CTR Holdings Limited

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

(Stock Code: 1416)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 28 FEBRUARY 2023

The board (the "**Board**") of directors (the "**Directors**") of CTR Holdings Limited (the "**Company**") hereby announces the audited results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 28 February 2023 together with comparative figures for the corresponding period in 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 28 February 2023

	Notes	**Year ended 28 February 2023** *S$'000*	Year ended 28 February 2022 *S$'000*
Revenue	4	**89,755**	105,678
Construction costs		**(69,805)**	(97,102)
Gross profit		**19,950**	8,576
Other income and gain, net	5	**1,532**	3,340
Administrative expenses		**(11,423)**	(11,454)
Loss allowance provision on financial assets and contract assets, net	6	**(1,506)**	(335)
Finance costs		**(7)**	(6)
Profit before tax	6	**8,546**	121
Income tax expense	7	**(1,671)**	(427)
Profit/(loss) for the year		**6,875**	(306)

	Notes	**Year ended 28 February 2023** *S$'000*	Year ended 28 February 2022 *S$'000*
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(128)**	162
Release of reserve upon disposal of subsidiaries		**–**	(53)
Other comprehensive (expense)/income for the year, net of tax		**(128)**	109
Total comprehensive income/(expense) for the year		**6,747**	(197)
Profit/(loss) attributable to:			
Owners of the Company		**6,875**	(306)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		**6,747**	(197)
Earnings/(loss) per share			
– Basic and diluted (SGD cents)	9	**0.49**	(0.02)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 February 2023

	Notes	As at 28 February 2023 S$'000	As at 28 February 2022 S$'000
Non-current assets			
Property, plant and equipment		**2,511**	2,612
Investment properties		**4,466**	4,317
Right-of-use assets		**235**	360
Contract assets		**13,149**	13,020
Total non-current assets		**20,361**	20,309
Current assets			
Inventories		**69**	52
Contract assets		**16,157**	7,183
Trade receivables	10	**8,803**	10,320
Prepayments, other receivables and deposits		**1,549**	1,564
Amounts due from related parties		**150**	150
Pledged deposits		**706**	–
Time deposits with original maturity over three months		**19,831**	16,068
Cash and cash equivalents		**9,906**	9,141
Total current assets		**57,171**	44,478
Total assets		**77,532**	64,787
Current liabilities			
Contract liabilities		**4,342**	2,500
Trade payables	11	**18,779**	16,611
Other payables and accruals		**2,750**	2,029
Lease liabilities		**48**	91
Income tax payable		**1,791**	408
Total current liabilities		**27,710**	21,639
Net current assets		**29,461**	22,839
Total assets less current liabilities		**49,822**	43,148

	As at 28 February 2023 S$'000	As at 28 February 2022 S$'000
Non-current liabilities		
Lease liabilities	**86**	137
Deferred tax liabilities	**60**	82
Total non-current liabilities	**146**	219
Total liabilities	**27,856**	21,858
Net assets	**49,676**	42,929
Equity attributable to owners of the Company		
Share capital	**190**	190
Reserves	**49,486**	42,739
Total equity	**49,676**	42,929
Total equity and liabilities	**77,532**	64,787

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

CTR Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 24 October 2018 and its shares are listed on The Stock Exchange of Hong Kong Limited with effect from 15 January 2020. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Group is at 21 Woodlands Close #08-11/12, Primz Bizhub, Singapore 737854.

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 is an investment holding company. The principal activities of its subsidiaries are provision of structural engineering works and wet architectural works.

The consolidated financial statements are presented in Singapore dollars ("**SGD**" or "**S$**"), which is different from the Company's functional currency of Hong Kong dollar ("**HK$**"). For the convenience of the financial statements users, the consolidated financial statements are presented in S$ as the board (the "**Board**") of directors of the Company (the "**Directors**") consider that SGD is the functional currency of the primary economic environment in which most of the transactions of the Company and its subsidiaries (the "**Group**") are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in the nearest thousand ("**S$'000**"), except when otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**"). For the purposes of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis.

2. APPLICATION OF AMENDMENTS TO IFRSs

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 March 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Amendments to IFRSs	*Annual Improvements to IFRS Standards 2018–2020*

In addition, the Group applied the agenda decision of the IASB, which are relevant to the Group.

