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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 2021

The board (the "**Board**") of directors (the "**Directors**") of S&T Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 30 September 2021 (the "**Audited Annual Results**"), together with the comparative figures for the year ended 30 September 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2021

	Note	**2021**	2020
		S$	*S$*
Revenue			
Services	4	**47,125,976**	41,102,421
Rental	4	**301,893**	420,750
Total revenue		**47,427,869**	41,523,171
Cost of services		**(52,461,267)**	(43,564,989)
Gross loss		**(5,033,398)**	(2,041,818)
Other income	5	**2,418,109**	2,624,121
Other gains and losses	6	**1,104,148**	286,770
Administrative expenses		**(8,714,593)**	(5,792,829)
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net		**130,414**	(915,548)
Finance costs	7	**(1,272,699)**	(1,261,072)
Share of result of a joint venture		**35,719**	(55,929)
Loss before taxation	8	**(11,332,300)**	(7,156,305)
Income tax credit	9	**137,658**	68,705
Loss for the year, representing total comprehensive loss for the year		**(11,194,642)**	(7,087,600)
Basic and diluted loss per share *(S cents)*	11	**(2.33)**	(1.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Note	**2021**	2020
		S$	*S$*
Non-current assets			
Property, plant and equipment		**17,734,962**	20,367,706
Investment properties		**9,703,000**	9,184,000
Investment properties held under joint operations		**6,215,000**	6,835,000
Interest in a joint venture		**1,114,539**	1,078,821
Financial assets at fair value through profit or loss		**1,249,682**	1,241,426
Bank deposits		**226,514**	225,951
		36,243,697	38,932,904
Current assets			
Trade receivables	12	**8,348,440**	6,707,394
Other receivables, deposits and prepayments		**2,051,739**	6,028,421
Income tax recoverable		**39,298**	–
Contract assets		**19,745,844**	19,726,036
Bank balances and cash		**9,306,004**	10,093,499
		39,491,325	42,555,350
Current liabilities			
Trade and other payables	13	**16,005,411**	10,652,479
Contract liabilities		**334,783**	34,885
Income tax payable		**–**	59,728
Bank overdrafts		**6,003,932**	4,982,890
Bank borrowings		**4,117,164**	2,312,556
Bank borrowings held under joint operations		**229,523**	2,891,707
Lease liabilities		**1,794,779**	2,164,883
		28,485,592	23,099,128
Net current assets		**11,005,733**	19,456,222
Total assets less current liabilities		**47,249,430**	58,389,126

	Note	2021	2020
	Note	***S$***	*S$*
Non-current liabilities			
Bank borrowings		**11,464,165**	13,230,472
Bank borrowings held under joint operations		**3,264,834**	830,113
Lease liabilities		**2,031,246**	2,448,902
Deferred tax liabilities		**–**	195,812
		16,760,245	16,705,299
Net assets		**30,489,185**	41,683,827
Capital and reserves			
Share capital		**847,680**	847,680
Reserves		**29,641,505**	40,836,147
		30,489,185	41,683,827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2021

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

New and amendments to IFRSs that are mandatorily 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 (Amendments)	Covid-19 Related Rent Concessions
IFRS 9, IAS 39, IFRS 7	Interest Rate Benchmark Reform – Phase 1
IAS 1 and IAS 8 (Amendments)	Definition of Material
IFRS 3 (Amendments)	Definition of Business

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.

New and amendments to 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[5]
IAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use[2]
IFRS 16 (Amendments)	Covid-19 Related Rent Concessions beyond 30 June 2021[3]
IAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract[2]
IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest Rate Benchmark Reform – Phase 2[4]
IFRS Standards (Amendments)	Annual Improvements to IFRS Standards 2018–2020[2]
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current[1]
IAS 1 and IFRS Practice Statement (Amendments)	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 1 April 2021.
4 Effective for annual periods beginning on or after 1 January 2021.
5 Effective for annual periods beginning on or after a date to be determined.

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

3 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 Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, investment properties held under joint operations and financial assets at fair value through profit or loss that were measured at fair values at the end of each reporting period.

