

IPO FACT SHEET
CTR Holdings Limited (1416)
ISSUE STATISTICS

Offer Size:	HK\$126m – HK\$133m
Placement Tranche:	350m
Price:	HK\$0.36 – HK\$0.38
Board lot:	10,000
Entry fee:	HK\$3,838.29
Historical PE	13.53x – 14.28x
Net tangible asset per share:	HK\$0.166 – HK\$0.171
Market Cap (post-IPO):	HK\$504m – HK\$532m
Open:	30 Dec 2019
Close:	12.00 noon on 3 Jan 2020
Trading:	15 Jan 2020
Sponsor:	Grande Capital Limited

Year ended 28 Feb	(\$'000)	yoy % chg
Revenue		
2017	54,481	106.0%
2018	64,353	18.1%
Profit and total comprehensive income for the year/period		
2017	5,433	42.9%
2018	6,511	19.8%

BACKGROUND

- They are a Singapore-based contractor specialising in structural engineering works and wet architectural works. During the Track Record Period, they engaged in structural engineering works comprising (i) reinforced concrete works which include steel reinforcement works, formwork erection and concrete works; and (ii) precast installation works.
- They also engaged in wet architectural works, comprising (i) masonry building works; (ii) plastering and screeding works; (iii) tiling works; and (iv) waterproofing works.
- Their Group's contracts can be classified into two types: (i) remeasurement contracts; and (ii) fixed price contracts.
- During the Track Record Period, they recognised revenue from both public sector projects and private sector projects.
- During the Track Record Period, their customers were main contractors of various building and infrastructure projects in Singapore. For FY2016/17, FY2017/18, FY2018/19 and the four months ended 30 June 2019, the percentage of their Group's aggregate revenue attributable to their largest customer for the Track Record Period, namely, Customer Group B, was approximately 41.8%, 34.0%, 5.1% and 17.5% for the corresponding periods, respectively, while the percentage of their Group's aggregate revenue attributable to their top five customers, in terms of revenue, was approximately 90.3%, 86.6%, 86.0% and 91.1%, respectively.

BUSINESS STRATEGIES

- Expand their market share by undertaking more sizeable projects.
- Strengthen their financial position.
- Strengthen their workforce.

COMPETITIVE STRENGTHS

- Their established reputation with proven track record in the construction industry in Singapore.
- Their large skilled and efficient in-house labour force for their projects.
- Their good relationships with their major customers and suppliers.
- Their experienced management team.

KEY RISKS

- Their revenue was primarily generated from contracts awarded by their top five customers and their financial condition could be adversely affected should there be any decrease in projects secured from any of them.
- Failure to secure new customers or projects (given the non-recurring nature of their projects) could have a material adverse impact on their financial performance.
- Their cash flows may fluctuate due to the payment practice applied to their projects.
- Any failure to properly estimate the costs involved in the implementation of a project, delay in completion of any project or failure to provide quality services may lead to cost overruns, losses and/or detriment to their reputation.
- Their workforce is largely made up of foreign workers and any difficulties in recruiting and/or retaining foreign workers could materially affect their operations and financial performance.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Will be used for payment of upfront costs for their projects.	63.2	74.4%
Will be used to strengthen their workforce.	21.8	25.6%
Total:	85.0	100.0%

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