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs, that have been issued but are not yet effective:

IFRS 17 (including the October 2020 and February 2020 Amendments to IFRS 17)	*Insurance Contracts*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[3]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current and related amendments to International Interpretation 5 (2020)*[3]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. OPERATING SEGMENT INFORMATION

The Group focused primarily on the provision of structural engineering works and wet architectural works during both years. 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 2023 *S$'000*	Year ended 28 February 2022 *S$'000*
Customer A	**12,541**	52,291
Customer B	**27,112**	41,302
Customer C	**15,108**	–*
Customer D	**9,323**	–*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Geographical information

All of the Group's total revenue was generated in Singapore and all of the Group's total non-current assets were derived from and located in Singapore.

4. REVENUE

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

	Year ended 28 February 2023 *S$'000*	Year ended 28 February 2022 *S$'000*
Structural engineering works	**83,602**	91,841
Wet architectural works	**6,153**	13,837
Total revenue from contracts with customers	**89,755**	105,678
Timing of transfer of goods or services		
Over time	**89,755**	105,678

(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 to 90 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 2023 *S$'000*	Year ended 28 February 2022 *S$'000*
Amounts expected to be recognised as revenue:		
Within one year	**123,586**	53,241
After one year but within two years	**36,547**	187
	160,133	53,428

The amounts disclosed above do not include variable consideration which is constrained.

5. OTHER INCOME AND GAIN, NET

	Year ended 28 February 2023 *S$'000*	Year ended 28 February 2022 *S$'000*
Foreign exchange gain/(loss), net	**130**	(158)
Government grants*	**513**	1,728
Rendering of services	**167**	573
Rental income	**119**	113
Interest income	**348**	193
Gain on derecognition of intangible asset	**–**	685
Gain on disposal of subsidiaries	**–**	66
Others	**255**	140
	1,532	3,340

* Government grants mainly relate to Jobs Support Scheme, Foreign Worker Levy Rebate, CPF Transit Offset, Wage Credit Scheme, Special Employment Credit, Skills Future Grant and Enterprise Development Grant. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

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

	Year ended 28 February 2023 *S$'000*	Year ended 28 February 2022 *S$'000*
Auditors' remuneration	**200**	260
Construction costs *(Note 1)*	**69,805**	97,102
Depreciation of property, plant and equipment	**427**	417
Depreciation of investment properties	**133**	130
Depreciation of right-of-use assets	**125**	62
(Reversal)/provision of impairment loss on investment properties	**(282)**	185
Gain on disposal of property, plant and equipment	**(16)**	(66)
Loss allowance provision on/(reversal of provision on):		
– Contract assets *(Note 2)*	**1,505**	203
– Trade receivables	**1**	135
– Other receivables	**–**	(3)
Employee benefit expense (including directors' remuneration)		
– Salaries and bonuses	**6,488**	6,767
– Central provident fund contributions	**493**	440
Gross rental income from investment properties	**(119)**	(113)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	**30**	30
	(89)	(83)

Notes:

1 Construction costs included sub-contracting charges, wages and rental expenses for short-term leases of approximately S$28,578,000, S$9,790,000 and S$1,574,000 (2022: S$49,774,000, S$9,077,000 and S$1,922,000) respectively for the year ended 28 February 2023.

2. The Group performed impairment assessment under expected credit loss model on contract assets with gross carrying amount of S$1,287,000 that were credit impaired individually. Impairment loss of approximately S$1,287,000 (2022: S$nil) was recognised on these contract assets during the year ended 28 February 2023.

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 Corporate Income Tax ("**CIT**") has been provided at the rate of 17% (2022: 17%) on the estimated assessable profits arising in Singapore during the year.

Hong Kong Profits Tax is calculated at the rate of 16.5% (2022: 16.5%). No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising in Hong Kong for the years.

	Year ended 28 February 2023 *S$'000*	Year ended 28 February 2022 *S$'000*
Current – Singapore CIT		
Charge for the year	**1,786**	390
Overprovision in respect of prior years	**(93)**	(14)
Deferred tax		
(Reversal) and origination of temporary differences	**(22)**	51
Total tax charge for the year	**1,671**	427

8. DIVIDEND

The directors of the Company do not declare or propose any payment of a dividend for the years ended 28 February 2023 and 2022.

