S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3928)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 2023 (the "**Annual Results**"), together with the comparative figures for the year ended 30 September 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2023

	Note	2023	2022
	Note	***S$***	*S$*
Revenue			
Services	4	**55,588,818**	66,584,422
Rental	4	**466,820**	508,650
Total revenue		**56,055,638**	67,093,072
Cost of services		**(52,249,992)**	(63,875,947)
Gross profit		**3,805,646**	3,217,125
Other income	5	**190,683**	1,071,870
Other gains and losses	6	**3,313,936**	3,968,919
Administrative expenses		**(5,690,465)**	(8,202,755)
(Allowance for)/reversal of expected credit losses on financial assets and contract assets, net		**(1,326,234)**	233,887
Finance costs	7	**(995,642)**	(1,214,487)
Share of result of a joint venture		**(575,142)**	(528,329)
Loss before taxation	8	**(1,277,218)**	(1,453,770)
Income tax	9	**240,107**	(39,298)
Loss and total comprehensive loss for the year		**(1,037,111)**	(1,493,068)
Basic and diluted loss per share *(S cents)*	11	**(0.22)**	(0.31)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Note	2023 S$	2022 S$
Non-current assets			
Property, plant and equipment		**11,213,368**	13,438,698
Investment properties		**10,550,000**	10,213,000
Investment properties held under joint operations		**4,250,000**	5,945,000
Interest in a joint venture		**11,068**	586,210
Financial assets at fair value through profit or loss		**1,266,447**	1,258,008
Bank deposits		**506,966**	506,740
		27,797,849	31,947,656
Current assets			
Trade receivables	12	**4,475,803**	8,263,952
Other receivables, deposits and prepayments		**2,485,344**	2,577,211
Contract assets		**20,571,767**	21,692,831
Bank balances and cash		**8,281,908**	8,958,253
		35,814,822	41,492,247
Current liabilities			
Trade and other payables	13	**16,124,056**	19,013,518
Contract liabilities		**34,601**	17,085
Bank overdrafts		**4,614,289**	4,357,151
Bank borrowings		**6,037,672**	5,548,963
Bank borrowings held under joint operations		**96,339**	228,411
Lease liabilities		**416,902**	1,057,597
		27,323,859	30,222,725
Net current assets		**8,490,963**	11,269,522
Total assets less current liabilities		**36,288,812**	43,217,178

	Note	2023	2022
		S$	S$
Non-current liabilities			
Bank borrowings		**4,812,549**	9,616,580
Bank borrowings held under joint operations		**2,364,054**	3,035,171
Lease liabilities		**1,153,203**	1,569,310
		8,329,806	14,221,061
Net assets		**27,959,006**	28,996,117
Capital and reserves			
Share capital		**847,680**	847,680
Reserves		**27,111,326**	28,148,437
		27,959,006	28,996,117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2023

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.

The Company is an investment holding company and the principal activities of its operating subsidiaries are the provision of construction services and property investment in Singapore.

The consolidated financial statements are presented in Singapore dollars ("**S$**"), which is also the functional currency of the Company.

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

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 October 2022 for the preparation of the consolidated financial statements:

IFRS 3 (Amendments)	Reference to the Conceptual Framework
IAS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use
IAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract
IFRS Standards (Amendments)	Annual Improvements to IFRS Standards 2018–2020
Accounting Guideline 5 (Amendments)	Merger Accounting for Common Control Combinations

The application of the amendments to IFRSs in the current year had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue 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 (including the October 2020 and February 2022 Amendments)	Insurance Contracts and related Amendments[1]
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current[3]
IAS 1 (Amendments) 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]
IFRS 16 (Amendments)	Lease liability in a Sales and Leaseback[3]
IAS 1 (Amendments)	Non-current Liabilities with Covenants[3]
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangement[3]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after a date to be determined.
[3] Effective for annual periods beginning on or after 1 January 2024.

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.

