S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3928)

(1) INSIDE INFORMATION
(2) UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020
(3) DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

DELAY IN PUBLICATION OF 2020 AUDITED ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of S&T Holdings Limited (the "**Company**") wishes to inform the shareholders of the Company (the "**Shareholders**") that there will be a delay in the release of the audited annual results for the year ended 30 September 2020 (the "**2020 Audited Annual Results**"). Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditor (so far as the information is available). The Board hereby announces the unaudited consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 30 September 2020 based on the management accounts ("**FY2020 Management Figures**"), together with the restated comparative figures for the corresponding year in 2019. The FY2020 Management Figures have not been audited by the auditor of the Company, Deloitte & Touche LLP (the "**Auditor**"), as the Company has been informed by the Auditor that their audit of the FY2020 Management Figures has not been completed as of the date of this announcement. The Board will endeavour to publish the 2020 Audited Annual Results, which shall be agreed with the Auditor, as soon as practicable and expected to be on or before 31 January 2021. However, this estimate may be subject to further changes and the Company will make further announcement(s) to keep the shareholders informed of the latest developments.

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

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2020

	Notes	2020 S$	2019 S$ (Restated)
Revenue			
Services	5	**39,884,630**	88,103,130
Rental	5	**420,750**	512,845
Total revenue		**40,305,380**	88,615,975
Cost of services		**(43,854,051)**	(73,319,613)
Gross (loss) profit		**(3,548,671)**	15,296,362
Other income	6	**3,004,475**	201,167
Other gains and losses		**574,709**	468,027
Administrative expenses		**(5,914,797)**	(6,202,129)
Impairment loss on financial assets and contract assets	7	**(8,293,703)**	(76,672)
Finance costs		**(1,258,234)**	(971,067)
Listing expenses		**–**	(3,774,929)
Share of result of a joint venture		**(6,477)**	64,526
(Loss) Profit before taxation	8	**(15,442,698)**	5,005,285
Income tax benefit (expense)	9	**68,705**	(1,438,506)
(Loss) Profit for the year, representing total comprehensive (loss) income for the year		**(15,373,993)**	3,566,779
Basic and diluted (loss) earnings per share *(S$ cents)*	11	**(3.20)**	0.98

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	2020 *S$*	2019 *S$* (Restated)
Non-current assets			
Property, plant and equipment	12	**20,179,356**	17,578,067
Investment properties		**9,184,000**	9,140,000
Investment properties held under joint operations		**6,835,000**	7,020,000
Interest in a joint venture		**1,128,273**	1,134,750
Financial assets at fair value through profit or loss		**1,241,426**	–
Prepayments	14	**252,954**	–
Bank deposits		**225,951**	225,383
		39,046,960	35,098,200
Current assets			
Trade receivables	13	**3,866,009**	10,649,571
Other receivables, deposits and prepayments	14	**2,897,287**	1,061,031
Income tax recoverable		**204,272**	–
Contract assets	15	**19,335,812**	27,990,691
Bank balances and cash		**10,093,499**	20,948,951
		36,396,879	60,650,244
Current liabilities			
Trade and other payables	16	**10,953,216**	17,174,476
Contract liabilities	15	**34,885**	3,275
Income tax payable		**–**	1,099,894
Bank overdrafts	17	**4,982,890**	6,400,549
Bank borrowings	17	**2,312,556**	5,290,865
Bank borrowings held under joint operations	17	**2,891,707**	3,056,655
Lease liabilities		**2,035,884**	–
Obligations under finance leases		**–**	857,067
		23,211,138	33,882,781
Net current assets		**13,185,741**	26,767,463
Total assets less current liabilities		**52,232,701**	61,865,663

	Notes	2020	2019
		S$	S$
			(Restated)
Non-current liabilities			
Bank borrowings	17	**13,230,472**	8,861,155
Bank borrowings held under joint operations	17	**830,113**	948,556
Lease liabilities		**2,388,519**	–
Obligations under finance leases		**–**	813,174
Deferred tax liabilities		**195,812**	281,000
		16,644,916	10,903,885
Net assets		**35,587,785**	50,961,778
Capital and reserves			
Share capital	18	**847,680**	847,680
Reserves	18	**34,740,105**	50,114,098
		35,587,785	50,961,778

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2020

	Share capital	Share premium *(Note a)*	Merger reserves *(Note b)*	Other reserves	Properties revaluation reserves *(Note 18)*	Accumulated profits	Total
	S$	S$	S$	S$	S$	S$	S$
At 1 October 2018	6,895,003	–	–	–	767,248	19,033,143	26,695,394
Profit for the year, representing total comprehensive income for the year	–	–	–	–	–	4,858,307	4,858,307
Transactions with owners, recognised directly in equity:							
Elimination of share capital pursuant to reorganisation *(Note 2)*	(6,895,003)	–	6,895,003	–	–	–	–
Issue of shares under the capitalisation issue *(Note 18a)*	636,480	(636,480)	–	–	–	–	–
Issue of shares under the Share Offer *(Note 18b)*	211,200	22,387,200	–	–	–	–	22,598,400
Share issue expenses	–	(3,007,937)	–	–	–	–	(3,007,937)
Dividends waived *(Note 10)*	–	–	–	1,109,142	–	–	1,109,142
Total	(6,047,323)	18,742,783	6,895,003	1,109,142	–	4,858,307	25,557,912
At 30 September 2019 (previously stated)	847,680	18,742,783	6,895,003	1,109,142	767,248	23,891,450	52,253,306
Effect of prior year adjustments *(Note 20)*	–	–	–	–	–	(1,291,528)	(1,291,528)
At 1 October 2019 (Restated)	847,680	18,742,783	6,895,003	1,109,142	767,248	22,599,922	50,961,778
Loss for the year, representing total comprehensive loss for the year	–	–	–	–	–	(15,373,993)	(15,373,993)
At 30 September 2020	847,680	18,742,783	6,895,003	1,109,142	767,248	7,225,929	35,587,785

Notes:

a. Share premium represents the excess of share issue over the par value.

b. Merger reserves represents the difference between the cost of acquisition pursuant to the Reorganisation (Note 2) and the total value of share capital of the entity acquired.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2020

1 GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 17 September 2018. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") on 14 December 2018 and the principal place of business in Hong Kong is situated at Unit B, 17/F, United Centre, 95 Queensway, Hong Kong. The principal place of business is situated at 16 Kian Teck Way, Singapore 628749. The shares of the Company have been listed on the Main Board of the Stock Exchange since 19 September 2019.

The Company is a subsidiary of HG TEC Holdings Limited ("**HG TEC**"), incorporated in the British Virgin Islands, which is also the Company's ultimate holding company. HG TEC is owned by Mr. Poon Soon Huat ("**Mr. Poon**") and Mr. Teo Teck Thye ("**Mr. Teo**"). Upon the entering into the concert party deed, Mr. Poon and Mr. Teo through HG TEC became the controlling shareholders of S&T Holdings Limited and its subsidiaries (collectively referred to as the "**Controlling Shareholders**").

The Company is an investment holding company and the principal activities of its operating subsidiaries are disclosed in Note 19.

The consolidated financial statements are presented in Singapore dollars ("**S$**"), which is also the functional currency of the Company.

2 GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In the previous year, for the purpose of the initial listing of the shares of the Company on the Stock Exchange, the companies comprising the Group underwent a group reorganisation (the "**Reorganisation**").

