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S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3928)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

Reference is made to the announcement of S&T Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 December 2020 in relation to the preliminary unaudited annual results of the Group for the year ended 30 September 2020 (the "**Unaudited Annual Results**").

As at the date of this announcement, the Company's existing auditor, HLB Hodgson Impey Cheng Limited ("**HLB**"), has completed the audit of the Group's consolidated financial statements for the year ended 30 September 2020.

The board (the "**Board**") of directors (the "**Directors**") of the Company announces the audited consolidated results of the Group for the year ended 30 September 2020 (the "**Audited Annual Results**"), together with the restated comparative figures for the year ended 30 September 2019. The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 30 September 2020 as set out in this announcement have been agreed with HLB to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 September 2020.

As certain adjustments have been made to the Unaudited Annual Results, the differences between the Unaudited Annual Results and the Audited Annual Results contained in this announcement are set out in the section headed "MATERIAL DIFFERENCES BETWEEN UNAUDITED ANNUAL RESULTS AND AUDITED ANNUAL RESULTS" in accordance with Rule 13.49(3)(ii)(b) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2020

	Note	2020 S$	2019 S$ (Restated)
Revenue			
Services	5	**41,102,421**	86,579,007
Rental	5	**420,750**	512,845
Total revenue		**41,523,171**	87,091,852
Cost of services		**(43,564,989)**	(73,721,841)
Gross (loss)/profit		**(2,041,818)**	13,370,011
Other income	6	**2,624,121**	201,167
Other gains and losses	7	**286,770**	468,027
Administrative expenses		**(5,792,829)**	(6,202,129)
Allowance for expected credit losses on financial assets and contract assets, net		**(915,548)**	(76,672)
Finance costs	8	**(1,261,072)**	(971,067)
Listing expenses		**–**	(3,774,929)
Share of result of a joint venture	16	**(55,929)**	64,526
(Loss)/profit before taxation	9	**(7,156,305)**	3,078,934
Income tax credit/(expense)	10	**68,705**	(1,702,506)
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year		**(7,087,600)**	1,376,428
Basic and diluted (loss)/earnings per share *(S cents)*	12	**(1.48)**	0.38

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	**2020**	2019
		S$	*S$*
			(Restated)
Non-current assets			
Property, plant and equipment	13	**20,367,706**	17,578,067
Investment properties	14	**9,184,000**	9,140,000
Investment properties held under joint operations	15	**6,835,000**	7,020,000
Interest in a joint venture	16	**1,078,821**	1,134,750
Financial assets at fair value through profit or loss	17	**1,241,426**	–
Bank deposits	21	**225,951**	225,383
		38,932,904	35,098,200
Current assets			
Trade receivables	18	**6,707,394**	10,649,571
Other receivables, deposits and prepayments	19	**6,028,421**	1,061,031
Contract assets	20	**19,726,036**	26,466,568
Bank balances and cash	21	**10,093,499**	20,948,951
		42,555,350	59,126,121
Current liabilities			
Trade and other payables	22	**10,652,479**	17,576,704
Contract liabilities	20	**34,885**	3,275
Income tax payable		**59,728**	1,363,894
Bank overdrafts	23	**4,982,890**	6,400,549
Bank borrowings	23	**2,312,556**	5,290,865
Bank borrowings held under joint operations	23	**2,891,707**	3,056,655
Lease liabilities	24	**2,164,883**	–
Obligations under finance leases	24	**–**	857,067
		23,099,128	34,549,009
Net current assets		**19,456,222**	24,577,112
Total assets less current liabilities		**58,389,126**	59,675,312

	Note	2020 S$	2019 S$ (Restated)
Non-current liabilities			
Bank borrowings	23	**13,230,472**	8,861,155
Bank borrowings held under joint operations	23	**830,113**	948,556
Lease liabilities	24	**2,448,902**	–
Obligations under finance leases	24	**–**	813,174
Deferred tax liabilities		**195,812**	281,000
		16,705,299	10,903,885
Net assets		**41,683,827**	48,771,427
Capital and reserves			
Share capital		**847,680**	847,680
Reserves		**40,836,147**	47,923,747
		41,683,827	48,771,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2020

1 GENERAL

S&T Holdings Limited (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 Unit B, 17/F, United Centre, 95 Queensway, Hong Kong. The principal place of business is at 16 Kian Teck Way, Singapore 628749. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (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 (the "**BVI**"), 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 (the "**Group**") (collectively referred to as the "**Controlling Shareholders**").

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**"). Please refer to the prospectus of the Company dated on 29 August 2019 for details.

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 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

New and Amendments to IFRSs that are mandiatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time in the current year:

IFRS 16	Leases
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation
IFRIC-Int 23	Uncertainty over Income Tax Treatment
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
IAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
IFRSs (Amendments)	Annual Improvements to IFRSs 2015–2017 Cycle

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

IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 Leases ("**IAS 17**"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 October 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 October 2019.

As at 1 October 2019, the Group recognised additional lease liabilities and right-of-use assets at amount equal to the related lease liabilities by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated profit and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ending within 12 months of the date of initial application;

(ii) excluded initial direct costs from measuring the right-of-use assets at the date of the initial application;

(iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of office premises was determined on a portfolio basis;

(iv) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options; and

(v) relied on the assessment of whether leases are onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 2.3% to 6.5%.

The following table shows a reconciliation of the operating lease commitment as at 30 September 2019 to the lease liabilities as at 1 October 2019 as follows:

	S$
Operating lease commitment at 30 September 2019	1,867,448
Less: total future interest expenses	(366,333)
Present value of remaining lease payments, discounted using the incremental borrowing rate and lease liabilities recognised as at 1 October 2019	1,501,115
Less: practical expedient – leases with lease term ending within 12 months from the date of initial application	(156,129)
Add: Obligations under finance leases as at 30 September 2019	1,670,241
Lease liabilities as at 1 October 2019	3,015,227
Analysis as:	
Non-current	933,357
Current	2,081,870
	3,015,227

The carrying amount of right-of-use assets for own use as at 1 October 2019 comprises the following:

	S$
Right-of-use assets relating to operating leases recognised upon application of IFRS 16 *(note (a))*	1,344,986
Add: amounts included in property, plant and equipment *(note (b))*	2,819,878
	4,164,864

Notes:

(a) The right-of-use assets in relation to lease previously classified as operating lease have been recognised at an amount equal to the amount recognised for the remaining lease liabilities at 1 October 2019. The Group had applied the exception that not to separate the land element from Leasehold properties.