4 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

	2021	2020
	S$	*S$*
Type of services		
Construction services		
– Civil engineering works	**42,060,546**	35,351,287
– Building construction works	**4,702,071**	5,376,747
– Other ancillary services	**363,359**	374,387
Revenue from contracts with customers	**47,125,976**	41,102,421
Rental from property investment	**301,893**	420,750
Segment revenue *(Note 4(iv))*	**47,427,869**	41,523,171
Timing of revenue recognition		
Over time	**47,125,976**	41,102,421
Type of customers		
Corporate	**33,747,891**	21,025,577
Government	**13,378,085**	20,076,844
	47,125,976	41,102,421

(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:

	2021	2020
	S$	*S$*
Civil engineering works		
– Within one year	**44,267,521**	42,029,720
– More than one year but not more than two years	**33,170,451**	18,687,878
– More than two years but not more than five years	**57,641,205**	19,136,834
– More than five years	**25,247,380**	19,154,955
	160,326,557	99,009,387
Building construction works		
– Within one year	**5,895,649**	2,877,821
– More than one year but not more than two years	**4,831,657**	553,953
– More than two years but not more than five years	**4,831,656**	–
	15,558,962	3,431,774
	175,885,519	102,441,161

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2020: 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.

	2021	2020
	S$	*S$*
Segment revenues		
Construction services	**47,125,976**	41,102,421
Property investment	**301,893**	420,750
	47,427,869	41,523,171
Segment results		
Construction services	**(5,186,970)**	(2,330,382)
Property investment	**153,572**	288,564
	(5,033,398)	(2,041,818)
Unallocated:		
Other income	**2,418,109**	2,624,121
Other gains and losses	**1,104,148**	286,770
Administrative expenses	**(8,714,593)**	(5,792,829)
Reversal of/(allowance for) financial assets and contract assets	**130,414**	(915,548)
Finance costs	**(1,272,699)**	(1,261,072)
Share of result of a joint venture	**35,719**	(55,929)
Loss before taxation	**(11,332,300)**	(7,156,305)

(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 (2020: 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:

	2021	2020
	S$	*S$*
Customer I**	**10,805,326**	13,115,756
Customer II**	**5,047,388**	4,776,548
Customer III**	**–***	4,343,740
Customer IV**	**5,251,059**	–*

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

** Revenue is from segment of construction services.

5 OTHER INCOME

	2021	2020
	S$	*S$*
Government grants *(Note i)*	**1,430,670**	2,344,719
Rental income from renting properties to directors	**132,000**	132,000
Rental income from renting equipment	**314,398**	66,095
Interest income from bank deposits	**563**	707
Others *(Note ii)*	**540,478**	80,600
	2,418,109	2,624,121

Note:

(i) Government grants for the year ended 30 September 2021 mainly include, Foreign Worker Levy ("**FWL**") rebates of S$288,200 (2020: S$533,250) and 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 of nil (2020: S$976,678) and the Job Support Scheme ("**JSS**") of S$1,103,640 (2020: S$619,929) respectively.

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 S$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.

(ii) Others mainly represent proceed from the maturity of insurance plans of approximately S$526,000 during the year ended 30 September 2021.

6 OTHER GAINS AND LOSSES

	2021	2020
	S$	*S$*
Net gain on disposal of property, plant and equipment	**932,779**	651,276
Gain from sale of scrap materials	**373,217**	122,100
Net foreign exchange loss	**(109,104)**	(59,751)
Fair value gains on investment properties	**519,000**	44,000
Fair value losses on investment properties held under joint operations	**(620,000)**	(185,000)
Fair value gains/(losses) on financial assets at fair value through profit or loss	**8,256**	(285,855)
	1,104,148	286,770

7 FINANCE COSTS

	2021	2020
	S$	*S$*
Interests on:		
– Bank borrowings	**855,618**	875,907
– Bank overdrafts	**262,293**	232,589
– Lease liabilities	**154,788**	152,576
	1,272,699	1,261,072

8 LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2021	2020
	S$	*S$*
Depreciation of property, plant and equipment,		
recognised as cost of services	**2,651,881**	2,643,907
recognised as administrative expenses	**860,778**	923,330
	3,512,659	3,567,237
Expense relating to short-term leases	**272,896**	298,611
Auditors' remuneration:		
– Annual audit fees	**1,392,100**	240,000
– Non-audit services fees	**47,600**	–
Directors' remuneration	**1,176,782**	1,249,650
Other staff costs:		
– Salaries and other benefits	**7,685,931**	6,616,834
– Contributions to Central Provident Fund ("**CPF**")	**409,882**	515,686
– Foreign worker levy and skill development levy	**1,061,408**	538,334
Total staff costs (including directors' remuneration)	**10,334,003**	8,920,504
recognised as cost of services	**7,012,646**	5,995,567
recognised as administrative expenses	**3,321,357**	2,924,937
Cost of materials recognised as cost of services	**10,289,358**	8,649,813
Subcontracting costs recognised as cost of services	**29,855,862**	23,347,008

9 INCOME TAX CREDIT

	2021	2020
	S$	*S$*
Tax expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	–
– Under provision in prior years	**58,154**	16,483
Deferred tax		
– Current year	**(195,812)**	(85,188)
	(137,658)	(68,705)

Singapore CIT is calculated at 17% (2020: 17%) of the estimated assessable profit of the Singapore subsidiaries. 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 the years ended 30 September 2021 and 2020.