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 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 value 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

	2023	2022
	S$	*S$*
Type of services		
Construction services		
– Civil engineering works	**48,157,252**	55,891,207
– Building construction works	**7,395,252**	10,522,303
– Other ancillary services	**36,314**	170,912
Revenue from contracts with customers	**55,588,818**	66,584,422
Rental from property investment	**466,820**	508,650
Segment revenue *(Note 4(iv))*	**56,055,638**	67,093,072
Timing of revenue recognition		
Over time	**55,588,818**	66,584,422
Type of customers		
Corporate	**47,195,853**	50,558,384
Government	**8,392,965**	16,026,038
	55,588,818	66,584,422

(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:

	2023	2022
	S$	*S$*
Civil engineering works		
– Within one year	**66,752,387**	63,462,575
– More than one year but not more than two years	**32,494,749**	39,124,793
– More than two years but not more than five years	**34,557,743**	32,724,054
	133,804,879	135,311,422
Building construction works		
– Within one year	**118,104**	6,617,815
– More than one year but not more than two years	**–**	190,662
	118,104	6,808,477
	133,922,983	142,119,899

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2022: 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: provision of civil engineering works, building construction works and other ancillary services to government and commercial corporations.

- Property investment: leasing of residential and industrial properties.

No analysis of the Group's assets and liabilities is regularly provided to the CODMs for review.

	2023 S$	2022 S$
Segment revenue		
Construction services	**55,588,818**	66,584,422
Property investment	**466,820**	508,650
	56,055,638	67,093,072
Segment results		
Construction services	**3,440,572**	2,854,990
Property investment	**365,074**	362,135
	3,805,646	3,217,125
Unallocated:		
Other income	**190,683**	1,071,870
Other gains and losses	**3,313,936**	3,968,919
Administrative expenses	**(5,690,465)**	(8,202,755)
(Allowance for)/reversal of expected credit losses on financial assets and contract assets, net	**(1,326,234)**	233,887
Finance costs	**(995,642)**	(1,214,487)
Share of result of a joint venture	**(575,142)**	(528,329)
Loss before taxation	**(1,277,218)**	(1,453,770)

(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 (2022: 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:

	2023 S$	2022 S$
Customer I**	**–***	11,704,101
Customer II**	**5,801,600**	13,244,965
Customer III**	**6,838,688**	9,739,575
Customer IV**	**10,902,056**	–*
Customer V**	**6,446,798**	–*
Customer VI**	**6,855,052**	8,055,860

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

** Revenue was derived from provision of construction services.

5 OTHER INCOME

	2023	2022
	S$	*S$*
Government grants *(Note (i))*	**23,852**	356,277
Rental income from renting properties to directors	**–**	80,400
Rental income from renting equipment	**58,000**	500,621
Interest income from bank deposits	**19,259**	248
Others *(Note (ii))*	**89,572**	134,324
	190,683	1,071,870

Notes:

(i) Government grants for the year ended 30 September 2023 mainly represented the employment credit scheme.

Government grants for the year ended 30 September 2022 mainly included Foreign Worker Levy ("**FWL**") rebates of approximately S$314,050.

All government grants were 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) During the year ended 30 September 2023, others mainly represented insurance claims of approximately S$49,300 (2022: S$93,000).

6 OTHER GAINS AND LOSSES

	2023	2022
	S$	*S$*
Net gain on disposal of property, plant and equipment *(Note (i))*	**3,271,035**	3,011,360
Net loss on disposal of investment property held under joint operations *(Note (ii))*	**(305,000)**	–
Gain from sale of scrap materials	**52,910**	400,726
Net foreign exchange (losses)/gains	**(340,812)**	303,875
Fair value gains on investment properties	**337,000**	510,000
Fair value losses on investment properties held under joint operations	**(190,000)**	(270,000)
Fair value gains on financial assets at fair value through profit or loss	**8,439**	8,326
Write back of payables	**480,364**	–
Others	**–**	4,632
	3,313,936	3,968,919

Notes:

(i) Included in the net gain on disposal of property, plant and equipment during the year ended 30 September 2023 was mainly a net gain of approximately S$2.1 million recorded from the Group's disposal of a property to an external party at a consideration of approximately S$3.7 million. During the year ended 30 September 2022, the Group disposed a property to Mr. Poon and recorded a net gain of approximately S$1.7 million.

(ii) During the year ended 30 September 2023, the Group disposed an investment property held under joint operations to an external party at a consideration of approximately S$1.2 million and recorded a net loss of approximately S$0.3 million.