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated as profit/(loss) 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 2023	Year ended 28 February 2022
Profit/(loss) for the year, attributable to owners of the Company used in the computation of basic and diluted earnings/(loss) per share *(S$'000)*	**6,875**	(306)
Number of shares *('000)*		
Weighted average number of ordinary shares for basic earnings/(loss) per share computation	**1,400,000**	1,400,000

No diluted earnings/(loss) per share were presented as the Group had no potentially dilutive ordinary shares in issue during the years ended 28 February 2023 and 2022.

10. TRADE RECEIVABLES

	As at 28 February 2023 ***S$'000***	As at 28 February 2022 *S$'000*
Trade receivables	**9,090**	10,606
Less: Loss allowance provision	**(287)**	(286)
	8,803	10,320

The credit period is generally 30 to 90 days.

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

	As at 28 February 2023 ***S$'000***	As at 28 February 2022 *S$'000*
Within 1 month	**8,200**	8,278
1 to 2 months	**427**	1,904
2 to 3 months	**60**	7
Over 3 months	**116**	131
	8,803	10,320

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 2023 *S$'000*	As at 28 February 2022 *S$'000*
Within 1 month	**12,227**	14,534
1 to 2 months	**5,161**	1,955
2 to 3 months	**819**	120
Over 3 months	**572**	2
	18,779	16,611

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

12. CONTINGENT LIABILITIES

As at 28 February 2023, the Group had contingent liabilities in respect of performance bonds to guarantee for the due and proper performance of the obligations undertaken by the Group's subsidiary for projects amounting to approximately S$17,696,000 (2022: S$14,106,000) in its ordinary course of business. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

During the year ended 28 February 2023, a customer (the "**Customer**") alleged that the Group had not duly performed its contractual obligation and claim for the performance bond with amount of approximately S$1,123,000. The Group had filed an application to the General Division of the High Court of the Republic of Singapore (the "**Court**") against the Customer to restrain the Customer from receiving the sum demanded. On 6 September 2022, the Group was granted an interim injunction by the Court. As at 28 February 2023 and up to the date of this report, the proceeding was still ongoing. No provision was made because the management of the Company is of the opinion that the Court's ruling would be made in favour of the Group after reviewing relevant correspondences.

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 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 28 February 2023, the Group had a total of 30 (2022: 20) projects on hand including 23 (2022: 15) structural engineering projects and 7 (2022: 5) wet architectural projects. The aggregated contract sum of the above projects including variation orders are approximately S$353 million, of which approximately S$193 million has been recognised as revenue up to 28 February 2023. The remaining balance will be recognised as Group's revenue in accordance with the respective stage of completion.

Prospects

The significant easing of pandemic-related restrictions in Singapore enabled the Group to secure more projects during the financial year ended 28 February 2023. Amidst a competitive and challenging business landscape, the construction demand in Singapore is projected to remain strong in 2023 and beyond. The firm demand is largely supported by residential and infrastructure projects in both public and private sectors. The Singapore residential market has a huge potential and the Group plans to tender and undertake some of the construction related works in the residential projects in the foreseeable future.

While the business outlook in Singapore has improved, challenges remain for the construction industry. Against this backdrop, the Group needs to stay vigilant and keep a tight lid on costs to ensure that the on-going projects remain profitable. The Group will continue to adopt a prudent approach in its cash management. In addition, Management will also be selective in its tender of projects and will closely monitor its debt collections to ensure that the Group's cash flows remain healthy.

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:

	FY2022/2023	FY2021/2022
	S$'000	*S$'000*
Structural engineering works	**83,602**	91,841
Wet architectural works	**6,153**	13,837
	89,755	105,678

The Group's revenue decreased by approximately S$15.9 million or 15.1%, from approximately S$105.7 million for the year ended 28 February 2022 ("**FY2021/2022**") to approximately S$89.8 million for the year ended 28 February 2023 ("**FY2022/2023**").

Less than twelve months of construction activities were performed on the new large scale-projects coupled with more small-scale projects undertaken accounted for the lower revenue contribution for the year ended 28 February 2023.

Construction Costs

The Group's construction costs decreased by approximately S$27.3 million or 28.1%, from S$97.1 million for the year ended 28 February 2022 ("**FY2021/2022**") to approximately S$69.8 million for the year ended 28 February 2023 ("**FY2022/2023**").

