million), of which approximately S$1.0 million (29 February 2020: S$5.0 million) was unutilised.

Gearing Ratio

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

As at 28 February 2021, the gearing ratio of the Group was negative as the Group's cash and cash equivalent exceeded its debt (29 February 2020: 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 forth the proposed applications and actual usage of the net proceeds from the Listing Date to 28 February 2021:

	Planned use of proceeds *HK$'000*	**Actual use of proceeds from Listing Date to 28 February 2021** *HK$'000*	**Unutilised balance as at 28 February 2021** *HK$'000*	**Expected timeline for utilisation of the unutilised net proceeds**
Payment of upfront costs for projects	61,040	36,043	24,997	On or before 28 February 2022
Strengthen the workforce	21,003	2,653	18,350	On or before 28 February 2022
	82,043	38,696	43,347	

As at 28 February 2021, all the use of net proceeds was in accordance with the intentions previously disclosed in the Prospectus. The remaining unutilised net proceeds as at 28 February 2021 is placed on short-term interest-bearing deposits or treasury products with authorised financial institutions. The delay in utilisation of the proceeds in the abovementioned items were mainly due to (i) the outbreak of the COVID-19 pandemic, which led to temporary suspension of construction works and delay in project progress of the projects undertaken by the Group during FY2020/2021, which in turn affected the amount of upfront costs for projects payable by the Group during FY2020/2021; (ii) the delay in commencement of certain new projects resulting in fewer additional staff required than planned, which resulted in the Group delaying in the application of the net proceeds allocated for strengthening the work force; and (iii) the difficulty in recruiting suitable candidates with the relevant project management experience, the required qualifications and industry knowledge.

The Group intends to utilise the unutilised portion allocated for FY2020/2021 during the coming year ending 28 February 2022. The Group will continue to apply the net proceeds in accordance with the disclosure in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Foreign Exchange Exposure

The headquarters and principal place of business of the Group is in Singapore with its revenue and construction costs mainly denominated in Singapore dollars, which is the functional currency of most 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 year.

However, as the shares of the Company have been listed on the Stock Exchange on 15 January 2020, the Group retains most of the Listing proceeds from denominated in Hong Kong dollars amounting to approximately HK$82.0 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 Assets

As at 28 February 2021, no assets (29 February 2020: the Group pledged its two properties with an aggregate carrying amount of approximately S$0.8 million) was pledged to the banks to secure the banking facilities granted to the Group.

Contingent Liabilities

As at 28 February 2021, the Group had no contingent liabilities (29 February 2020: nil).

Capital Commitments

The Group had no capital commitments as at 28 February 2021 (29 February 2020: nil).

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

Capital Expenditures

For FY2020/2021, the Group's capital expenditure in respect of the acquisition of properties, plant and equipment amounting to approximately S$0.1 million (FY2019/2020: S$0.7 million).

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the year ended 28 February 2021.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the Prospectus, the Group did not have any future plans relating to material investment or capital assets as at 28 February 2021.

Employees and Remuneration Policy

As at 28 February 2021, the Group had a total of 417 (29 February 2020: 559) employees in Singapore, of which approximately 13.7% and 86.3% were Singapore citizens and foreign workers, respectively. With a view to mitigate 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 and the Philippines during the year.

Total staff costs, including Directors' emoluments, salaries, wages and contributions, for FY2020/2021 amounted to approximately S$12.5 million (FY2019/2020: S$16.3 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. Moreover, the employees receive training depending on the department they worked for and the scope of work they dealt with from time to time.

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 the 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

There are no significant events affecting the Group which have occurred after the year ended 28 February 2021 and up to the date of this announcement.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for FY2020/2021 (FY2019/2020: nil).

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the year ended 28 February 2021, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISER'S INTERESTS

As notified by the Company's compliance adviser, Grande Capital Limited (the "**Compliance Adviser**"), as at 28 February 2021, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for the shares of the Company as required under the Listing Rules since the Listing Date and up to the date of this announcement.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 Company. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding directors' securities transactions during the year.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 of the Listing Rules during the year except for the following deviation:

Under the code provision A.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 (the "**Chairman**") of the Board. 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.

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 year ended 28 February 2021.

AUDIT COMMITTEE

The Audit Committee has reviewed the FY2020/2021 Management Figures and discussed with the management of the Company on the accounting principles and policies adopted by the Group.

PUBLICATION OF 2021 AUDITED ANNUAL RESULTS

This unaudited results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at http://www.chianteck.com. The audit of the consolidated financial statements for the year ended 28 February 2021 (the "**Audit**") has not been completed as of the date of this announcement as additional time is required to complete the audit process as disclosed in the section headed "Delay in publication of 2021 Audited Annual Results" in this announcement. Currently, the Company is working closely with the Auditor to arrange the interviews and provide all the necessary information in order to complete the Audit as soon as practicable. Following the completion of the Audit, the Company will issue further announcement(s) in relation to (i) the audited consolidated annual results for the year ended 28 February 2021 as agreed with the Auditor and the material differences (if any) as compared with the unaudited consolidated annual results contained herein; and (ii) the proposed date on which the forthcoming annual general meeting of the Company will be held.

The Board will endeavour to publish the 2021 Audited Annual Results, which shall be agreed with the Auditor as soon as practicable and expected to be on or before 30 June 2021. However, this estimate may be subject to further changes and the Company will make further announcement(s) to keep the Shareholders informed of the latest developments.

FURTHER ANNOUNCEMENT(S)

The Company will issue further announcement(s) as and when necessary if there are other material developments in the progress of the completion of the Audit.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange will be suspended with effect from 9:00 a.m. on 1 June 2021 and will continue to be suspended until further notice.

The financial information contained herein in respect of the consolidated annual results of the Group has not been audited and have not been agreed with the Auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
CTR Holdings Limited
Xu Xuping
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 May 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Xu Xuping and Mr. Xu Tiancheng; and three independent non-executive Directors, namely Mr. Kung Wai Chiu Marco, Mr. Tang Chi Wang and Ms. Wang Yao.