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

3 ADOPTION OF NEW AND REVISED STANDARDS

New and amended International Financial Reporting Standards ("IFRSs") that are effective for the current year

Impact of initial application of IFRS 16 Leases

In the current year, the Group has applied IFRS 16 *Leases* that is effective for annual periods that begin on or after 1 January 2019. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 October 2019.

The Group has applied IFRS 16 using the cumulative catch-up approach which:

- requires the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and
- does not permit restatement of comparatives, which continue to be presented under IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 October 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 October 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in IFRS 16 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on lessee accounting

Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet.

Applying IFRS 16, for all leases, the Group:

(a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the remaining lease payments;

(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss and other comprehensive income; and

(c) Separates the total amount of cash paid into a principal portion (presented as repayment of lease liabilities) and interest (presented within interest paid), both within financing activities, in the consolidated statement of cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. Subject to the function of the underlying assets, this expense is presented within cost of services or administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 October 2019.

(c) *Impact on lessor accounting*

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

(d) *Financial impact of initial application of IFRS 16*

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the consolidated statement of financial position on 1 October 2019 is 3.0%.

The following table shows the operating lease commitments disclosed applying IAS 17 at 1 October 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the consolidated statement of financial position at the date of initial application.

	2020
	S$
Operating lease commitments at 30 September 2019	1,822,373
Less: Short-term leases and leases of low value assets	(156,129)
Effect of discounting the above amounts	(365,291)
Add: Obligations under finance leases recognised under IAS 17 at 30 September 2019	1,670,241
Lease liabilities recognised at 1 October 2019	2,971,194

The Group has assessed that there is no material tax impact arising from the application of IFRS 16.

Right-of-use assets were measured at the amount equal to the lease liability. Consequently, right-of-use assets of S$1,300,953 were recognised by the Group on 1 October 2019.

In addition, plant and equipment previously held under finance leases applying IAS 17 with carrying amount of S$2,953,211 was classified as 'right-of-use assets' under IFRS 16 at date of initial application, as disclosed in Note 12.

New and amended IFRS issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued by the International Accounting Standards Board ("**IASB**") but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Covid-19 – Related Rent Concessions[4]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2[5]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 June 2020.
5 Effective for annual periods beginning on or after 1 January 2021.

The management of the Group considers that the application of the other new and amendments to IFRSs is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in foreseeable future.

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements of the Group have been prepared in accordance with IFRSs issued by the IASB.

In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and the applicable disclosures required by the Companies Ordinance.

5 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of construction services (including civil engineering works, building construction works and other ancillary services) by the Group to external customers and property investments being rental income from investment properties and investment properties held under joint operations.

(i) Disaggregation of revenue from contracts with customers

	2020	2019
	S$	*S$*
		(Restated)
Type of services		
Construction services		
– Civil engineering works	**35,703,545**	73,561,243
– Building construction works	**3,806,698**	13,373,696
– Other ancillary services	**374,387**	1,168,191
Revenue from contracts with customers	**39,884,630**	88,103,130
Rental from property investments	**420,750**	512,845
Segment revenue *(Note 5(iv))*	**40,305,380**	88,615,975
Timing of revenue recognition		
Over time	**39,884,630**	88,103,130
Type of customers		
Corporate	**19,526,132**	40,609,191
Government	**20,358,498**	47,493,939
	39,884,630	88,103,130

(ii) Performance obligations for contracts with customers

The Group derives its revenue from provision of construction services over time.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at the end of each reporting period:

	2020	2019
	S$	*S$*
		(Restated)
Civil engineering works		
– Within one year	**41,717,545**	44,448,784
– More than one year but not more than two years	**18,687,878**	14,054,150
– More than two years but not more than five years	**19,136,834**	4,659,849
– More than five years	**19,154,955**	16,772,755
	98,697,212	79,935,538
Building construction works		
– Within one year	**2,877,821**	4,750,795
– More than one year but not more than two years	**553,953**	–
	3,431,774	4,750,795
	102,128,986	84,686,333

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2019: 12 months).

All performance obligations for provision of other ancillary services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

(iv) Segment information

Information is reported to the executive Directors, being the Chief Operating Decision Makers ("**CODMs**") of the Group, for the purposes of resource allocation and performance assessment. The CODMs review segment revenue and results attributable to each segment, which is measured by reference to respective segments' gross profit. The Group has two operating segments as follows:

- Construction services: Engage in provision of civil engineering works, building construction works and other ancillary services to government and commercial corporations.

- Property investments: Include residential and industrial properties leasing.

No analysis of the Group's assets and liabilities is regularly provided to the CODMs for review.

	2020	2019
	S$	*S$*
		(Restated)
Segment revenues		
Construction services	**39,884,630**	88,103,130
Property investments	**420,750**	512,845
	40,305,380	88,615,975
Segment results		
Construction services	**(3,837,235)**	14,939,620
Property investments	**288,564**	356,742
	(3,548,671)	15,296,362
Unallocated:		
Other income	**3,004,475**	201,167
Other gains and losses	**574,709**	468,027
Administrative expenses	**(5,914,797)**	(6,202,129)
Impairment loss on financial assets and contract assets	**(8,293,703)**	(76,672)
Finance costs	**(1,258,234)**	(971,067)
Listing expenses	**–**	(3,774,929)
Share of result of a joint venture	**(6,477)**	64,526
(Loss) Profit before taxation	**(15,442,698)**	5,005,285

(v) Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group's revenue are all derived from Singapore (2019: 100%) and the Group's non-current assets are all located in Singapore.

(vi) Information about major customers

Revenue from customers individually contributing over 10% of total revenue of the Group during the year are as follows:

	2020	2019
	S$	*S$*
		(Restated)
Customer I**	**13,085,235**	39,562,365
Customer II**	**5,088,723**	–*
Customer III**	**4,313,691**	–*
Customer IV**	**–***	10,594,900
Customer V**	**–***	10,852,789

* Revenue did not contribute over 10% of the Group's total revenue for the reporting period.

** Revenue is from segment of construction services.

6 OTHER INCOME

	2020	2019
	S$	*S$*
Government grants	**2,725,073**	34,698
Rental income from renting properties to the executive Directors	**132,000**	132,000
Rental income from renting equipment	**66,095**	2,572
Interest income from bank deposits	**707**	1,484
Others	**80,600**	30,413
	3,004,475	201,167

7 IMPAIRMENT LOSS ON FINANCIAL ASSETS AND CONTRACT ASSETS

	2020	2019
	S$	*S$*
Impairment loss on:		
– trade receivables *(Note 13)*	**3,222,820**	67,495
– advances to subcontractors *(Note 14)*	**4,022,819**	–
– contract assets *(Note 15)*	**1,048,064**	9,177
	8,293,703	76,672

For basis of impairment loss on trade receivables, advances to subcontractors and contract assets, please refer to Notes 13, 14 and 15, respectively.

For further details of impairment loss on advances to subcontractors, please refer to the paragraph headed "2020 Annual Audit" in this announcement.