In line with the decrease in revenue, lower costs were incurred on the purchases of construction materials, sub-contracting services, and rental of machinery and dormitories which amounted to S$28.1 million in aggregate during the year ended 28 February 2023. The easing of the COVID-19 pandemic restrictions also resulted in lower welfare costs incurred in looking after the needs of the foreign workers which amounted to S$0.3 million. Additionally, the reversal of the foreseeable loss on the projects of S$0.7 million further contributed to the lower construction costs.

The above decrease was partly offset by the higher wages paid for the increase in foreign workers, rentals paid for the dormitories, foreign workers levy and sites related expenses of S$1.8 million in aggregate.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately S$11.4 million or 132.6%, from approximately S$8.6 million for the year ended 28 February 2022 ("**FY2021/2022**") to approximately S$20.0 million for the year ended 28 February 2023 ("**FY2022/2023**"). The Group's gross profit margin improved by approximately 14.1% for the year ended 28 February 2023, from approximately 8.1% for the year ended 28 February 2022 to approximately 22.2% for the year ended 28 February 2023. The improvement was attributed to the significant easing of the pandemic-related restrictions which led to a decrease in sub-contracting charges. Additionally, the Group has resolved its labour crunch by hiring more foreign workers for each project which led to greater efficiency and productivity in managing its projects at lower costs.

Other Income

The Group's other income decreased by approximately S$1.8 million or 54.1%, from approximately S$3.3 million for the year ended 28 February 2022 ("**FY2021/2022**") to approximately S$1.5 million for the year ended 28 February 2023 ("**FY2022/2023**"). This was attributed mainly to (i) lower government grants received of approximately S$1.2 million as certain payouts made by the Singapore government to local companies during the COVID-19 pandemic were slowly phased out or ceased; (ii) rendering of service of approximately S$0.4 million; and (iii) absence of one-off gains on derecognitions of intangible assets and disposals of subsidiaries of approximately S$0.7 million in aggregate.

This was partly offset by an increase in (i) interest income of approximately S$0.1 million due to increased time deposits maintained with the local banks; and (ii) higher exchange gain of approximately S$0.3 million resulting from the appreciation of HK$ against SGD during the year ended 28 February 2023.

Administrative Expenses

The Group's administrative expenses decreased marginally by approximately S$0.1 million or 0.3%, from approximately S$11.5 million for the year ended 28 February 2022 ("**FY2021/2022**") to approximately S$11.4 million for the year ended 28 February 2023 ("**FY2022/2023**").

The decrease was mainly due to lower (i) employee benefit expenses of approximately S$0.4 million due to decrease in headcount; (ii) reversal of the entire impairment loss of investment property which resulted in a net gain of S$0.5 million when compared against the previous corresponding year as the valuation of property exceeded its net book value.

This was partly offset by (i) higher upkeep of motor vehicles and travelling expenses of approximately S$0.3 million in aggregate due to increase in motor vehicles and higher diesel prices; and (ii) increase in legal fees of S$0.5 million as the Group factored in the cost of seeking legal advice and application for an injunction to prevent the call of a performance bond by a customer despite that there was no breach of contract.

Loss Allowance Provision on Financial Assets and Contract Assets, Net

The Group's loss allowance increased by approximately S$1.2 million or 349.6%, from approximately S$0.3 million for the year ended 28 February 2022 ("**FY2021/2022**") to approximately S$1.5 million for the year ended 28 February 2023 ("**FY2022/2023**").

The increase in loss allowance provision was mainly due to a specific allowance made on a retention receivable amounting to S$1.1 million due from a customer who is having dispute with the Group. Therefore, the management considered the amount was irrecoverable and made full impairment on the retention receivable.

Finance Cost

There was no material increase in interest expense in respect of the Group's leases for the year ended 28 February 2023.

Income Tax Expense

The Group's income tax expense increased by approximately S$1.3 million or 291.3%, from approximately S$0.4 million for the year ended 28 February 2022 ("**FY2021/2022**") to approximately S$1.7 million for the year ended 28 February 2023 ("**FY2022/2023**"). The increase in income tax expense was in line with the higher taxable profit generated during the year ended 28 February 2023.

Profit for the Year

In the light of the foregoing, the Group turned in a profit after taxation of S$6.9 million in FY2022/2023, reversing from a loss after taxation position of S$0.3 million in previous financial year.

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 share capital of approximately S$0.2 million as at 28 February 2023.

The Group's sources of funding comprise of its cash and cash equivalents and time deposits. As at 28 February 2023, the Group's cash and cash equivalents and time deposits recorded an increase by 18.0% from approximately S$25.2 million as at 28 February 2022 to approximately S$29.7 million, which was mainly due to net cash flows generated from operating activities during the year.