(b) In relation to non-current assets previously held under finance lease, the Group recategorised the carrying amounts of the relevant assets which were still under finance leases as at 1 October 2019 amounted S$2,819,878 as right-of-use assets. In addition, the Group reclassified the obligation under finance lease of S$857,067 and S$813,174 to lease liabilities as current and non-current liabilities respectively at 1 October 2019. The Group does not present right-of-use assets as a separate line item.

The carrying amounts of right-of-use assets as at 1 October 2019 comprises the following:

	Right-of-use assets
	S$
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	1,344,986
By class:	
Leasehold land	1,344,986
Plant and machinery	1,710,683
Motor vehicles	1,109,195

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position at 1 October 2019. Line items that were not affected by the changes have not been included.

	Carrying amount previously reported at 30 September 2019	**Reclassification**	**Adjustment of leases**	**Carrying amount under IFRS 16 at 1 October 2019**
	S$	*S$*	*S$*	*S$*
Non-current assets				
Property, plant and equipment	17,578,067	–	1,344,986	18,923,053
Current liabilities				
Lease liabilities	–	857,067	76,290	933,357
Obligation under finance leases	857,067	(857,067)	–	–
Non-current liabilities				
Lease liabilities	–	813,174	1,268,696	2,081,870
Obligation under finance leases	813,174	(813,174)	–	–

New and amended IFRSs in issue that have been issued but not yet effective

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

IFRS 17 and amendments to IFRS 17	Insurance Contracts[1]
IFRS 3 (Amendments)	Reference to the Conceptual Framework[2]
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of Assets between an Investor and its Associate or Joint Venture[3]
IFRS 16 (Amendments)	Covid-19 Related Rent Concessions[4]
IFRS 16 (Amendments)	Covid-19 Related Rent Concessions beyond 30 June 2021[6]
IAS 16 (Amendments)	Property, Plant and Equipment: Proceds before Intended Use[2]
IAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract[2]
IFRS Standards (Amendments)	Annual Improvements to IFRS Standards 2018–2020[2]
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current[1]
IFRS 9, IAS 39, IFRS 7 (Amendments)	Interest Rate Benchmark Reform – Phase 1[7]
IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2[5]
IAS 1 and IAS 8 (Amendments)	Definition of Material[7]
IFRS 3 (Amendments)	Definition of Business[7]
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
IAS 8 (Amendments)	Definition of Accounting Estimates[1]
IAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 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.
6 Effective for annual periods beginning on or after 1 April 2021.
7 Effective for annual periods beginning on or after 1 Januray 2020.

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the "Amendments to References to the Conceptual Framework in IFRS Standards" will be effective for annual periods beginning on or after 1 January 2020.

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

4 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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 investment 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	**35,351,287**	73,607,169
– Building construction works	**5,376,747**	11,803,647
– Other ancillary services	**374,387**	1,168,191
Revenue from contracts with customers	**41,102,421**	86,579,007
Rental from property investment	**420,750**	512,845
Segment revenue *(Note 5(iv))*	**41,523,171**	87,091,852
Timing of revenue recognition		
Over time	**41,102,421**	86,579,007
Type of customers		
Corporate	**21,025,577**	39,115,589
Government	**20,076,844**	47,463,418
	41,102,421	86,579,007

(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	**42,029,720**	44,408,700
– 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
	99,009,387	79,895,454
Building construction works		
– Within one year	**2,877,821**	6,320,844
– More than one year but not more than two years	**553,953**	–
	3,431,774	6,320,844
	102,441,161	86,216,298

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 of the Company, 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 investment: 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	**41,102,421**	86,579,007
Property investment	**420,750**	512,845
	41,523,171	87,091,852
Segment results		
Construction services	**(2,330,382)**	13,013,269
Property investment	**288,564**	356,742
	(2,041,818)	13,370,011
Unallocated:		
Other income	**2,624,121**	201,167
Other gains and losses	**286,770**	468,027
Administrative expenses	**(5,792,829)**	(6,202,129)
Impairment loss on financial assets and contract assets	**(915,548)**	(76,672)
Finance costs	**(1,261,072)**	(971,067)
Listing expenses	**–**	(3,774,929)
Share of result of a joint venture	**(55,929)**	64,526
(Loss)/profit before taxation	**(7,156,305)**	3,078,934

(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**	**13,115,756**	39,531,844
Customer II**	**4,776,548**	–*
Customer III**	**4,343,740**	–*
Customer IV**	**–***	9,107,184
Customer V**	**–***	10,858,632

* 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 *(Note)*	**2,344,719**	34,698
Rental income from renting properties to 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
	2,624,121	201,167

Note: Government grants in 2020 mainly include COVID-19-related support by the Singapore government to help companies tide through this period of economic uncertainty, such as the COVID-Safe project-based support, Foreign Worker Levy ("**FWL**") rebates and the Job Support Scheme ("**JSS**").

The COVID-Safe project-based support provides for additional costs related to ensuring project sites comply with COVID-Safe requirements including safe distancing measures (e.g. demarcation of work zones, barricades), and is granted to main contractors. Support levels are at 1.5% of the project contract value, capped at S$150,000 per project, for all projects with contract value above S$100,000.

Under the JSS, the government co-funds between 25% to 75% of the first $4,600 of gross monthly wages paid to each local employee in a 12-month period (up to October 2020) and 30% of the same in the subsequent 5-month period (November 2020 to March 2021).

