



# CTR Holdings Limited

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

(Stock Code: 1416)

2024/25 ANNUAL REPORT



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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

Mr. Lee Tsi Fun Nicholas (appointed on 25 April 2025)  
Ms. Fung Mei Ling (resigned on 25 April 2025)

### AUTHORISED REPRESENTATIVES

Mr. Xu Xuping  
Mr. Lee Tsi Fun Nicholas (appointed on 25 April 2025)  
Ms. Fung Mei Ling (resigned on 25 April 2025)

### 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](http://www.ctrholdings.com)

### STOCK CODE

1416

## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of CTR Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 28 February 2025.

The financial year 2024/2025 marked a period of robust performance and strategic progress for the Group. Despite persistent macroeconomic headwinds including inflationary pressures, geopolitical uncertainties, and tightening labour markets. The Group delivered strong revenue growth and net profit. This achievement reflects our disciplined execution, operational efficiency, and the unwavering dedication of our team.

Singapore's construction sector remains resilient, with demand projected to reach between S\$47 billion and S\$53 billion in 2025. However, challenges such as rising material costs, labour shortages, and supply chain volatility continue to test the industry. In response, we strengthened our project portfolio, securing high-value contracts in both public and private sectors, enhanced cost management through strategic procurement and productivity improvements, mitigating margin pressures and maintained a debt-free balance sheet, ensuring financial flexibility to capitalize on growth opportunities.

Our focus for the coming year includes prioritizing projects with sustainable margins and reliable partners. We are actively maintaining our core strengths in structural engineering and architectural works to maximize value for our shareholders while building sustainable competitive advantages. As market conditions evolve, we remain committed to seizing high potential opportunities with the same disciplined approach that has strengthened our balance sheet and enhanced our market position.

I extend my deepest appreciation to our shareholders, clients, and employees for their trust and hard work. While global uncertainties persist, the Group is well-positioned to navigate challenges and capitalize on Singapore's construction momentum. With a healthy order book and a prudent financial strategy, we are cautiously optimistic about FY2025/2026.

Together, we will build a sustainable future. Thank you for your continued support.

Sincerely,

**CTR Holdings Limited**

**Xu Xuping**

*Chairman, Chief Executive Officer, and Executive Director*

29 May 2025



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

### 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.

The Group had completed 15 and 13 projects in 2025 and 2024. As at 28 February 2025, the Group had a total of 20 (2024: 28) projects on hand including 16 (2024: 22) structural engineering projects and 4 (2024: 6) wet architectural projects. The aggregated contract sum of the above projects including variation orders are approximately S\$524 million, of which approximately S\$271 million has been recognised as revenue up to 28 February 2025. The remaining balance will be recognised as Group's revenue in accordance with the respective stage of completion.

### Prospects

The Building and Construction Authority (BCA) projects the total construction demand, i.e. the value of construction contracts to be awarded, to range between S\$47 billion and S\$53 billion in nominal terms in 2025. Over the medium-term, BCA expects the total construction demand to reach an average of between S\$39 billion and S\$46 billion per year from 2026 to 2029.

While the business outlook remains positive, challenges such as cost management and maintaining profitability remain. The Group will adopt a prudent approach to cash management, be selective in project tenders, and closely monitor debt collections to ensure healthy cash flows.

## 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:

	FY2024/2025 S\$'000	FY2023/2024 S\$'000
Structural engineering works	189,124	126,333
Wet architectural works	17,794	23,884
	206,918	150,217

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group's revenue increased significantly by approximately S\$56.7 million or 37.7% from S\$150.2 million for the year ended 29 February 2024 ("FY2023/2024") to approximately S\$206.9 million for the year ended 28 February 2025 ("FY2024/2025"). This increase is attributed to the higher volume of construction activities performed during the year and the securing of more large-scale projects.

## Construction Costs

The Group's construction costs increased by approximately S\$47.4 million or 35.2% from S\$134.8 million for FY2023/2024 to approximately S\$182.2 million FY2024/2025. This increase is in line with the rise in revenue and reflects higher costs incurred for materials, and sub-contracting services.

## Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately S\$9.3 million or 60.3% from S\$15.4 million for FY2023/2024 to approximately S\$24.7 million for FY2024/2025. The Group's gross profit margin increased from approximately 10.3% for the year ended 29 February 2024, to approximately 11.9% for the year ended 28 February 2025, primarily due to (i) revenue growth stemming from the timely delivery of multiple major construction projects alongside accelerated execution of key contracts; and (ii) the Group has secured several large contracts with higher margin.

## Other Income

The Group's other income decreased slightly by approximately S\$0.1 million or 1.2%, from approximately S\$1.5 million for FY2023/2024 to approximately S\$1.4 million for FY2024/2025. The reduction is mainly due to lower government grants received.

## Administrative Expenses

The Group's administrative expenses increased by approximately S\$2.6 million or 19.2%, from approximately S\$13.6 million for FY2023/2024 to approximately S\$16.2 million for FY2024/2025. The increase is due to higher employee benefit.

## Finance Cost

There was no material increase in interest expense in respect of the Group's leases for the year ended 28 February 2025.

## Income Tax Expense

The Group's income tax expense increased by approximately S\$1.1 million or 143.6%, from approximately S\$0.7 million for FY2023/2024 to approximately S\$1.8 million for FY2024/2025. This increase aligns with the higher taxable profit generated during the year.

## Profit for the Year

The Group's profit for the year increased by approximately S\$5.1 million or 190.8% from approximately S\$2.7 million for FY2023/2024 to approximately S\$7.8 million for FY2024/2025. This increase is primarily due to higher gross profit margin.



## 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 share capital of approximately S\$0.2 million as at 28 February 2025.

The Group's sources of funding comprise of its cash and cash equivalents and time deposits. The Group's cash and cash equivalents and time deposits recorded an increase by 8.2% from approximately S\$42.7 million as at 29 February 2024 to approximately S\$46.2 million as at 28 February 2025, 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 2025, 99.9% (2024: 99.9%) of the Group's cash and cash equivalents and time deposits was denominated in Singapore dollars and 0.1% (2024: 0.1%) was denominated in Hong Kong dollars.

As at 28 February 2025, the Group had no bank facilities with credit limit (2024: S\$1.0 million, of which approximately 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 2025, 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 (2024: 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, 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.



# MANAGEMENT DISCUSSION AND ANALYSIS



## 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 2025.

## Investments or Capital Assets

The Group did not have other future plans for material investments or capital assets as at 28 February 2025.

## Foreign Exchange Exposure

The headquarters and principal 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.

As at 28 February 2025, the Group has maintained only 0.1% of its cash and cash equivalents in Hong Kong dollars for its compliance costs in Hong Kong. Accordingly, the Group's exposure to foreign exchange rate risks is substantially minimised.

## Pledge of Asset

As at 28 February 2025, (2024: 0.7 million) no pledged deposits was placed as a banker's guarantee in relation to a structural engineering project.

## Contingent Liabilities

As at 28 February 2025, 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\$25,165,000 (2024: S\$17,059,000) in its ordinary course of business. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

## Capital Commitments

The Group had no capital commitments as at 28 February 2025 (2024: nil).

## Capital Expenditures

For FY2024/2025, the Group's capital expenditure in respect of the acquisition of properties, plant and equipment amounting to approximately S\$0.3 million (2024: S\$0.9 million).



Employees and Remuneration Policy

As at 28 February 2025, the Group had a total of 439 (2024: 480) employees in Singapore, of which comprising 9.3% (2024: 7.9%) was Singapore citizens and 90.7% (2024: 92.1%) 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 FY2024/2025 amounted to approximately S\$24.0 million (2024: S\$23.7 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 an eligible employees of the Group.

Annual General Meeting

The annual general meeting of the Company will be held on Thursday, 28 August 2025. The notice of annual general meeting and the necessary information on issues to be considered in the annual general meeting will be set out in the circular to be dispatched to the shareholders of the Company in due course.

Closure of the Register of Members

The register of members of the Company will be closed from Monday, 25 August 2025 to Thursday, 28 August 2025 (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement to attend and vote at the AGM of the Company, all transfer document, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 August 2025.

# BIOGRAPHY OF THE DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Mr. Xu Xuping (許旭平)** ("Mr. XP Xu"), aged 40, was appointed as a Director on 24 October 2018 and was designated as the chief executive officer of the Group, the chairman of the Board and an executive Director on 1 November 2018. He is responsible for formulating and implementing company policy and business strategies of the Group. Mr. XP Xu has over 16 years of experience in the construction industry in Singapore and in managing companies. He was appointed as a director of the subsidiaries of the Company, Chian Teck Development Pte. Ltd. ("CTD") and Chian Teck Realty Pte. Ltd. ("CTR"), in January 2007 and in June 2010, respectively, and was appointed as a director of the investment holding company, Pinnacle Shine Limited, in August 2018. Mr. XP Xu has been the managing director of CTR since March 2009. He is also a director of Brave Ocean Limited, the controlling shareholder of the Company. His main responsibilities as managing director of CTR include, among others, liaising with existing customers, meeting with potential customers and overseeing the management of projects. Mr. XP Xu is one of the controlling shareholders of the Company and the brother of Mr. Xu Tiancheng, an executive Director and one of the controlling shareholders of the Company. Mr. XP Xu is also the son of Ms. Gou Shuzhen ("Ms. Gou"), one of the controlling shareholders and the cousin of Mr. Xu Kunfu ("Mr. KF Xu"), a member of the senior management.

Mr. XP Xu obtained a Diploma in Building & Property Management from Singapore Polytechnic in Singapore in May 2005 and a Bachelor of Applied Science degree in Construction Management with first class honours from the Royal Melbourne Institute of Technology in Australia (through distance learning) in August 2009.

**Mr. Xu Tiancheng (許添城)** ("Mr. TC Xu"), aged 38, was appointed as a Director on 24 October 2018 and was designated as an executive Director on 1 November 2018. He is responsible for overseeing the accounts, information technology and operational matters of the Group. He was appointed as a director of the subsidiaries of the Company, CTR and CTD, in March 2009 and in June 2011, respectively. Mr. TC Xu has over 15 years of experience in the construction industry in Singapore. Since March 2009, Mr. TC Xu has been a director of the subsidiary, CTR, and is mainly responsible for overseeing the management of wet architectural projects of CTR. His duties include conducting site visits from time to time, planning the allocation of resources, and participating in the tender of projects involving wet architectural works. He is also responsible for accounts, information technology and operational matters of CTR. Mr. TC Xu is one of the controlling shareholders of the Company and the brother of Mr. XP Xu, the chief executive officer of the Group, the chairman of the Board, an executive Director and one of the controlling shareholders of the Company. Mr. TC Xu is also the son of Ms. Gou, one of the controlling shareholders and the cousin of Mr. KF Xu, a member of the senior management.

Mr. TC Xu obtained a Diploma in Business Information Technology from Singapore Polytechnic in Singapore in March 2007. Mr. TC Xu also obtained a Bachelor of Science degree in Accounting and Finance with Honours from the University of London in the United Kingdom (through distance learning) in August 2011 while concurrently serving as directors of CTR and CTD.



## BIOGRAPHY OF THE DIRECTORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr Kung Wai Chiu Marco (孔維釗博士)** (“Dr Kung”), aged 51, was appointed as an independent non-executive Director on 22 November 2019. He also serves as the chairman of the audit committee of the Company and a member of remuneration committee and nomination committee of the Company. He is responsible for providing independent advice to the Board.

Dr Kung has over 27 years of experience in the business advisory and auditing field. 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 authorised 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 to December 2023.

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 also 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 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 and The Hong Kong Chartered Governance Institute.

## BIOGRAPHY OF THE DIRECTORS AND SENIOR MANAGEMENT

**Mr. Tang Chi Wang (鄧智宏)** (“Mr. Tang”), aged 47, was appointed as an independent non-executive Director on 22 November 2019. He also serves as the chairman of nomination committee of the Company and a member of audit committee and remuneration committee of the Company. He is responsible for providing independent advice to the Board.

Mr. Tang has over 28 years of experience in building construction in Hong Kong. From September 1996 to July 1999, Mr. Tang worked at the Housing Department of the Government of Hong Kong, with his last position as works supervisor I. From September 2000 to September 2007, Mr. Tang worked at a surveyor company and other companies in the private sector and held various positions including assistant building surveyor, senior maintenance officer and projects manager. From September 2007 to September 2010, from September 2010 to March 2011 and from March 2011 to November 2011, Mr. Tang was a project manager of ISG Asia (Hong Kong) Limited, Green Solution Interior Design and Decoration Company Limited and S&Techs (Hong Kong) Limited, respectively. Since April 2012, Mr. Tang has been a director of Advise Building Consultancy Limited, a company incorporated in Hong Kong, where he is primarily responsible for the overall management of its business operation. In addition, Mr. Tang has been an independent non-executive director of Thelloy Development Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1546), since September 2015. Mr. Tang was the independent non-executive director of Silver Tide Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1943) from April 2021 to October 2022.

Mr. Tang obtained a Diploma in Building Studies from the Morrison Hill Technical Institute (now renamed the Hong Kong Institute of Vocational Education (Morrison Hill)) in Hong Kong in August 1996, a Higher Diploma in Surveying from the City University of Hong Kong in Hong Kong in November 1999, a Bachelor of Science (Honours) degree in Building Surveying from the University of Northumbria at Newcastle in the United Kingdom in June 2000, a Postgraduate Diploma in Arbitration from The College of Estate Management in the United Kingdom (through distance learning) in January 2005, a Bachelor of Laws (Honours) from the University of London in the United Kingdom in August 2008 and a Master of Public Administration degree from the Hong Kong Baptist University in Hong Kong in November 2011.

Mr. Tang was admitted as a fellow of The Chartered Institute of Arbitrators, Hong Kong Institute of Arbitrators, Hong Kong Institute of Construction Managers, The Chartered Association of Building Engineers and The Hong Kong Institute of Surveyors in July 2007, July 2008, December 2012, February 2014 and November 2015, respectively. In January 2003 and October 2008, he was also respectively admitted as a member of The Chartered Institute of Building and the Royal Institution of Chartered Surveyors.

**Ms. Wang Yao (王瑤)** (“Ms. Wang”), aged 59, was appointed as an independent non-executive Director on 22 November 2019. She also serves as the chairman of remuneration committee of the Company and a member of audit committee and nomination committee of the Company. She is responsible for providing independent advice to the Board.

Ms. Wang has over 32 years of experience in the construction industry in Singapore and in the PRC. Ms. Wang worked at Shenyang Designing Institute of Building from May 1992 to February 1998 with her last position as structural (civil) engineer, where she participated in construction and structural design projects. Ms. Wang worked at Lee Yuen Engineering Pte. Ltd. (Singapore) from February 1998 to February 2007 with her last position as production manager. Subsequently, Ms. Wang worked as a project manager at United Reliance Engineering Pte. Ltd. from October 2008 to April 2009 where her duties included design development, sourcing and supervising subcontractors and ensuring the implementation of proper quality assurance and quality control plan. Since November 2009 and October 2014, Ms. Wang has been a senior project manager at Wellbuilt Pte. Ltd. and Wellbuilt Construction Pte. Ltd., respectively. Wellbuilt Pte. Ltd. principally engages in the business of installation of structure steel, manufacture of steel structural component and fabrication of steel parts while the principal activities of Wellbuilt Construction Pte. Ltd. include the erection of steel structure. She was also a director at Wellbuilt Pte. Ltd. from November 2009 to January 2011 and has been a chief executive officer at Wellbuilt Construction Pte. Ltd. since October 2014. In addition, she has served as a director of Wellbuilt Street Pte. Ltd. since January 2020.



## BIOGRAPHY OF THE DIRECTORS AND SENIOR MANAGEMENT

Ms. Wang obtained a Bachelor's degree in Engineering, majoring in Agricultural Construction in July 1989 from Shenyang Agricultural University (瀋陽農業大學) in the PRC.

### SENIOR MANAGEMENT

**Mr. Xu Kunfu (許坤福)** ("Mr. KF Xu"), aged 39, joined the Group in December 2011 as manager and was later appointed as a director of CTR, the subsidiary of the Company, in February 2013. He is also the head of human resources and health, safety and environmental matters of the Group, responsible for supervising the human resources and health, safety, environmental, and operational matters of the Group.

Mr. KF Xu has over 13 years of experience in the construction industry in Singapore. Prior to joining the Group, Mr. KF Xu worked as management trainee at Tractors Singapore Pte. Ltd. from June 2011 to December 2011.

Mr. KF Xu obtained a Diploma in Engineering Informatics from Nanyang Polytechnic in Singapore in March 2006 and a Bachelor of Science degree in Business Administration (magna cum laude) from the State University of New York at Buffalo in the United States in February 2011.

Mr. KF Xu is the cousin of Mr. XP Xu and Mr. TC Xu, the executive Directors and the controlling shareholders of the Company.

**Mr. Liu Jianzhong (劉建忠)** ("Mr. JZ Liu"), aged 54, joined the Group as a project manager in August 2010 and was later promoted to the position of general manager in August 2017. Mr. JZ Liu is responsible for overseeing the general management of projects and operation of the Group.

Mr. JZ Liu has over 23 years of experience in site management in the construction industry in Singapore. Prior to joining the Group, Mr. JZ Liu worked as a project engineer at Eng Lim Construction Co. (Pte) Ltd. from July 2002 to December 2008, with his last position as structural site manager. From February 2009 to February 2010, Mr. JZ Liu worked as a carpenter supervisor at SD Construction Pte. Ltd. He then worked as a building construction supervisor and general foreman at Zhongyu Construction Group Co., Ltd. (Singapore branch) from January 2010 to January 2011.

Mr. JZ Liu has attended and completed various courses in relation to supervision and safety in the construction workplace. He obtained a Certificate of Completion of the "Formwork Safety Course for Supervisors" from Absolute Kinetics Consultancy Pte. Ltd., a course which is approved by the Ministry of Manpower of Singapore Government, in August 2008. In June 2016, he obtained a certificate of successful completion of the "Construction Safety Course for Project Managers" from Ever Safe Consultants Pte. Ltd., a course which is approved by the Singapore Accreditation Council (SAC) for Construction Safety Course for Project Managers. He also obtained a certificate of successful completion of the "CET for CoreTrade Supervisor (Structural) course" issued by the Building and Construction Authority in Singapore in May 2018.