7 FINANCE COSTS

	2023	2022
	S$	*S$*
Interests on:		
– Bank borrowings	**730,025**	830,951
– Bank overdrafts	**210,458**	288,434
– Lease liabilities	**55,159**	95,102
	995,642	1,214,487

8 LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2023	2022
	S$	*S$*
Depreciation of property, plant and equipment:		
– recognised as cost of services	**1,386,216**	1,880,810
– recognised as administrative expenses	**913,349**	1,253,122
	2,299,565	3,133,932
Expense relating to short-term leases	**127,569**	296,851
Auditors' remuneration:		
– Annual audit fees	**307,672**	746,953
Directors' remuneration	**1,028,495**	1,077,927
Other staff costs:		
– Salaries and other benefits	**5,711,509**	6,367,530
– Contributions to Central Provident Fund ("**CPF**")	**324,488**	361,953
– FWL and skill development levy	**1,064,960**	1,079,226
Total staff costs (including Directors' remuneration):	**8,129,452**	8,886,636
– recognised as cost of services	**5,539,754**	6,181,819
– recognised as administrative expenses	**2,589,698**	2,704,817
Cost of materials recognised as cost of services	**13,828,788**	11,194,484
Subcontracting costs recognised as cost of services	**28,752,387**	42,105,454

9 INCOME TAX

	2023	2022
	S$	*S$*
Tax (credit)/expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	–
– (Over)/under provision in prior years	**(240,107)**	39,298
Deferred tax		
– Current year	**–**	–
	(240,107)	39,298

Singapore CIT is calculated at 17% (2022: 17%) of the estimated assessable profit of the Singapore subsidiaries. Singapore subsidiaries can 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 2023 and 2022.

10 DIVIDENDS

No dividend has been declared by the Company or group entities during the year (2022: Nil) or subsequent to the year end.

11 LOSS PER SHARE

	2023	2022
Loss for the year attributable to owners of the Company *(S$)*	**(1,037,111)**	(1,493,068)
Weighted average number of ordinary shares in issue	**480,000,000**	480,000,000
Basic and diluted loss per share *(S cents)*	**(0.22)**	(0.31)

The calculation of basic loss per share for the years ended 30 September 2023 and 2022 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 had no dilutive securities that are convertible into shares during the years ended 30 September 2023 and 2022.

12 TRADE RECEIVABLES

	2023	2022
	S$	*S$*
Trade receivables	**4,868,991**	8,374,342
Less: allowance for expected credit losses	**(393,188)**	(110,390)
	4,475,803	8,263,952

The Group grants credit terms to customers typically 30 to 35 days (2022: 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:

	2023	2022
	S$	*S$*
Within 30 days	**3,036,172**	4,278,294
31 days to 60 days	**91,054**	1,043,449
61 days to 90 days	**19,629**	217,442
91 days to 180 days	**59,484**	699,328
181 days to 1 year	**7,619**	678,643
Over 1 year	**1,261,845**	1,346,796
	4,475,803	8,263,952

13 TRADE AND OTHER PAYABLES

	2023	2022
	S$	*S$*
Trade payables	**4,273,229**	4,277,396
Trade accruals	**6,275,978**	8,007,636
Retention payables*	**3,653,275**	4,136,761
	14,202,482	16,421,793
Payroll and CPF payables	**975,594**	1,050,231
Deposits	**83,650**	83,700
Sundry creditors	**489,007**	903,593
GST payable	**45,549**	202,843
Accrued expenses	**327,774**	351,358
	1,921,574	2,591,725
	16,124,056	19,013,518

* 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 (2022: 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:

	2023	2022
	S$	*S$*
Within 30 days	**2,303,422**	1,467,984
31 days to 60 days	**854,009**	1,067,970
61 days to 90 days	**605,364**	1,018,514
Over 90 days	**510,434**	722,928
	4,273,229	4,277,396

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group has been established for over 25 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$11.0 million, from approximately S$67.1 million for the year ended 30 September 2022 to approximately S$56.1 million for the year ended 30 September 2023. The Group recorded an increase in gross profit of approximately S$0.6 million, from approximately S$3.2 million for the year ended 30 September 2022 to approximately S$3.8 million for the year ended 30 September 2023. The Group also recorded a decrease in net loss of approximately S$0.5 million, from approximately S$1.5 million for the year ended 30 September 2022 to approximately S$1.0 million for the year ended 30 September 2023.