All government grants are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

7 OTHER GAINS AND LOSSES

	2020	2019
	S$	*S$*
Net gain on disposal of property, plant and equipment	**651,276**	30,254
Gain from sale of scrap materials	**122,100**	109,587
Net foreign exchange loss	**(59,751)**	(1,801)
Fair value gains/(losses) on investment properties	**44,000**	(20,000)
Fair value (losses)/gains on investment properties held under joint operations	**(185,000)**	125,000
Fair value losses on financial assets at fair value through profit or loss	**(285,855)**	–
Written off of payables to suppliers that are liquidated	**–**	224,987
	286,770	468,027

8 FINANCE COSTS

	2020	2019
	S$	*S$*
Interests on:		
– Bank borrowings	**875,907**	679,378
– Bank overdrafts	**232,589**	219,269
– Lease liabilities	**152,576**	–
– Obligations under finance leases	**–**	72,420
	1,261,072	971,067

9 (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	**2,643,907**	1,899,621
recognised as administrative expenses	**923,330**	875,331
	3,567,237	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 CPF	**515,686**	560,671
– Foreign worker levy and skill development levy	**538,334**	1,047,563
	8,920,504	10,742,416
Total staff costs (including directors' remuneration),		
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 costs recognised as cost of services	**23,347,008**	45,945,746

Note: Included in listing expenses for the year ended 30 September 2019 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 for the year ended 30 September 2019 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.

10 INCOME TAX (CREDIT)/EXPENSE

	2020	2019
	S$	*S$*
Tax expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	1,663,279
– Under/(over) provision in prior years	**16,483**	(48,773)
Deferred tax		
– Current year	**(85,188)**	88,000
	(68,705)	1,702,506

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.

11 DIVIDENDS

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

On 29 September 2018, Sing Tec Development and Sing Tec Construction declared one-tier tax exempt interim dividends of S$5,700,000 and S$1,440,000 respectively in respect of the financial year ended 30 September 2018. Out of total dividends amount of S$7,140,000, S$5,530,858 was settled by offsetting against amounts due from the Controlling Shareholders, who were the then shareholders of the entities as at the date of declaration, and S$1,609,142 remained unpaid as at 30 September 2018. On 20 December 2018, unpaid dividend amounting to S$1,109,142 was waived by the Controlling Shareholders (recorded as other reserves) and the remaining balance of S$500,000 was settled in cash.

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

12 (LOSS)/EARNINGS PER SHARE

	2020	2019 (Restated)
(Loss)/profit for the year attributable to owners of the Company *(S$)*	**(7,087,600)**	1,376,428
Weighted average number of ordinary shares in issue	**480,000,000**	363,945,205
Basic and diluted (loss)/earnings per share *(S cents)*	**(1.48)**	0.38

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.

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$	Buildings and freehold land* S$	Dormitories S$	Motor vehicles S$	Plant and machinery S$	Office equipment S$	Furniture and fittings S$	Leasehold improvement S$	Total 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)*	1,344,986	–	–	–	–	–	–	–	1,344,986
At 1 October 2019 (Restated)	9,682,586	3,548,113	–	6,357,206	13,155,601	394,028	112,236	1,704,544	34,954,314
Additions	206,321	–	695,967	681,967	3,496,799	46,169	–	–	5,127,223
Disposal/written off	–	–	–	(275,000)	(2,440,000)	(10,900)	–	–	(2,725,900)
At 30 September 2020	9,888,907	3,548,113	695,967	6,764,173	14,212,400	429,297	112,236	1,704,544	37,355,637
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	396,693	22,202	273,343	703,742	1,871,442	65,948	15,633	218,234	3,567,237
Disposal/written off	–	–	–	(167,667)	(2,432,000)	(10,900)	–	–	(2,610,567)
At 30 September 2020	998,195	221,830	273,343	5,018,010	8,871,995	255,807	82,400	1,266,351	16,987,931
Carrying values:									
At 30 September 2020	8,890,712	3,326,283	422,624	1,746,163	5,340,405	173,490	29,836	438,193	20,367,706
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 value 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 directors of the Group, Mr. Poon and Mr. Teo, for an unspecified tenancy period prior to 1 December 2018. Subsequently on 14 December 2018, the Group and the two 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 carrying amounts of right-of-use assets (included in the property, plant and equipment) as at 30 September 2020, additions, transfer and depreciation by classes of right-of-use assets during the year are set out below:

	2020
	S$
Carrying amount	
Leasehold land	**1,432,534**
Dormitories	**422,624**
Plant and machinery	**2,921,392**
Motor vehicles	**1,267,353**
	6,043,903
Additions during the year	
Dormitories	**695,967**
Leasehold land	**206,321**
Plant and machinery	**2,608,483**
Motor vehicles	**669,830**
	4,180,601
Depreciation recognised in profit or loss	
Leasehold land	**118,773**
Dormitories	**273,343**
Plant and machinery	**977,975**
Motor vehicles	**374,589**
	1,744,680
Carrying amount of right-of-use assets transfer to property, plant and equipment	
Plant and machinery	**419,799**
Motor vehicles	**137,083**
	556,882

The leasehold properties and buildings and freehold land with carrying value of S$10,784,462 (2019: S$11,084,583) in total are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 23.

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

	2019
	S$
Plant and machinery	1,710,683
Motor vehicles	1,109,195
	2,819,878

14 INVESTMENT PROPERTIES

Fair value	**Investment properties**
	S$
At 1 October 2018	9,160,000
Net decrease in fair value recognised in profit or loss	(20,000)
At 30 September 2019	9,140,000
Net increase in fair value recognised in profit or loss	44,000
At 30 September 2020	9,184,000

The fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out on the respective year end dates by ROMA Appraisals Limited (the "**Valuer**"), an independent qualified professional valuer, not related to the Group. The address of the Valuer is at 22/F, China Overseas Building, No. 139 Hennessy Road, Wan Chai, Hong Kong. The investment properties are categorised within level 3 of the fair value hierarchy.

The fair value was determined based on the direct comparison approach that reflects sale of the properties in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market. There has been no change in the valuation technique during year.

Details of the Group's investment properties and information about the fair value hierarchy as at the end of each reporting period are as follows:

	Fair Value Level 3	
	2020	2019
	S$	*S$*
21 Toh Guan Road East #01–10, Singapore 608609	**1,460,000**	1,490,000
21 Toh Guan Road East #01–11, Singapore 608609	**1,460,000**	1,490,000
45 Hillview Avenue #01–05, Singapore 669613	**1,810,000**	1,780,000
45 Hillview Avenue #01–06, Singapore 669613	**1,800,000**	1,770,000
11 Kang Choo Bin Road #01–01, Singapore 548315	**1,210,000**	1,190,000
11 Kang Choo Bin Road #01–03, Singapore 548315	**1,444,000**	1,420,000
	9,184,000	9,140,000

All the above properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 23. There was no transfer into or out of Level 3 during the year.

