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S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3928)

INSIDE INFORMATION

(1) CHANGE OF AUDITOR; (2) DELAY IN PUBLICATION OF THE 2020 AUDITED ANNUAL RESULTS AND DELAY IN DESPATCH OF THE 2020 ANNUAL REPORT; AND (3) CONTINUED SUSPENSION OF TRADING

This announcement is made by S&T Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a), 13.49(3)(i) and 13.51(4) 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 31 December 2020, 4 January 2021, 12 January 2021, 14 January 2021, 19 January 2021, 25 January 2021, 29 January 2021 and 8 April 2021 (collectively, the “**Announcements**”) in relation to, among others, (i) publication of the unaudited annual results for the financial year ended 30 September 2020; (ii) the suspension of trading in the shares of the Company on the Stock Exchange; (iii) Resumption Guidance; (iv) the proposed meeting of the Board for approval of the audited annual results for the financial year ended 30 September 2020; (v) the engagement of BT Corporate Governance Limited (“**BTCL**”) to conduct the Independent Review; (vi) further delay in publication of the audited annual results for the financial year ended 30 September 2020; (vii) delay in dispatch of the 2020 Annual Report; and (viii) quarterly update on suspension of trading. Unless otherwise stated, the capitalised terms used herein shall have the same meaning as defined in the Announcements.

RESIGNATION OF THE EXISTING AUDITOR

The Board met and deliberated the status and progress of the audit of the consolidated financial statements of the Group for the year ended 30 September 2020 (the “**Audit**”). Despite the efforts made by the Board and the Audit Committee to communicate with Deloitte & Touche LLP (“**Deloitte**”) as the auditor of the Company, and to meet Deloitte’s outstanding requests to address the Audit Findings in relation to (i) over-accrual of subcontract costs as at 30 September 2019 (the “**Over-accrual**”); and (ii) the commercial substance and recoverability of the Advances (collectively, the “**Issues**”), including the Company’s engagement of and providing assistance to BTCGL to conduct and finalise the Independent Review in response to the preliminary comments from Deloitte, regrettably, the Company and Deloitte could not reach an agreement on the resolution of the Audit Findings. For further details relating to the Audit Findings, please refer to the 2020 unaudited results announcement of the Company dated 31 December 2020 (the “**2020 Unaudited Annual Results**”). The Board believes that it is in the best interest of the Company and its shareholders (the “**Shareholders**”) to move forward and complete the Audit as soon as practicable and to apply for the resumption of trading in the Company’s shares as soon as possible. Hence, the Board resolved to ask Deloitte to consider to resign as auditor of the Company and for the Company to engage another qualified external auditor to complete the Audit as soon as possible.

After due and careful consideration, Deloitte agreed to resign as the auditor of the Company as Deloitte considers they are not able to reach an agreement with the Company on the resolution of the Audit Findings up to the date of their resignation. As such, Deloitte has tendered its resignation (the “**Resignation Letter**”) as the auditor of the Company with effect from 30 April 2021. Deloitte has informed the Company that, since Deloitte had not completed the Audit and in light of the prior year adjustments to the Group’s consolidated financial statements for the year ended 30 September 2019 in the 2020 Unaudited Annual Results in relation to the Over-accrual, reliance should no longer be placed by users on their independent auditor’s report on the Group’s consolidated financial statements for the year ended 30 September 2019. As informed by Deloitte in the Resignation Letter, except for the above matters, Deloitte was not aware of any other matters in connection with their resignation that needed to be brought to the attention of the Shareholders, creditors or other stakeholders of the Company.

The Company wishes to emphasise that it takes the Issues seriously, and the Company has taken all reasonable steps with a view to resolving the Issues, including but not limited to engaging BTCGL as its independent internal control adviser to conduct the Independent Review. Despite the above, the Board would like to express its sincere appreciation for Deloitte’s support in the past.

APPOINTMENT OF NEW AUDITOR

In accordance with Article 155 of the Articles of Association of the Company (the “**Articles**”), where there exists a vacancy for the auditor position at a time when his services are required, the Board shall be entitled to appoint an accounting firm to fill the vacancy and fix the remuneration of the Auditor so appointed. Accordingly, the Board is pleased to announce that, with the recommendation of the Audit Committee, HLB Hodgson Impey Cheng Limited (“**HLB**”) has been appointed by the Board as the new auditor of the Company with effect from 30 April 2021 to fill the vacancy arising from the resignation of Deloitte in accordance with the Articles, and shall hold office as the auditor of the Company until the conclusion of the next annual general meeting of the Company to be held on 26 May 2021 (the “**2021 AGM**”).

VIEWS OF THE AUDIT COMMITTEE

The Audit Committee would like to inform the Shareholders that, upon becoming aware of the Issues raised by Deloitte, it had, with the assistance of BTCGL as the independent internal control adviser of the Company, commenced the Independent Review with a view to understanding whether the Issues raise any legitimate concerns in the context of the interests of the Company and the Shareholders as a whole. As at the date of this announcement, the Independent Review remains on-going and, so far, nothing has come to the attention of the Audit Committee that would lead it to conclude that there are legitimate concerns relating to the Issues that need to be brought to the attention of the Shareholders.

With a view to seeking further assurance that the Issues does not raise legitimate concerns in the context of the interests of the Company and the Shareholders as a whole, the Audit Committee has brought the Issues to the attention of HLB and requested HLB to include specific procedures in its audit plan and work scope in relation to the Audit. The Audit Committee is satisfied that the proposed audit plan and work scope are adequate and will closely monitor the audit progress of HLB and timely inform the Shareholders of material findings, if any.

FURTHER DELAY IN PUBLICATION OF THE 2020 AUDITED ANNUAL RESULTS AND DELAY IN DESPATCH OF THE 2020 ANNUAL REPORT

Following the change of auditor of the Company, the Board currently expects that there will be a further postponement in the publication of the 2020 Audited Annual Results. In addition, given the delay in the 2020 Audited Annual Results, the 2020 Annual Report is expected to be ready for publication by July 2021.

The Board acknowledges that any delay in the despatch of the 2020 Annual Report will constitute non-compliance with Rule 13.46 of the Listing Rules. The Company will use its best endeavours to assist and cooperate with HLB after its appointment in its performance of the required audit work, so that the 2020 Audited Annual Results Announcement and the 2020 Annual Report can be finalised, approved and published and/or despatched (as the case may be) as soon as practicable. The Company will publish further announcement(s) to inform the Shareholders of material updates as and when appropriate.

SUPPLEMENTAL CIRCULAR AND PROXY FORM FOR 2021 AGM

As Deloitte has resigned as the auditor of the Company from the date of this announcement, the ordinary resolution no. 3 as set out in the notice convening the 2021 AGM dated 26 April 2021 will be withdrawn from voting at the AGM.

As the appointment of HLB will expire at the conclusion of the 2021 AGM, the appointment of HLB as the auditor of the Company will be subject to re-election by the shareholders at the 2021 AGM. A supplemental circular containing, among other things, further details of the appointment of HLB as the auditor of the Company together with the supplemental notice convening the 2021 AGM with a new form of proxy will be despatched to the shareholders of the Company in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 4 January 2021 and will remain suspended until further notice.

The Board wishes to state that the business operations of the Group have not been affected as a result of the matters set out in this announcement. The Board confirms that as at the date of this announcement, save as disclosed above in this announcement, there are no other matters in connection with the foregoing that need to be brought to the attention of the Shareholders.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 30 April 2021

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. Tam Hon Fai and Mr. Wong Ka Bo Jimmy.