The Group's reduction in net loss was mainly attributable to (i) an increase in gross profit and gross profit margin, which was primarily driven by the improvement of cost control for ongoing projects due to the easing of COVID-19 pandemic in Singapore and decrease in costs incurred for COVID-19 related controlled safety measures; and (ii) a decrease in administrative expenses, which was primarily driven by decreases in professional fees, general machineries and motor vehicles expenses and administrative staff costs.

The abovementioned was partially offset by (i) a decrease in other income, which was primarily driven by a decrease in government grants and rental income from renting equipment; and (ii) a decrease in other gains and losses, which was primarily driven by the recognition of net foreign exchange losses; and (iii) increase in net allowance for expected credit losses recognised on financial assets and contract assets.

With reference to the latest press released on 22 November 2023 by the Ministry of Trade and Industry ("**MTI**"), Singapore's economy faces an uncertain near-term outlook. Taking into account the performance of Singapore's economy in the first three quarters of 2023 (i.e., 0.7% year-on-year), as well as the latest external and domestic developments, the growth forecast for 2023 is expected to narrow to 1.0% from a previous forecast range of 0.5% to 1.5%. The construction sector grew by 6.3% year-on-year, as both public and private sector construction output rose. On a quarter-on-quarter seasonally-adjusted basis, the sector posted slower growth of 0.8% compared to 2.6% in the preceding quarter.

Moreover, the Building and Construction Authority ("**BCA**") maintains its last year's projection to range between S$27 billion and S$32 billion worth of construction contracts to be awarded in 2023. The public sector is expected to contribute about 60% of the total construction demand. This is supported by a continued strong pipeline of public housing projects amid Housing Development Board's ("**HDB**") ramping up of Build-To-Order flats supply. Industrial and institutional building construction is expected to contribute strongly to public sector demand, with more projects for the construction of water treatment plants, educational buildings and community clubs. Civil engineering construction demand is anticipated to stay firm with continued support from the Mass Rapid Transit ("**MRT**") line construction and other infrastructure works. The BCA also expects a sustained recovery of construction demand over the medium-term to reach between S$25 billion and S$32 billion per year from 2024 to 2027. BCA also projects private sector construction demand to range between S$11 billion and S$13 billion in 2023, comparable with 2022 figures. Both residential and industrial building construction demand is expected to be similar to last year's level, underpinned by the development of new condominiums and high-specification industrial buildings. In addition, due to the rescheduling of some major projects from 2022 to 2023 and the redevelopment of old commercial premises to enhance asset values, commercial building demand is anticipated to increase.

Despite the overall improved outlook of the domestic construction industry, the Group remains cautiously optimistic in its business profitability and growth in view of the challenges faced in this competitive landscape. Existent market headwinds remain largely relevant, including the rise in geopolitical tensions, high interest rate environment, to persistent price inflationary pressures on raw materials, labour and subcontracting contracts. The Group expects the construction industry to regain momentum in the medium to long term.

The Group will continue to focus on our business strategies of strengthening our core expertise through improving productivity, enhancing our technical capabilities, financial management and upskilling of our workforce. The Group believes that this will improve our competitive edge, tender success rate and adaptability to the changing market demands.

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 55.0% (for the year ended 30 September 2022: approximately 65.9%) of the Group's total cost of services for the year ended 30 September 2023. 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 is 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 total revenue by segments:

	For the year ended 30 September			
	2023		2022	
	Revenue		Revenue	
	S$ million	***%***	*S$ million*	*%*
Construction services				
Civil engineering works	**48.2**	**85.9**	55.9	83.3
Building construction works	**7.4**	**13.2**	10.5	15.6
Other ancillary services	**–**	**–**	0.2	0.3
	55.6	**99.1**	66.6	99.2
Property investments	**0.5**	**0.9**	0.5	0.8
Total revenue	**56.1**	**100.0**	67.1	100.0

The Group's revenue decreased by approximately S$11.0 million or approximately 16.4%, from approximately S$67.1 million for the year ended 30 September 2022 to approximately S$56.1 million for the year ended 30 September 2023.