Mr. JZ Liu graduated from Changxing Hongxingqiao Junior High School in the PRC in June 1986. He was also awarded a certificate of competence in January 1995 by the Ministry of Construction of PRC for passing the relevant training courses organised by Zhejiang Provincial Association for Construction Industry for project managers of construction enterprises in China.

## BIOGRAPHY OF THE DIRECTORS AND SENIOR MANAGEMENT

**Mr. Liu Honggeng (劉洪耕)** (“Mr. HG Liu”), aged 58, has been the project director of the Group since September 2016. Mr. HG Liu is responsible for overseeing the management of projects of the Group, including the planning and execution of projects from commencement until completion.

Mr. HG Liu has over 25 years of experience in project management in the construction industry in Singapore. Prior to joining the Group, Mr. HG Liu worked as a site engineer at Wee Hur Construction Pte. Ltd. between June 1997 and September 2005 and he rejoined Wee Hur Construction Pte. Ltd. as a project manager from March 2008 to September 2016.

Mr. HG Liu obtained his Bachelor’s degree of Engineering from the Shanghai Institute of Railway Technology (上海鐵道學院) (currently known as Tongji University (同濟大學) in the PRC) majoring in industrial and civil building in July 1988.

**Ms. Yap Hui Yan (葉慧妍)** (“Ms. Yap”), aged 36, joined the Group as the chief financial officer in July 2018. She is primarily responsible for overseeing the financial reporting and management, internal control and compliance matters of the Group.

Ms. Yap has over 14 years of experience in audit and financial management in Singapore. Prior to joining the Group, she worked at Zee 2 Zee Corporate Services Pte. Ltd. between April 2010 and May 2013 where she had taken up positions including accounts and administrative assistant and accounts executive. She then joined Paul Go & Co, a public accounting firm, from July 2013 to August 2015 with her last position as semi audit senior. Subsequently, she worked as an audit senior at Reanda Adept PAC, from December 2015 to January 2018. She was then employed as a project manager at One Investment & Consultancy Limited from January 2018 to June 2018.

Ms. Yap obtained a certificate issued by the Association of Chartered Certified Accountants for completing the Fundamentals Level of the Association of Chartered Certified Accountants examinations in December 2009. She further obtained a certificate issued by the Association of Chartered Certified Accountants for completing the Professional Level of the Association of Chartered Certified Accountants examinations in February 2013. Ms. Yap was admitted as a member of the Institute of Singapore Chartered Accountants in November 2017 and is qualified as a Chartered Accountant of Singapore.

Corporate governance provides the framework within which the board forms their decisions and build their businesses. The Company is committed to achieving good corporate governance and focusing on creating long-term sustainable growth for the shareholders of the Company and delivering long-term values to all stakeholders. An effective corporate governance structure allows the Company to have a better understanding of, evaluate and manage, risks and opportunities. The Company adopted all the code provisions in the Corporate Governance Code (the “CG Code”) in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange as its own code on corporate governance practices.

During the year, the Company had complied with the code provisions set out in Part 2 of the CG Code with the exception of the code provision C.2.1. Details of such deviation are explained below.

**BOARD OF DIRECTORS**

The Company is governed by the Board which is responsible for formulating and implementing company policies and business strategies of the Group; overseeing the accounts, information technology and operational matters of the Group; and providing independent advice to the Board. The Board sets the overall strategy and directions for the Group with a view to developing its business and enhancing the shareholder value.

The Board meets regularly throughout the year to formulate overall strategy, monitor business development as well as the financial performance of the Group. The Board has delegated certain duties and authorities to the management of the Company for supervising the human resources and health, safety, environmental, and operational matters of the Group; overseeing the financial reporting and management, internal control and compliance matters of the Group; overseeing the general management of projects and operation of the Group; overseeing the management of projects of the Group, including the planning and execution of projects from commencement until completion; and overseeing the management of the Group’s operation from business development to project execution, including the procurement of contracts as well as value engineering the projects of the Group.

The Board established mechanism to ensure independent views and input are available to the Board. The independent non-executive Directors of the Company (the “INEDs”) support the effective discharge of the duties and responsibilities of the Board and bring independent views and input to the Board. In addition, the Board, Board committees or individual Directors may seek independent professional advice, views and input, which shall include but not limited to legal advice, advice of accountants and advice of other professional financial advisors, as considered necessary to fulfil their responsibilities and in exercising independent judgment when making decisions in furtherance of their Directors’ duties at the Company’s expense.

The Board is responsible for determining the appropriate corporate governance practices applicable to the Company’s circumstances and ensuring systems, processes and procedures in place to achieve the Company’s corporate governance objectives; reviewing and monitoring the training and continuous professional development of Directors and senior management and the Company’s policies, practices and guidelines on compliance with legal and regulatory requirements, and etc.. The Board may discharge its corporate governance duties by establishment of board committees and delegation of certain management and administration functions to the management. During the year, the Board reviewed the compliance with the CG Code and the effectiveness of the risk management and internal controls systems of the Group.



# CORPORATE GOVERNANCE REPORT

The Board currently comprises 2 executive Directors, namely Mr. Xu Xuping (chairman and chief executive officer (the “CEO”)) and Mr. Xu Tiancheng; and 3 INEDs, namely Dr Kung Wai Chiu Marco, Mr. Tang Chi Wang and Ms. Wang Yao. Mr. Xu Xuping and Mr. Xu Tiancheng are also the cousin of Mr. Xu Kunfu, a member of the senior management of the Company. Mr. Xu Xuping is the brother of Mr. Xu Tiancheng.

The attendance records of the Directors for the regular Board, Board committees and general meetings of the Company for the year are as follows:

Directors	No. of meetings attended/No. of meetings held				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
<b>Executive Directors</b>					
Mr. Xu Xuping ( <i>Chairman and CEO</i> )	5/5	N/A	N/A	N/A	1/1
Mr. Xu Tiancheng	5/5	N/A	N/A	N/A	1/1
<b>Independent Non-Executive Directors</b>					
Dr Kung Wai Chiu Marco	5/5	3/3	3/3	2/2	1/1
Mr. Tang Chi Wang	5/5	3/3	3/3	2/2	1/1
Ms. Wang Yao	5/5	3/3	3/3	2/2	1/1

In compliance with the Listing Rules, the Company appointed INEDs with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company received annual confirmation of independence under Rule 3.13 of the Listing Rules from each of the INEDs and believes that their independence is in compliance with the Listing Rules.

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 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.

The term of appointment pursuant to the letters of appointment of Dr Kung Wai Chiu Marco, Mr. Tang Chi Wang and Ms. Wang Yao is for a period of 3 years till January 2023 and the term of service shall be renewable automatically for a successive term of 3 years each commencing from the expiry of the then current term of the appointment, unless terminated by either party giving to the other party not less than 3 months’ notice in writing. The non-executive Directors are subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting of the Company pursuant to the second amended and restated articles of association of the Company (the “Articles of Association”).



# CORPORATE GOVERNANCE REPORT

## 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 C3 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 during the year.

## CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

During the year, according to the records provided by the Directors, the participation by each Director in the continuous professional development (“CPD”) was recorded as follows:

The executive Directors, Mr. Xu Xuping and Mr. Xu Tiancheng, participated in CPD activities by way of reading materials covering topics including economy, corporate governance and directors’ duties and responsibilities.

The INED, Dr Kung Wai Chiu Marco, participated in CPD activities by way of attending training and reading materials covering topics including Companies (Amendment) Ordinance, annual corporate and regulatory update and international tax system.

The INED, Mr. Tang Chi Wang, participated in CPD activities by way of attending training and reading materials covering topics including guide for independent non-executive directors and director’s ethics.

The INED, Ms. Wang Yao, participated in CPD activities by way of reading materials covering topics including economy, corporate governance and directors’ duties and responsibilities.

## BOARD DIVERSITY POLICY

The Company adopted a board diversity policy (the “Board Diversity Policy”) which sets out the approach to achieve a higher level of diversity and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company aims to build and maintain a Board with a diversity of Directors, in terms of, amongst other things, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of services, and any other factors that the Board may consider relevant and applicable from time to time, such as independence. These differences will be taken into account in determining the optimum composition of the Board.

In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, independence and length of service, and any other factors that the Board may consider relevant and applicable from time to time.

The nomination committee of the Company (the “NC”) will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Emphasis should be placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively and support good decision making in view of the core businesses and strategy of the Group.

# CORPORATE GOVERNANCE REPORT

The NC will discuss and agree annually measurable objectives that the Board has set for implementing the Board Diversity Policy for nomination of directors to the Board and recommend them to the Board for adoption. The NC monitors the implementation of the Board Diversity Policy, reviews and assesses annually the composition of the Board under diversified perspectives and makes recommendations to the Board on appointment of new directors of the Company. The NC also oversees the conduct of the annual review of the effectiveness of the Board.

The Board currently comprises 1 female Director and 4 male Directors. The Board has already met the objective of having at least 1 female representative on its board. She is based in Singapore and possessed the relevant experience in the construction industry who can provide valuable insights to the Board.

The NC will ensure that female candidates are included for consideration whenever it seeks to identify a new director to the Board. The Group will basically rely on its contacts or referrals to develop its pipeline of potential successors to the Board. Gender is one aspect of diversity and a new director will continue to be selected on the basis of his/her skills, experience, knowledge, insights and relevance to the Board. The Board Diversity Policy and the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board.

There is no specific gender ratio that the Group is striving to achieve as long as the employees possess the necessary experience, skills and knowledge to perform his/her work. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. In our construction industry, it is currently dominated by males as a lot of physical works are involved, so achieving gender diversity is a big challenge. As at 28 February 2025, the Group has 439 employees under its payroll, comprising 384 males and 55 females as compared against 430 males and 50 females in the previous year; and the gender ratio of the Group's workforce (including senior management) was 87.5% (2024: 89.6%) male and 12.5% (2024: 10.4%) female.

## REMUNERATION COMMITTEE

The Company established a remuneration committee in November 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The remuneration committee of the Company (the "RC") comprises 3 INEDs, namely Ms. Wang Yao, Dr Kung Wai Chiu Marco and Mr. Tang Chi Wang. The committee is chaired by Ms. Wang Yao.

The primary duties of the RC are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; review and approve the management's remuneration proposals and make recommendations to the Board on the remuneration of the Directors. The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation. The RC adopted the model under the CG Code to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

During the year, the RC reviewed the Group's remuneration policy and structure; and the remuneration packages of the Directors of the Company and the senior management of the Group and reviewed and approved all disclosure statements in the results announcements, reports and circular of the Company in relation to the RC.

Details of the Directors' remuneration for the year are disclosed in note 10 to the consolidated financial statements and the retirement benefits plans is disclosed in note 37 to the consolidated financial statements.



# CORPORATE GOVERNANCE REPORT

## NOMINATION COMMITTEE

The Company established a NC in November 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The NC comprises 3 INEDs, namely Mr. Tang Chi Wang, Dr Kung Wai Chiu Marco and Ms. Wang Yao. The committee is chaired by Mr. Tang Chi Wang.

The primary duties of the NC are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, assess the independence of INEDs and make recommendations to the Board on the appointment or re-appointment of Directors.

The NC shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as Directors at general meetings of the Company or appoint as Directors to fill casual vacancies. The factors used as reference by the NC in assessing the suitability of a proposed candidate are as follows:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- accomplishment and experience business from time to time conducted, engaged in or invested in by any member of the Group;
- commitment in respect of available time and relevant interest;
- requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Board Diversity Policy and any measurable objectives adopted by the NC for achieving diversity on the Board; and
- such other perspectives appropriate to the Company's business.

For filling a casual vacancy, the NC shall make recommendations for the Board's consideration and approval.

For proposing candidates to stand for election at a general meeting of the Company, the NC shall make nominations to the Board for its consideration and recommendation. The NC shall review the overall contribution and service to the Company of the retiring director including his/her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board. The NC shall also review and determine whether the retiring director continues to meet the criteria as set out above. The NC and/or the Board shall then make recommendation to shareholders of the Company in respect of the proposed re-election of director at general meetings of the Company.

For any person that is nominated by a shareholder for election as a director at the general meeting of the Company pursuant to its constitutional documents, the NC shall evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship and where appropriate, the NC and/or the Board shall make recommendation to shareholders in respect of the proposed election of director at the general meeting of the Company.

# CORPORATE GOVERNANCE REPORT

The NC shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the NC shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The NC shall then recommend to appoint the appropriate candidate for directorship. The Board shall have the ultimate responsibility for selection and appointment of Directors.

Each of the executive Directors entered into a service agreement with the Company for an initial term of 3 years commencing from January 2020. The term of service shall be renewable automatically for successive terms of 1 year each commencing from the next day after the expiry of the then current term of the appointment, unless terminated by either party giving to the other party not less than 3 months' notice in writing or otherwise in accordance with the terms of the service agreement.

Each of the INEDs entered into a letter of appointment with the Company for a fixed term of 3 years commencing from January 2020. The term of service shall be renewable automatically for a successive term of 3 years each commencing from the expiry of the then current term of the appointment, unless terminated by either party giving to the other party not less than 3 months' notice in writing.

All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

According to Articles 84(1)–(2) of the Articles of Association, at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting of the Company at least once every 3 years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

According to Article 83(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

During the year, the NC reviewed the structure, size, composition and effectiveness of the Board, the board diversity policy of the Company and the INEDs' annual confirmation on independence; assessed the independence of INEDs; recommended the Directors for re-election at the annual general meeting of the Company; and reviewed and approved all disclosure statements in the results announcements, reports and circular of the Company in relation to the NC.



# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE

The Company established an audit committee in November 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The audit committee of the Company comprises 3 INEDs, namely Dr Kung Wai Chiu Marco, Mr. Tang Chi Wang and Ms. Wang Yao. The committee is chaired by Dr Kung Wai Chiu Marco.

The primary duties of the audit committee of the Company are to review the risk management and internal control systems and the financial information, including accounting policies and practices and financial reporting of the Company; review the financial statements and reports of the Group; and review the terms of engagement and the scope of audit work of the auditor.

During the year, the audit committee of the Company reviewed the accounting principles and policies adopted by the Group with the management of the Company and the internal control and risk management systems of the Group; discussed the auditing, internal control and financial reporting matters; and reviewed and approved all disclosure statements in the announcements and reports of the Company in relation to the audit committee of the Company.

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS OF THE COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Directors acknowledge their responsibility for overseeing the preparation of the financial statements of the Company which give a true and fair view of the financial position of the Company on a going concern basis and which are in compliance with the relevant accounting standard and principles, applicable laws and disclosure provisions of the Listing Rules. The Directors also acknowledge their responsibility for overseeing the preparation of the consolidated financial statements of the Group in accordance with the basis of presentation and preparation set out in note 3 to the consolidated financial statements on a going concern basis and which are in compliance with the relevant accounting standard and principles, applicable laws and disclosure provisions of the Listing Rules. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's and the Group's ability to continue as a going concern.

## AUDITORS AND THEIR REMUNERATION

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Company and the consolidated financial statements of the Group for the year ended 28 February 2025 is set out in the section "Independent Auditors' Report" of this report. During the year, remuneration paid and payable to the Group's auditor in respect of the year ended 28 February 2025 is approximately S\$177,000 for annual audit fee and nil for non-audit services.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Company is aiming to develop a sound and good internal control system and build risk awareness and control responsibility into the Group. The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems in order to safeguard the interests of the shareholders and the assets of the Company against unauthorized use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations. The Board is responsible for reviewing the effectiveness and adequacy of the Group's risk management and internal control systems.

# CORPORATE GOVERNANCE REPORT

The objectives of risk management and internal control systems are to maintain the highest possible integrity and continuity for services provided by the Company; safeguard the assets, including people, property and financial resources; ensure the uninterrupted availability of resources for the Company to perform continuously the critical business functions to support its critical objectives; ensure to appropriately deal with disruption; demonstrate responsible business continuity management processes to align with applicable accepted best practice standards and methods; and ensure the accurate and timely provision of information to staff, business partners, stakeholders and other relevant levels of government during an outage event.

The Board is responsible to identify, analyse, evaluate and monitor risks associated with any activity, function or process within their relevant scope of responsibility and authority for all activities and processes associated with the normal operation. The Company has established a risk management policy and procedures for the Group setting out the risk management process, risk assessment matrix and risk register risk.

The main elements of the risk management process are to communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole; establish the external, internal and risk management context and the criteria against which risk to be evaluated; identify where, when, why and how events to prevent, degrade, delay or enhance the achievement of the objectives; determine consequences and likelihood of the level of risk by analysing the range of potential consequences to be occurred; compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes; develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs; and monitor the effectiveness of all steps of the risk management process. Risks are effectively managed by the Group through the effective implementation of various controls including board approved risk management framework; maintenance of risk register; and regular review of risks and controls, particularly as the business changes. The Board would, at least annually, review the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls.

The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The procedures and internal controls of the Company for handling and dissemination of inside information includes conducting the affairs of the Company with close regard to the Guidelines on Disclosure of Inside Information published by Securities and Futures Commission and the Listing Rules and reminding the Directors and employees of the Group regularly about due compliance with all policies regarding the inside information.

During the year, the Board reviewed the effectiveness of the Group's risk management and internal control systems and considered the Group's risk management and internal control systems are effective and adequate.

The Group does not have an internal audit function within the Group. The audit committee of the Company will, as and when necessary, make an assessment and then recommend to the Board the appointment of internal audit professionals (with the requisite qualifications and experience) to undertake the internal audit function of the Group for the relevant financial years. The Board concurs with the audit committee of the Company that it is not necessary for the Group to set up an internal audit function, but on an annual basis, the Company with the concurrence of the audit committee of the Company, will commission internal auditors to review the effectiveness of the Group's risk management and internal control systems.