Details of rental income earned from and direct operating expenses for the Group's investment properties are disclosed as follows:

	2020	2019
	S$	*S$*
Gross rental income recognised as rental revenue	**229,862**	281,361
Less: Direct operating expenses incurred and recognised as cost of services	**(69,898)**	(77,735)
	159,964	203,626

15 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS

Fair value hierarchy of the Group's investment properties held under joint operations are as follows:

	Fair Value Level 3	
	2020	2019
	S$	*S$*
7 Soon Lee Street #01–13, Singapore 627608 *(Note i)*	**4,100,000**	4,190,000
Proportion of the Group's ownership interest in the investment properties held under joint operations	**50%**	50%
Group's share of the investment properties held under joint operations	**2,050,000**	2,095,000
114 Lavender Street, #01–68 CT Hub 2, Singapore 338729 *(Note ii)*	**9,570,000**	9,850,000
Proportion of the Group's ownership interest in the investment properties held under joint operations	**50%**	50%
Group's share of the investment properties held under joint operations	**4,785,000**	4,925,000
	6,835,000	7,020,000

The fair value of the Group's investment properties held under joint operations has been arrived at on the basis of a valuation carried out on the respective year end dates by the Valuer, whose method of valuation has been disclosed below. The investment properties are categorised within level 3 of the fair value hierarchy.

The fair value was determined based on the direct comparison approach that reflects sale of the properties in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market. There has been no change in the valuation technique during the year.

Both properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 23. There was no transfer into or out of Level 3 during the year.

Notes:

(i) Pursuant to the arrangement with the joint party in connection with the property, all the costs, deposit, revenue and mortgage loan related to the property shall be shared by the Group and the joint party in proportion to their respective ownership. The relative information attributed to the Group's interest is as follows:

	2020	2019
	S$	*S$*
Group's share of investment property held under joint operation:		
At beginning of the year	**2,095,000**	2,010,000
Net (decrease)/increase in fair value recognised in profit or loss	**(45,000)**	85,000
At end of the year	**2,050,000**	2,095,000

(ii) Pursuant to the arrangement with the joint party in connection with the property, all the costs, deposit, revenue and mortgage loan related to the property shall be shared by the Group and the joint party in proportion to their respective ownership. The relative information attributed to the Group's interest is as follows:

	2020	2019
	S$	*S$*
Group's share of the investment property held under joint operation:		
At beginning of the year	**4,925,000**	4,885,000
Net (decrease)/increase in fair value recognised in profit or loss	**(140,000)**	40,000
At end of the year	**4,785,000**	4,925,000

Details of rental income earned from and direct operating expenses for investment properties held under joint operations attributable to the Group are disclosed as follows:

	2020	2019
	S$	*S$*
Gross rental income recognised as rental revenue	**190,888**	231,484
Less: Direct operating expenses incurred and recognised as cost of services	**(62,288)**	(78,368)
	128,600	153,116

16 INTEREST IN A JOINT VENTURE

	2020	2019
	S$	*S$*
Cost of interest in a joint venture, unlisted	**1,000,000**	1,000,000
Share of post acquisition profit and other comprehensive income	**78,821**	134,750
	1,078,821	1,134,750

The Group has interest in the following joint venture:

Name of joint venture	**Place of incorporation**	**Proportion of ownership interest held by the Group**	**Principal activities**
Ramo – Sing Tec JV Pte. Ltd.	Singapore	50%	General contractors

Ramo – Sing Tec JV Pte. Ltd. was incorporated in June 2014 with S$2,000,000 registered capital, out of which, the Group contributed S$1,000,000.

Summarised financial information in respect of the joint venture, representing amounts shown in the joint venture's financial statements prepared in conformity with IFRSs are as below:

	2020	2019
	S$	*S$*
Current assets	**2,359,433**	2,458,372
– including cash and cash equivalents	**59,481**	59,516
Non-current assets	**–**	5,670
Current liabilities, representing total liabilities	**(201,791)**	(194,542)
Net assets	**2,157,642**	2,269,500
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of net assets, representing the carrying amount of the Group's interest in the joint venture	**1,078,821**	1,134,750

	2020	2019
	S$	*S$*
Revenue	**–**	–
(Loss)/profit for the year, representing total comprehensive (loss)/ income for the year	**(111,858)**	129,052
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of result of the joint venture	**(55,929)**	64,526

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020
	S$
Keyman life insurance policy	**1,241,426**

During the year ended 30 September 2020, the Group entered into two life insurance policies with an insurance company to insure against the death and permanent disability of executive directors. Under the policies, the beneficiary and policies holder are Sing Tec Development Pte. Ltd., a wholly owned subsidiary of the Company, and the insured sum and minimum protection amount of S$765,150 and S$1,103,000 respectively. The contracts will be terminated on the occurrence of the earliest of the death of the key management personnel insured or other terms pursuant to the contracts. The Company has paid out the total insurance premium with an aggregate amount of S$1,527,281 at the inception of the policies. The Group may request a surrender of the contracts at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged (the "**Cash Value**"). The fair value is based on redemption value quoted by the insurance company.

18 TRADE RECEIVABLES

	2020	2019
	S$	*S$*
Trade receivables	**6,026,769**	9,477,426
Less: allowance for expected credit losses	**(445,265)**	(67,495)
	5,581,504	9,409,931
Unbilled revenue *(Note)*	**1,129,555**	1,239,640
Less: allowance for expected credit losses	**(3,665)**	–
	6,707,394	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 allowance for expected credit losses, presented based on the invoice date at the end of each reporting period:

	2020	2019
	S$	*S$*
Within 30 days	**1,093,984**	3,010,442
31 days to 60 days	**2,398**	4,878,504
61 days to 90 days	**721,612**	229,364
91 days to 180 days	**24,185**	1,063,977
181 days to 1 year	**3,499,799**	169,051
Over 1 year	**239,526**	58,593
	5,581,504	9,409,931

The Group does not charge interest or hold any collateral over its trade receivables balances.

The Group applied simplified approach to provide the expected credit losses prescribed by IFRS 9. The Group has recognised the net allowance of expected credit losses of S$381,435 to the consolidated statement of profit or loss during the year ended 30 September 2020 (2019: S$67,495).