8 (LOSS) PROFIT BEFORE TAXATION

(Loss) Profit before taxation has been arrived at after charging:

	2020	2019
	S$	*S$*
		(Restated)
Depreciation of property, plant and equipment,		
recognised as cost of services	**2,581,899**	1,899,621
recognised as administrative expenses	**923,334**	875,331
	3,505,233	2,774,952
Expense relating to short-term leases	**298,611**	–
Minimum lease payments under operating leases	**–**	618,626
Audit fees to auditors of the Company:		
– Annual audit fees	**240,000**	245,000
– Audit fees in connection with the listing of the Company *(Note)*	**–**	267,000
Listing expenses *(Note)*	**–**	3,774,929
Directors' remuneration	**1,249,650**	1,304,036
Other staff costs:		
– Salaries and other benefits	**6,616,834**	7,830,146
– Contributions to Central Provident Fund ("**CPF**")	**515,686**	560,671
– Foreign worker levy and skill development levy	**538,334**	1,047,563
Total staff costs (including directors' remuneration),	**8,920,504**	10,742,416
recognised as cost of services	**5,995,567**	7,419,284
recognised as administrative expenses	**2,924,937**	3,323,132
Cost of materials recognised as cost of services	**8,649,813**	9,196,652
Subcontracting fees recognised as cost of services	**23,749,236**	45,543,518

Note: For the year ended 30 September 2019, included in listing expenses were audit fees of S$267,000 paid to auditors of the Company, and non-audit fees of S$219,000 paid to other auditors of the Group. Included in share issue expenses were audit fees of S$89,000 paid to auditors of the Company, and non-audit fees of S$73,000 paid to other auditors of the Group.

9 INCOME TAX (BENEFIT) EXPENSE

	2020	2019
	S$	*S$*
		(Restated)
Tax (benefit) expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	1,399,279
– Under (Over) provision in prior years	**16,483**	(48,773)
Deferred tax		
– Current year provision	**–**	51,000
– (Over) Underprovision in prior years	**(85,188)**	37,000
	(68,705)	1,438,506

Singapore CIT is calculated at 17% (2019: 17%) of the estimated assessable profit of the Singapore subsidiaries. These entities are further eligible for CIT rebate of 25%, capped at S$15,000 for Year of Assessment ("**YA**") 2020 while Nil for YA 2021. Singapore subsidiaries can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for YA 2020 and YA 2021.

The income tax (benefit) expense for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2020	2019
	S$	*S$*
		(Restated)
(Loss) Profit before taxation	**(15,442,698)**	5,005,285
Tax at applicable tax rate of 17%	**(2,625,259)**	850,898
Effect of income not taxable for tax purpose	**(165,227)**	(17,850)
Effect of expenses not deductible for tax purpose	**175,594**	813,145
Effect of different tax rates of the Company and a subsidiary operating in other jurisdictions	**104,253**	30,831
Tax effect of share of result of a joint venture	**1,101**	(10,969)
Effect on tax concession and exemption	**–**	(200,773)
Effect of unused tax losses and deductible temporary differences not recognised	**2,509,538**	–
Effect of previously unrecognised and unused tax losses now being utilised	**–**	(15,003)
Under (Over)provision for current tax in prior years	**16,483**	(48,773)
(Over) Underprovision for deferred tax in prior years	**(85,188)**	37,000
Taxation for the year	**(68,705)**	1,438,506

10 DIVIDENDS

No dividend has been declared by the Company or group entities during the year or subsequent to the year end.

The rate of dividends and the number of shares ranking for the above dividends are not presented as such information is not meaningful.

11 (LOSS) EARNINGS PER SHARE

	2020	2019 (Restated)
(Loss) Profit for the year attributable to owners of the Company *(S$)*	**(15,373,993)**	3,566,779
Weighted average number of ordinary shares in issue	**480,000,000**	363,945,205
Basic and diluted (loss) earnings per share *(S$ cents)*	**(3.20)**	0.98

The calculation of basic (loss) earnings per share for the years ended 30 September 2020 and 2019 is based on the (loss) profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted (loss) earnings per share is the same as the basic (loss) earnings per share because the Group has no dilutive securities that are convertible into shares during the years ended 30 September 2020 and 2019.

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Leasehold properties	Buildings and freehold land*	Dormitories	Motor vehicles	Plant and machinery	Office equipment	Furniture and fittings	Leasehold improvement	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Cost:										
At 1 October 2018	–	8,337,600	3,548,113	–	6,222,699	12,003,001	306,538	112,236	1,704,544	32,234,731
Additions	–	–	–	–	379,999	1,484,400	87,490	–	–	1,951,889
Disposal/written off	–	–	–	–	(245,492)	(331,800)	–	–	–	(577,292)
At 30 September 2019	–	8,337,600	3,548,113	–	6,357,206	13,155,601	394,028	112,236	1,704,544	33,609,328
Adoption of IFRS 16 *(Note 3)*	1,300,953	–	–	–	–	–	–	–	–	1,300,953
At 1 October 2019 (Restated)	1,300,953	8,337,600	3,548,113	–	6,357,206	13,155,601	394,028	112,236	1,704,544	34,910,281
Additions	–	–	–	695,967	681,967	3,496,799	46,169	–	–	4,920,902
Disposal/written off	–	–	–	–	(275,000)	(2,440,000)	(10,900)	–	–	(2,725,900)
At 30 September 2020	1,300,953	8,337,600	3,548,113	695,967	6,764,173	14,212,400	429,297	112,236	1,704,544	37,105,283
Accumulated depreciation:										
At 1 October 2018	–	323,582	177,426	–	3,929,029	8,367,629	142,827	49,965	829,438	13,819,896
Charge for the year	–	277,920	22,202	–	784,693	1,396,724	57,932	16,802	218,679	2,774,952
Disposal/written off	–	–	–	–	(231,787)	(331,800)	–	–	–	(563,587)
At 30 September 2019	–	601,502	199,628	–	4,481,935	9,432,553	200,759	66,767	1,048,117	16,031,261
Charge for the year	56,769	277,920	22,202	273,343	703,742	1,871,442	65,948	15,633	218,234	3,505,233
Disposal/written off	–	–	–	–	(167,667)	(2,432,000)	(10,900)	–	–	(2,610,567)
At 30 September 2020	56,769	879,422	221,830	273,343	5,018,010	8,871,995	255,807	82,400	1,266,351	16,925,927
Carrying amount:										
At 30 September 2020	1,244,184	7,458,178	3,326,283	422,624	1,746,163	5,340,405	173,490	29,836	438,193	20,179,356
At 30 September 2019	–	7,736,098	3,348,485	–	1,875,271	3,723,048	193,269	45,469	656,427	17,578,067

* Freehold land with carrying amount of S$2,438,000 as at 30 September 2019 and 2020 is not subject to depreciation.

All of the buildings and freehold land are initially held for use for administrative purposes and stated at cost less subsequent accumulated depreciation, where applicable. These are leased to the two executive Directors for an unspecified tenancy period prior to 1 December 2018. Subsequently, the Group and the two executive Directors entered into lease agreements for lease term of three years ending 30 November 2021. The related rental income is disclosed in Note 6.

The above items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Freehold land	N/A
Buildings	50 years
Leasehold land	Remaining lease term of 23 years
Leasehold properties	30 years
Dormitories	Lease term of 1 to 2 years
Motor vehicles	5 years
Plant and machinery	5 years
Office equipment	5 years
Furniture and fittings	5 years
Leasehold improvement	Shorter of 5 years and lease term

The carrying amounts of right-of-use assets as at 30 September 2020, additions, disposals and depreciation by classes of right-of-use assets during the year are set out below:

	2020
	S$
Carrying amount	
Leasehold land	1,244,184
Dormitories	422,624
Plant and machinery	2,921,392
Motor vehicles	1,267,353
	5,855,553
Additions during the year	
Dormitories	695,967
Plant and machinery	2,608,483
Motor vehicles	669,830
	3,974,280
Disposals during the year	
Plant and machinery	553,132
Motor vehicles	137,083
	690,215
Depreciation recognised in profit or loss	
Leasehold land	56,769
Dormitories	273,343
Plant and machinery	977,975
Motor vehicles	374,589
	1,682,676

The leasehold properties and buildings and freehold land with carrying amount of S$10,784,461 (2019: S$11,084,583) in total are pledged to banks to secure banking facilities including bank borrowings.