# CORPORATE GOVERNANCE REPORT

## COMPANY SECRETARY

Ms. Fung Mei Ling was the company secretary during the year. The primary contact person at the Company is Mr. Xu Tiancheng, the Company's executive Director. Ms. Fung Mei Ling resigned as the company secretary with effect from 25 April 2025, and Mr. Lee Tsi Fun Nicholas was appointed as the company secretary on the same date. Both Ms. Fung Mei Ling and Mr. Lee Tsi Fun Nicholas have been working with Acclime Corporate Services Limited.

## SHAREHOLDERS' RIGHTS

Pursuant to the Articles of Association, any one or more shareholders of the Company (the "Shareholder(s)") holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business or resolution specified in such requisition and may also add resolutions to the agenda of a meeting; and such meeting shall be held within 2 months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. The written requisition should be signed by the requisitionists and deposited at the Company's principal place of business in Hong Kong, specifying the Shareholders' contact details and the resolution intended to be put forward at general meeting of the Company.

For including a resolution to propose a person for election as a Director at general meeting of the Company, the Shareholders are requested to follow the Articles of Association. A written notice signed by the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong or at the Hong Kong branch share registrar and transfer office of the Company provided that such notices must be lodged with the Company at least fourteen days prior to the date of the general meeting of election but no earlier than the day after despatch of the notice of the general meeting of the Company appointed for such election. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as a Director are posted on the Company's website.

## INVESTOR RELATIONS

The objective of the Shareholders' communication is to ensure timely, transparent and accurate communications between the Shareholders and the Company.

Information is communicated to the Shareholders mainly through the Company's half-year reports, annual reports and where applicable, quarterly reports, general meetings, as well as the corporate communications and publications published on the website of the Stock Exchange and on the Company's website ([www.ctrholdings.com](http://www.ctrholdings.com)).

# CORPORATE GOVERNANCE REPORT

The Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong. The Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. The Shareholders may also make enquiries to the Board by writing to the company secretary of the Company at the Company's principal place of business in Hong Kong at Unit B, 17/F, United Centre, 95 Queensway, Hong Kong.

Upon reviewing the implementation and effectiveness of the Shareholders' communication policy of the Company, the Board considers the policy and its implementation are effective as the policy provides effective channels for the Shareholders to communicate their views with the Company and the Company complied with the principles and required practices as set out in the policy during the year.

## CONSTITUTIONAL DOCUMENTS

During the year, there has been no changes in the constitutional documents of the Company.



# REPORT OF THE DIRECTORS

The Board presents the annual report together with the audited consolidated financial statements of the Group for the year ended 28 February 2025 (“Consolidated Financial Statements”).

## PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its operating subsidiaries are the provision of structural engineering works and wet architectural works. The principal activities of the subsidiaries of the Group are set out in note 1 to the Consolidated Financial Statements. There were no significant changes to Group’s principal activities during the year ended 28 February 2025.

## BUSINESS REVIEW, FUTURE PROSPECT AND EVENTS AFTER THE REPORTING PERIOD

The business review, future prospect and events after the Reporting Period of the Group for the year ended 28 February 2025 are set out in the section headed “Management Discussion and Analysis” on pages 4 to 8 of this report. The discussion therein forms part of the report of Directors.

## FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 128 of this report.

## COMPLIANCE WITH LAWS AND REGULATIONS

The business operations of the Group are subject to the laws and regulations in Singapore. Sufficient resources and training have been allocated and provided to ensure the on-going compliance with applicable laws and regulations.

The Group is principally engaged in the provision of structural engineering works and wet architectural works in Singapore and is thus subject to the rules and regulations implemented by Building and Construction Authority, which regulate activities of contractors. The Company confirmed that the Group had obtained all the registrations and certifications required for its business and operations in Singapore, and had complied with the applicable laws and regulations in Singapore in all material respects during the year ended 28 February 2025.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Group’s environmental, social and governance strategy and reporting. The Board is responsible for the Group’s ESG risk management and internal control systems to ensure that the ESG strategies and reporting requirements are met. Detailed information on the environmental, social and governance practices adopted by the Group is set out in the sections headed “Environmental, Social and Governance Report” (“ESG Report”) on pages 36 to 65 of this report.

# REPORT OF THE DIRECTORS

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 28 February 2025 are set out in note 15 to the Consolidated Financial Statements in this report.

## INVESTMENT PROPERTY

Details of movements in the investment property of the Group during the year ended 28 February 2025 are set out in note 16 to the Consolidated Financial Statements.

## SUBSIDIARIES

Particulars of the Company's subsidiaries during the year ended 28 February 2025 are set out in note 1 to the Consolidated Financial Statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 28 February 2025 are set out in note 29 to the Consolidated Financial Statements.

## RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group for the year ended 28 February 2025 are set out in the "Consolidated Statement of Changes in Equity" on page 73 of this report. As at 28 February 2025, the Group has reserves amounting to approximately S\$41.4 million available for distribution (2024: approximately S\$33.6 million).

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly. The key risks and uncertainties relating to the business are as follows:

- The Group's revenue was primarily generated from contracts awarded by the top five customers and the Group's financial condition could be adversely affected should there be any decrease in projects secured from any of them;
- Majority of workforce is made up of foreign workers and inability in recruiting and/or retaining foreign workers could materially affect the Group's operations and financial performance; and
- As the Group from time to time engages subcontractors in the works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of the Group's subcontractors.

A detailed discussion of the risk factors is set forth in the section headed "Risk Factors" in the Prospectus.

DIRECTORS

The directors of the Company during the financial year and up to the date of this report were:

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

In accordance with Article 84 of the Articles of Association, Mr. Xu Xuping and Ms. Wang Yao will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Company received annual confirmation of independence from each of the INEDs as required under Rule 3.13 of the Listing Rules. The Company considered all INEDs to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical information of the Directors and the senior management of the Group are set out on pages 9 to 13 of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors entered into a service agreement with the Company for an initial term of 3 years commencing from 15 January 2020. The term of service shall be renewable automatically for successive terms of 1 year each commencing from the next day after the expiry of the then current term of the appointment, unless terminated by either party giving to the other party not less than three months' notice in writing or otherwise in accordance with the terms of the service agreement.

Each of the INEDs entered into a letter of appointment with the Company for a fixed term of 3 years commencing from 15 January 2020. The term of service shall be renewable automatically for a successive term of 3 years each commencing from the expiry of the then current term of the appointment, unless terminated by either party giving to the other party not less than 3 months' notice in writing.

None of the Directors, including those to be re-elected at the annual general meeting of the Company, has a service contract or letter of appointment with the Company or any of its subsidiaries which is not determinable by the employing company within 1 year without the payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 28 February 2025.

# REPORT OF THE DIRECTORS

## DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and the five highest paid individuals are set out in notes 10 and 11 to the Consolidated Financial Statements respectively.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 28 February 2025, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers (including the subcontractors) in aggregate accounted for approximately 26.4% and 69.4% (FY2023/2024: approximately 19.8% and 64.0%) respectively of the Group's total purchases. For the year ended 28 February 2025, revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 20.2% and 76.4% (FY2023/2024: approximately 41.6% and 78.2%) respectively of the Group's total revenue. To the best of the Directors' knowledge, none of the Directors and none of the Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) and none of their respective close associates had any material beneficial interest in the Group's five largest customers or suppliers during the year.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

## AUDITORS

HLB Hodgson Impey Cheng Limited ("HLB") will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution to re-appoint HLB, the retiring auditor, as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

## EMOLUMENT POLICY OF THE GROUP

The emolument policy for the employees of the Group is set up by the human resource department on the basis of their merit, qualifications and competence. The emoluments of the Directors and senior management are formulated and recommended by the remuneration committee of the Company to the Board, having regards to the Company's operating results, individual performance and current market situation. The Company has adopted the Share Option Scheme as a long-term incentive scheme to the Directors and eligible employees of the Group, details of which are set out in the section headed "Share Option Scheme" above.

## PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director or other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Such permitted indemnity provision is currently in force and was in force throughout the year ended 28 February 2025.



## REPORT OF THE DIRECTORS

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Apart from the contracts relating to the Reorganisation of the Group in relation to the Listing and save for the related party transactions disclosed in note 33 to the Consolidated Financial Statements, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries, or its holding company was a party, and in which a Director or an entity connected with a Director had a material interests, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 28 February 2025. During the year, the Group did not enter into any connected transactions that are disclosable under Chapter 14A of the Listing Rules.

### NON-COMPETITION UNDERTAKING

Mr. Xu Xuping, Mr. Xu Tiancheng and Ms. Gou Shuzhen (collectively, the "Covenantors") entered into a deed of non-competition dated 26 November 2019 in favour of the Company (for itself and as trustee for and on behalf of its subsidiaries) (the "Deed of Non-Competition"). Pursuant to the Deed of Non-Competition, each of the Covenantors jointly, severally, unconditionally and irrevocably undertakes that, from the Listing Date and ending on the occurrence of the earliest of (i) the day on which the Shares cease to be listed on the Main Board; (ii) the day on which the Covenantors and their close associates, individually or taken as a whole, cease to own, in aggregate, 30% or more of the then issued share capital of the Company directly or indirectly, or cease to be deemed as a Controlling Shareholder of the Company and cease to have power to control the Board; or (iii) the day on which the Covenantors beneficially own or become interested jointly or severally in the entire issued share capital of the Company, he/she/it will not, and will use his/her/its best endeavours to procure his/her/its close associates (excluding the Group) (together with the Covenantors, the "Controlled Persons") not to, either on his/her/its own or in conjunction with any person, body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether profit or not, among other things, carry on, participate in, hold, engage in, be interested in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of the Group), in any business or activity which, directly or indirectly, in competition with or likely to be in competition with the existing business activity of any member of the Group or any business activity to be conducted by any member of the Group from time to time, or take any action which interferes with or disrupts or may interfere with or may disrupt the business carried on or contemplated to be carried on by the Company or any of its subsidiaries in Singapore and such other places as the Company or any of its subsidiaries may conduct or carry on business from time to time, including but not limited to the solicitation of any of the customers, suppliers or employees of any member of the Group.

Each of the Controlled Persons further undertakes that if any business investment or other commercial opportunity (the "new business opportunity") which may compete with the business of the Group is identified by or offered to him/her/it, he/she/it shall promptly notify the Company in writing within 10 days and refer the same to the Company for consideration. The Company shall issue a non-acceptance notice or within 30 days after the receipt of the proposal of the new business opportunity without issuing non-acceptance notice, to notify the Covenantors whether the Group will exercise the right of refusal.

All independent non-executive Directors have reviewed the compliance of the Deed of Non-Competition entered into by the controlling shareholders of the Company as to whether the Covenantors had abided by the Deed of Non-Competition. All independent non-executive Directors also confirmed that the Covenantors had not been in breach of the Deed of Non-Competition during the year ended 28 February 2025.



# REPORT OF THE DIRECTORS

## SHARE OPTION SCHEME

The principal terms of the Share Option Scheme conditionally adopted under the written resolutions of the sole Shareholder passed on 22 November 2019 are set out below:

### (1) Purpose

The purpose of the Share Option Scheme is 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 (the “Invested Entity”).

### (2) Eligible Participants

The Directors shall, subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, grant options to:

- (i) any employee (whether full-time or part-time, including the directors (including any non-executive Director and independent non-executive Director)) of the Company, any of its subsidiaries (within the meaning of the Companies Ordinance) or any Invested Entity (an “eligible employee”);
- (ii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iii) any customer of any member of the Group or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vi) any adviser (professional or otherwise), consultant, individual or equity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and
- (vii) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly owned by one or more eligible participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of eligible participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the eligible participants to an offer under the Share Option Scheme shall be determined by the Directors from time to time on the basis of the Directors’ opinion as to such eligible participant’s contribution to the development and growth of the Group.

(3) **Total Number of Shares**

Available for issue a maximum of 140,000,000 Shares, being 10% of the total number of Shares in issue as at the date of this report, may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group.

(4) **Maximum Entitlement of Each Eligible Participant**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a “grantee”) in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the share capital of the Company in issue, such further grant shall be separately approved by the Shareholders of the Company in general meeting with such grantee and his close associates (or his associates if the eligible participant is a connected person) abstaining from voting.

(5) **Option Period**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

(6) **Minimum Vesting Period**

There is no minimum period for which an option must be held before the exercise of any option save as otherwise imposed by the Board in the relevant offer of options.

(7) **Payment on Acceptance of the Option**

An offer shall have been accepted by an eligible participant in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

## REPORT OF THE DIRECTORS

### (8) Basis of Determining the Exercise Price

The subscription price in respect of any option granted under the Share Option Scheme shall be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date (the "offer date"), which shall be a business day, on which an offer of grant of an option to eligible participant shall be approved by the Shareholders of the Company in general meeting;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and
- (iii) the nominal value of a Share.

### (9) Remaining Life

Subject to any prior termination by the Company in a general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted. Options granted and remaining unexercised prior to the termination of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during the year ended 28 February 2025 and there was no outstanding option as at 28 February 2025.

### RETIREMENT SCHEME

The Group participates in the Central Provident Fund, which is a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement. Save as the aforesaid, the Group did not participate in any other pension schemes during the year ended 28 February 2025. Details of the retirement benefits plans are disclosed in note 37 to the consolidated financial statements.



## REPORT OF THE DIRECTORS

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

As at 28 February 2025, 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 as set out in Appendix C3 of 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.

# REPORT OF THE DIRECTORS

Save as disclosed above, as at 28 February 2025, 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 C3 of the Listing Rules.

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

As at 28 February 2025, 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.



## REPORT OF THE DIRECTORS

4. *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.*
5. *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 28 February 2025, 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.

### 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 (including sale of treasury shares of the Company) during the year ended 28 February 2025.

### DIVIDEND POLICY

The Company considers stable and sustainable returns to the Shareholders to be its goal. The Company adopted a dividend policy, in declaring or recommending a payment of dividends, to allow the Shareholders to participate in the Company's profits and for the Company to retain adequate reserves for future growth.

The Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim dividends as appear to be justified by the profits of the Company. The payment of dividend is also subject to applicable laws and regulations and the Company's constitutional documents. The dividend policy will continue to be reviewed from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

In deciding whether to recommend the payment of dividend to the Shareholders, the Board will take into account factors such as general business conditions and other internal or external factors, financial condition, expected capital requirements, future expansion plans and future prospects of the Group.

The declaration of or recommendation of declaration of dividends is subject to the absolute discretion of the Board. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

# REPORT OF THE DIRECTORS

## DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 28 February 2025 (2024: nil).

## SUBSEQUENT EVENTS

There have been no other material events occurring after 28 February 2025 and up to the date of this report.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## RELIEF FROM TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares. Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in shares. It is emphasised that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such shares.

On behalf of the Board

**Mr. Xu Xuping**

*Chairman, Chief Executive Officer and Executive Director*

29 May 2025





# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## REPORT OVERVIEW

### About this Report

CTR Holdings Limited (the “Company”, together with its subsidiaries, 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. To pursue a successful and sustainable business model, the Group strives to integrate environmental, social and governance (“ESG”) aspects into its risk management system and has taken corresponding measures in its daily operations to address ESG-related issues.

This environmental, social and governance report (the “ESG Report”) covers the year from 1 March 2024 to 28 February 2025 (the “Reporting Period” or “FY2024/2025”). The ESG Report demonstrates the Group’s ongoing commitment towards sustainable development and summarises the Group’s ESG initiatives, plans, and performance. Meanwhile, the ESG Report provides data for the year ended 29 February 2024 (“FY2023/2024”) to facilitate comparison.

## SCOPE OF REPORTING

The senior management of the Group identifies the reporting scope by adhering to the materiality principle, and considering its core business and the level of control over the projects. Hence, the ESG Report generally covers the Group’s structural engineering and wet architectural works that are managed under the Group’s direct operational control in Singapore. During the Reporting Period, the Group gathered ESG data from its headquarters, warehouse, employee accommodations, investment properties, and 33 active projects under direct operational control (including 3 project as main contractor). The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosures when and where applicable.

## REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report of this annual report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group attaches great importance to the Reporting Principles as stated in the ESG Reporting Guide during the preparation of the ESG Report and has applied the principles as follows:

**Materiality:** A materiality assessment was conducted to identify material ESG issues during the Reporting Period, thereby adopting the confirmed material issues as the focus of the ESG Report. The materiality of the ESG issues was reviewed and confirmed by the board of directors (the “Board”) and the ESG task force (the “Task Force”). Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.

**Quantitative:** The ESG Report is prepared in accordance with the ESG Reporting Guide and key performance indicators (“KPIs”) are disclosed in a quantitative manner. Information regarding the standards, methodologies, assumptions, and/or calculation references and sources of key conversion factors used for KPIs is stated wherever appropriate.

**Consistency:** The statistical methodologies applied to the ESG Report are substantially consistent with the previous year (i.e. FY2023/2024) for meaningful comparison. If there are any changes that may affect the comparison with previous reports, the Group will make explanatory notes in the corresponding section hereof.

The Group has established internal controls and formal review processes to ensure that the information presented in the ESG Report is as accurate and reliable as possible. The ESG Report has been approved by the Board.

## REPORTING PERIOD

The ESG Report describes the ESG initiatives, plans, and performances of the Group for the year from 1 March 2024 to 28 February 2025, unless otherwise stated.

## BOARD STATEMENT

The Board is pleased to present the ESG Report of the Group, which demonstrates its commitment to improving its ESG performance in five aspects, including corporate governance, environmental protection, employment practices, operating practices, and community investment.

As the business of the Group continues to grow, the Board attaches great importance to its sustainability management. With reference to the ESG Reporting Guide, the Group has established a multi-level, effective, and executable ESG management system. The Group continuously updates and improves its ESG management structure. Employing a top-down management approach, the Board is responsible for the oversight of the Group’s ESG matters and the Task Force takes an active role in ESG management.