19 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020	2019
	S$	*S$*
Sundry debtors	**616,169**	523,583
Advances to subcontractors	**4,722,819**	–
Prepayments and advances	**436,304**	242,222
Deferred expenses	**–**	88,929
Deposits	**232,963**	181,861
Goods and Services Tax ("**GST**") receivable	**202,770**	269
Rental receivable	**–**	24,167
	6,211,025	1,061,031
Less: allowance for expected credit losses	**(182,604)**	–
	6,028,421	1,061,031

20 CONTRACT ASSETS/LIABILITIES

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

	30 September 2020	30 September 2019	1 October 2018
	S$	*S$*	*S$*
		(Restated)	
Contract assets, net of loss allowance	**19,726,036**	26,466,568	25,463,110
Contract liabilities	**(34,885)**	(3,275)	(227,246)
	19,691,151	26,463,293	25,235,864

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 expected timing of recovery of settlement for contract assets as at 30 September is as follows:

	2020	2019
	S$	*S$*
		(Restated)
Within one year	**16,245,281**	23,061,116
After one year	**3,480,755**	3,405,452
Total contract assets	**19,726,036**	26,466,568

The Group's contract assets are analysed as follows:

	2020	2019
	S$	*S$*
		(Restated)
Construction contracts – current:		
Retention receivables	**3,025,344**	3,314,486
Others*	**17,061,377**	23,161,259
	20,086,721	26,475,745
Less: allowance for expected credit losses	**(360,685)**	(9,177)
	19,726,036	26,466,568

* 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.

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.

The Group has recognised the net allowance of expected credit losses of S$351,508 to the consolidated statement of profit or loss during the year ended 30 September 2020 (2019: S$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	**34,885**	3,275

Out of revenue recognised during the year, S$3,275 (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.

21 BANK DEPOSITS/BANK BALANCES AND CASH

Bank deposits represent deposits pledged to a bank to secure banking facilities, including bank borrowings granted to the Group (Note 23). These bank deposits are not expected to be released within twelve months from the financial year end and presented as non-current assets.

Bank deposits carry fixed interest rate of 0.25% (2019: 0.25%) per annum as at 30 September 2020.

The remaining bank balances and cash are interest free or at nominal rate.

22 TRADE AND OTHER PAYABLES

	2020	2019
	S$	*S$*
		(Restated)
Trade payables	**3,781,615**	4,580,029
Trade accruals	**3,027,342**	5,188,862
Retention payables*	**2,651,181**	3,035,164
	9,460,138	12,804,055
Payroll and CPF payables	**529,954**	1,536,850
Deposits	**72,400**	77,300
Sundry creditors	**293,163**	743,224
GST payable	**52,024**	467,784
Accrued listing expenses	**–**	295,966
Accrued expenses	**244,800**	288,151
Listing expenses payable	**–**	1,363,374
	1,192,341	4,772,649
	10,652,479	17,576,704

* 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$*
		(Restated)
Within 30 days	**2,085,015**	1,318,965
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
	3,781,615	4,580,029

23 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 (shown under current liabilities)	**(2,312,556)**	(5,290,865)
Amounts shown under 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%
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 shown under current liabilities*	**2,598,879**	2,808,464
	3,721,820	4,005,211
Less: Amounts due within one year (shown under current liabilities)	**(2,891,707)**	(3,056,655)
Amounts shown under 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 of the Company and corporate guarantees provided by the Company and a subsidiary.

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

(a) First legal mortgage over owner-occupied properties and investment properties as set out in Notes 13 and 14;

(b) Joint and several guarantees from the executive directors of the Company 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 (Note 21).

(iii) The bank borrowings are secured by first legal mortgage over investment properties held under joint operations as set out in Note 15. In addition, joint and several guarantees are provided by the executive directors of the Company 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.

24 LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES

Lease liabilities

	2020
	S$
Lease liabilities payable:	
Within one year	**2,164,883**
Within a period of more than one year but not exceeding two years	**1,015,435**
Within a period of more than two years but not exceeding five years	**411,271**
Within a period of more than five years	**1,022,196**
	4,613,785
Analysed as:	
Current	**2,164,883**
Non-current	**2,448,902**
	4,613,785

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function. The weighted average incremental borrowing rates applied to lease liabilities range from 2.3% to 6.5%.

Obligations under finance leases

	Minimum lease payments 2019 S$	Present value of minimum lease payments 2019 S$
Amounts payable under finance leases:		
Within one year	905,969	857,067
More than one year, but not exceeding two years	595,809	576,132
More than two years, but not exceeding five years	233,729	224,595
More than five years	12,611	12,447
	1,748,118	1,670,241
Less: Future finance charges	(77,877)	
Present value of lease obligations	1,670,241	
Less: Amounts due for settlement within one year (shown under current liabilities)		(857,067)
Amounts due for settlement after one year		813,174

The Group's obligations under finance leases were secured by the lessor's titled to the leased assets (Note 13) and guarantees provided by the executive directors of the Company.

The average lease term ranged from 2 to 7 years. Interest rates underlying all obligations under finance leases were fixed at respective contract dates. During the year ended 30 September 2019, the effective interest rate charged were ranged from 3.1% to 6.5% per annum.

25 PRIOR YEAR ADJUSTMENTS

In preparing the consolidated financial statements of the Group for the year ended 30 September 2020, the executive Directors had noted errors in accrual of subcontracting costs as at 30 September 2019 causing overstatements of certain subcontracting costs for civil engineering works 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. It was identified that the final certified value in certain payment certificates were significantly lower than the original amounts accrued as at 30 September 2019. The over-accrual of subcontracting costs as at 30 September 2019 resulted in (i) overstatement of revenue and profits for the year ended 30 September 2019, as the Group recognised revenue from provision of such construction services on an over-time basis using the input method, based on the actual costs incurred by the Group to date compared with the total budget costs for the project to estimate the revenue recognised during the period; and (ii) 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 adjustments have resulted in decreases in "Trade and other payables" and "Contract assets", by S$6,298,367 and S$9,780,246 respectively, in the consolidated statement of financial position as at 30 September 2019. The corresponding adjustments have also resulted in decreases in "Revenue" and "Cost of services", by S$9,780,246 and S$6,298,367 respectively, in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2019. The above over-accrual errors were 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 effects of the above restatements are as follow:

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	(9,780,246)	86,579,007
Rental	512,845	–	512,845
Total revenue	96,872,098	(9,780,246)	87,091,852
Cost of services	(80,020,208)	6,298,367	(73,721,841)
Gross profit	16,851,890	(3,481,879)	13,370,011
Other income	201,167	–	201,167
Other gains and losses	468,027	–	468,027
Administrative expenses	(6,202,129)	–	(6,202,129)
Allowance for expected credit losses on financial assets and contract assets, net	(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	(3,481,879)	3,078,934
Income tax expense	(1,702,506)	–	(1,702,506)
Profit for the year, representing total comprehensive income for the year	4,858,307	(3,481,879)	1,376,428
Basic and diluted earnings per share *(S cents)*	1.33	(0.95)	0.38

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	(9,780,246)	26,466,568
Bank balances and cash	20,948,951	–	20,948,951
	68,906,367	(9,780,246)	59,126,121
Current liabilities			
Trade and other payables	23,875,071	(6,298,367)	17,576,704
Contract liabilities	3,275	–	3,275
Income tax payable	1,363,894	–	1,363,894
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	(6,298,367)	34,549,009
Net current assets	28,058,991	(3,481,879)	24,577,112
Total assets less current liabilities	63,157,191	(3,481,879)	59,675,312
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	(3,481,879)	48,771,427
Capital and reserves			
Share capital	847,680	–	847,680
Reserves	51,405,626	(3,481,879)	47,923,747
	52,253,306	(3,481,879)	48,771,427

26 EVENTS AFTER THE END OF THE REPORTING PERIOD

The outbreak of COVID-19 in early 2020 has caused disruptions to many industries globally. Despite the challenges, governments and internal organisations have implemented a series of measures to contain the pandemic. The Singapore government has implemented several phases of circuit breaker and post-circuit breaker recovery measures in order to contain the pandemic, and the Group's existing core business was significantly impacted by these measures, especially due to the halting of almost all its civil engineering works and building construction works since early April 2020.

The Group however does not expect to incur hefty penalties for contract delays in the form of liquidated damages. The Group has also received certain grants and assistance from the Singapore government to help offset some of its fixed costs during this time, primarily relating to its employee wages and foreign worker levies. The Group has insofar adhered to all the requirements set out by the Singapore government, particularly relating to its business operations and in dealing with its foreign workers affected by the dormitory isolations and stay-home notices. The consolidated financial statements for the year ended 30 September 2020 has included the financial effects as a result of the COVID-19 outbreak up to 30 September 2020.

As of the date of authorisation of these financial statements, most of the Group's building construction works and civil engineering works have resumed, albeit at a reduced capacity as compared to pre-pandemic times as some of its foreign workers are still in isolation and due to additional safe distancing measures that will be applied at project sites to prevent a resurgence of the pandemic.

The Group will closely monitor the development of the pandemic and assess its impact on its operations continuously. Given the unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the relevant governments and corporate entities, the actual financial impact of the COVID-19 outbreak on the Group's 2021 financial statements could be significantly different from estimates depending on how the situation evolves. Notwithstanding this, the Group will have sufficient liquidity to enable the Group to continue as a going concern for at least the next 12 months from the end of the reporting period.

MATERIAL DIFFERENCES BETWEEN UNAUDITED ANNUAL RESULTS AND AUDITED ANNUAL RESULTS

Since the financial information contained in the announcement of the Unaudited Annual Results was neither audited nor agreed with the then auditor, Deloitte & Touche LLP ("**Deloitte**"), as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the Unaudited Annual Results and Audited Annual Results. Set forth below are the principal details and reasons for the material differences in such financial information:

	Note	**Audited annual results** *S$*	**Unaudited annual results** *S$*	**Difference** *S$*
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Year ended 30 September 2020				
Revenue	1	41,523,171	40,305,380	1,217,791
Cost of services	2	(43,564,989)	(43,854,051)	(289,062)
Gross loss		(2,041,818)	(3,548,671)	1,506,853
Other income	3	2,624,121	3,004,475	(380,354)
Other gains and losses	4	286,769	574,709	(287,940)
Administrative expenses	5	(5,792,829)	(5,914,797)	121,968
Allowance for expected credit losses on financial assets and contract assets, net	6	(915,548)	(8,293,703)	7,378,155
Finance costs	7	(1,261,072)	(1,258,234)	(2,838)
Share of result of a joint venture	8	(55,929)	(6,477)	(49,452)
Loss before taxation		(7,156,305)	(15,442,698)	8,286,393
Loss for the year, representing total comprehensive loss for the year		(7,087,600)	(15,373,993)	8,286,393
Basic and diluted loss per share *(S cents)*		(1.48)	(3.20)	1.72
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
As at 30 September 2020				
Non-current assets				
Property, plant and equipment	9	20,367,706	20,179,356	188,350
Investment in a joint venture	8	1,078,821	1,128,273	(49,452)
Prepayments	4	–	252,954	(252,954)

	Note	Audited annual results S$	Unaudited annual results S$	Difference S$
Current assets				
Trade receivables	10	6,707,394	3,866,009	2,841,385
Other receivables, deposits and prepayment	11	6,028,421	2,897,287	3,131,134
Income tax recoverable	12	–	204,272	(204,272)
Contract assets	10	19,726,036	19,335,812	390,224
Current liabilities				
Trade and other payables	13	10,652,479	10,953,216	300,737
Income tax payable	12	59,728	–	(59,728)
Lease liabilities	14	2,164,883	2,035,884	(128,999)
Net current assets		19,551,991	13,185,741	6,366,250
Total assets less current liabilities		58,484,895	52,232,701	6,252,194
Non-current liabilities				
Lease liabilities	14	2,448,902	2,388,519	(60,383)
Capital and reserves				
Reserves	15	40,931,916	34,740,105	6,191,811

Notes:

1. The change mainly resulted from combined effects of the overstatement of revenue due to the overstatement of contract costs incurred and the understatement of total budgeted costs during the year.

2. The change mainly resulted from reclassification of administrative expenses to cost of services and overstatement of contract costs incurred during the year.

3. The change mainly resulted from the overstatement of the provision of government grant during the year.

4. The change mainly resulted from the overstatement on the prepaid insurance during the year.

5. The change mainly resulted from the reclassification of administrative expenses to cost of services.

6. The change mainly resulted from the overstatement of the expected credit losses in respect of the financial assets and contract assets during the year.

