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## **S&T Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3928)**

### **DISCLOSEABLE TRANSACTION**

#### **DISPOSAL OF PROPERTY**

##### **THE DISPOSAL**

The Board is pleased to announce that on 3 November 2022 (after trading hours of the Stock Exchange), the Vendor, being an indirect wholly-owned subsidiary of the Company, granted an Option To Purchase to the Purchaser dated 3 November 2022, pursuant to which the Vendor has agreed to sell the Property at the Consideration of S\$3.72 million to the Purchaser, and the Purchaser has the option to purchase the Property.

##### **LISTING RULES IMPLICATIONS**

Rule 14.73 of the Listing Rules states that the grant, acquisition, transfer or exercise of an option by a listed issuer will be treated as a transaction and classified by reference to the percentage ratios. Rule 14.74 of the Listing Rules states that on the grant of the option (the exercise of which is not at the listed issuer's discretion), the transaction will be classified as if the option had been exercised.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are under 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

##### **THE OPTION TO PURCHASE**

The Board is pleased to announce that on 3 November 2022 (after trading hours of the Stock Exchange), the Vendor, being an indirect wholly-owned subsidiary of the Company, granted an Option To Purchase to the Purchaser dated 3 November 2022, pursuant to which the Vendor has agreed to sell the Property at the Consideration of S\$3.72 million to the Purchaser, and the Purchaser has the option to purchase the Property.

A summary of the principal terms of the Option To Purchase is as follows:

Date	:	3 November 2022
Parties	:	(i) Sing Tec Development (as the Vendor) (ii) Mr. Liu Chao (as the Purchaser)
		To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser is an Independent Third Party.
Subject Matter	:	the sale of the Property, further details of which are set out in the paragraph headed “The Property” in this announcement.
Expiry date of the Option To Purchase	:	shall be accepted by the Purchaser until 4:00 p.m. on 17 November 2022 (i.e. 14th day from the date of granting the Option To Purchase).
Consideration	:	S\$3.72 million
Payment terms	:	(i) S\$37,200, representing 1% of the Consideration, being the option fee which was settled in cash on 25 October 2022. If the Option To Purchase is exercised, such option fee shall be treated as partial payment towards the Consideration. If the Option To Purchase is not exercised, such option fee shall be forfeited to the Vendor; (ii) S\$148,800, representing 4% of the Consideration, will be settled in cash upon exercising of the Option To Purchase; and (iii) the balance of S\$3,534,000 will be settled in cash upon completion date.
Completion	:	the sale and purchase shall be completed within 12 weeks from the date of exercising of the Option To Purchase.

## THE PROPERTY

The following table sets out the details of the Property to be sold under the Option To Purchase:

Description	Use	Floor area	Consideration
A 3-storey intermediate terrace house with roof terrace	Residential	Approximately 2,920 square feet	S\$3.72 million

The Consideration was determined after arm’s length negotiations based on normal commercial terms among the parties, having taken into consideration including but not limited to the current market value of comparable properties, prevailing market conditions and the Valuation Report (as defined below) of the Property prepared by the Valuer (as defined below).

As at 30 September 2022, the carrying amount of the Property, measured at cost less accumulated depreciation and impairment, was approximately S\$1.6 million (unaudited).

## VALUATION OF THE PROPERTY

The Vendor engaged GB Global Pte. Ltd. (the “**Valuer**”), being an independent third party valuer, to prepare the valuation report of the Property (the “**Valuation Report**”). The Valuer is certified by the Singapore Institute of Surveyors and Valuers and has over 10 years of experience in the practice. According to the Valuation Report, having taken into consideration the prevailing market conditions and relevant factors, the Valuer was of the opinion that the market value of the Property was S\$3.7 million (the “**Valuation**”) as at 26 October 2022 (being the date of the Valuation Report).

The Valuation was arrived at based on the direct comparison method, which is a comparison made with transactions of similar properties in the same area. Adjustments were made by the Valuer for the differences in location, size, tenure, age/condition, standard of finishes, use, facilities provided, date of transaction as well as prevailing economic conditions affecting the property market. Since the Property is for residential use and there are sufficient market data for the Valuer to refer to, the Valuer considered that it was not necessary to adopt an alternative valuation method.

The Valuation was determined on the assumptions that the Vendor was selling the Property on the market in its existing state. The Valuer has also assumed that the Vendor has a free and uninterrupted right to use the Property.

## NET PROFITS ATTRIBUTABLE TO THE PROPERTY

The net profits attributable to the Property for the two financial years immediately preceding the Disposal are as follows:

	<b>Financial year ended 30 September 2022 (S\$) (Unaudited)</b>	<b>Financial year ended 30 September 2021 (S\$) (Audited)</b>
Rental income	10,000	60,000
Costs of rental	(6,717)	13,091
Profit before taxation	3,283	46,909
Taxation	(558)	(7,975)
<b>Net profits attributable to the Property</b>	<b>2,725</b>	<b>38,934</b>

## **FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS**

The Property generated a rental income of S\$10,000 (unaudited) for the year ended 30 September 2022.

The Group is expected to record a gain of approximately S\$2.1 million from the Disposal, being the difference between the Consideration and the estimated carrying value of the Property as at 9 February 2023 (being the latest completion date) of approximately S\$1.6 million upon the completion of the Disposal.

It is expected that the net proceeds from the Disposal will be used by the Group for general working capital.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

Taking into account the current financial position and business operation of the Group, the Directors believe that the Disposal represents a good opportunity for the Group to realise the value of the Property at a reasonable price and the proceeds from the Disposal will improve the financial position and increase the general working capital of the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Disposal are fair and reasonable and that the Disposal is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP AND THE VENDOR**

The Group is principally engaged in construction services and property investment business in Singapore.

The Vendor, being an indirect wholly-owned subsidiary of the Company, is principally engaged in the provision of civil engineering works, building construction works and property investment in Singapore.

## **IMPLICATIONS UNDER THE LISTING RULES**

Rule 14.73 of the Listing Rules states that the grant, acquisition, transfer or exercise of an option by a listed issuer will be treated as a transaction and classified by reference to the percentage ratios. Rule 14.74 of the Listing Rules states that on the grant of the option (the exercise of which is not at the listed issuer's discretion), the transaction will be classified as if the option had been exercised.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are under 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless otherwise indicated or the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	S&T Holdings Limited (stock code: 3928), a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	S\$3,720,000, being the total consideration payable by the Purchaser to the Vendor in respect of the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Option To Purchase
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option To Purchase”	the option with terms set up and granted by the Vendor to the Purchaser dated 3 November 2022, pursuant to which the Purchaser has the option to purchase the Property
“Property”	the property situated at 39 Pavilion Place, Singapore 658375
“Purchaser”	Mr. Liu Chao, an Independent Third Party
“S\$”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of our Company
“Shareholders”	the holders of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Sing Tec Development Pte. Ltd., a private company limited by shares incorporated in Singapore on 4 October 2004 and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 3 November 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.*