The members of the Board possess the appropriate skills, experience, knowledge, and perspectives necessary to oversee the Group’s ESG matters. The Board must hold at least one meeting each year to establish the overall ESG approach, discuss and assess the risks and opportunities of ESG issues, review the Group’s performance against the ESG-related targets, approve the materiality of the identified ESG issues, ensure the effectiveness of the Group’s risk management and internal control systems, and approve disclosures in the ESG Report.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Task Force is composed of core members from various departments, which facilitates the Board's oversight of ESG matters. The Task Force has the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, keeping track of and reviewing the progress made against the Group's ESG-related targets, ensuring compliance with ESG-related laws and regulations, assisting in conducting materiality assessments, and preparing ESG reports. The Task Force arranges meetings at least once a year to evaluate the effectiveness of current policies and procedures while formulating appropriate solutions to improve the overall performance of ESG policies. The Task Force reports to the Board at least once a year to assist the Board in assessing and identifying the risks and opportunities of ESG issues, as well as ensuring the implementation and effectiveness of the risk management and internal control systems.

To identify and prioritise ESG issues that have a significant impact on the Group's operations and stakeholders, the Group continuously communicates with internal and external stakeholders. The Board has delegated the Task Force and hired an independent third party to conduct materiality assessments. Information about the stakeholder engagement channels and the details of the materiality assessment are stated in the sections headed "Stakeholder Engagement" and "Materiality Assessment" respectively. In order to align with stakeholders' expectations towards the Group's sustainable development, the Group is dedicated to strengthening its communication with stakeholders and formulating policies and measures based on stakeholders' opinions.

As an enterprise that upholds corporate social responsibility, the Group acknowledges the importance of reducing its environmental impacts. To fulfil the Group's commitment to corporate social responsibility and demonstrate the Group's efforts in improving ESG performance, the Group has set environmental targets covering aspects of energy conservation, emission reduction, and waste management and reports the progress of targets on a regular basis. To achieve these targets, the Group actively integrates the concepts of sustainable development into its business strategy and formulates ESG measures at operational levels. During the Reporting Period, the Group's sustainability targets were reviewed and its progress has been confirmed by the Task Force. Relevant data and year-on-year comparisons are listed in subsequent sections of the ESG Report.

Looking forward, the Group will continue to deepen and broaden the integration of sustainability concepts. Besides, the Group will operate its business in a more responsible and sustainable manner in order to create long-term value for shareholders and pursue a sustainable future.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. To understand and address the concerns of stakeholders, the Group has maintained close communication with them through different channels. The Group strives to increase stakeholder interactions through constructive conversation, so as to facilitate long-term prosperity, improve ESG performance, and create better value for all. The Group's communication channels with various stakeholders and their respective expectations and concerns are summarised as follows:

Stakeholders	Expectations and Concerns	Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> <li>• Corporate governance system</li> <li>• Business strategies and performance</li> <li>• Financial results</li> <li>• Investment returns</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meeting and other shareholder meetings</li> <li>• Financial reports</li> <li>• Announcements and circulars</li> <li>• Company website and email</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Occupational safety and health</li> <li>• Remuneration and benefits</li> <li>• Equal opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Training, seminars, and briefing sessions</li> <li>• Intranet and emails</li> <li>• Regular performance reviews</li> </ul>
Customers and business partners	<ul style="list-style-type: none"> <li>• Privacy protection</li> <li>• Business integrity and ethics</li> <li>• Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys and feedback forms</li> <li>• Meetings and conferences</li> <li>• Emails</li> </ul>
Suppliers and vendors	<ul style="list-style-type: none"> <li>• Fair competition</li> <li>• Business ethics and reputation</li> <li>• Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>• On-site inspections</li> <li>• Supplier management meetings and events</li> <li>• Tendering process</li> <li>• Review and assessment</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance officer</li> </ul>
Media, non-governmental organisations, and the public	<ul style="list-style-type: none"> <li>• Contributions to society</li> <li>• Environmental protection</li> <li>• Social welfare</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• ESG reports</li> <li>• Media</li> <li>• Charity events</li> </ul>



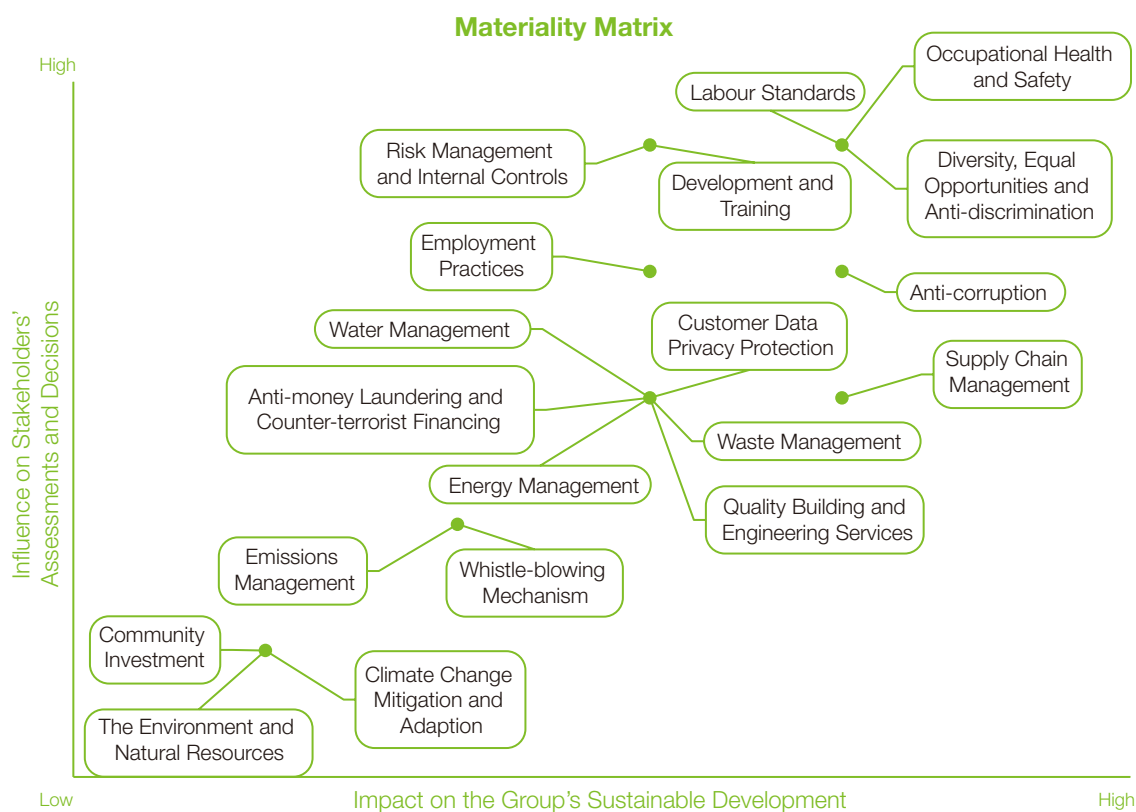
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIALITY ASSESSMENT

The Group pays attention to ESG-related risks that may have significant impacts on its business development. Thus, the Task Force regularly conducts materiality assessments to identify material ESG issues and reports the results to the Board for review. The Group formulates strategies, policies, and measures based on the materiality assessments' results and the external socioeconomic environment.

With reference to the requirements of the ESG Reporting Guide and industry standards, the materiality assessment process includes identifying key stakeholder groups, determining a list of ESG issues, assessing the importance of each issue to the Group's sustainable development and the decision of stakeholders, and ranking the importance of ESG issues. The results are used to determine the focus of the ESG Report, with the aim to enhance the relevance of the ESG Report and properly respond to the expectations and demands of stakeholders.

The following matrix represents the Group's material ESG issues:



During the Reporting Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and that the disclosed contents comply with the requirements of the ESG Reporting Guide.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PROTECTING THE ENVIRONMENT

The Group is committed to minimising its negative impact on the environment and using natural resources in a responsible manner. The Group has formulated the Environmental, Social and Governance Policy (the “ESG Policy”) and has implemented an environmental management system certified with the ISO 14001:2015 international standard. The Group strives to systematically manage the potential environmental risks and opportunities, address the environmental impacts of its operations with mitigation measures, as well as comply with the applicable environmental protection laws and regulations. With regular management reviews of the environmental risks and the implementation of an effective environmental management system, the Group is able to make continual improvements to enhance its control practices and environmental performance.

During the Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations that would have a significant impact on the Group, including but not limited to the Environmental Public Health Act 1987, the Environmental Protection and Management Act 1999, the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations and the Control of Vectors and Pesticides Act 1998 of Singapore.

### A1. Emissions

#### *Air Emissions*

The principal sources of the Group’s air emissions were gasoline and diesel consumed by vehicles and diesel utilised by machinery at the construction sites. To mitigate air emissions at the construction sites, the Group has followed the practices required by the main contractors and taken the following control measures:

- Spray water on the working areas prior to, during, or after the drilling and/or grinding process and wash the vehicle wheels to remove dusty materials before leaving the construction sites;
- Cover up dusty materials or stockpiles to prevent construction dust disperse out of the site areas and cause nuisances to the neighbours;
- Select fuels with lower sulphur content for all fuel-driven equipment and machinery; and
- Carry out routine maintenance on powered mechanical equipment and mobile vehicles to avoid excessive emissions of dark smoke.

Summary of the Group’s air emissions performance:

Types of air emissions	Unit	FY2024/2025	FY2023/2024
Nitrogen oxides (NO <sub>x</sub> )	kg	1,269.99	1,394.30
Sulphur oxides (SO <sub>x</sub> )	kg	2.49	2.67
Particulate matter (PM)	kg	116.47	127.62

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Greenhouse Gas (“GHG”) Emissions

The principal sources of the Group’s GHG emissions were gasoline and diesel consumed by vehicles (Scope 1), diesel utilised by machinery at the construction sites (Scope 1), purchased electricity (Scope 2), and business air travel (Scope 3). The Group is concerned about its carbon footprint and is committed to reducing the impact of its business on the environment. Therefore, the Group has set a target in the year ended 28 February 2022 (“FY2021/2022”) to reduce its GHG emissions intensity (tCO<sub>2</sub>e/million Singapore dollars of total revenue) by the year ending 28 February 2026 (“FY2025/2026”), using FY2021/2022 as the baseline year. To achieve the target, the Group has adopted the following measures to reduce GHG emissions:

- Require employees to power off their computers after work;
- Utilise teleconferences or video meetings to avoid non-essential business travels;
- Actively explore and adopt measures to reduce exhaust gas emissions, which are described in the section headed “Exhaust Gas Emissions” under this aspect; and
- Actively adopt energy conservation measures, which are described in the section headed “Energy Management” under aspect A2.

During the Reporting Period, the GHG emissions intensity decreased by approximately 31.61% compared to FY2023/2024. The decrease was mainly due to the collective efforts to implement the emission reduction measures. As the Group’s GHG emissions intensity in FY2021/2022 was 7.54 tCO<sub>2</sub>e/million Singapore dollars of total revenue, the Group is currently on track to achieve its aforementioned target and will continue its efforts to reduce GHG emissions in the future.

Summary of the Group’s GHG emission performance:

Indicator <sup>1</sup>	Unit	FY2024/2025	FY2023/2024
Direct GHG emissions (Scope 1)			
• Fuel consumed by vehicles and machinery	tCO <sub>2</sub> e	1,004.92	1,074.66
Energy indirect GHG emissions (Scope 2)			
• Purchased electricity	tCO <sub>2</sub> e	25.85	27.30
Other indirect GHG emissions (Scope 3)			
• Business air travel	tCO <sub>2</sub> e	8.01	1.18
<b>Total GHG emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>1,038.78</b>	<b>1,103.14</b>
<b>GHG emission intensity<sup>2</sup></b>	<b>tCO<sub>2</sub>e/million Singapore dollars of total revenue</b>	<b>5.02</b>	<b>7.34</b>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Notes:

1. GHG emission data is presented in terms of carbon dioxide equivalent and is based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Singapore Energy Statistics 2024 – Chapter 2: Energy Transformation" published by the Energy Market Authority, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, and "Global Warming Potential Values" from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).
2. During the Reporting Period, the Group recorded a revenue of approximately S\$206.9 million (FY2023/2024: approximately S\$150.2 million). The data is also used for calculating other intensity data.

## Wastewater Discharge

All the wastewater generated at the construction sites is centralised, collected, and treated by on-site wastewater treatment facilities installed by the main contractors before discharging, striving to ensure the effluent meets the statutory requirements. Since wastewater generated at offices, warehouses, employee accommodations, and investment properties is discharged into the municipal sewage pipe network, the amount of wastewater is therefore considered the same as the amount of water consumed. The water consumption data and corresponding water-saving initiatives are described in the section headed "Water Management" under aspect A2.

## Waste Management

The Group mainly produces non-hazardous waste during its operations. Construction waste is the major type of waste generated from the Group's contract works. The Group has applied the 4R principles (Reduce, Reuse, Replace, and Recycle) in its waste management system to minimise waste production and direct waste disposal.

The Group has set a target in FY2021/2022 to reduce its non-hazardous waste disposal intensity (tonnes/million Singapore dollars of total revenue) by FY2025/2026, using FY2021/2022 as the baseline year. With an aim to achieve the aforementioned target, the Group's project teams review the construction design, work methods, and project programmes of the project lifecycle before material ordering to prevent material overstocking and reduce waste at the source. Besides, the Group has allocated on-site waste segregation areas for sorting construction waste from site work properly to maximise waste reduction and enhance material efficiency. Recycling facilities are installed at the construction sites and offices to classify recyclable and non-recyclable waste. The recyclables, such as waste metals, timber, and plastic, are centrally collected by the main contractors for proper handling or sent to licenced recycling contractors for recycling. In addition, precast concrete and reusable steel metal formwork are applied in the construction work to reduce on-site material consumption and waste.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In the offices, the Group promotes the reduction of paper and stationery usage by implementing the following initiatives and practices:

- Encourage double-sided printing;
- Collect single-sided printed paper and computer accessories for reuse;
- Recycle rechargeable batteries and used printing paper;
- Utilise electronic communication where applicable; and
- Reduce the use of single-use disposable items.

The amount of hazardous waste produced by the Group cannot be quantified accurately due to the limitations of its data collection system. However, all chemical waste was filtered and passed to qualified hazardous waste collectors to ensure they are lawfully handled and disposed of. The Group aims to continuously reduce its adverse impact from the production of hazardous waste.

During the Reporting Period, the non-hazardous waste disposal intensity decreased by approximately 35.90% compared to FY2023/2024. The decrease was mainly due to the collective efforts to implement the waste reduction measures. As the Group's non-hazardous waste disposal intensity in FY2021/2022 was 3.46 tonnes/million Singapore dollars of total revenue, the Group is currently on track to achieve its aforementioned target and will continue to identify measures to further reduce waste production in the future.

Summary of the Group's non-hazardous waste disposal performance:

Types of non-hazardous waste	Unit	FY2024/2025	FY2023/2024
Construction waste	tonnes	354.90	405.20
Paper	tonnes	6.76	4.58
<b>Total non-hazardous waste disposal</b>	<b>tonnes</b>	<b>361.66</b>	<b>409.78</b>
<b>Non-hazardous waste disposal intensity</b>	<b>tonnes/million Singapore dollars of total revenue</b>	<b>1.75</b>	<b>2.73</b>

### A2. Use of Resources

The Group upholds the principle of responsible resource usage and is committed to optimising resource efficiency across its business operations. In order to foster a green operation environment, the Group has formulated the ESG Policy and implemented initiatives to promote eco-friendly measures and raise employees' awareness. The Group has also paid attention to the potential environmental impacts brought by the consumption of resources and established related policies and practices, covering the utilisation of energy, water, and other natural resources.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Energy Management

Diesel, gasoline, and electricity are the main types of energy consumed in the business operations of the Group. In order to reduce the energy consumption and, by extension, the carbon footprint, the Group has applied different measures and practices to optimise energy efficiency. The Group has set a target in FY2021/2022 to research the feasibility of increasing the use of renewable energy by installing solar panels at the Group's operating sites. During the Reporting Period, the Group used solar panel for its noise meters at the two project sites that it operates as the main contractor, and thus it has achieved the aforementioned target. Meanwhile, the Group has actively adopted the following energy-saving measures:

- Inspect fuel-driven mechanical equipment and machines monthly to ensure that they are working in optimal conditions, so as to reduce wastages of fuel and electricity;
- Switch off all computer terminals, lights, and electrical installations when leaving the offices or when they are not in use;
- Select energy-saving appliances and office equipment with green labels;
- Maintain a constant room temperature at an energy-efficient level (24–26 degrees Celsius);
- Post energy-saving signages on office equipment and at the workplace to remind the Group's employees and subcontractors' workers about the importance of energy conservation; and
- Retrofit lights with more energy-efficient ones, such as LED and T5 fluorescent lighting.

During the Reporting Period, the energy consumption intensity decreased by approximately 32.11% compared to FY2023/2024. The decrease was mainly due to the collective efforts to implement the energy-saving measures. The Group will continue to promote measures to reduce energy consumption in the future.

Summary of the Group's energy consumption performance:

Types of energy <sup>3</sup>	Unit	FY2024/2025	FY2023/2024
<b>Direct energy consumption</b>	<b>MWh</b>	<b>4,018.85</b>	<b>4,298.61</b>
• Diesel	MWh	3,894.53	4,166.51
• Gasoline	MWh	124.32	132.10
<b>Indirect energy consumption</b>	<b>MWh</b>	<b>62.75</b>	<b>65.49</b>
• Purchased electricity	MWh	62.75	65.49
<b>Total energy consumption</b>	<b>MWh</b>	<b>4,081.60</b>	<b>4,364.10</b>
<b>Energy consumption intensity</b>	<b>MWh/million Singapore dollars of total revenue</b>	<b>19.73</b>	<b>29.06</b>

Note:

3. The unit conversion method for energy consumption data is formulated based on the "Energy Statistics Manual" issued by the International Energy Agency.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Water Management

The Group's water consumption mainly stems from offices, employee accommodations, investment properties and construction sites. The Group has set a target in FY2021/2022 to reduce water consumption intensity ( $\text{m}^3/\text{million}$  Singapore dollars of total revenue) by FY2025/2026, using FY2021/2022 as the baseline year. To achieve the target, the Group has taken the following water-saving measures in its daily business operations:

- Use water faucets and fittings in washrooms and shower facilities with water efficiency labels;
- Post promotional posters and signage in the toilets, pantry, and cleaning facilities to remind employees about the significance of water conservation;
- Schedule regular maintenance on the water pipe fittings to prevent water dripping and leakage; and
- Reuse the treated wastewater for dust suppression, boot washing, and tipper truck wheel washing to reduce the amount of freshwater consumption at construction sites.