7. The change mainly resulted from the understatement of interest expenses in relation to lease liabilities during the year.

8. The change mainly resulted from the understatement of the share of result in respect of the investment in a joint venture during the year.

9. The change mainly resulted from the understatement of right-of-use assets during the year.

10. The change mainly resulted from the overstatement of the expected credit losses in respect of the trade receivables and contract assets during the year.

11. The change mainly resulted from the overstatement of the expected credit losses in respect of the other receivables and deposit, overstatement on the prepaid insurance and overstatement of the government grant during the year.

12. The change mainly resulted from overstatement of current income tax recoverable in previous year.

13. The change mainly resulted from overstatement of the deferred government grant during the year.

14. The change mainly resulted from the understatement of lease liabilities during the year.

15. The change mainly resulted from the prior year adjustment as stated in note 25 and the adjustment of the items set out herein.

Save as disclosed in this announcement and the corresponding adjustments related to the above differences, there is no material change in other information contained in the announcement of the Unaudited Annual Results.

2020 ANNUAL AUDIT

As disclosed in the Company's announcement dated 31 December 2020 (the "**Announcement**"), during the course of the audit of the Group's consolidated financial statements for the year ended 30 September 2020 (the "**Audit**"), Deloitte raised two audit findings (namely, Audit Finding 1 and Audit Finding 2, collectively the "**Audit Findings**"). For details of the Audit Findings, please refer to the Announcement. In relation to the Audit Findings, the Company has engaged BT Corporate Governance Limited ("**BTCGL**") as the independent internal control adviser to conduct an independent review (the "**Independent Review**"), an independent follow-up review (the "**Independent Follow-Up Review**") and an internal control follow-up review (the "**Internal Control Follow-Up Review**") to address the Audit Findings. For details of the key findings of the Independent Review, the Independent Follow-Up Review and the Internal Control Follow-Up Review, please refer to the Company's announcement dated 31 December 2021.

In response to the Audit Findings, HLB had performed the following, including but not limited to, audit procedures:

1. Reviewed and discussed the Audit Findings with the management of the Company;

2. Reviewed and considered the scope of the independent review and methodologies adopted by the BTCGL;

3. Assisted BTCGL during the independent review process in relation to the Audit Findings;

4. Considered the findings and results of the independent review performed by the BTCGL;

5. Conducted background search on the relevant companies;

6. Interviewed the Group's senior management or relevant staffs; and

7. Selected and checked the corresponding relevant documents mentioned in the Audit Findings.

HLB had also performed the following additional audit procedures (the "**Additional Audit Procedures**"), which HLB considered necessary for addressing the Audit Findings and the Independent Review, the Independent Follow-Up Review and the Internal Control Follow-Up Review as below:

1. Obtained an understanding the key internal control deficiencies issues identified in relation to the Audit Findings and evaluated the policies, procedures and controls subsequently implemented by the Company in relation to the Audit Findings and the relevant accounting entries of the transactions;

2. Obtained management's latest budgets for the construction contracts and related percentage-of-completion schedules prepared by the management of the Company and assessed the reasonableness of these budgets and on justifications to any changes made to the original budgets, and compared to actual costs incurred to determine its appropriateness;

3. Tested supplier invoices and other relevant supporting documents throughout the reporting period to ascertain the validity of actual costs incurred;

4. Recomputed the percentage-of-completion determined by the Group for revenue recognition based on actual costs incurred to-date against budgeted costs;

5. Vouched and tested subcontractors' claims before and after reporting period to ascertain that costs are correctly taken up in the relevant reporting period;

6. Challenged the validity and recoverability of significant variation of scope of work recognised by the management of the Company in the percentage-of-completion schedules;

7. Performed site visit and discussed the status of on-going constructions projects with management, finance personnel and project manager to assess the status of the construction projects. Obtained an understanding of the relevant key internal controls surrounding accounting for construction contracts;

8. Compared and checked the total contract sum of the signed contracts and variation orders; and

9. Performed retrospective review by comparing the total actual contract costs incurred against the total budgeted contract costs and assessed the reasonableness of the total budgeted costs estimated by the management of the Company.

Based on the findings of the Independent Review, the Independent Follow-Up Review and the Internal Control Follow-Up Review, HLB agreed with the findings and analysis of the Independent Review, the Independent Follow-Up Review and the Internal Control Follow-Up Review, and is of the view that the Audit Findings have been properly addressed. In addition, upon reviewing the report in respect of the Independent Review, the Independent Follow-Up Review and the Internal Control Follow-Up Review and together with the Additional Audit Procedures performed as mentioned above, the consolidated financial statements in respect of the year ended 30 September 2019 have been restated to correct those errors identified.

The audit committee of the Company (the "**Audit Committee**") is of view that the Audit Findings have been fully addressed having considered the following:

(a) Based on the Audit Committee's discussion with HLB, the Audit Committee understood that, as of the date of this announcement, HLB did not indicate that it will issue an unmodified audit opinion on the consolidated financial statements.

(b) The Audit Committee has reviewed the audit procedures performed by HLB to address the Auditing Findings, and understood that HLB did not identify material exceptions.

(c) Based on its review of the report in respect of the Independent Review, the Independent Follow-Up Review and the Internal Control Follow-Up Review and discussion with the Company and BTCGL, the Audit Committee noted that the Company has implemented the internal control measures in response to the recommendations by BTCGL.

(d) In relation to Audit Finding 1, the Independent Review concluded that there was no management override of controls and no collusion among the management of employees of the Group.

(e) In relation to Audit Finding 2, the Independent Review and the Independent Follow-Up Review concluded that there was no fraud committed by the management of the Company. In addition, Mr. Teo Teck Thye resigned as the executive Director of the Company on 26 November 2021 and he is no longer involved in the Group's business operation. In addition, the Audit Committee understood that the management has reviewed the supporting documents for payments approved by Mr. Teo.

