S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3928)

PROFIT WARNING

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

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review on the latest available financial information of the Group, the Group expects to record a revenue within the range of approximately S$39 million to S$41 million for the year ended 30 September 2020, and a net loss within the range of approximately S$13 million to S$16 million for the year ended 30 September 2020. Such expected decrease is mainly attributable to:

(i) the material adverse impact from the outbreak of the novel coronavirus ("**COVID-19**") global pandemic that took place in early 2020, in which the circuit breaker (the "**Circuit Breaker**") measures being imposed by the Singapore Government effective from 7 April 2020 to 1 June 2020 (both dates inclusive) to combat the local transmission of the novel coronavirus in Singapore. Majority of the Group's projects were halted during the Circuit Breaker period. After the Circuit Breaker period, the Group's operations did not immediately resume to its normal level as the construction works in Singapore were resumed gradually in phases under the regulation of the Building and Construction Authority in Singapore. As such, the Group's projects that were expected to commence after the Circuit Breaker period for the year ended 30 September 2020 were delayed due to the impact of the COVID-19 outbreak. Meanwhile, the Group had to afford costs for our direct labour which include staff costs and rental expenses for dormitories during the Circuit Breaker period while also having to meet additional and controlled safe restart measures for each of the Group's projects;

(ii) some of the sizable projects of the Group were substantially completed in the end of 2019 and fewer projects awarded in the year ended 30 September 2020 as compared to the corresponding year ended 30 September 2019; and

(iii) increase in impairment of expected credit loss in the Group's receivables given current market environment and management's expectation of receivables collectability impacted by current economic downturn.

The Board also wishes to inform the shareholders and potential investors of the Company that the Group identified over-estimation of construction costs accruals as at 30 September 2019 which impacted the Group's consolidated statement of financial position as at 30 September 2019 and consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2019. Such impact is currently being determined and finalised.

The information contained in this announcement represents a preliminary assessment based on information that is currently available to the Board and such information has not been reviewed or audited by the independent auditor of the Group. The Company has not finalised the annual results of the Group for the year ended 30 September 2020, which are subject to review and assessment by the audit committee of the Company, the Board and the independent auditor of the Group. The Group's audited consolidated results for the year ended 30 September 2020 may be different from the information set out in this announcement. Further announcement will be made by the Company to keep the shareholders and potential investors of the Company informed of the financial performance of the Group as and when appropriate. The annual results announcement of the Company for the year ended 30 September 2020 is expected to be published in December 2020.

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

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

Hong Kong, 21 December 2020

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