The cash and cash equivalents and time deposits of the Group, mainly denominated in SGD and HKD, are generally deposited with authorised financial institutions. As at 28 February 2023, 99.9% (2022: 96.8%) of the Group's cash and cash equivalents and time deposits was denominated in Singapore dollar and 0.1% (2022: 3.2%) was denominated in Hong Kong dollar.

As at 28 February 2023, the Group had bank facilities with credit limit amounting to approximately S$1.0 million (2022: S$1.0 million), of which approximately S$1.0 million (2022: S$1.0 million) was unutilised.

Gearing Ratio

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

As at 28 February 2023, the gearing ratio of the Group was negative, which was mainly due to the significant amount of Group's cash and cash equivalents and time deposits from the listing proceeds (2022: negative).

Treasury Policy

The Group has continued to implement a prudent financial management policy and maintained healthy liquidity and capital ratios in order to support its business and maximise shareholders' value during the year. The Group strives to reduce credit risk by conducting ongoing credit assessments and trading with recognised and creditworthy customers. To maintain a balance between continuity of funding and flexibility through the use of funds generated from operations, the management of the Group closely monitors the overall business performance and liquidity position. Taking into account the cash at banks, net proceeds of the share offer ("**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 2023:

	Planned use of proceeds	**Actual use of proceeds from Listing Date to 28 February 2023**	**Unutilised balance as at 28 February 2023**
	HK$'000	*HK$'000*	*HK$'000*
Payment of upfront costs for projects	61,040	61,040	–
Strengthen the workforce	21,003	21,003	–
	82,043	82,043	–

As at 28 February 2023, the net proceeds raised was fully utilised for the intended purposes as listed above.

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 year ended 28 February 2023.

Investments or Capital Assets

Save as disclosed under the section headed "Use of Proceeds" in this announcement, the Group did not have other future plans for material investments or capital assets as at 28 February 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.

However, the Group retains most of the listing proceeds from denominated in Hong Kong dollars amounting to approximately HK$12.3 million that are exposed to fluctuations in foreign exchange rate risks. The Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of Asset

As at 28 February 2023, S$0.7 million (2022: nil) of the pledged deposits was placed as a banker's guarantee in relation to a structural engineering project.

Contingent Liabilities

Save for the disclosure set out in note 12 to this announcement, the Group has no material contingent liabilities.

Capital Commitments

The Group had no capital commitments as at 28 February 2023 (2022: nil).

Capital Expenditures

For FY2022/2023, the Group's capital expenditure in respect of the acquisition of properties, plant and equipment and right-of-use assets amounting to approximately S$0.3 million and nil (2022: S$0.5 million and S$0.4 million) respectively.

Employees and Remuneration Policy

As at 28 February 2023, the Group had a total of 479 (2022: 485) employees in Singapore, of which comprising 9.8% was Singapore citizens and 90.2% 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 FY2022/2023 amounted to approximately S$16.8 million (2022: 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.

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 an eligible employees of the Group.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for FY2022/2023 (2022: 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 2023, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

SUBSEQUENT EVENTS

There have been no other material events occurring after 28 February 2023 and up to the date of this announcement.

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 Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") 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 during the year.

CORPORATE GOVERNANCE

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 during the year 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.

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 2023.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's audited financial results for the year ended 28 February 2023 and discussed with the management and the auditor of the Company on the accounting principles and policies adopted by the Group with no disagreement by the audit committee of the Company.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The following is an extract from the independent auditors' report on the Group's consolidated financial statements for the year ended 28 February 2023:

Qualified Opinion

In our opinion, except for the possible effects on the corresponding figures of the matters described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 28 February 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

Corresponding figures

We expressed a disclaimer of opinion in our auditors' report dated 31 May 2022 on the consolidated financial statements of the Group for the financial year ended 28 February 2022 (the "**2022 Financial Statements**"). Details of the matters which led to our disclaimer of opinion on the 2022 Financial Statements are set out in the sub-sections headed "(1) Scope limitation – recognition of the intangible assets and the deposits relating to a distribution agreement"; and "(2) Scope limitation – recognition of marketing expenses" in the "Basis for Disclaimer of Opinion" section of our auditors' report on the 2022 Financial Statements (the "**Sub-Sections**").