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$45.6 million, from approximately S$87.1 million for the year ended 30 September 2019 (restated) to approximately S$41.5 million for the year ended 30 September 2020. The Group incurred a gross loss of approximately S$2.0 million for the year ended 30 September 2020, as compared to a gross profit of approximately S$13.4 million for the year ended 30 September 2019 (restated). The Group also incurred a net loss of approximately S$7.1 million for the year ended 30 September 2020, as compared to the net profit of approximately S$1.4 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 COVID-19 global pandemic ("**COVID-19**") that took place in early 2020, which led 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. A majority of the Group's projects were halted during the Circuit Breaker period, resulting in massive disruptions to the Group's supply chain and manpower resources. 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 ("**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 COVID-19. Meanwhile, the Group continues to incur costs for its direct labour which include 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 but 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 allowance for expected credit loss in respect of the Group's trade receivables and contract assets 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 financial years, the Group anticipates a slow recovery to its business operations and financial performance from the adverse effects of COVID-19 as the growth of the construction industry in Singapore is expected to be weakened in 2020 and 2021. The Group will continue 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. 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 part of its projects, charges from which accounted for approximately 53.6% (2019 (restated): approximately 62.3%) 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 by segments:

	For the year ended 30 September			
	2020		2019	
	Revenue	**% of total revenue**	Revenue	% of total revenue
	S$ million		*S$ million*	
			(Restated)	(Restated)
Construction services				
Civil engineering works	**35.3**	**85.0**	73.6	84.5
Building construction works	**5.4**	**13.0**	11.8	13.5
Other ancillary services	**0.4**	**1.0**	1.2	1.4
	41.1	**99.0**	86.6	99.4
Property investments	**0.4**	**1.0**	0.5	0.6
Total revenue	**41.5**	**100.0**	87.1	100.0

The Group's overall revenue decreased by approximately S$45.6 million or approximately 52.4% from approximately S$87.1 million for the year ended 30 September 2019 (restated) to approximately S$41.5 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$38.3 million and S$6.4 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 from construction services by type of customers:

	For the year ended 30 September			
	2020		2019	
	Revenue	**% of total revenue**	Revenue	% of total revenue
	S$ million		*S$ million* (Restated)	(Restated)
Public customers	**20.1**	**48.9**	47.5	54.8
Private customers	**21.0**	**51.1**	39.1	45.2
Total revenue from construction services	**41.1**	**100.0**	86.6	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$27.4 million or 57.7% and approximately S$18.1 million or 46.3%, respectively. The decrease in revenue from both public and private customers were mainly because of (i) the material adverse impact and disruptions from COVID-19, where the 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 period in the year ended 30 September 2019.

Cost of services

The Group's cost of services decreased by approximately S$30.1 million or 40.8% from approximately S$73.7 million for the year ended 30 September 2019 (restated) to approximately S$43.6 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$2.0 million, as compared to a gross profit of approximately S$13.4 million for the year ended 30 September 2019 (restated).

The Group recorded a significant drop in gross profit margin from approximately 15.4% for the year ended 30 September 2019 (restated) to gross loss of approximately 4.9% 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 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$2.6 million (2019: approximately 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.

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 and investment properties held under joint operations. For the year ended 30 September 2020, other gains and losses amounted to a net gain of approximately S$0.3 million (2019: approximately S$0.5 million). The decrease in net gain was mainly due to a decrease in the fair value on investment properties held under joint operations.

Administrative expenses

Administrative expenses amounted to approximately S$5.8 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 approximately S$0.9 million for the year ended 30 September 2020, representing an increase of approximately S$0.8 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.

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$1.7 million for the year ended 30 September 2019 (restated) to an income tax credit 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$8.5 million from approximately S$1.4 million for the year ended 30 September 2019 (restated) to loss for the year of approximately S$7.1 million for the year ended 30 September 2020. This was mainly due to the significant drop in gross profit by approximately S$15.4 million to a gross loss for the year ended 30 September 2020.

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$5.2 million and the loss after taxation for the year ended 30 September 2020 would remain at approximately S$7.0 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. The Group's overall strategy remains unchanged since the listing of the Company's shares (the "**Listing**") by way of share offer (the "**Share Offer**") in September 2019. The capital structure of the Group consists of debt, which includes bank overdrafts, bank borrowings and obligations under finance leases, net of bank deposits, bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves.

The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of 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$28.8 million as compared to approximately S$26.2 million as at 30 September 2019.

Gearing ratio

Gearing ratio is calculated by dividing all borrowings lease liabilities and obligations under finance leases by total equity at the year-end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2020 was approximately 69.1% (2019: approximately 53.8%).

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 does not have a foreign currency hedging policy. However, the Group manages the risk by closely monitoring the movements of the foreign currency rate and would consider hedging against significant foreign currency exposure should it be necessary.

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

During the year ended 30 September 2020, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Company's prospectus dated 29 August 2019 (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: approximately 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: approximately 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: approximately 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 (after deducting listing expenses) amounted to approximately HK$86.3 million (equivalent to approximately S$15.2 million). 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	–	N/A
Enhancing the Group's machinery fleet	31.0	36.0	31.0	10.1	20.9	by 30 September 2022
Strengthening the Group's workforce	11.6	13.4	11.6	2.6	9.0	by 30 September 2022
Developing production area for steel bar fabrication	2.0	2.3	2.0	1.1	0.9	by 30 September 2022
Investing in BIM and ERP systems	5.3	6.1	5.3	–	5.3	by 30 September 2022
Acquiring investment properties	14.6	16.9	14.6	–	14.6	by 30 September 2022
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.

The delay in utilising the net proceeds up to 30 September 2020 was mainly due to the outbreak of COVID-19 and the imposition of the Circuit Breaker. 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 COVID-19. It is expected that the remaining unutilised amount of net proceeds will be utilised by the year ending 30 September 2022 depending on the development of COVID-19 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 contained 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 the Directors' securities transactions during the year.

SHARE OPTION SCHEME

The Company 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.

AUDIT COMMITTEE

The Audit Committee has reviewed the Audited Annual Results and discussed with the management of the Company and HLB on the accounting principles and practices adopted by the Group. The Audit Committee was of the view that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.singtec.com.sg). The annual report of the Company for the year ended 30 September 2020 will be published on the aforesaid websites and dispatched 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 pending fulfilment of the resumption conditions and such further conditions that may be imposed by the Stock Exchange.

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, 24 January 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Poon Soon Huat and Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh); and three independent non-executive Directors, namely Mr. Chan Kwok Wing Kelvin, Mr. Tam Hon Fai and Mr. Wong Ka Bo Jimmy.