The carrying amount of below items that were assets held under finance leases:

	2019
	S$
Plant and machinery	1,844,016
Motor vehicles	1,109,195
	2,953,211

13 TRADE RECEIVABLES

	2020	2019
	S$	*S$*
Trade receivables	**5,994,596**	9,477,426
Less: Loss allowance	**(3,258,142)**	(67,495)
	2,736,454	9,409,931
Unbilled revenue *(Note)*	**1,129,555**	1,239,640
	3,866,009	10,649,571

Note: Unbilled revenue represents revenue recognised but not yet billed to the customers as at year end. The Group's rights of the unbilled revenue are unconditional.

The Group grants credit terms to customers typically 30 to 35 days (2019: 30 to 35 days) from the invoice dates. The following is an aged analysis of trade receivables, net of loss allowance, presented based on the invoice date at the end of each reporting period:

	2020	2019
	S$	*S$*
Within 30 days	**1,116,519**	3,010,442
31 days to 60 days	**2,445**	4,878,504
61 days to 90 days	**744,245**	229,364
91 days to 180 days	**23,778**	1,063,977
181 days to 1 year	**663,502**	169,051
Over 1 year	**185,965**	58,593
	2,736,454	9,409,931

The Group does not charge interest or hold any collateral over these balances.

Included in the Group's trade receivables are aggregate carrying amounts of approximately S$1,619,935 (2019: S$6,399,489) which are past due as at 30 September 2020 for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on repayment history of respective customer.

Ageing of the trade receivables which are past due but not impaired as at reporting date is as follows:

	2020	2019
	S$	*S$*
Within 30 days	**2,445**	4,878,504
31 days to 60 days	**744,245**	229,364
61 days to 90 days	**23,778**	1,063,977
91 days to 180 days	**663,502**	169,051
Over 180 days	**185,965**	58,593
	1,619,935	6,399,489

The Group applied simplified approach to provide the expected credit losses prescribed by IFRS 9.

As part of the Group's credit risk management, the Group applied individual assessment for its customers. The expected loss rates are estimated based on historical observed default rates over the expected life of the debtors and internal credit rating by reference to a study of other corporates' default and recovery data from international credit rating agencies, and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in Singapore, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue costs or efforts. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date.

During the year ended 30 September 2020, the Group recognised S$3,222,820 (2019: S$67,495) impairment allowance based on individual assessment for all customers.

The table below shows the movement in lifetime expected credit loss that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	2020	2019
	S$	*S$*
Balance at beginning of the year	**67,495**	–
Impairment losses recognised – credit-impaired *(Note 7)*	**3,222,820**	67,495
Written off	**(32,173)**	–
Balance at end of the year	**3,258,142**	67,495

There has been no change in the estimation techniques or significant assumptions made.

14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020	2019
	S$	*S$*
Sundry debtors	**616,172**	523,583
Advances to subcontractors *(Note)*	**4,722,819**	–
Prepayments and advances	**463,800**	242,222
Prepaid insurance	**280,943**	–
Deferred expenses	**–**	88,929
Grant receivable	**668,387**	–
Deposits	**218,169**	181,861
Goods and Services Tax ("**GST**") receivable	**202,770**	269
Rental receivable	**–**	24,167
	7,173,060	1,061,031
Less: Loss allowance *(Note)*	**(4,022,819)**	–
	3,150,241	1,061,031
Analysed as:		
Current	**2,897,287**	1,061,031
Non-current	**252,954**	–
	3,150,241	1,061,031

Note: For further details of the balance of advances to subcontractors and the related impairment loss, please refer to the paragraph headed "2020 Annual Audit" in this announcement.

The table below shows the movement in 12-month expected credit loss that has been recognised for advances to subcontractors:

	2020
	S$
Balance at beginning of the year	–
Loss allowance recognised *(Note 7)*	4,022,819
Balance at end of year	4,022,819

15 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities balances for financial reporting purpose:

	2020	2019
	S$	*S$*
		(Restated)
Contract assets, net of loss allowance	**19,335,812**	27,990,691
Contract liabilities	**(34,885)**	(3,275)
	19,300,927	27,987,416

Contract assets and contract liabilities arising from the same contract are presented on a net basis above. In the analysis below, these contract assets and contract liabilities are presented on a gross basis, with the effect of the grossing up being S$431,563 (2019 (restated): S$219,285) as at 30 September 2020.

Contract assets

Amounts of contract assets represent the Group's rights to considerations from customers for the provision of construction services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

The Group's contract assets are analysed as follows:

	2020	2019
	S$	*S$*
		(Restated)
Construction contracts – current:		
Retention receivables	**2,803,104**	3,301,906
Others *(Note)*	**18,021,512**	24,917,247
	20,824,616	28,219,153
Less: Loss allowance	**(1,057,241)**	(9,177)
	19,767,375	28,209,976

Note: It represents the revenue not yet been billed to the customers which the Group have completed the relevant services under such contracts but yet certified by representatives appointed by the customers. There are provisions made for contract losses amounting to S$90,820 (2019: S$Nil) during the year ended 30 September 2020.

Changes of contract assets during the year were mainly due to: (1) the amount of retention receivables in accordance with the number of ongoing and completed contracts under the defect liability period during the year; and (2) the size and number of contract works that the relevant services were completed but yet certified by representatives appointed by the customers at the end of each reporting period.

The Group's contract assets include retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

To measure the expected credit loss of contract assets, the Group applied individual assessment for all customers. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables disclosed in Note 13 for the same types of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets attributable to same debtor. As at 30 September 2020, the Group recognised S$1,048,064 (2019: S$9,177) impairment allowance based on individual assessment for all customers.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

The table below shows the movement in lifetime expected credit loss that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

	2020	2019
	S$	*S$*
Balance at beginning of the year	**9,177**	–
Impairment losses recognised – credit-impaired *(Note 7)*	**1,048,064**	9,177
Balance at end of the year	**1,057,241**	9,177

Contract liabilities

The contract liabilities represents the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

The Group's contract liabilities are analysed as follows:

	2020	2019
	S$	*S$*
		(Restated)
Construction contracts – current	**466,448**	222,560

Out of revenue recognised during the year, S$193,401 (2019: S$227,246) relates to carried-forward contract liabilities that were included in contract liabilities balance presented in the consolidated statement of financial position at beginning of the year.

None of the revenue recognised during the year relates to performance obligations that were satisfied in prior years.

16 TRADE AND OTHER PAYABLES

	2020	2019
	S$	*S$*
		(Restated)
Trade payables	**2,880,698**	4,185,265
Trade accruals	**3,029,964**	5,181,398
Retention payables *(Note)*	**2,661,263**	3,035,164
	8,571,925	12,401,827
Payroll and CPF payables	**529,954**	1,536,850
Deposits	**72,400**	77,300
Sundry creditors	**1,209,080**	743,224
Deferred grant	**273,033**	–
GST payable	**52,024**	467,784
Accrued listing expenses	**–**	295,966
Accrued expenses	**244,800**	288,151
Listing expenses payable	**–**	1,363,374
	2,381,291	4,772,649
	10,953,216	17,174,476

Note: The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works. These are classified as current as they are expected to be paid within the Group's normal operating cycle.

The average credit period on purchases from suppliers is 30 to 60 days or payable on delivery (2019: 30 to 60 days or payable on delivery).