10 DIVIDENDS

No dividend has been declared by the Company or group entities during the year (2020: nil) or subsequent to the year end.

11 LOSS PER SHARE

	2021	2020
Loss for the year attributable to owners of the Company *(S$)*	**(11,194,642)**	(7,087,600)
Weighted average number of ordinary shares in issue	**480,000,000**	480,000,000
Basic and diluted loss per share *(S cents)*	**(2.33)**	(1.48)

The calculation of basic loss per share for the years ended 30 September 2021 and 2020 is based on the loss for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted loss per share is the same as the basic loss per share because the Group has no dilutive securities that are convertible into shares during the years ended 30 September 2021 and 2020.

12 TRADE RECEIVABLES

	2021	2020
	S$	*S$*
Trade receivables	**8,216,689**	6,026,769
Less: allowance for expected credit losses	**(323,686)**	(445,265)
	7,893,003	5,581,504
Unbilled revenue *(Note)*	**455,437**	1,129,555
Less: allowance for expected credit losses	**–**	(3,665)
	8,348,440	6,707,394

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 (2020: 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:

	2021	2020
	S$	*S$*
Within 30 days	**4,856,319**	1,093,984
31 days to 60 days	**54,545**	2,398
61 days to 90 days	**347,486**	721,612
91 days to 180 days	**934,583**	24,185
181 days to 1 year	**1,002,309**	3,499,799
Over 1 year	**697,761**	239,526
	7,893,003	5,581,504

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

13 TRADE AND OTHER PAYABLES

	2021	2020
	S$	*S$*
Trade payables	**4,831,887**	3,781,615
Trade accruals	**5,282,894**	3,027,342
Retention payables*	**3,272,875**	2,651,181
	13,387,656	9,460,138
Payroll and CPF payables	**873,771**	529,954
Deposits	**95,900**	72,400
Sundry creditors	**632,716**	293,163
GST payable	**175,168**	52,024
Accrued expenses	**840,200**	244,800
	2,617,755	1,192,341
	16,005,411	10,652,479

* 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 (2020: 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:

	2021	2020
	S$	*S$*
Within 30 days	**1,049,616**	2,085,015
31 days to 60 days	**1,539,307**	1,032,106
61 days to 90 days	**1,508,521**	239,608
Over 90 days	**734,443**	424,886
	4,831,887	3,781,615

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 an increase in total revenue of approximately S$5.9 million, from approximately S$41.5 million for the year ended 30 September 2020 to approximately S$47.4 million for the year ended 30 September 2021. The Group recorded an increase in gross loss of approximately S$3.0 million from approximately S$2.0 million for the year ended 30 September 2020 to approximately S$5.0 million for the year ended 30 September 2021. The Group also incurred a net loss of approximately S$11.2 million for the year ended 30 September 2021, as compared to approximately S$7.1 million for the year ended 30 September 2020.

The increase in the Group's net loss for the year ended 30 September 2021 was mainly attributable to the resurgence of COVID-19 cases globally due to the emergence of highly contagious virus strains and stringent border control measures which caused supply chain disruptions and manpower shortages. This has resulted in an overall increase in the operating costs of the Group during the year.

The Singapore government's implementation of the Phase Two Heightened Alert ("**P2HA**") measures during the year to contain the spread of COVID-19 further interrupted and impeded the Group's recovery of construction activities for our ongoing projects. The Group's operations continue to be adversely affected in this regard.

In the short term, we expect the construction industry in Singapore to remain challenging given the uncertainty of the development of COVID-19. Based on the projection from the Building and Construction Authority ("**BCA**") in Singapore, around S$23 billion to S$28 billion worth of construction contracts was expected to be awarded in 2021. However, 65% of the overall construction demand for 2021 was contributed by the public sector, of which the Group had lesser market share as compared to the private sector. The BCA also expects a sustained recovery of construction demand to be between S$27 billion to S$32 billion in 2022 and over the medium-term, to reach between S$25 billion and S$32 billion per year from 2023 to 2026.

Despite the increase in the Group's revenue during the year ended 30 September 2021, tender pricings for new projects remained competitive and challenging in anticipation for the potential construction costs driven by labour shortages, increase in costs of key construction materials, availability of contracting resources and the mandatory compliance with the safety management measures imposed by the relevant authorities.