During the Reporting Period, the Group did not encounter any problems in sourcing water that was fit for purpose while the increase in water consumption was mainly due to the installation of a dedicated water supply in one of the projects to meet the site demands. The water consumption intensity in FY2024/2025 decreased by approximately 19.49% compared to FY2023/2024. The decrease was mainly due to increased employee awareness of water conservation and the Group's collective efforts to implement the water-saving measures. As the Group's water consumption intensity in FY2021/2022 was  $13.02 \text{ m}^3/\text{million}$  Singapore dollars of total revenue, the Group is currently on track to achieve its aforementioned target and will continue to identify water-saving measures to further reduce water consumption in the future.

Summary of the Group's water consumption performance:

Water consumption	Unit	FY2024/2025	FY2023/2024
<b>Total water consumption</b>	<b><math>\text{m}^3</math></b>	<b>1,119.90</b>	<b>1,008.60</b>
<b>Water consumption intensity</b>	<b><math>\text{m}^3/\text{million}</math> Singapore dollars of total revenue</b>	<b>5.41</b>	<b>6.72</b>

## Use of Packaging Material

Due to the Group's business nature, the Group did not materially involve the use of packaging material.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## A3. The Environment and Natural Resources

Minimising the negative impacts on the environment at an earlier stage and complying with the legal requirements are the Group's operational principles. The Group conducts environmental impact assessments to identify potential and foreseeable environmental disturbances before the commencement of contract works, with the aim of devising corresponding mitigation measures. The Group's project management teams are responsible for determining the material environmental aspects of projects, including air emissions, wastewater discharge, waste disposal, noise control, visual impacts, and other statutory requirements. Meanwhile, the project management teams assess the environmental impacts associated with the different construction stages and execute mitigation measures where appropriate. Relevant emergency preparedness plans are formulated to address any emergencies that may occur during project execution.

Even though the Group's operations do not pose significant and irreversible environmental damage, the Group strictly follows its ESG Policy to reduce any negative impacts on the environment and natural resources. The Group also provides relevant environmental training and toolbox meetings with topics related to energy and water conservation, waste segregation and recycling, and mosquito breeding prevention to increase its employees' awareness of environmental conservation and enhance its environmental performance.

The Group's construction works result in construction noise that may cause nuisances to the surroundings. In order to control noise levels at the construction sites to meet the statutory requirements prescribed in relevant regulations, the Group has installed sound-proofing canvas, noise barriers, soundproof covers, or soundproof walls for noisy motorised equipment. In addition, the Group only conducts construction works under non-restricted hours to minimise the effect of emanated noise or vibration from its works on the neighbourhood. The Group has also conducted regular on-site inspections to monitor the site condition regarding waste sorting and storage, site housekeeping, and stagnant water, thus maintaining good housekeeping at construction sites and preventing flies or mosquitoes from breeding during the summer season.

## A4. Climate Change

### ***Climate Change Mitigation and Adaptation***

The Group recognises the importance of identifying significant climate-related issues and mitigating the related risks. To this end, the Group is committed to managing the potential climate-related risks that may impact its business activities. The Group has formulated the Climate Change Policy and the ESG Policy to govern its management of climate-related issues and demonstrate its commitment to climate mitigation, adaptation, and resilience across its operations and along the value chain. The Group has conducted a climate change assessment to identify and mitigate the potential climate-related risks that may arise from its business operations. These risks mainly stem from the following dimensions:

#### *Physical Risks*

The increase in frequency and severity of extreme weather such as typhoons, storms, and heavy rains may disrupt the Group's operations because such conditions may damage the power grids and communication infrastructure, hinder employees' commuting, and pose working employees at risk, especially workers for outdoor inspection works. The extreme weather may disrupt the supply chain and the resulting unstable supply of construction materials may affect the progress of construction projects. These could result in a temporary, permanent, or partial halt of the Group's business operations, which exposes the Group to risks associated with non-performance and late delivery.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To better manage the above-mentioned physical risks, the Group has formulated a contingency plan and relevant policies that set out appropriate solutions for employees to follow, thereby reducing the negative impacts brought by extreme weather events on the Group. When extreme weather events occur or may occur, the senior management will timely communicate with employees about the work arrangement to ensure staff safety and operation continuity. The Group will also review the contingency plan from time to time to ensure the plan fits the actual situations and educate its employees how to respond if any of the essential work is hindered by the extreme weather events.

### *Transition Risks*

It is anticipated that there will be more stringent climate laws and regulations to support the global vision for decarbonisation. For example, the Stock Exchange has required the listed companies to enhance the climate-related disclosures in their ESG reports. Stricter environmental legislations and regulations mean additional resources and efforts are required to fulfil the requirements, otherwise, companies may expose risks of lawsuits and bad reputations.

In response to policy, legal as well as reputational risks, the Group regularly monitors existing and emerging trends, policies, and regulations relevant to climate change. The Group also ensures the senior management is aware of the changes in legislation and regulations so as to formulate plans timely, avoid non-compliance fines, and prevent loss resulting from delayed responses.

### *Opportunities*

Due to the global vision of decarbonisation, there is an increasing number of investors and customers who are aware of the need to combat climate change. If the Group can implement effective measures to manage climate risks and even provide green alternatives in its services, its attractiveness to investors and customers may increase. Therefore, the Group intends to maintain high levels of transparency of its performance and enhance the disclosure of its ESG reports to establish trust and confidence with stakeholders including investors and customers. The Group will also conduct research and may develop more green construction services in the future.

## **B1. Employment**

### ***Caring for Employees***

The Group respects its employees and reckons their contributions are crucial to the success of the Group. Realising employees are valuable assets of the Group, the Group endeavours to create a collaborative, inclusive, and diverse working environment while offering various opportunities for professional development and personal growth. The Group has formulated human resources management policies, which are formally documented in the Employee Handbook. The relevant policies cover compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, other benefits and welfare, etc.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Act 1968, the Employment of Foreign Manpower Act 1990, the Central Provident Fund Act 1953, and the Employment of Foreign Manpower (Work Passes) Regulations 2012 of Singapore.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at 28 February 2025, the Group had a total of 439 (as at 29 February 2024: 480) employees, all of whom were working in Singapore. The distribution of employees by gender, age group, employee category, and employment type was as follows:

Category	As at 28 February 2025		As at 29 February 2024	
	Number of employees	Percentage (%)	Number of employees	Percentage (%)
<b>By gender</b>				
Male	384	87.47	430	89.58
Female	55	12.53	50	10.42
<b>By age group</b>				
30 years old or below	40	9.11	52	10.83
31–50 years old	251	57.18	306	63.75
51 years old or above	148	33.71	122	25.42
<b>By employee category</b>				
Senior management	9	2.05	9	1.88
Middle management	124	28.25	132	27.50
General employee	306	69.70	339	70.62
<b>By employment type</b>				
Full-time	439	100.00	480	100.00
Part-time	–	–	–	–

During the Reporting Period, the Group's overall employee turnover rate was approximately 21.18%<sup>4</sup> (FY2023/2024: approximately 23.75%). The employee turnover rate by gender and age group was as follows:

Turnover rate (%) <sup>5</sup>	FY2024/2025	FY2023/2024
<b>By gender</b>		
Male	23.44	26.05
Female	5.45	4.00
<b>By age group</b>		
30 years old or below	37.50	34.62
31–50 years old	23.51	26.80
51 years old or above	12.84	11.48

Notes:

- The overall turnover rate is calculated by dividing the number of employees leaving employment during the reporting period by the number of employees at the end of the reporting period.
- The turnover rate is calculated by dividing the number of employees leaving employment in the specified category during the reporting period by the number of employees in the specified category at the end of the reporting period.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **Employment Practices**

### *Remuneration and Benefits*

The Group offers competitive remuneration packages to its eligible employees, including basic wages, discretionary bonuses, annual leaves, fixed working hours, allowances, medical and dental benefits, annual wage supplements, monthly Central Provident Fund contributions, and insurance plans. Apart from statutory holidays and annual leaves, the Group's employees are entitled to compassionate leave, maternity leave, paternity leave, and childcare leave pursuant to the Employment Act 1968 of Singapore. Meanwhile, the Group offers medical insurance, accommodation, insurance for security bonds, and levies for each non-Malaysian worker pursuant to the relevant laws and regulations in Singapore.

### *Recruitment, Promotion and Dismissal*

The recruitment of foreign workers is a general practice of the construction sector in Singapore due to the shortage of local construction workers. The Group employs foreign workers from other countries, such as Malaysia and the People's Republic of China (the "PRC"), to support its construction works. The Group's Human Resources Department and Health, Safety and Environment Department mainly source and recruit foreign workers through recruiting agencies. To ensure foreign workers are suitable and legally employable, the Group requires candidates to provide a list of documents, including but not limited to identification documents, the workers' past employment details, copies of employment pass or work permit issued by the Ministry of Manpower of Singapore, copies of passport, entry and re-entry permit (for non-Singaporeans), and medical certificate for validation. The Group forbids child and/or illegitimate foreign workers to work in its construction sites and strictly complies with relevant laws and regulations in Singapore during the recruitment process.

The Group adopts an open appraisal system to facilitate in-depth discussion of employees' performance and development opportunities. The Group conducts annual performance appraisals to evaluate the performance of its employees, with the appraisal results serving as an indicator for promotion and salary increment.

Besides, the Group does not tolerate the dismissal of employees on any unreasonable basis. Any termination of the employment contract would be based on reasonable and lawful grounds supported by the internal policies of the Group.

### *Working Hours*

Overtime work is not encouraged in the workplace except for emergencies, accidents, and severe work interruptions. Employees must obtain prior approval from the head of department and authorisation from the immediate supervisor before performing overtime work, and overtime compensation will be granted to eligible employees in conformance with the Employment Act 1968 of Singapore.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Diversity, Equal Opportunities and Anti-discrimination*

With its commitment to the principles of equal opportunity and diversity, the Group solely takes into account the experiences, qualifications, and competencies of individuals in the process of recruitment, job rotation, promotion, and dismissal. The Group will not consider nationality, age, gender, religion, sexual orientation, gender identity, ethnicity, disability, pregnancy, political inclination, union membership, and/or other forms of aspects that are unrelated to job requirements in any employment decision-making. The Group also strictly prohibits any form of harassment in its workplace and all employees have the obligation to follow the Group's policies on equal opportunity, diversity, and anti-discrimination. The Group only terminates the employment contract for a fair reason, such as breaches of the employee code of conduct, improprieties, criminal offences, or redundancy.

## **B2. Health and Safety**

### ***Occupational Health and Safety***

Occupational health and safety ("OHS") is of utmost importance to the Group's business operations. The Group has formulated the Workplace Safety and Health ("WSH") Policy, which is included in its Employee Handbook, to guide its operational practices. Meanwhile, the Group has implemented an OHS management system accredited with the ISO 45001 standard and bizSAFE STAR certificate to identify, manage, and mitigate the potential safety-related risks and hazards in the entire project lifecycle and daily construction operations. The Group's Human Resources Department and Health, Safety and Environment Department are responsible for the overall implementation of the OHS management system, the review of safety programmes, and the enhancement of safety performance.

The Group has introduced a series of safety management procedures and measures, including (1) risk management; (2) in-house safety rules and guidelines; (3) emergency preparedness and response; and (4) accident/incident investigation and reporting to evaluate the risk levels of the work tasks, formulate mitigation plans, and minimise foreseeable risks to its workers. For each of the Group's construction projects, the Group has assigned a site safety coordination team to oversee safety issues and ensure the execution of the safety practices at the worksite. Besides, the Group conducts regular safety inspections at construction sites to ensure the effectiveness of safety measures and continually identify any potential safety risks in a proactive manner for accident prevention.

For the projects on which the Group acts as a subcontractor, the Group abides by the workplace safety and health management procedures and practices requested by the main contractors. To prevent injuries and accidents, the Group submits risk assessments and safe work procedures that outline the risk levels of the work tasks and precautionary measures to the main contractors on a regular basis. The Group's safety supervisors are required to attend the regular safety inspections with main contractors to identify and mitigate potential on-site safety hazards at an earlier stage, improve workplace safety conditions, and prevent work-related incidents or injuries. Smoking is strictly prohibited in the workplace to prevent fire hazards. The Group also conducts regular fire drills to increase employees' awareness of potential fire hazards and be aware of fire escape routes. In regard to office safety, all office staff members are required to maintain good housekeeping in their workplace and exercise care when using office equipment.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group recognises that it is important to foster a “safety-centred” culture at construction sites and enhance the safety ownership of its employees and subcontractor workers through the provision of safety awareness training programmes. A daily toolbox meeting and pre-start analysis are arranged for employees and subcontractor workers prior to work to highlight proper work safety practices at the construction sites. On billboards and notice boards, posters related to safety-related topics are also displayed to remind workers of good safety practices. Regular emergency drills (e.g. fire drills and chemical leakage drills) are conducted by the Group’s project teams or by the main contractors to ensure that the workers on-site have the necessary knowledge and skills to handle the emergency.

Although the Group has taken various preventive measures, accidents may still occur at the construction sites. In the event of any accident, the injured worker (including the Group’s employees and subcontractors’ employees) or the person who witnessed the accident is required to report immediately to their direct supervisor or department manager in charge. The department manager in charge will launch an investigation to find the causes and submit an incident report form to the Group’s safety officer within two working days. For serious incidents such as fatal accidents, amputation cases, or other dangerous occurrences, the Group’s safety officer will form an incident investigation team to carry out a comprehensive accident investigation, thereby identifying the root causes and formulating effective preventative and corrective measures based on the investigation findings. The Group ensures sufficient follow-up actions are implemented to prevent the recurrence of such incidents and minimise harm. The Group will notify any reportable cases to the Ministry of Manpower of the Government of Singapore within ten days after the accident occurs.

The Group has recorded 0 work-related fatalities or incidents that resulted in permanent disability in each of the past three years, including the Reporting Period. However, 1 (FY2023/2024: 4) case of work-related injuries and 79 (FY2023/2024: 153) lost days due to work related injury were recorded during the Reporting Period. The Group has also received a number of OHS awards, including the ESH Excellent Award and the Monthly EHS Excellent Award by the Obayashi Singapore. In the future, the Group will continue to raise employees’ awareness of occupational health and safety.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the Workplace Safety and Health Act 2006, the Work Injury Compensation Act 2019, the Workplace Safety and Health (Construction) Regulations 2007, the Workplace Safety and Health (Scaffolds) Regulations 2011 and the Workplace Safety and Health (Risk Management) Regulations of Singapore.

### B3. Development and Training

To nurture the talent pool and strengthen the Group’s position in the industry, the Group strives to provide training opportunities to all its employees to advance their professional skills and experiences. The Group’s Employee Handbook stipulates the standardised procedures for employee training management and illustrates the focus areas of training.

In order to establish a clear career ladder and recognise employees’ contributions, the Group provides promotion opportunities for existing employees who meet the required standards for a higher position and demonstrate potential. All employees are subjected to an annual performance appraisal to review their performance, understand their personal development goals, and provide feedback to them. The Group is dedicated to building a team that can realise its corporate business development goals and fostering mutual growth with its employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group provides its employees with on-site safety induction training before the commencement of work and incorporates regular briefings in the daily toolbox meetings. The Group offers external training and refresher training concerning environmental and OHS management, such as formwork safety supervisor courses, work-at-height courses, and first aid courses, to relevant workers and employees. The Group's basic-skilled workers are also encouraged to complete the advanced course accredited by the Building and Construction Authority of Singapore to enhance their skillset and competence.

During the Reporting Period, approximately 70.86%<sup>6</sup> (FY2023/2024: approximately 76.09%) of the Group's employees participated in training, with an average of approximately 10.36 hours<sup>7</sup> (FY2023/2024: approximately 15.27 hours) of training.

The percentage of trained employees, breakdown of employees trained, and average training hours per employee by gender and employee category were as follows:

	Percentage of employees trained (%) <sup>8</sup>		Breakdown of employees trained (%) <sup>9</sup>		Average training hours per employee (hours) <sup>10</sup>	
	FY2024/2025	FY2023/2024	FY2024/2025	FY2023/2024	FY2024/2025	FY2023/2024
<b>By gender</b>						
Male	76.58	81.73	96.29	98.01	11.11	16.54
Female	24.14	17.31	3.71	1.99	4.21	2.07
<b>By employee category</b>						
Senior management	—	44.44	—	0.88	—	1.33
Middle management	6.20	4.86	2.12	1.55	0.99	0.37
General employee	93.65	100.00	97.88	97.57	13.66	20.42

Notes:

6. The percentage of trained employees is calculated by dividing the number of trained employees during the reporting period by the total number of employees (including resigned employees) during the reporting period.
7. The average training hours per employee is calculated by dividing the total training hours of employees during the reporting period by the total number of employees (including resigned employees) during the reporting period.
8. The percentage of trained employees by category is calculated by dividing the number of trained employees in the specified category during the reporting period by the total number of employees in the specified category (including resigned employees) during the reporting period.
9. The breakdown of employees trained by category is calculated by dividing the number of trained employees in the specified category during the reporting period by the total number of trained employees (including resigned employees) during the reporting period.
10. The average training hours per employee by category is calculated by dividing the training hours of employees in the specified category during the reporting period by the number of employees in the specified category (including resigned employees) during the reporting period.

**B4. Labour Standards**

In order to avoid the employment of child and forced labour as defined by laws and regulations, the Group has formulated relevant guidelines in the ESG Policy to ensure no illegal employment is happening. The Group’s Human Resources Department is responsible for monitoring and ensuring compliance with the latest relevant laws and regulations prohibiting child labour and forced labour.

To avoid illegal employment of child labour, underage workers, and forced labour, personal data is collected by the Group during the recruitment process to assist in the selection of suitable candidates and to verify candidates’ identities. The Human Resources Department checks all applicants’ identity documents carefully before official job offers. If violations are discovered, the relevant employment contract will be terminated immediately and the involved personnel will be subject to disciplinary actions.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Act 1968 of Singapore.