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2020	2019
	S$	*S$*
Within 30 days	**1,184,098**	924,201
31 days to 60 days	**1,032,106**	1,054,627
61 days to 90 days	**239,608**	1,575,530
Over 90 days	**424,886**	630,907
	2,880,698	4,185,265

17 BANK OVERDRAFTS/BANK BORROWINGS/BANK BORROWINGS HELD UNDER JOINT OPERATIONS

	2020	2019
	S$	*S$*
Bank overdrafts *(Note i)*	**4,982,890**	6,400,549
Bank borrowings – secured and guaranteed *(Note ii)*	**15,543,028**	14,152,020
Analysed as carrying amount repayable:		
Within one year	**2,312,556**	5,290,865
More than one year, but not exceeding two years	**1,738,817**	553,026
More than two years, but not exceeding five years	**5,264,444**	1,772,352
More than five years	**6,227,211**	6,535,777
	15,543,028	14,152,020
Less: Amounts due within one year (presented as current liabilities)	**(2,312,556)**	(5,290,865)
Amounts presented as non-current liabilities	**13,230,472**	8,861,155

Bank borrowings held under joint operations:

	2020	2019
The total mortgage bank loans related to investment properties held under joint operations	**7,443,640**	8,010,422
Proportion of the Group's ownership interest in the mortgage bank loans	**50%**	50%
The Group's share of the mortgage bank loans related to investment properties held under joint operations – secured and guaranteed *(Note iii)*	**3,721,820**	4,005,211
Analysed as carrying amount repayable:		
Within one year	**112,305**	99,682
More than one year, but not exceeding two years	**114,940**	104,450
More than two years, but not exceeding five years	**361,215**	343,365
More than five years	**353,958**	500,741
Carrying amount of bank loans that contain a repayment on demand clause:		
Repayable within one year from the end of reporting period*	**180,523**	148,509
Not repayable within one year from the end of reporting period but presented as current liabilities*	**2,598,879**	2,808,464
	3,721,820	4,005,211
Less: Amounts due within one year (presented as current liabilities)	**(2,891,707)**	(3,056,655)
Amounts presented as non-current liabilities	**830,113**	948,556

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes:

(i) Bank overdrafts carry interests at market rates of 5.25% to 5.5% (2019: 5.5%) per annum as at 30 September 2020. The balances are secured and jointly guaranteed by the executive Directors and corporate guarantees provided by the Company and a subsidiary.

(ii) The bank borrowings are secured and guaranteed by:

(a) First legal mortgage over the Group's owner-occupied properties and investment properties;

(b) Joint and several guarantees from the executive Directors in their personal capacities;

(c) Corporate guarantees provided by the Company and a subsidiary; and

(d) Bank deposits pledged to banks to secure banking facilities, including bank overdrafts, granted to the Group, amounting to S$225,951 (2019: S$225,383) as at 30 September 2020.

(iii) The bank borrowings are secured by first legal mortgage over investment properties held under joint operations. In addition, joint and several guarantees are provided by the executive Directors and the joint partners.

The weighted average effective interest rates of the borrowings were 4.9% (2019: 4.7%) per annum for the year ended 30 September 2020. The amounts are repayable at various dates throughout to 2037.

18 SHARE CAPITAL/RESERVES

Share capital

For the purpose of presenting the share capital of the Group prior to the Reorganisation in the consolidated statement of financial position, the balances as at 1 October 2018 represented the share capital of all companies comprising the Group and that have been incorporated.

	Number of ordinary shares	Par value *HK$*	Share capital *HK$*
Authorised share capital of the Company:			
At 1 October 2018	38,000,000	0.01	380,000
Increase on 23 August 2019 *(Note a)*	962,000,000	0.01	9,620,000
At 30 September 2019 and 2020	1,000,000,000	0.01	10,000,000

	Number of ordinary shares	Share capital *S$*
Issued and fully paid of the Company:		
At 1 October 2018	1	–*
Issue of shares pursuant to the Reorganisation *(Note 2)*	2	–*
Issue of shares pursuant to the Reorganisation *(Note 2)*	60	–*
Issue of shares under the capitalisation issue *(Note a)*	359,999,937	636,480
Issue of shares under the Share Offer *(Note b)*	120,000,000	211,200
At 30 September 2019 and 2020	480,000,000	847,680

* The amount is less than S$1.

Notes:

a. Pursuant to the written resolution of the Directors passed on 23 August 2019, it was resolved that, among other things:

- The authorised share capital of the Company was increased from HK$380,000 to HK$10,000,000 by the creation of an additional 962,000,000 shares; and

- Conditional on the share premium account of the Company being credited as a result of the Share Offer, the Directors were authorised to capitalise the amount HK$3,599,999 (equivalent to S$636,480) from the amount standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par of 359,999,937 shares, rank *pari passu* in all respects with all the then existing shares.

b. The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 19 September 2019 by way of placing of 108,000,000 shares and public offer of 12,000,000 shares at the price of HK$1.07 per share ("**Share Offer**"), resulting in gross proceeds received by the Company of approximately HK$128.4 million (equivalent to S$22.6 million).

   The net proceeds after deducting the underwriting commissions and expenses paid or payable by the Company in relation to the Share Offer amounted to HK$86.3 million (equivalent to S$15.2 million).

Properties revaluation reserves

The properties revaluation reserves arise from the difference between the carrying amount and the fair value of properties at the date of transfer from property, plant and equipment to investment properties. Where the revalued properties are sold, the portion of the properties revaluation reserves that relate to those assets is effectively realised and is transferred directly to retained earnings.

The properties revaluation reserves are not available for distribution to the Company's shareholders.

	2020	2019
	S$	*S$*
At beginning and end of the year	**767,248**	767,248

19 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 September 2020 are set out below:

Name of subsidiary	Place of incorporation/ operation	Paid up issued capital	Group's effective interest	Interest directly held by the Company	Principal activities
Builink Holdings Limited	BVI	US$2	100%	100%	Investment holding
Sing Tec Development Pte. Ltd.	Singapore	S$6,500,000	100%	–	Provision of civil engineering works, building construction works and property investment
Sing Tec Construction Pte. Ltd.	Singapore	S$345,000	100%	–	Provision of civil engineering works, building construction works and other ancillary services
Initial Resources Pte. Ltd.	Singapore	S$50,000	100%	–	Provision of other ancillary services

None of the subsidiaries has issued any debt securities at end of the year.

20 PRIOR YEAR ADJUSTMENTS

In preparing the consolidated financial statements of the Group for the year ended 30 September 2020, the executive Directors had noted that there were overstatements of subcontract costs for the year ended 30 September 2019. As a result, the consolidated financial statements in respect of the year ended 30 September 2019 have been restated to correct those errors identified. As at 30 September 2019, the Group accrued subcontract costs of S$6,700,595 for certain projects. During the year ended 30 September 2020, it was identified that the final certified value in payment certificates were lower than the original amount accrued as at 30 September 2019. As the Group applies input method to measure its progress towards satisfaction of a performance obligation and recognises revenue over time in accordance with IFRS 15 *Revenue from Contracts with Customers*, the above identified over-accrual of subcontract costs also resulted in overstatement of revenue and profits for the year ended 30 September 2019, as well as overstatement of contract assets as at 30 September 2019. The effects of the restatement to the amounts presented in the consolidated statement of financial position as at 30 September 2019 and the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2019 are summarised as below:

The corresponding adjustment has resulted in decrease in "Trade and other payables", "Contract assets" and "Income tax payable" by S$6,700,595, S$8,256,123 and S$264,000, respectively, in the consolidated statement of financial position as at 30 September 2019. The corresponding adjustment has also resulted in decrease in "Revenue", "Cost of services" and "Income tax expenses" by S$8,256,123, S$6,700,595 and S$264,000, respectively, in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2019. The above over-accrual was related to the accrued subcontract costs as at 30 September 2019 and therefore no restatement was made to the Group's consolidated statement of financial position as at 1 October 2018.