In view of the market headwinds, the Group will continue to draw from its existing expertise and adopt a more prudent approach in new project tendering by strategically focusing on contracts with higher value and margins; managing its costs structures; and improve market eminence. On the premises that further border restrictions may be eased and construction activities may gradually stabilise going forward, the Group anticipates better recovery and improvement to its business operations and financial performance in the upcoming years.

Moreover, 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 56.9% (2020: approximately 53.6%) of the Group's total cost of services for the year ended 30 September 2021. 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			
	2021		2020	
	Revenue		Revenue	
	S$ million	***%***	*S$ million*	*%*
Construction services				
Civil engineering works	**42.0**	**88.6**	35.3	85.0
Building construction works	**4.7**	**9.9**	5.4	13.0
Other ancillary services	**0.4**	**0.9**	0.4	1.0
	47.1	**99.4**	41.1	99.0
Property investments	**0.3**	**0.6**	0.4	1.0
Total revenue	**47.4**	**100.0**	41.5	100.0

The Group's overall revenue increased by approximately S$5.9 million or approximately 14.2% from approximately S$41.5 million for the year ended 30 September 2020 to approximately S$47.4 million for the year ended 30 September 2021. The increase in the Group's total revenue was mainly driven by the increase in revenue from civil engineering works by approximately S$6.7 million. The increase is partially offset by the decrease in revenue from building construction works by approximately S$0.7 million. 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			
	2021		2020	
	Revenue		Revenue	
	S$ million	*%*	*S$ million*	*%*
Public customers	**13.4**	**28.5**	20.1	48.9
Private customers	**33.7**	**71.5**	21.0	51.1
Total revenue from construction services	**47.1**	**100.0**	41.1	100.0

The increase in the Group's revenue from construction services was mainly driven by the increase in revenue from private customers which have increased by approximately S$12.7 million or 60.5%. Such increase was partially offset by the decrease in revenue from public customers by approximately S$6.7 million or 33.3%.

The overall increase in the Group's revenue were mainly due to (i) slight improvement to the progress of our construction services due to gradual easing of COVID-19 restrictions during the year as compared to the corresponding year ended 30 September 2020, where majority of the Group's construction services were disrupted by the circuit breaker period; and (ii) there were more ongoing and newly awarded projects from private customers than public customers during the year ended 30 September 2021 as compared to the corresponding year ended 30 September 2020. Despite the increase in revenue, the Group's operations have not yet resumed to pre-COVID-19 operating levels.

Cost of services

The Group's cost of services increased by approximately S$8.9 million or 20.4% from approximately S$43.6 million for the year ended 30 September 2020 to approximately S$52.5 million for the year ended 30 September 2021. Such increase in cost of services was mainly due to the increase in revenue as discussed above. Notwithstanding the increase in revenue, the Group's cost of services increased mainly due to the increase in costs of key construction materials, contracting resources and labour shortages despite the gradual easing of COVID-19 restrictions on the Group's construction works. Also, the Group continued to incur other costs such as direct labour which includes staff costs and rental expenses for workers' dormitories, and costs for complying with the safety management measures imposed by the government.

Gross loss and gross loss margin

The Group's gross loss increased by approximately S$3.0 million, from approximately S$2.0 million for the year ended 30 September 2020 to approximately S$5.0 million for the year ended 30 September 2021. The Group's gross loss margin increased from approximately 4.9% for the year ended 30 September 2020 to approximately 10.6% for the year ended 30 September 2021. The increase in the Group's gross loss during the year was mainly due to (i) decreasing margins of its on-going projects attributed to increase in construction costs; (ii) loss-making positions of certain of our projects during the year as there was an increase in the costs incurred in the Group's projects; and (iii) relatively lower margins of newly awarded projects during the year as compared to previously awarded projects. The prolonged impact of COVID-19 also caused the increase in costs of key materials and contracting resources as discussed above and hence it resulted in the overall increase in the Group's gross loss.

Other income

Other income mainly included (i) government grants; (ii) rental income from renting properties to the executive Directors; (iii) rental income from renting equipment; and (iv) surrender value recovered from insurance plans. For the year ended 30 September 2021, other income amounted to approximately S$2.4 million (2020: approximately S$2.6 million). The decrease in other income of approximately S$0.2 million or 7.7% was mainly due to the decrease in government grants by approximately S$0.9 million as the government's COVID-19 relief had started to wind down during the year. Such decrease was partially offset by the surrender value recovered from insurance plans of approximately S$0.5 million recognised during the year ended 30 September 2021.