**B5. Supply Chain Management**

The Group believes that maintaining close collaborations with a wide range of business partners, such as subcontractors and suppliers, can help it uphold a high quality of service and maintain a competitive advantage in its sector.

The Group has set up a stringent supplier selection policy and a performance assessment system to ensure suppliers can compete under an open and fair mechanism. Before engaging a new supplier (including subcontractors), the Group will fill out a pre-acceptance assessment form to evaluate the background and track records of the supplier, including but not limited to:

- The type(s) and quality of material or service to be provided;
- The registration grade of the Building and Construction Authority of Singapore (“BCA”) and BCA contractor licencing information;
- Previous track records in compliance with safety and statutory requirements;
- Previous building works experience; and
- Delivery time and reputation.

Only suppliers that can fulfil the Group’s requirements qualify as approved suppliers and are included in its approved subcontractor and supplier list. Moreover, the Group conducts annual supplier performance assessments based on a range of factors, including but not limited to the quality of materials or services provided, price quotation, and timeliness of delivery, to ensure the performances of existing suppliers are up to the Group’s requirements and contract specifications.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **Sustainable Supply Chain Management**

The Group recognises the importance of good supply chain management practices in mitigating environmental and social risks. In view of sustainable supply chain management, the Group has implemented the Sustainable Supply Chain Policy and strives to consider the social practices, ethics, and environmental performance of its suppliers during the procurement and tendering procedures. Moreover, the Group outlines its expectations and requirements to its subcontractors in the course of a construction project to enhance the sustainability performance of its operations. The subcontractor and supplier list is reviewed annually in accordance with the following principles by the designated person of the Task Force:

- Compliance with the applicable laws and regulations and contractual obligations;
- Awareness of the environmental, social, and ethical issues relevant to their operations;
- Respect for intellectual property rights;
- Non-disclosure of confidential information; and
- Prevention of bribery or conflict of interest.

In addition, the Group's procurement decisions are made not only based on the best price but also taking other factors into account, such as quality, timeliness, supplier reputation, ethical production and procurement, and terms of trade. The Group requires its contractors/subcontractors to employ workers with at least one year of working experience in Singapore, provide personal protective equipment, offer sufficient rest periods to workers, participate in the on-site toolbox meetings to understand potential workplace safety and health issues and project-related matters, as well as align with the standards set by the projects department. These measures aim at ensuring that the contractors/subcontractors are jointly responsible for workplace safety.

Furthermore, the Group has adopted several measures to mitigate the risk of engaging illegal workers in its subcontracted works. For example, the Group conducts preliminary background checks on new subcontractors prior to engagement to ascertain they have not been involved in any incidents of hiring illegal workers in the past. The Group also requests its subcontractors to provide copies of the valid work permits of the suspected illegal workers before allowing them to continue working at its construction sites.

To encourage suppliers' improvement in environmental and social performance, the Group encourages suppliers to address and manage their environmental and social issues in their operations for priority consideration. The Group maintains close communication with suppliers to understand their operational practices, identify potential problems, and suggest corresponding improvement measures. The Group also shares sustainable operating practices and disseminates environmental concepts, including the latest knowledge on quality, safety, good employment, and environmental practices to its suppliers.

Any violation of the above principles or requirements discovered by the designated personnel of the Group will be promptly reported to management. A corrective action plan will be carried out by the Group to remediate the identified risks in a timely manner. During the Reporting Period, the aforementioned supplier engagement practices have been imposed on all suppliers.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group had a total of 316 (FY2023/2024: 277) suppliers, and the geographical distribution of the Group's suppliers was as follows:

Region	Number of suppliers	
	FY2024/2025	FY2023/2024
Singapore	312	277
China	2	–
Malaysia	2	–

### B6. Product Responsibility

Achieving and maintaining a high-quality standard for projects is of great importance for the Group's sustainable growth. The Group believes completing works that meet or exceed client's requirements is crucial for job references and future business opportunities. Hence, the Group regularly controls and monitors the progress of each project to ensure that it delivers high-quality services and products.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning advertising, labelling, and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group, including but not limited to the Building Control Act 1989, the Building and Construction Industry Security of Payment Act 2004 and the Personal Data Protection Act 2012 of Singapore.

As a contractor specialising in structural engineering works and wet architectural works, the Group has limited activities in advertising and labelling matters. Nevertheless, the Group strives to ensure information disseminated, such as company brochures and newsletters, is complete, accurate, clear, and in compliance with relevant laws and regulations. Moreover, disclosure on the number of products sold or shipped subject to recalls for safety and health reasons was not applicable due to the Group's business nature.

#### **Quality Building and Engineering Services**

In order to provide quality building and engineering services that consistently meet legal requirements, safety standards, and customer expectations, the Group has implemented a quality management system accredited with the ISO 9001:2015 standard across its operations to continually improve its service quality in various aspects, including operational planning, control over production and service provision, and understanding of customer satisfaction. The Group has obtained the bizSAFE Level 3 certificate since 2010 and upgraded to bizSAFE STAR since 2021, which demonstrates its ongoing efforts and commitment.

To ensure the timely completion of the works, the Group forms a project team for each committed project. The project team is responsible for the preparation of project schedules, the deployment of manpower, the allocation of resources, and the engagement of subcontractors and suppliers for each stage of the project lifecycle – from initiation, planning and design, construction and execution, monitoring and control to completion. Therefore, the project team takes the responsibility to ensure the project execution is on track and its deliverables satisfy the contract specifications and requirements.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's project teams periodically conduct rigorous quality assurance inspections to ensure that building engineering works are constructed in conformance with the approved design drawings and method statements, as well as the statutory building requirements to safeguard the quality and safety of the building works. Regular progress meetings with the Group's subcontractors are arranged to follow up on the project progress and monitor the quality of construction works. The ongoing communication enables the Group to address the potential and foreseeable quality and safety risks during the construction and rectify the identified defects at an earlier stage, so as to absolve customers' concerns and meet their expectations.

### **Customer Services**

Being a construction contractor specialising in structural engineering works and wet architectural works, customers of the Group are primarily main contractors, property developers, entities from the public sector, etc. To understand the needs of various customers and provide tailored services that meet their expectations and needs, customer satisfaction surveys are distributed to collect opinions. The Group treats the feedback seriously to identify dissatisfying aspects and is committed to taking follow-up actions actively. Besides, the Group maintains ongoing communication with customers through regular meetings and email to ensure their concerns are addressed timely. During the Reporting Period, there were no material claims or complaints brought against the Group by its customers, and the cost incurred for rectifying defective works was immaterial (FY2023/2024: nil).

### **Data Privacy Protection**

With increasing public concerns about cyber security and data privacy, the Group has established the Data Protection Policy with management procedures to govern the access, usage, and storage of corporate confidential and sensitive information, including but not limited to customer information, budget plans, accounting data, and employees' personal data. In order to prevent unauthorised access, leakage of confidential information, and impairment of data integrity, the Group has adopted appropriate administrative, physical, and technical measures such as the installation of up-to-date antivirus protection, data encryption, and the use of privacy filters to secure the storage and transmission of corporate information. All employees must follow the obligations as stated in the employment contract and Employee Handbook and not disclose any information, documents, or materials relating to corporate business activities that may come into their knowledge or possession during the term, in the course of their employment, or after their employment without the consent of the Group. For customer information, only responsible departments and/or designated personnel can access the data on a "need-to-know" basis. Any copy, transfer, or disclosure of such information shall obtain prior approval by the Group and customer in order to prevent unnecessary information leakage to unauthorised parties. Employees who breach the regulations may face disciplinary action and legal liability.

### **Intellectual Property Rights**

Notwithstanding that intellectual property rights are not considered as a material ESG aspect due to the Group's business nature, it has established relevant policies to govern the information technology management of its information system. In addition, the Information Technology Department is responsible for obtaining proper licences for software, hardware, and information used by the Group in its business operations. Duplication or downloading of software, information, and images from the internet must be approved by relevant departments. The Group also closely monitors the infringement actions in the market and avoids any infringement behaviour, such as counterfeit trademarks.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B7. Anti-corruption

The Group is committed to upholding the highest degree of integrity and fairness in its business activities and exacting zero tolerance for any form of bribery, extortion, fraud, or money laundering. The Group's Corporate Governance Policies and Procedures Handbook, the code of conduct, and the Employee Handbook have outlined the standard of behaviour on anti-corruption, handling of conflicts of interest, as well as data privacy and confidentiality that employees shall abide by in their business dealings. The Group strictly forbids its board members and employees to accept any advantages (e.g. gifts, entertainment, etc.) that may undermine their impartiality or result in undue influence on the Group. All board members and employees are required to complete the written declaration of conflict of interest and disclose any relationships, activities, or interests that could possibly involve an actual or potential conflict of interest.

As stipulated in the Group's Corporate Governance Policies and Procedures Handbook, the Group has established a whistleblowing mechanism with clear reporting channels for employees to report any suspected malpractice or impropriety in good faith. Employees may report the concern through email, phone, or letter and should prepare documentation of the concern.

Employees should first raise their concerns with their immediate supervisor, manager, or appropriate personnel in charge (depending on the seriousness and sensitivity of the matter and the identity of the person suspected of the wrongdoing). The superior should then refer the matter to the Whistle-blowing Officer. Employees may also contact the Whistle-blowing Officer directly if they deem it necessary. When the concern involves a Whistle-blowing Officer, the matter should be reported directly to the Chairman of the Audit Committee or any member of the Audit Committee. All the members of the Audit Committee are independent non-executive directors to maintain fairness.

The Board should be informed as soon as possible when the concern is substantiated with evidence. All disclosures are treated in a confidential and sensitive manner, and the identity of the whistle-blower is kept confidential to protect against any reprisal, harassment, or unfair treatment. In the event of any reporting case received, the Group will undergo an internal investigation or engage an external consultant for case investigation, depending on the resources required and the impact of the concern, to verify the reporting issue. The outcomes of the investigation will be reported to the Board for further consideration and resolution and transferred to relevant judicial authorities for further handling when applicable.

During the Reporting Period, the Group has distributed information on anti-fraud, anti-money laundering, and counterterrorist to employees. A total of 406 employees (FY2023/2024: 2 directors and 496 employees) participated in the anti-corruption training. The training involved introducing the Group's anti-corruption policies and procedures to raise directors' and employees' awareness. The training also provided an overview of what corruption is, its different forms, and how it manifests in various contexts. Besides, participants learned about the reporting mechanisms, including possible channels for reporting and whistle-blower protection measures.

During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees. The Group was also not aware of any material non-compliance with related laws and regulations concerning bribery, extortion, fraud, and money laundering that would have a significant impact on the Group, including but not limited to the Prevention of Corruption Act 1960 and the Penal Code 1871 of Singapore.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B8. Community Investment

The Group recognises the valuable contribution many charitable bodies make to society and humanity and strives to endorse their meaningful activities. Hence, the Group has formulated the Charity Policy to provide guidelines regarding support (in the form of money donations and in-kind) given to charities. The Group chooses its charity partners by reviewing the charities' history while assessing how the company and charity might maximise the benefits of collaboration.

As a socially responsible corporation, the Group is committed to caring for the underprivileged in society and contributing to the development of a harmonious community through engaging in community programmes and encouraging its employees to take part in voluntary services and charitable activities. During the Reporting Period, the Group donated 13,000 Singapore dollars and devoted 6.5 voluntary hours to the Tanah Merah Country Club to raise funds for building a safe and sheltered space for horses.

Going forward, the Group will enhance its efforts in charity work to better support community needs, while also fostering a more favourable environment for the community and its business by focusing on health and sports aspects.





# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure Requirements	Section/Statement
Governance Structure	Board Statement
Reporting Principles	Reporting Framework
Reporting Boundary	Scope of Reporting

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protecting the Environment
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Greenhouse Gas (“GHG”) Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – Greenhouse Gas (“GHG”) Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Material
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change – Climate Change Mitigation and Adaptation
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Physical Risks, Transition Risks, Opportunities

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B1: Employment</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Caring for the Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Caring for the Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for the Employees
<b>Aspect B2: Health and Safety</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management – Sustainable Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management – Sustainable Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Sustainable Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Sustainable Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Data Privacy Protection

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment



# INDEPENDENT AUDITORS' REPORT



31/F., Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CTR HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of CTR Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 127, which comprise the consolidated statement of financial position as at 28 February 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 28 February 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards 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 OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("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 opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITORS' REPORT

## KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<b>Accounting for construction contracts</b>	
Refer to note 6 to the consolidated financial statements	
<p>The Group recognised revenue from construction contracts of approximately S\$206,918,000 for the year ended 28 February 2025.</p> <p>The Group applied the stage of completion method in recognising the revenue from construction contracts over time by reference to the Group's efforts or inputs to the satisfaction on a performance obligation relative to the total expected inputs to the satisfaction of the performance obligation. The recognition of revenue therefore relies on the management's estimation towards the estimation of the budgeted cost, which are prepared in accordance with contract specifications, past experiences and competences.</p> <p>In order to keep the budget accurate and the most up-to-date, the management of the Group conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred of projects, in which requires significant time and resources to audit due to the magnitude, as well as the significant judgement and estimates involved.</p>	<p>Our audit procedures in relation to the accounting for construction contracts including, but not limited to:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of key controls over the revenue recognition and contract costs budgetary process of the Group.</li> <li>In relation to the total contract revenue, (i) tracing the total contract sums to construction contracts and variation orders where applicable, entered into by the Group and its customers on a sample basis; and (ii) recomputing the percentage-of-completion by calculating, on individual selected project basis, the actual contract costs incurred to date over the total budgeted contract costs.</li> <li>In relation to the total contract costs, (i) assessing the competence of project managers and surveyors; (ii) understanding and discussing the status of each of the selected projects with project managers and surveyors; (iii) reviewing the reasonableness of the costs to complete for selected projects by verifying against contracts, quotations or other supporting evidence; (iv) reviewing the reasonableness of costs components based on our understanding of the nature of selected contracts; (v) understanding how the selected variation orders affect the total contract costs and checking to supporting evidence; and (vi) assessing the accuracy of actual total costs incurred for the year by checking against the supporting documents including the payment certificates or invoices issued by the major subcontractors, suppliers or vendors, on a sample basis.</li> </ul> <p>Based on the above audit procedures performed, we found that the application of judgment and estimates adopted by management in determining the estimated contract revenue, costs and profit recognition of construction contracts were supported by the evidence we obtained.</p>



**OTHER INFORMATION**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

**RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

# INDEPENDENT AUDITORS' REPORT

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Shek Lui.

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*

**Shek Lui**  
*Practising Certificate Number: P05895*

Hong Kong, 29 May 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 28 February 2025

	Notes	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
<b>Revenue</b>	6	206,918	150,217
Construction costs		(182,210)	(134,804)
<b>Gross profit</b>		24,708	15,413
Other income and gain, net	7	1,444	1,466
Administrative expenses		(16,177)	(13,576)
(Provision on)/reversal of loss allowance on financial assets and contract assets, net		(406)	112
Finance costs	8	(10)	(8)
<b>Profit before tax</b>	9	9,559	3,407
Income tax expense	12	(1,793)	(736)
<b>Profit for the year</b>		7,766	2,671
<b>Other comprehensive income/(expense):</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		89	(1)
<b>Other comprehensive income/(expense) for the year, net of tax</b>		89	(1)
<b>Total comprehensive income for the year</b>		7,855	2,670
Profit attributable to:			
Owners of the company		7,766	2,671
Total comprehensive income attributable to:			
Owners of the company		7,855	2,670
<b>Earnings per share</b>			
– Basic and diluted (SGD cents)	14	0.55	0.19



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2025

	Notes	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
<b>Non-current assets</b>			
Property, plant and equipment	15	2,761	2,896
Investment properties	16	4,200	4,333
Right-of-use assets	17	278	319
Contract assets	18(a)	18,323	16,940
<b>Total non-current assets</b>		<b>25,562</b>	<b>24,488</b>
<b>Current assets</b>			
Inventories	19	549	32
Contract assets	18(a)	22,585	14,646
Trade receivables	20	25,749	11,243
Prepayments, other receivables and deposits	21	4,357	2,901
Financial assets at fair value through profit or loss	22	2,098	2,030
Amounts due from related parties	23	158	154
Pledged deposits	24	–	650
Time deposits with original maturity over three months	24	16,125	16,125
Cash and cash equivalents	24	30,071	26,565
<b>Total current assets</b>		<b>101,692</b>	<b>74,346</b>
<b>Total assets</b>		<b>127,254</b>	<b>98,834</b>
<b>Current liabilities</b>			
Contract liabilities	18(b)	7,086	5,704
Trade payables	25	47,249	28,924
Other payables and accruals	26	10,578	10,843
Lease liabilities	27	136	152
Income tax payable		1,817	705
<b>Total current liabilities</b>		<b>66,866</b>	<b>46,328</b>
<b>Net current assets</b>		<b>34,826</b>	<b>28,018</b>
<b>Total assets less current liabilities</b>		<b>60,388</b>	<b>52,506</b>
<b>Non-current liabilities</b>			
Lease liabilities	27	101	93
Deferred tax liabilities	28	86	67
<b>Total non-current liabilities</b>		<b>187</b>	<b>160</b>
<b>Total liabilities</b>		<b>67,053</b>	<b>46,488</b>
<b>Net assets</b>		<b>60,201</b>	<b>52,346</b>
<b>Equity attributable to owners of the Company</b>			
Share capital	29	190	190
Reserves	30	60,011	52,156
<b>Total equity</b>		<b>60,201</b>	<b>52,346</b>
<b>Total equity and liabilities</b>		<b>127,254</b>	<b>98,834</b>

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 May 2025 and are signed on its behalf by:

**Xu Xuping**  
Director

**Xu Tiancheng**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2025

	Share capital S\$'000 (Note 29)	Share premium* S\$'000 (Note 30)	Foreign currency translation reserve* S\$'000 (Note 30)	Merger reserve* S\$'000 (Note 30)	Retained profits* S\$'000	Total S\$'000
At 1 March 2023	190	17,739	(284)	1,100	30,931	49,676
Profit for the year	–	–	–	–	2,671	2,671
Other comprehensive expense for the year:						
Exchange differences on translation of foreign operations	–	–	(1)	–	–	(1)
Total comprehensive (expense)/ income for the year	–	–	(1)	–	2,671	2,670
At 29 February 2024 and 1 March 2024	190	17,739	(285)	1,100	33,602	52,346
Profit for the year	–	–	–	–	7,766	7,766
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	–	–	89	–	–	89
Total comprehensive income for the year	–	–	89	–	7,766	7,855
At 28 February 2025	190	17,739	(196)	1,100	41,368	60,201

\* These reserve accounts comprise the consolidated reserves of S\$60,011,000 (2024: S\$52,126,000) in the consolidated statement of financial position.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 February 2025

	Notes	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		9,559	3,407
Adjustments for:			
Depreciation of property, plant and equipment		467	431
Depreciation of investment properties		133	133
Depreciation of right-of-use assets		188	112
Gain on fair value changes in financial assets at fair value through profit or loss		(68)	(30)
Loss/(gain) on disposal of property, plant and equipment		4	(88)
Fixed assets written off		–	7
Loss allowance provision on/(reversal of provision on):			
– Contract assets		762	(691)
– Trade receivables		(356)	579
Interest income		(1,080)	(869)
Interest expenses		10	8
Foreign exchange gain, net		1	(1)
<b>Operating cash flows before changes in working capital</b>		<b>9,620</b>	<b>2,998</b>
Increase in contract assets		(10,084)	(1,589)
(Increase)/decrease in inventories		(517)	37
Increase in trade receivables		(14,150)	(3,019)
Increase in prepayments, other receivables and deposits		(1,623)	(1,145)
Increase in amount due from related parties		(4)	(4)
Increase in contract liabilities		1,382	1,362
Increase in trade payables		18,325	10,145
(Decrease)/increase in other payables and accruals		(265)	8,093
<b>Cash flows generated from operations</b>		<b>2,684</b>	<b>16,878</b>
Interest received		705	223
Income taxes paid		(662)	(1,815)
<b>Net cash flows generated from operating activities</b>		<b>2,727</b>	<b>15,286</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(340)	(871)
Proceed from disposal of property, plant and equipment		4	136
Purchase of financial assets at fair value through profit and loss		–	(2,000)
Interest received from time deposits with original maturity over three months		542	439
Decrease in pledged deposits		650	56
Withdrawal from time deposits with original maturity over three months		22,249	24,831
Placement of time deposits with original maturity over three months		(22,249)	(21,125)
<b>Net cash generated from investing activities</b>		<b>856</b>	<b>1,466</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(165)	(93)
<b>Net cash flows used in financing activities</b>		<b>(165)</b>	<b>(93)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,418</b>	<b>16,659</b>
Cash and cash equivalents at beginning of financial year		26,565	9,906
Effect of exchange rate changes on the balance of cash held in foreign currencies		88	–
Cash and cash equivalents at end of financial year	24	<b>30,071</b>	<b>26,565</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 1. CORPORATE AND GROUP INFORMATION

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 (the “Stock Exchange”) 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 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		
			2025 %	2024 %	2025 %	2024 %	
Held by the Company							
Pinnacle Shine Limited	British Virgin Islands 20 August 2018	US\$10	100	100	–	–	Investment holding
Held through a Subsidiary							
Chian Teck Realty Pte Ltd	Singapore 30 March 2009	S\$6,500,000	–	–	100	100	Provision of structural engineering works and wet architectural works
Chian Teck Development Pte Ltd	Singapore 22 March 2006	S\$100,000	–	–	100	100	Provision of structural engineering works and wet architectural works





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 March 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments IAS1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the new and amendments to IFRS Accounting Standards 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.

### Amendments to IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to IAS 21 and IFRS 1 IFRS 18	Lack of Exchangeability <sup>2</sup> Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

### Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the 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 (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis, except for the financial assets at Fair value through profit or loss ("FVTPL") as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of IFRSs 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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.

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- |         |   |   |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities   |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable                              |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories and contract assets, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

**3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)

**Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

	Useful lives
Office units	54 to 60 years
Computers	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	5 years
Renovation	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Intangible asset

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

License right is amortised on a straight-line basis over the contractual life of 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### Leases

#### **Definition of a lease**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### **The Group as a lessee**

##### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Leases (Continued)

#### **The Group as a lessee** (Continued)

##### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases of staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

##### *Right-of-use assets*

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

##### *Refundable rental deposits*

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Leases (Continued)

#### **The Group as a lessee** (Continued)

##### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Leases (Continued)

#### **The Group as a lessee** (Continued)

##### *Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

#### **The Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Investments and other financial assets

#### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

#### **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Impairment of financial assets (Continued)

#### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- |         |   |  |
|---------|---|--|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs   |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs                          |

#### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Financial liabilities

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

The Group's financial liabilities include trade and other payables and accruals and lease liabilities.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

#### **Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Financial liabilities at amortised cost*

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

#### **Derecognition/modification of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

#### **Offsetting a financial asset and a financial liability**

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. Cost necessary to make the sale include incremental costs directly attributable to the sale and no incremental costs which the Group must incur to make the sale.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months and that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the net cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs (to specify, e.g. direct labour and materials) and an allocation of other costs (to specify, e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract) that relate directly to fulfilling contracts.

### Income tax

Income tax represents the sum of current tax and deferred tax expense. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Goods and services tax

Revenues, expenses and assets are recognised net of the amount of sales tax except, where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables that are stated with the amount of sales tax included.

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the consolidated statement of profit or loss by way of a reduced depreciation charge.

### Revenue recognition

#### **Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Revenue recognition (Continued)

#### **Revenue from contracts with customers** (Continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

#### (a) *Construction services*

Revenue from the provision of construction services is recognised over time. As soon as the outcome of a construction contract can be estimated reliably, revenue from the provision of construction services is recognised in profit or loss in proportion to the stage of completion, as the entity's performance creates or enhances the asset (for example, work in progress) that the customer controls as the asset is created or enhanced. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is measured by the proportion of costs incurred to date over the estimated total costs of the project. The total budgeted cost used by the project is derived from budgets approved on the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss. Progress billings to customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

#### **Other income**

#### (a) *Rendering of services*

Rendering of services relates to revenue derived from the provision of labour. Revenue is recognised when the performance obligation in relation to the services is completed.

#### (b) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial assets.

#### (c) *Rental income*

The Group generates rental income from the lease of its office units. Rental income is recognised on a straight-line basis over the lease terms.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Contract assets

If the Group performs by transferring services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

Employee benefits

*Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Group's companies incorporated in Singapore make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the contribution become payable in accordance with the rules of the Central Provident Fund scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are simultaneously proposed and declared, because the Group's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Foreign currencies

These consolidated financial statements are presented in Singapore dollars, which is different from the Company's functional currency (i.e. HK\$). The directors of the Company adopted SGD as presentation currency as the operational entities are located in Singapore. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the year. Differences arising on settlement or translation of monetary items are recognised in the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively). In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration. The functional currencies of certain overseas subsidiaries are currencies other than the Singapore dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Singapore dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Singapore dollar at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

### Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various line of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### (a) *Accounting for construction contracts*

The Group recognises contract revenue to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, revenue from contracts is recognised in the profit or loss in proportion to the stage of completion, using the input measurement method. In applying the stage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the proportion of total contract costs incurred to date and estimated costs to complete. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

#### (b) *Provision for onerous contract*

During the year ended 28 February 2025, the Group recognises a provision for onerous contract of approximately SGD1,703,000 (2024: SGD4,302,000) according to the management's estimation of the progress and outcome of the project, which is established by reference to budget prepared by the Quantity Surveyor and the management. Therefore, it involves significant management judgement and estimation in forecasting the costs to complete a contract, valuing contract variations, from contracts to date and in each reporting period. Variation orders are included in revenue only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future, by considering the correspondence with customers and historical outcome for similar contracts. Budgeted costs are prepared by management on the basis of quotations from time to time provided by the major subcontractors, suppliers or vendors involved based on the requests and working schedules agreed with the customers. Because of the nature of the activities undertaken in the construction business, the Group reviews and revises the estimates of contract revenue, contract costs, variation orders and provision on onerous contracts to the budget prepared for each construction contract as the contract progresses.

The actual outcome of the contracts in terms of its total revenue earned and costs incurred may be higher or lower than the estimates and this will affect the revenue recognised from contracts to date and in each reporting period.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 5. 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 2025 S\$'000	Year ended 29 February 2024 S\$'000
Customer A	41,730	19,255
Customer B	24,732	62,432
Customer C	37,639	N/A*
Customer D	28,790	N/A*
Customer E	25,122	N/A*

\* 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 derived in Singapore and all of the Group's total non-current assets were located in Singapore.

## 6. REVENUE

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

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Structural engineering works	189,124	126,333
Wet architectural works	17,794	23,884
Total revenue from contracts with customers	206,918	150,217
Timing of transfer of goods or services		
Over time	206,918	150,217



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 6. REVENUE (Continued)

### (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 to 60 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 2025 S\$'000	Year ended 29 February 2024 S\$'000
Amounts expected to be recognised as revenue:		
Within one year	243,084	128,894
After one year but within two years	10,595	15,080
	253,679	143,974

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

## 7. OTHER INCOME AND GAINS, NET

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Foreign exchange (losses)/gain, net	(1)	1
Government grants*	50	78
Rental income	134	123
Interest income	1,080	869
Fair value changes in FVTPL	68	30
(Loss)/gain on disposal of property, plant and equipment	(4)	88
Other	117	277
	1,444	1,466

\* Government grants mainly relate to Enterprise Development Grant, Senior Employment Credit and Lorry Crane Stability Control System Grant. There are no unfulfilled conditions or contingencies relating to these grants.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 8. FINANCE COSTS

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Interest on lease liabilities	10	8

## 9. PROFIT BEFORE TAX

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

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Auditors' remuneration	177	177
Construction costs ( <i>Note</i> )	182,210	134,804
Depreciation of property, plant and equipment	467	431
Depreciation of investment properties	133	133
Depreciation of right-of-use assets	188	112
Loss/(gain) on disposal of property, plant and equipment	4	(88)
Loss allowance provision on/(reversal of provision on):		
– Contract assets	762	(691)
– Trade receivables	(356)	579
Employee benefit expense (including directors' remuneration)		
– Salaries and bonuses	11,258	9,277
– Central Provident Fund contributions	573	559
Gross rental income from investment properties	(134)	(123)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	24	23
	(110)	(100)

*Note:* Construction costs included sub-contracting charges, wages and rental expenses for short-term leases of approximately S\$89,831,000, S\$12,210,000 and S\$3,269,000 (2024: S\$64,577,000, S\$13,861,000 and S\$2,285,000) respectively for the year ended 28 February 2025.





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 10. 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:

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Salaries	1,333	390
Performance related incentive payment	2,000	2,000
Directors' fees	624	624
Central Provident Fund contributions	60	56
	4,017	3,070

There were no fees or emoluments payable by the Company to the executive directors during the year (2024: Nil). The executive directors received remuneration from the subsidiaries now comprising the Group for their appointment as directors or officers of these subsidiaries. The independent non-executive directors received remuneration from the Company for their appointment as directors of the Company. The remuneration of each of these directors a recorded in the consolidated financial statements is set out below.

### (a) Independent non-executive directors

Directors' fees	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Independent non-executive directors:		
Dr Kung Wai Chiu Marco	28	28
Mr. Tang Chi Wang	28	28
Ms. Wang Yao	28	28
	84	84

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 10. DIRECTORS' REMUNERATION (Continued)

### (b) Executive directors

#### Year ended 28 February 2025

	Salaries S\$'000	Director's fees S\$'000	Performance related incentive payment S\$'000	Central Provident Fund contributions S\$'000	Total S\$'000
Executive directors:					
Mr. Xu Xuping	674	270	1,000	30	1,974
Mr. Xu Tiancheng	659	270	1,000	30	1,959
	1,333	540	2,000	60	3,933

#### Year ended 29 February 2024

	Salaries S\$'000	Director's fees S\$'000	Performance related incentive payment S\$'000	Central Provident Fund contributions S\$'000	Total S\$'000
Executive directors:					
Mr. Xu Xuping	195	270	1,000	28	1,493
Mr. Xu Tiancheng	195	270	1,000	28	1,493
	390	540	2,000	56	2,986

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil). During the year, 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 (2024: Nil).



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2024: two), details of whose remuneration are set out in Note 10 above. Details of the remuneration of the remaining three non-directors (2024: three), highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Salaries and allowances	1,254	685
Discretionary bonuses	1,200	1,140
Central Provident Fund contributions	91	75
	2,545	1,900

The number of the non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 28 February 2025	Year ended 29 February 2024
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	–	–
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$2,000,001 to HK\$2,500,000	1	1
HK\$7,000,000 to HK\$7,500,000	–	1
HK\$10,500,000 to HK\$11,000,000	1	–

During the years ended 28 February 2025 and 29 February 2024, no emoluments were paid by the Group to any of the non-director, highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

## 12. 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% (2024: 17%) on the estimated assessable profits arising in Singapore during the year.

Hong Kong Profits Tax is calculated at the rate of 16.5% (2024: 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 12. INCOME TAX EXPENSE (Continued)

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Current – Singapore CIT		
Charge for the year	1,816	734
Over-provision in respect of prior years	(42)	(5)
Deferred tax ( <i>Note 28</i> )		
Current year	19	7
Total tax charge for the year	1,793	736

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:

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Profit before tax	9,559	3,407
Tax at domestic rates applicable to profits in the countries where the Group operates	1,625	577
Adjustments:		
Non-deductible expenses	231	135
Non-taxable income	(87)	(22)
Effect of tax exemption	(35)	(35)
Tax losses not recognised	101	86
Over-provision in respect of prior years	(42)	(5)
	1,793	736

Tax exemption for the Year of Assessment of 2025 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.

## 13. DIVIDENDS

The directors of the Company do not declare or propose any payment of a dividend for the years ended 28 February 2025 and 29 February 2024.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 14. 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:

	Year ended 28 February 2025	Year ended 29 February 2024
Profit for the year, attributable to owners of the Company used in the computation of basic and diluted earnings per share (S\$'000)	7,766	2,671
Number of shares ('000)		
Weighted average number of ordinary shares for basic earnings per share computation	1,400,000	1,400,000

No diluted earnings per share were presented as the Group had no potentially dilutive ordinary shares in issue during the years ended 28 February 2025 and 29 February 2024.

## 15. PROPERTY, PLANT AND EQUIPMENT

### As at 28 February 2025

	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 2024:							
Cost	1,837	116	9	366	2,708	96	5,132
Accumulated depreciation	(273)	(109)	(4)	(241)	(1,513)	(96)	(2,236)
Net carrying amount	1,564	7	5	125	1,195	–	2,896
At 1 March 2024, net of accumulated depreciation	1,564	7	5	125	1,195	–	2,896
Additions	–	169	–	21	150	–	340
Depreciation provided during the year	(33)	(23)	(1)	(67)	(343)	–	(467)
Disposal and written off	–	(2)	–	(6)	–	–	(8)
At 28 February 2025, net of accumulated depreciation	1,531	151	4	73	1,002	–	2,761
At 28 February 2025:							
Cost	1,837	279	9	353	2,859	96	5,433
Accumulated depreciation	(306)	(128)	(5)	(280)	(1,857)	(96)	(2,672)
Net carrying amount	1,531	151	4	73	1,002	–	2,761

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 29 February 2024

	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 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	–	3	–	98	770	–	871
Depreciation provided during the year	(33)	(14)	(2)	(54)	(328)	–	(431)
Disposal and written off	–	–	–	(7)	(48)	–	(55)
At 29 February 2024, net of accumulated depreciation	1,564	7	5	125	1,195	–	2,896
At 29 February 2024:							
Cost	1,837	116	9	366	2,708	96	5,132
Accumulated depreciation	(273)	(109)	(4)	(241)	(1,513)	(96)	(2,236)
Net carrying amount	1,564	7	5	125	1,195	–	2,896

The office units held by the Group are as follows:

Description and location	Existing use	Remaining useful lives	
		As at 28 February 2025 Years	As at 29 February 2024 Years
21 Woodlands Close #08-10 Primz Bizhub	Office	46	47
21 Woodlands Close #08-11 Primz Bizhub	Office	46	47
21 Woodlands Close #08-12 Primz Bizhub	Office	46	47
21 Woodlands Close #08-29 Primz Bizhub	Warehouse	46	47



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 16. INVESTMENT PROPERTIES

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
At the beginning of the year	4,333	4,466
Depreciation provided during the year	(133)	(133)
At the end of the year	4,200	4,333

The investment properties held by the Group are as follows:

Description and location	Existing use	Remaining unexpired lease term	
		As at 28 February 2025 Years	As at 29 February 2024 Years
25 Mandai Estate #06-09	Office/Shop	*	*
98 Kaki Bukit Industrial Terrace	Industrial	30	31

\* Tenure – Freehold

Description and location	Estimated fair value at level 3 hierarchy	
	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
25 Mandai Estate #06-09*	1,000	910
98 Kaki Bukit Industrial Terrace	3,900	3,900

\* Tenure – Freehold

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 16. INVESTMENT PROPERTIES (Continued)

### 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 the end of financial period are disclosed above. The valuations were performed by an independent valuer with a recognised and relevant professional qualifications 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.

The carrying amounts and fair values of the investment properties, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	As at 28 February 2025		As at 29 February 2024	
	Carrying amounts	Fair values	Carrying amounts	Fair values
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-financial assets</b>				
Investment properties	4,200	4,900	4,333	4,810

Non-financial assets for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 28 February 2025</b>				
Investment properties	–	–	4,900	4,900
<b>As at 29 February 2024</b>				
Investment properties	–	–	4,810	4,810

The fair values of investment properties have been valued by using the direct comparison approach, assuming sale of the properties by making reference to comparable sales transactions as available in the relevant market.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 17. RIGHT-OF-USE ASSETS

	Leasehold land and buildings S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>As at 28 February 2025</b>			
Carrying amount	190	88	278
<b>As at 29 February 2024</b>			
Carrying amount	172	147	319
<b>For the year ended 28 February 2025</b>			
Depreciation charge	129	59	188
<b>For the year ended 29 February 2024</b>			
Depreciation charge	55	57	112

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.