The reconciliations of the above restatements are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 30 September 2019

	As previously reported *S$*	Adjustments *S$*	As restated *S$*
Revenue			
Services	96,359,253	(8,256,123)	88,103,130
Rental	512,845	–	512,845
Total revenue	96,872,098	(8,256,123)	88,615,975
Cost of services	(80,020,208)	6,700,595	(73,319,613)
Gross profit	16,851,890	(1,555,528)	15,296,362
Other income	201,167	–	201,167
Other gains and losses	468,027	–	468,027
Administrative expenses	(6,202,129)	–	(6,202,129)
Impairment loss on financial assets and contract assets	(76,672)	–	(76,672)
Finance costs	(971,067)	–	(971,067)
Listing expenses	(3,774,929)	–	(3,774,929)
Share of result of a joint venture	64,526	–	64,526
Profit before taxation	6,560,813	(1,555,528)	5,005,285
Income tax expense	(1,702,506)	264,000	(1,438,506)
Profit for the year, representing total comprehensive income for the year	4,858,307	(1,291,528)	3,566,779
Basic and diluted earnings per share *(S$ cents)*	1.33	(0.35)	0.98

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

	As previously reported *S$*	Adjustments *S$*	As restated *S$*
Non-current assets			
Property, plant and equipment	17,578,067	–	17,578,067
Investment properties	9,140,000	–	9,140,000
Investment properties held under joint operations	7,020,000	–	7,020,000
Interest in a joint venture	1,134,750	–	1,134,750
Bank deposits	225,383	–	225,383
	35,098,200	–	35,098,200
Current assets			
Trade receivables	10,649,571	–	10,649,571
Other receivables, deposits and prepayments	1,061,031	–	1,061,031
Contract assets	36,246,814	(8,256,123)	27,990,691
Bank balances and cash	20,948,951	–	20,948,951
	68,906,367	(8,256,123)	60,650,244
Current liabilities			
Trade and other payables	23,875,071	(6,700,595)	17,174,476
Contract liabilities	3,275	–	3,275
Income tax payable	1,363,894	(264,000)	1,099,894
Bank overdrafts	6,400,549	–	6,400,549
Bank borrowings	5,290,865	–	5,290,865
Bank borrowings held under joint operations	3,056,655	–	3,056,655
Obligations under finance leases	857,067	–	857,067
	40,847,376	(6,964,595)	33,882,781
Net current assets	28,058,991	(1,291,528)	26,767,463
Total assets less current liabilities	63,157,191	(1,291,528)	61,865,663
Non-current liabilities			
Bank borrowings	8,861,155	–	8,861,155
Bank borrowings held under joint operations	948,556	–	948,556
Obligations under finance leases	813,174	–	813,174
Deferred tax liabilities	281,000	–	281,000
	10,903,885	–	10,903,885
Net assets	52,253,306	(1,291,528)	50,961,778
Capital and reserves			
Share capital	847,680	–	847,680
Reserves	51,405,626	(1,291,528)	50,114,098
	52,253,306	(1,291,528)	50,961,778

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group has been established for over 20 years and is principally engaged in construction services and property investment business in Singapore. The Group specialises in providing construction services and solutions in (i) civil engineering works entailing road works, earthworks, drainage works, earth retaining stabilising structure works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials. The Group's property investment business primarily includes residential and industrial properties leasing.

The Group recorded a decrease in total revenue of approximately S$48.3 million, from approximately S$88.6 million for the year ended 30 September 2019 (restated) to approximately S$40.3 million for the year ended 30 September 2020. The Group incurred a gross loss of approximately S$3.5 million for the year ended 30 September 2020, as compared to a gross profit of approximately S$15.3 million for the year ended 30 September 2019 (restated). The Group also incurred a net loss of approximately S$15.4 million for the year ended 30 September 2020, as compared to the net profit of approximately S$3.6 million for the year ended 30 September 2019 (restated).

The above decreases are mainly attributable to (i) the material adverse impact from the outbreak of the novel coronavirus ("**COVID-19**") global pandemic that took place in early 2020, which leads to the imposition of the circuit breaker (the "**Circuit Breaker**") measures by the Singapore Government from 7 April 2020 to 1 June 2020 (both dates inclusive) (the "**Circuit Breaker period**") to combat the local transmission of the COVID-19 in Singapore. Majority of the Group's projects were halted during the Circuit Breaker period and massive disruption to the Group's supply chain was caused. After the Circuit Breaker period, the Group's operations did not immediately resume to its normal level as the construction works in Singapore were resumed gradually in phases under the regulation of the Building and Construction Authority in Singapore (the "**BCA**"). As such, the Group's projects that were expected to commence after the Circuit Breaker period for the year ended 30 September 2020 were significantly delayed due to the impact of the COVID-19 pandemic. Meanwhile, the Group continues to incur costs for its direct labour which includes staff costs and rental expenses for dormitories and costs for complying with the additional and controlled safe restart measures imposed by the BCA for each of the Group's projects; (ii) some of the sizable projects of the Group being substantially completed in the end of 2019 and fewer projects being awarded to the Group during the year ended 30 September 2020 as compared to the corresponding year ended 30 September 2019; and (iii) an increase in impairment of expected credit loss in respect of the Group's trade receivables given the current market environment and the management's expectation of the collectability of trade receivables and contract assets impacted by the current economic downturn.

In the upcoming year, the Group anticipates a slow recovery to its business operations and financial performance from the adverse effects of COVID-19 pandemic as the growth of the construction industry in Singapore is expected to be weakened in 2020 and 2021. The Group will strive to monitor and adapt to the overall economic environment and work with the Group's customers and the relevant government authorities closely to mitigate any potential risks and issues.

Furthermore, the Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties most relevant to us. The key risks and uncertainties identified are as follows:

(i) The Group relies on subcontractors to execute the projects and any significant increase in subcontracting charges or any substandard subcontractor works may have adverse impacts on the Group's financial results

The Group relies on subcontractors to carry out portions of its projects, charges from which comprise approximately 54.0% (2019: 62.1%) of the Group's total cost of services for the year ended 30 September 2020. Any unexpected fluctuations in subcontracting charges during the course of execution of the Group's projects will thus have a negative impact on the Group's profitability. Besides, there is no assurance that the Group's subcontractors will always provide services at acceptable standards, and the Group may incur additional time and costs in rectifying substandard works, if any, which may cause cost overrun or delay to the projects.

(ii) Construction works are highly labour-intensive and the Group relies on a stable supply of labour to carry out its projects

There is no assurance that the supply of labour and average labour costs will remain stable at all times. When there is a significant increase in the cost of labour and the Group or the subcontractors have to retain labour by increasing their wages, the Group's staff costs and/or subcontracting charges will increase and as a result, the Group's profitability will be adversely affected. Furthermore, if the Group experiences any failure to attract and retain competent personnel or any material increase in labour costs as a result of the shortage of skilled labour, the Group's competitiveness and business would be damaged, thereby adversely affecting the Group's financial position, results of operations and future prospects.

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from (i) the provision of civil engineering works, building construction works and other ancillary services which include logistics and transportation services of construction materials, for both public and private sector customers; and (ii) property investment business.