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 2021, other gains and losses amounted to a net gain of approximately S$1.1 million (2020: approximately S$0.3 million). The increase in net gain was mainly due to (i) the increase in the net gain on disposal of property, plant and equipment of approximately S$0.3 million; (ii) the increase in gain from sale of scrap materials of approximately S$0.3 million; (iii) the increase in fair value gain on financial assets at fair value through profit or loss of approximately S$0.3 million; and (iv) the increase in fair value gains on investment properties of approximately S$0.5 million, which was partially offset by the increase in fair value losses on investment properties held under joint operations of approximately S$0.4 million.

Administrative expenses

Administrative expenses amounted to approximately S$8.7 million for the year ended 30 September 2021, as compared to approximately S$5.8 million for the year ended 30 September 2020. Such increase was mainly due to (i) the increase in administrative staff costs to retain our workforce in view of the gradual resumption of business operations; (ii) the increase in professional fees during the year from additional compliance and audit fees; and (iii) the increase in expenses for machinery repairs and maintenance.

Reversal of/(allowance for) expected credit losses on financial assets and contract assets

The allowance for expected credit loss on financial assets and contract assets decreased by approximately S$1.0 million from allowance of approximately S$0.9 million for the year ended 30 September 2020 to a net gain from reversal of expected credit losses of approximately S$0.1 million for the year ended 30 September 2021. This was mainly due to the prevailing market environment and the expectation in the improvement of the Group's collectability of financial assets and contract assets from the expected and phased recovery of the construction industry.

Finance costs

Finance costs remained relatively stable at approximately S$1.3 million for the years ended 30 September 2021 and 2020.

Income tax credit

Income tax credit remained relatively stable at approximately S$0.1 million for the years ended 30 September 2021 and 2020.

Loss for the year

Loss for the year increased by approximately S$4.1 million from approximately S$7.1 million for the year ended 30 September 2020 to approximately S$11.2 million for the year ended 30 September 2021. This was mainly due to the increase in gross loss for the year ended 30 September 2021 as discussed above.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2021 (2020: 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 (including bank borrowings held under joint operations) and lease liabilities, 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 2021, the Group had bank balances and cash of approximately S$9.3 million as compared to approximately S$10.1 million as at 30 September 2020. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations), lease liabilities of approximately S$28.9 million as compared to approximately S$28.9 million as at 30 September 2020.

Gearing ratio

Gearing ratio is calculated by dividing all bank overdrafts, bank borrowings and lease liabilities by total equity at the year-end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2021 was approximately 94.8% (2020: approximately 69.2%). The increase in gearing ratio was mainly due to the decrease in total equity as the Group recorded loss for the year.

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 2020 and 2021.

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$8.0 million and S$0.02 million, respectively, as at 30 September 2021 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

Save as disclosed in this announcement during the year ended 30 September 2021, 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 2021.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group had a total of 204 employees (2020: 228 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 2021 amounted to approximately S$10.3 million (2020: approximately S$8.9 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 2021, the Group had performance bonds of approximately S$16.9 million (2020: approximately S$13.4 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 2021, the Group acquired items of property, plant and equipment of approximately S$1.0 million (2020: approximately S$5.1 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 2021.

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 2021 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 2021**	**Actual amount of net proceeds utilised from the Listing Date up to 30 September 2021**	**Unutilised amount of net proceeds as at 30 September 2021**	**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	21.3	9.7	by 30 September 2022
Strengthening the Group's workforce	11.6	13.4	11.6	11.6	–	N/A
Developing production area for steel bar fabrication	2.0	2.3	2.0	2.0	–	N/A
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	56.7	29.6	

As at 30 September 2021, 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 2021, 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 2021 was mainly due to the prolonged effects of COVID-19. Save for strengthening the Group's financial position, strengthening the Group's workforce and developing area for steel bar fabrication, 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 Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the year ended 30 September 2021.

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 2021, and there is no outstanding share option as at 30 September 2021.

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 2021, 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 2021, 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 2021, 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 2021 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.

AUDITOR

The consolidated financial statements for the year ended 30 September 2021 have been audited by HLB Hodgson Impey Cheng Limited ("**HLB**"). Deloitte & Touche LLP resigned as auditor of the Company with effect from 30 April 2021. HLB was appointed as auditor of the Company with effect from 30 April 2021 to fill the casual vacancy.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 September 2021 as set out in the preliminary announcement have been agreed by HLB to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB on the preliminary announcement.

AUDIT COMMITTEE

The audit committee of the Company (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 2021 will be published on the aforesaid websites and despatched to the shareholders of the Company in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 4 January 2021 and will remain suspended 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, 13 April 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.