In relation to the matters related to the intangible assets (the "**Intangible Assets**") and the deposits (the "**Deposits**") relating to a distribution agreement, as explained in the Sub-Sections, during the year ended 28 February 2022, the Group obtained refunds which amounted in aggregate to approximately S$1,740,000 (equivalent to HK$10,050,000) of the payments made in the year ended 28 February 2021 for the acquisition of the Intangible Assets and for the Deposits. As a result, the Group derecognised the Intangible Assets and the Deposits in the year ended 28 February 2022 and recognised a gain on derecognition of the Intangible Assets of S$685,000 (equivalent to HK$3,955,000) as other income and gain in consolidated profit or loss for the year ended 28 February 2022. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence and occurrence, rights and obligations and accuracy and valuation of the Intangible Assets and the Deposits and the validity, business rationale, commercial substance and legitimacy of the payment transactions in the year ended 28 February 2021 that led to the recognition by the Group of the Intangible Assets and the Deposits. Any adjustments found necessary in respect of these matters would affect the presentation and classification of the related expense, loss and income for the year ended 28 February 2022 and the related elements making up, and disclosures in, the consolidated financial statements of the Group in respect of the comparative figures for the year ended 28 February 2022.

Further, as disclosed in note 32 to the consolidated financial statements, a gain on disposal of subsidiaries of S$66,000 was recognised in consolidated profit or loss for the year ended 28 February 2022 in relation to the disposal of Promontory and its subsidiary ("**Promontory Group**") on 28 February 2022. The financial performance and cash flows of Promontory Group for the year ended 28 February 2022 were included in consolidated profit or loss, other comprehensive income and cash flows of the Group for the year ended 28 February 2022 up until the date of disposal and the carrying amounts of the assets and liabilities of Promontory Group as at 28 February 2022 were included in the determination of the gain on disposal of Promontory Group. The opening balances of the assets of Promontory Group as at 1 March 2021 entered into the determination of the financial performance and cash flows of the Group for the year ended 28 February 2022 and might have carry-over effects on the carrying amounts of the assets and liabilities of Promontory Group as at 28 February 2022 which were included in the determination of the gain of disposal of Promontory Group for the year ended

28 February 2022. Hence any adjustments found necessary in respect of the matters described above in relation to the Intangible Assets and the Deposits as at 28 February 2021 would also affect the financial performance and cash flows of the Group for the year ended 28 February 2022 and the related elements making up, and disclosures in, the consolidated financial statements of the Group in respect of the comparative figures for the year ended 28 February 2022.

In relation to the matters related to the marketing expenses (the "**Marketing Expenses**"), as explained in the Sub-Sections, during the year ended 28 February 2022, an amount of approximately S$336,000 (equivalent to HK$1,900,000) was refunded to Promontory upon the termination of the marketing promotion and the remaining balance of approximately S$105,000 (equivalent to HK$600,000) paid by Promontory in the year ended 28 February 2021 under the marketing promotion services contract entered into in the year ended 28 February 2021 was treated by Promontory as settlement of the outstanding balance under the marketing research services contract entered into in the year ended 28 February 2021. As a result, the Group recognised an amount of approximately S$336,000 (equivalent to HK$1,900,000) as prepayment for marketing promotion in consolidated statement of financial position as at 28 February 2021. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the validity, commercial substance, business rational, legitimacy, occurrence, completeness, accuracy and classification of the payment transactions in the year ended 28 February 2021 under the marketing promotion services contract and marketing research services contract. As opening balances of the assets as at 1 March 2021 entered into the determination of the financial performance and cash flows of the Group for the year ended 28 February 2022 and might have carry-over effects on the carrying amounts of the assets and liabilities of Promontory Group as at 28 February 2022 which were included in the determination of the gain of disposal of Promontory Group for the year ended 28 February 2022, any adjustments found necessary in respect of these matters in relation to the prepayment for marketing promotion would affect the financial performance and cash flows of the Group for the year ended 28 February 2022 and the related elements making up, and disclosures in, the consolidated financial statements of the Group in respect of the comparative figures for the year ended 28 February 2022.

Our audit opinion on the 2022 Financial Statements was modified accordingly in respect of the matters described above. Our opinion on the current year's consolidated financial statements is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 28 February 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 28 February 2023. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at http://www.ctrholdings.com. The annual report of the Company for the year ended 28 February 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, 29 May 2023

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