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Expenses relating to short-term leases	3,269	2,285
Total cash outflow for leases:		
Under financing activities	165	93
Under operating activities	3,369	2,285
Addition to right-of-use assets	180	196

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 18. CONTRACT ASSETS/LIABILITIES

### (a) Contract assets

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Unbilled revenue ( <i>note (a)</i> )	20,817	12,208
Retention receivables ( <i>note (b)</i> )	22,228	20,753
	43,045	32,961
Less: Loss allowance provision	(2,137)	(1,375)
	40,908	31,586
Represented by:		
Contract assets		
– Non-current	18,323	16,940
– Current	22,585	14,646
	40,908	31,586

#### Notes:

- (a) 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.
- (b) 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 2023, contract assets amounted to approximately S\$29,306,000. Details of the impairment assessment of contract assets are set out in Note 36.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 18. CONTRACT ASSETS/LIABILITIES (Continued)

### (b) Contract liabilities

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Construction contracts	7,086	5,704

As at 1 March 2023, contract liabilities amounted to approximately S\$4,342,000.

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

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Revenue recognised in the year from the amounts included in the contract liabilities at the beginning of the year	5,704	4,342

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

### **Construction contracts**

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 19. INVENTORIES

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Construction materials, at cost	549	32

## 20. TRADE RECEIVABLES

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Trade receivables	26,259	12,109
Less: Loss allowance provision	(510)	(866)
	25,749	11,243

The credit period is generally one month, extending up to two months for major customers.

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 2025 S\$'000	As at 29 February 2024 S\$'000
Within 1 month	24,519	9,015
1 to 2 months	748	1,625
2 to 3 months	407	603
Over 3 months	75	–
	25,749	11,243

Details of impairment assessment of trade receivables are set out in Note 36.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 21. PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Other receivables	16	169
Interest receivables	204	370
Deposits	2,373	1,542
Prepayments	1,764	820
	4,357	2,901

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 28 February 2025 and 29 February 2024, the loss allowance was assessed to be minimal.

## 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Investment in money market fund	2,098	2,030

The above unlisted investments were wealth management products issued by banks in Singapore. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

## 23. AMOUNTS DUE FROM RELATED PARTIES

### Amounts due from related parties

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Amount due from the ultimate holding company	158	154

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 24. 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 rate of 2.48%–3.10% (2024: 3.25%–4.10%) per annum with original maturity over three months but not exceeding one year.

As at 28 February 2025, the Group did not have bank deposits (2024: S\$650,000) pledged as security in respect of performance bond for the due and proper performance 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.

## 25. 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 2025 S\$'000	As at 29 February 2024 S\$'000
Within 1 month	33,231	19,673
1 to 2 months	8,118	7,379
2 to 3 months	4,688	739
Over 3 months	1,212	1,133
	47,249	28,924

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

## 26. OTHER PAYABLES AND ACCRUALS

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Other payables and accruals	2,640	1,847
Accrued staff costs	3,844	3,771
Deposits received	22	27
Provision for onerous contract ( <i>note</i> )	1,703	4,302
Net Good and Services Tax ("GST") payables	2,369	896
	10,578	10,843

*Note: The provision for onerous contracts relates to certain contracts with customers under which the unavoidable costs of meeting the obligation exceed the economic benefits to be received due to anticipated increase in certain production costs.*

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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 27. LEASE LIABILITIES

As at 28 February 2025, the Group leases various motor vehicles and leasehold land and buildings for a period of time through lease arrangements with lease terms ranging from 2 years 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 is 5.25% (2024: 5.25%) per annum.

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

	Minimum lease payments as at 28 February 2025 S\$'000	Minimum lease payments as at 29 February 2024 S\$'000	Present value of minimum lease payments as at 28 February 2025 S\$'000	Present value of minimum lease payments as at 29 February 2024 S\$'000
Within 1 year	145	160	136	152
After 1 year but not exceeding 2 years	92	77	90	75
After 2 years but not exceeding 5 years	12	18	11	18
	249	255	237	245
Less: Total future interest expenses	(12)	(10)		
Present value of lease liabilities	237	245		
Less: Amount due for settlement within one year			(136)	(152)
Amount due for settlement after one year			101	93

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 28. DEFERRED TAX LIABILITIES

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

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
<b>Depreciation allowance</b>		
At the beginning of the year	67	60
Charge to profit or loss during the year ( <i>Note 12</i> )	19	7
At the end of the year	86	67

At the end of the reporting period, the Group has unused tax losses of approximately \$6,891,000 (2024: S\$6,299,000) available for offset against future profits. No deferred tax asset has been recognised due to unpredictability of future profit streams. The unused tax losses may be carried forward indefinitely.

## 29. SHARE CAPITAL

	Number of shares in issue	S\$'000
Ordinary shares of US\$0.0001		
Authorised:		
At 1 March 2023, 29 February 2024, 1 March 2024 and 28 February 2025	5,000,000,000	678
Issued and fully paid:		
At 1 March 2023, 29 February 2024, 1 March 2024 and 28 February 2025	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.





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 30. RESERVES

### Group

The amounts of the Group's reserves and the movements therein for the years ended 28 February 2025 and 29 February 2024 are presented in the consolidated statement of changes in equity.

### Share premium

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

### Foreign currency translation reserve

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

### Merger reserve

Merger reserve 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 in relation to the Listing.

### Movement in the Company's reserves

	Share Premium S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 March 2023	17,739	(285)	(7,088)	10,366
Loss for the year	–	–	(508)	(508)
Other comprehensive income for the year	–	–	–	–
Total comprehensive expense for the year	–	–	(508)	(508)
At 29 February 2024 and 1 March 2024	17,739	(285)	(7,596)	9,858
Loss for the year	–	–	(591)	(591)
Other comprehensive income for the year	–	89	–	89
Total comprehensive expense for the year	–	89	(591)	(502)
<b>At 28 February 2025</b>	<b>17,739</b>	<b>(196)</b>	<b>(8,187)</b>	<b>9,356</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and noncash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<b>Lease liabilities</b>
	S\$'000
	(Note 27)
At 28 February 2023 and 1 March 2023	134
Financing cash flows	(93)
Interest expenses	8
New lease entered	196
At 29 February 2024 and 1 March 2024	245
Financing cash flows	(165)
Interest expenses	10
New lease entered	180
Early termination of lease	(33)
<b>At 28 February 2025</b>	<b>237</b>

## 32. OPERATING LEASE ARRANGEMENTS

### As lessor

The Group has entered into leases on its investment properties. These non-cancellable leases have remaining lease terms ranging within one year (2024: two years).

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

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Within one year	104	126
In the second year	–	98
	104	224



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 33. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in the consolidated financial statements, the Group had no other transaction nor balance with related parties during the year ended 28 February 2025 and 29 February 2024.

### Compensation of key management personnel of the Group

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
Salaries	1,333	390
Directors' fee	540	540
Performance related incentive payment	2,000	2,000
Central Provident Fund contributions	60	56
	3,933	2,986

Further details of the directors' emoluments and discretionary performance related bonuses are disclosed in Note 10 to the consolidated financial statements.

## 34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the financial instruments as at the end of the years are as follows:

	Year ended 28 February 2025 S\$'000	Year ended 29 February 2024 S\$'000
<b>Financial assets</b>		
<i>Financial assets at amortised cost</i>		
Trade receivables	25,749	11,243
Contract assets	40,908	31,586
Other receivables and deposits	2,593	2,081
Amounts due from related parties	158	154
Pledged deposits	–	650
Time deposits with original maturity over three months	16,125	16,125
Cash and cash equivalents	30,071	26,565
<i>Financial assets at fair value through profit or loss</i>		
Investment in money market fund	2,098	2,030
	117,702	90,434
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost</i>		
Trade payables	47,249	28,924
Other payables and accruals	8,875	6,541
Lease liabilities	237	245
	56,361	35,710

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 35. FAIR VALUE AND FAIR VALUE HIERARCHY

Financial assets for which fair values are disclosed:

### As at 28 February 2025

	Fair value measurement using			Total S\$'000
	Quoted prices in active markets (Level 1) S\$'000	Significant observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
Investment in money market fund	2,098	–	–	2,098

### As at 29 February 2024

	Fair value measurement using			Total S\$'000
	Quoted prices in active markets (Level 1) S\$'000	Significant observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
Investment in money market fund	2,030	–	–	2,030

Management has assessed that the financial assets and financial liabilities approximate to their carrying amounts.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and time deposits. The Group has other various financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, other receivables and deposits and amounts due from related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

#### Bank balances and time deposits

Credit risk on bank balances and time deposits is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12-month ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL is considered to be insignificant and therefore no loss allowance was recognised.

#### Other receivables, deposits and amounts due from related parties

For other receivables, deposits and amounts due from related parties, the management makes periodic individual assessment on the recoverability of other receivables, deposits and amounts due from related parties based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no material credit risk inherent in the Group's outstanding balance of other receivables, deposits and amounts due from related parties and therefore no loss allowance was recognised.

#### Trade receivables and contract assets

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 has concentration of credit risk as 36.6% (2024: 21.3%) and 78.3% (2024: 70.2%) of total trade receivable and contract assets were due from the Group's largest customer and the five largest customer respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers are with common risk characteristics that represent the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Trade receivables and contract assets that are credit-impaired with gross carrying amount of approximately S\$53,000 and S\$1,896,000 as at 28 February 2025 (29 February 2024: S\$53,000 and S\$1,287,000) were assessed individually.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Trade receivables and contract assets (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit- impaired) S\$'000	Lifetime ECL (credit- impaired) S\$'000	Total S\$'000
As at 1 March 2023	234	53	287
Impairment loss recognised	579	–	579
At 29 February 2024 and 1 March 2024	813	53	866
Reversal of impairment loss recognised	(356)	–	(356)
<b>At 28 February 2025</b>	<b>457</b>	<b>53</b>	<b>510</b>

The following tables show reconciliation of loss allowances that has been recognised for contract assets.

	Lifetime ECL (not credit- impaired) S\$'000	Lifetime ECL (credit- impaired) S\$'000	Total S\$'000
As at 1 March 2023	779	1,287	2,066
Reversal of impairment loss recognised	(691)	–	(691)
At 29 February 2024 and 1 March 2024	88	1,287	1,375
Impairment loss recognised	153	609	762
<b>At 28 February 2025</b>	<b>241</b>	<b>1,896</b>	<b>2,137</b>

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Gross carrying amount – Trade receivables

	As at 28 February 2025		As at 29 February 2024	
	Average loss rate	Trade receivables S\$'000	Average loss rate	Trade receivables S\$'000
Current (not past due)	0.59%	24,748	0.29%	9,655
Within 1 month	1.94%	771	0.54%	600
1 to 2 months	21.56%	398	15.13%	1,200
2 to 3 months	45.33%	145	29.52%	116
Over 3 months	100.00%	144	100.00%	485
		26,206		12,056

### Gross carrying amount – Contract assets

	As at 28 February 2025		As at 29 February 2024	
	Average loss rate	Contract assets S\$'000	Average loss rate	Contract assets S\$'000
Current (not past due)	0.59%	41,149	0.29%	31,674

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of funds generated from operations.

The maturity profile of the Group's financial liabilities as at the end of the years, based on the contractual undiscounted payments, is as follows:

	Weighted average interest rate %	On demand or within one year S\$'000	More than one year but less than two years S\$'000	More than two years but less than five years S\$'000	More than five years S\$'000	Total undiscounted cash flow S\$'000	Carrying amount S\$'000
<b>As at 28 February 2025</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	–	47,249	–	–	–	47,249	47,249
Other payables and accruals	–	8,875	–	–	–	8,875	8,875
Lease liabilities	5.25	145	92	12	–	249	237
		56,269	92	12	–	56,373	56,361
<b>As at 29 February 2024</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	–	28,924	–	–	–	28,924	28,924
Other payables and accruals	–	6,541	–	–	–	6,541	6,541
Lease liabilities	5.25	160	77	18	–	255	245
		35,625	77	18	–	35,720	35,710





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 28 February 2025 and 29 February 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade payables, other payables and accruals, amounts due to related parties and lease liabilities, less cash and cash equivalents and time deposits with original maturity over three months. Capital represents the equity attributable to owners of the Company. The gearing ratios as at the end of the years were as follows:

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
Lease liabilities	237	245
Less: pledged deposits	–	(650)
Less: time deposits with original maturity over three months	(16,125)	(16,125)
Less: cash and cash equivalents	(30,071)	(26,565)
Net cash	(45,959)	(43,095)
Equity attributable to owners of the Company	60,201	52,346
Gearing ratio	N/A	N/A

## 37. RETIREMENT BENEFITS PLANS

The Group operates a Central Provident Fund Scheme (the "CPF Scheme") under the Central Provident Fund Act (Chapter 36 of the Laws of Singapore) for employees employed under the jurisdiction of the Employment Act (Chapter 91 of the Laws of Singapore). The CPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the CPF Scheme, the employer and its employees are each required to make contributions to the CPF Scheme at generally 17% and 20% of the employees' relevant income, subject to a cap of monthly relevant income of generally S\$6,800. There are different CPF rates applied to the senior workers aged 55 and above. Contributions to the CPF Scheme vest immediately. During the years 2025 and 2024, the Group had no forfeited contributions under the CPF and the retirement benefits scheme utilised to reduce the existing levels of contributions. As at 28 February 2025 and 29 February 2024, there was no forfeited contribution under the CPF and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 38. SHARE OPTION SCHEME

The principal terms of the Share Option Scheme conditionally adopted under the written resolutions of the sole shareholder passed on 22 November 2019 (the “Share Option Scheme”) are set out below:

### Purpose

The purpose of the Share Option Scheme is 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 (the “Invested Entity”).

### Eligible Participants

The directors shall, subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, grant options to:

- (i) any employee (whether full-time or part-time, including the directors (including any non-executive director and independent non-executive director)) of the Company, any of its subsidiaries (within the meaning of the Companies Ordinance) or any Invested Entity (an “eligible employee”);
- (ii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iii) any customer of any member of the Group or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vi) any adviser (professional or otherwise), consultant, individual or equity who in the opinion of the directors has contributed or will contribute to the growth and development of the Group; and
- (vii) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly owned by one or more eligible participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of shares or other securities of the Group to any person who falls within any of the above classes of eligible participants shall not, by itself, unless the directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the eligible participants to an offer under the Share Option Scheme shall be determined by the directors from time to time on the basis of the directors’ opinion as to such eligible participant’s contribution to the development and growth of the Group.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

### 38. SHARE OPTION SCHEME (Continued)

#### Total Number of Shares

Available for issue a maximum of being 10% of the total number of shares in issue may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group.

#### Maximum Entitlement of Each Eligible Participant

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a “grantee”) in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

Where any further grant of options under the Share Option Scheme to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the share capital of the Company in issue, such further grant shall be separately approved by the shareholders of the Company in general meeting with such grantee and his close associates (or his associates if the eligible participant is a connected person) abstaining from voting.

#### Option Period

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

#### Remaining Life

Subject to any prior termination by the Company in a general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted. Options granted and remaining unexercised prior to the termination of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2025

## 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000
<b>NON-CURRENT ASSET</b>			
Investment in a subsidiary		—*	—*
<b>Total non-current asset</b>		—*	—*
<b>CURRENT ASSETS</b>			
Prepayments		299	299
Amounts due from related parties		158	154
Amounts due from subsidiaries		8,816	9,720
Cash and cash equivalents		448	123
<b>Total current assets</b>		9,721	10,296
<b>Total assets</b>		9,721	10,296
<b>CURRENT LIABILITY</b>			
Other payables and accruals		175	248
<b>Total liabilities</b>		175	248
<b>Net current assets</b>		9,546	10,048
<b>Net assets</b>		9,546	10,048
<b>EQUITY</b>			
Share capital	29	190	190
Reserves	30	9,356	9,858
<b>Total equity</b>		9,546	10,048
<b>Total equity and liabilities</b>		9,721	10,296

\* Less than S\$1,000

## 40. CONTINGENT LIABILITIES

As at 28 February 2025, 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\$25,165,000 (2024: S\$17,059,000) in its ordinary course of business. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

## 41. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 May 2025.



## SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published financial statements, is set out as below:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	28 February 2025 S\$'000	29 February 2024 S\$'000	28 February 2023 S\$'000	28 February 2022 S\$'000	28 February 2021 S\$'000
Revenue	206,918	150,217	89,755	105,678	35,806
Construction costs	(182,210)	(134,804)	(69,805)	(97,102)	(30,215)
Gross profit	24,708	15,413	19,950	8,576	5,591
Other income and gain, net	1,444	1,466	1,532	3,340	4,531
Administrative expenses	(16,177)	(13,576)	(11,423)	(11,454)	(11,740)
Impairment loss on intangible asset	–	–	–	–	(1,472)
(Loss allowance provision)/reversal of loss allowance on financial assets and contract assets, net	(406)	112	(1,506)	(335)	(198)
Finance costs	(10)	(8)	(7)	(6)	–
Profit/(loss) before tax	9,559	3,407	8,546	121	(3,288)
Income tax expense	(1,793)	(736)	(1,671)	(427)	(116)
Profit/(loss) for the year	7,766	2,671	6,875	(306)	(3,404)

### ASSETS AND LIABILITIES

	As at 28 February 2025 S\$'000	As at 29 February 2024 S\$'000	As at 28 February 2023 S\$'000	As at 28 February 2022 S\$'000	As at 28 February 2021 S\$'000
Non-current assets	25,562	24,488	20,361	20,309	13,495
Current assets	101,692	74,346	57,171	44,478	41,097
Current liabilities	66,866	46,328	27,710	21,639	11,435
Non-current liabilities	187	160	146	219	31
Net current assets	34,826	28,018	29,461	22,839	29,662