The Group's civil engineering and building construction services are widely required in new infrastructure and building developments, redevelopment, additions and alterations works and upgrading projects, which involve residential, commercial and industrial buildings. For property investment business, the Group leases both industrial and residential properties to earn rental income from tenants.

The following table sets forth the breakdown of the Group's revenue segments:

	For the year ended 30 September			
	2020		2019	
	Revenue	***% of total***	Revenue	*% of total*
	S$ million	***revenue***	*S$ million*	*revenue*
			(Restated)	(Restated)
Construction services				
Civil engineering works	**35.7**	**88.6**	73.5	83.0
Building construction works	**3.8**	**9.4**	13.4	15.1
Other ancillary services	**0.4**	**1.0**	1.2	1.4
	39.9	**99.0**	88.1	99.5
Property investments	**0.4**	**1.0**	0.5	0.5
Total revenue	**40.3**	**100.0**	88.6	100.0

The Group's overall revenue decreased by approximately S$48.3 million or approximately 54.5% from approximately S$88.6 million for the year ended 30 September 2019 (restated) to approximately S$40.3 million for the year ended 30 September 2020. The decrease in the Group's total revenue was mainly driven by the decrease in revenue from both civil engineering works and building construction works by approximately S$37.8 million and S$9.6 million, respectively. Revenue contributed from property investments remained relatively stable during the years under review.

The following table sets forth the breakdown of the Group's revenue in relation to its construction services by type of customers:

	For the year ended 30 September			
	2020		2019	
	Revenue	***% of total***	Revenue	*% of total*
	S$ million	***revenue***	*S$ million*	*revenue*
			(Restated)	(Restated)
Public customers	**20.4**	**51.1**	47.5	53.9
Private customers	**19.5**	**48.9**	40.6	46.1
Total revenue	**39.9**	**100.0**	88.1	100.0

The decrease in the Group's revenue from construction services was mainly driven by the decrease in revenue from both public and private customers which have decreased significantly by approximately S$27.1 million or 57.1% and approximately S$21.1 million or 52.0%, respectively. The decrease in revenue from both public and private customers were mainly because (i) of the material adverse impact and disruptions from the COVID-19 pandemic, which a majority of the Group's construction works were halted during the Circuit Breaker period and the Group's operations did not immediately resume to normal operating levels thereafter; and (ii) some of the sizable projects of the Group were substantially completed in the end of 2019 and fewer projects were awarded to the Group during the year ended 30 September 2020 as compared to the corresponding year ended 30 September 2019.

Cost of services

The Group's cost of services decreased by approximately S$29.4 million or 40.1% from approximately S$73.3 million for the year ended 30 September 2019 (restated) to approximately S$43.9 million for the year ended 30 September 2020. Such decrease in cost of services was mainly due to the decrease in revenue as discussed above. Despite the majority of the Group's projects were halted during the Circuit Breaker period, the Group continues to incur costs for its direct labour which includes staff costs and rental expenses for dormitories and costs for complying with the additional and controlled safe restart measures imposed by the BCA for each of the Group's projects.

Gross profit and gross profit margin

The Group recorded a gross loss for the year ended 30 September 2020 of approximately S$3.5 million, as compared to a gross profit of approximately S$15.3 million for the year ended 30 September 2019 (restated).

The Group recorded a significant drop in gross profit margin from approximately 17.3% for the year ended 30 September 2019 (restated) to approximately -8.8% for the year ended 30 September 2020. The decrease in the Group's gross profit margin was mainly due to the relatively lower margin of the newly awarded projects during the year as compared to the previously awarded projects. The impact of COVID-19 pandemic also resulted in more unforeseen costs incurred as discussed above and thus the drop in gross profit margin of the on-going projects.

Other income

Other income mainly included (i) government grants; (ii) rental income from renting properties to the executive Directors; and (iii) rental income from renting equipment. For the year ended 30 September 2020, other income amounted to approximately S$3.0 million (2019: S$0.2 million). The increase in other income was mainly driven by the increase in government grants for the purpose of alleviating the financial burden of Singapore companies resulting from COVID-19 pandemic.

Other gains and losses

Other gains and losses mainly included (i) net gain on disposal of property, plant and equipment; (ii) gain from sale of scrap materials; and (iii) fair value gains/losses on investment properties. For the year ended 30 September 2020, other gains and losses amounted to a net gain of approximately S$0.6 million (2019: S$0.5 million). The slight increase in net gain was mainly due to an increase in net gain on disposal of property, plant and equipment, partially offset by a decrease in the fair value gains on the investment properties.

Administrative expenses

Administrative expenses amounted to approximately S$5.9 million for the year ended 30 September 2020, as compared to approximately S$6.2 million for the year ended 30 September 2019. Such decrease was mainly due to the decrease in staff costs during the year ended 30 September 2020.

Impairment loss on financial assets and contract assets

Impairment loss on financial assets and contract assets amounted to S$8.3 million for the year ended 30 September 2020, representing an increase of approximately S$8.2 million as compared to approximately S$0.1 million for the year ended 30 September 2019. The increase was mainly attributable to the increase in expected credit loss in respect of the Group's trade receivables and contract assets during the year given the current market environment and the management's expectation of the collectability of trade receivables and contract assets impacted by the current economic downturn. For impairment loss in respect of advances to subcontractors, please refer to the paragraph headed "2020 Annual Audit" in this announcement.

Finance costs

The Group's finance costs increased by approximately S$0.3 million from approximately S$1.0 million for the year ended 30 September 2019 to approximately S$1.3 million for the year ended 30 September 2020. Such increase was mainly driven by the increase in the Group's bank borrowings.

Income tax expense

Income tax expense decreased from approximately S$1.4 million for the year ended 30 September 2019 (restated) to an income tax benefit of approximately S$0.1 million for the year ended 30 September 2020. Such decrease was due to the loss before taxation for the year ended 30 September 2020, as compared to the profit before taxation for the year ended 30 September 2019.

Loss for the year

Profit for the year decreased significantly by approximately S$19.0 million from approximately S$3.6 million for the year ended 30 September 2019 (restated) to loss for the year of approximately S$15.4 million for the year ended 30 September 2020. This was mainly due to the significant drop in gross profit by approximately S$18.8 million to a gross loss for the year ended 30 September 2020 and the significant increase in impairment loss.

Excluding listing expenses of approximately S$3.8 million and nil for the years ended 30 September 2019 and 30 September 2020, respectively, profit for the year ended 30 September 2019 (restated) would have been approximately S$7.4 million and the loss after taxation for the year ended 30 September 2020 would remain at approximately S$15.4 million.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2020 (2019: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity balance. The Group's overall strategy remains unchanged from 2019. The capital structure of the Group consists of debt, which includes bank overdrafts and borrowings and obligations under finance leases, net of bank deposits, bank balances and cash, and equity attributable to owners of the Group, comprising share capital and reserves.

The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, and net proceeds from the Share Offer.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in Singapore dollars and Hong Kong dollars, is generally deposited with certain financial institutions.

As at 30 September 2020, the Group had bank balances and cash of approximately S$10.1 million as compared to approximately S$20.9 million as at 30 September 2019. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations), lease liabilities of approximately S$28.7 million as compared to approximately S$26.2 million as at 30 September 2019.

Gearing ratio

Gearing ratio is calculated by dividing all borrowings by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2020 was approximately 80.6% (2019 (restated): 51.5%).

Pledge of assets

The Group had pledged its bank deposits, owner-occupied properties, investment properties and investment properties held under joint operations to secure banking facilities, including bank borrowings, for the years ended 30 September 2019 and 2020.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements at all times.

FOREIGN EXCHANGE RISK

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in Singapore dollars and the Group's assets and liabilities are primarily denominated in Singapore dollars. However, the Group has certain bank balances and other payables denominated in Hong Kong dollars amounting to approximately S$8.9 million and S$0.03 million, respectively, as at 30 September 2020 which expose the Group to foreign currency risk. The Group manages the risk by closely monitoring the movements of the foreign currency rate.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Apart from the reorganisation in relation to the listing of the Company's shares (as set out in the section headed "History, Development and Reorganisation" in the prospectus of the Company dated 29 August 2019 (the "**Prospectus**")), there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the year ended 30 September 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other future plans for material investments or capital assets as at 30 September 2020.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group had a total of 228 employees (2019: 226 employees), including two executive Directors but excluding three independent non-executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the year ended 30 September 2020 amounted to approximately S$8.9 million (2019: S$10.7 million). In order to attract and retain high quality staff and to enable smooth operations within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from contributions to the Central Provident Fund and job training programs, salary increments and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

PERFORMANCE BONDS

As at 30 September 2020, the Group had performance bonds of approximately S$13.4 million (2019: S$9.1 million) given in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During the year ended 30 September 2020, the Group acquired items of property, plant and equipment of approximately S$4.9 million (2019: S$2.0 million). Save for the future plans and the use of proceeds from the Listing as set out in the Prospectus, the Group had no material capital commitments as at 30 September 2020.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Share Offer amounted to approximately HK$86.3 million (after deducting listing expenses). An analysis of the utilisation of the net proceeds from the Share Offer from 19 September 2019 (the "**Listing Date**") up to 30 September 2020 is set out below:

Purposes	Planned use of net proceeds		Planned amount of net proceeds to be utilised from the Listing Date up to 30 September 2020	Actual amount of net proceeds utilised from the Listing Date up to 30 September 2020	Unutilised amount of net proceeds as at 30 September 2020	Expected timeline for the use of the remaining balance of the net proceeds
	HK$ million	*%*	*HK$ million*	*HK$ million*	*HK$ million*	
Strengthening the Group's financial position	21.8	25.3	21.8	21.8	–	30 September 2021
Enhancing the Group's machinery fleet	31.0	36.0	31.0	10.1	20.9	30 September 2021
Strengthening the Group's workforce	11.6	13.4	11.6	2.6	9.0	30 September 2021
Developing production area for steel bar fabrication	2.0	2.3	2.0	1.1	0.9	30 September 2021
Investing in BIM and ERP systems	5.3	6.1	5.3	–	5.3	30 September 2021
Acquiring investment properties	14.6	16.9	14.6	–	14.6	30 September 2021
Total	86.3	100.0	86.3	35.6	50.7	

As at 30 September 2020, part of the unutilised amount of net proceeds was placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and Singapore. Up to 30 September 2020, all net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned.

Save for strengthening the Group's financial position, the Company delayed its use of net proceeds so as to preserve the cash position and liquidity of the Group given the uncertainty caused by the COVID-19 pandemic. It is expected that the remaining unutilised amount of net proceeds will be utilised by the year ending 30 September 2021 depending on the development of COVID-19 pandemic and its impact on the economic conditions in Singapore.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 of the Listing Rules during the year ended 30 September 2020.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding directors' securities transactions during the year.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 23 August 2019. The principal terms of the Share Option Scheme are summarised in Appendix V to the Prospectus. The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 23 August 2019 and during the year ended 30 September 2020, and there is no outstanding share option as at 30 September 2020.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the year ended 30 September 2020, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISER'S INTERESTS

As notified by the Company's compliance adviser, Grande Capital Limited (the "**Compliance Adviser**"), as at 30 September 2020, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 10 December 2018, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 30 September 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there is no material subsequent event undertaken by the Group after 30 September 2020 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

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

2020 ANNUAL AUDIT

The Company has recently been informed by the Auditor that during the course of the audit of the Group's consolidated financial statements for the year ended 30 September 2020 (the "**Audit**"), the Auditor raised two audit findings (the "**Audit Findings**"). As such, the Auditor is unable to complete the Audit until the Audit Findings are resolved. The Audit Findings raised by the Auditor are:

1. certain payment certificates being used for accrual of subcontract costs as at 30 September 2019 were subsequently revised to a lower certified value, resulting in overstatements of subcontract costs, revenue and profits for the year ended 30 September 2019. During the year ended 30 September 2020, the Group rectified the above overstatements by recognising prior year adjustments on the Group's consolidated financial statements for the year ended 30 September 2019 (as disclosed in Note 20 to the consolidated financial statements); and

2. the commercial substance and recoverability of certain advances of approximately S$4.7 million to two of the Group's subcontractors (the "**Advances**"). The Advances are currently recognised as "Advances to subcontractors" under "Other receivables, deposits and prepayments" in the consolidated statement of financial position as at 30 September 2020. The Group has reached agreement on the repayment plans with the subcontractors. Subsequent to the year end and up to the date of this announcement, approximately S$0.7 million of the Advances have been collected. As of the date of this announcement, the Company is in the process of addressing the queries from the Auditor on the commercial substance and accounting treatment of the Advances as well as the relationship between the involved parties. As the Advances may be subject to further adjustments to the consolidated financial statements, a loss allowance of approximately S$4.0 million, representing the balance not yet collected as of the date of this announcement, has been provided for the Advances as disclosed in Note 14 to the consolidated financial statements for prudence sake despite the Group has reached agreement on the repayment plans with the subcontractors. However, subject to the audit conclusion by the Auditor, there may be additional impacts on the consolidated financial statements for the year ended 30 September 2020 upon the completion of Audit.

In relation to the Audit Findings, the Auditor requested the assistance from the Audit Committee to look into the Audit Findings and the Board has authorised the Audit Committee to undergo an independent review of the Audit Findings. Given the Auditor has only recently raised the Audit Findings to the Company, the Audit Committee is currently looking into the Audit Findings and will select independent advisers to conduct an independent review of the relevant internal control system of the Group relating to the Audit Findings (the "**Independent Review**").

The Company will make further announcement(s) to inform the shareholders of the Company and the public of the details and the development of the Independent Review as and when appropriate in accordance with the Listing Rules.

AUDIT COMMITTEE

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

As disclosed in the paragraph headed "2020 Annual Audit" in this announcement, the Audit Committee will select an independent adviser to conduct the Independent Review.

PUBLICATION OF AUDITED FINAL RESULTS AND ANNUAL REPORT

This unaudited consolidated annual results announcement is published on the Company's website at www.singtec.com.sg and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The audit process for the consolidated financial statements for the year ended 30 September 2020 has not been completed. Following the completion of the Independent Review and the Audit, the Company will issue further announcement(s) in relation to (i) the audited consolidated annual results for the year ended 30 September 2020 as agreed by the Auditor and the material differences (if any) as compared with the unaudited consolidated annual results contained herein; and (ii) the proposed date on which the forthcoming annual general meeting of the Company will be held.

The Board will endeavour to publish the 2020 Audited Annual Results, which shall be agreed with the Auditor as soon as practicable and is expected to be published on or before 31 January 2021.

FURTHER ANNOUNCEMENT(S)

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

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

By Order of the Board
S&T Holdings Limited
Poon Soon Huat
Chairman and Executive Director

Hong Kong, 31 December 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Poon Soon Huat and Mr. Teo Teck Thye; and three independent non-executive Directors, namely Mr. Chan Kwok Wing Kelvin, Mr. May Tai Keung Nicholas and Mr. Tam Hon Fai.