The decrease in the Group's total revenue was mainly due to (i) a decrease in revenue from civil engineering works and building construction works by approximately S$7.7 million and S$3.1 million, respectively; (ii) a decrease in revenue from public and private customers by S$7.6 million and S$3.4 million, respectively; and (iii) overall decrease in construction activities driven by the slower progress of the Group's newly awarded construction projects which are in the initial phases during the year ended 30 September 2023.

The revenue from property investments remained relatively stable at approximately S$0.5 million for the years ended 30 September 2023 and 2022.

Cost of services

The Group's cost of services decreased by approximately S$11.7 million or approximately 18.3% from approximately S$63.9 million for the year ended 30 September 2022 to approximately S$52.2 million for the year ended 30 September 2023. Such decrease in cost of services was mainly driven by the decrease in revenue as discussed above.

Gross profit and gross profit margin

The Group's gross profit increased by approximately S$0.6 million from approximately S$3.2 million for the year ended 30 September 2022 to approximately S$3.8 million for the year ended 30 September 2023. The Group's gross profit margin also increased by 2.0 percentage points from approximately 4.8% for the year ended 30 September 2022 to approximately 6.8% for the year ended 30 September 2023. The increase in both gross profit and gross profit margin was primarily driven by the improvement of cost control for ongoing projects due to the easing of COVID-19 pandemic in Singapore and decrease in costs incurred for COVID-19 related controlled safety measures.

Other income

The Group's other income decreased by approximately S$0.9 million from approximately S$1.1 million for the year ended 30 September 2022 to approximately S$0.2 million for the year ended 30 September 2023. The decrease in other income was mainly attributable to (i) a decrease in government grants of approximately S$0.3 million received by the Group due to the cessation of the Singapore government's COVID-19 reliefs as construction activities in Singapore have fully resumed for the year ended 30 September 2023; and (ii) a decrease in rental income from renting equipment of approximately S$0.4 million.

Other gains and losses

The Group's other net gains and losses decreased by approximately S$0.7 million from approximately S$4.0 million for the year ended 30 September 2022 to approximately S$3.3 million for the year ended 30 September 2023. The decrease in other net gains and losses was primarily driven by (i) a decrease in gain from sale of scrap materials of approximately S$0.3 million; (ii) the recognition of net foreign exchange losses of approximately S$0.3 million for the year ended 30 September 2023 while we recorded net foreign exchange gains of approximately S$0.3 million for the year ended 30 September 2022; (iii) the recognition of net loss on disposal of investment property held under joint operations of approximately S$0.3 million; and (iv) a decrease in the fair value gains on investment properties by S$0.2 million.

Such decrease was partially offset by (i) the gain on recognition of write back of payables of approximately S$0.5 million; and (ii) an increase in the net gain on disposal of property, plant and equipment by approximately S$0.3 million.

Administrative expenses

The Group's administrative expenses decreased by approximately S$2.5 million from approximately S$8.2 million for the year ended 30 September 2022 to approximately S$5.7 million for the year ended 30 September 2023. The decrease in administrative expenses was mainly due to (i) a decrease in audit and professional fees of approximately S$0.9 million; (ii) a decrease in general machineries and motor vehicles expenses of approximately S$1.0 million; (iii) a decrease in administrative staff costs of approximately S$0.1 million; and (iv) a decrease in depreciation expenses recognised as administrative expenses of approximately S$0.3 million.

Allowance for/reversal of expected credit losses on financial assets and contract assets

The Group recorded a net allowance for expected credit losses on financial assets and contract assets of approximately S$1.3 million for the year ended 30 September 2023, reversing from a net gain on reversal of expected credit losses on financial assets and contract assets of approximately S$0.2 million for the year ended 30 September 2022. This was mainly due to (i) the recognition of expected credit losses on the trade receivables and contract assets due from a customer which has commenced its winding up during the year ended 30 September 2023; and (ii) deterioration of the Group's historical observed default rates over the expected life of debtors and forward-looking factors specific to the debtors and the economic environment.

Finance costs

The Group's finance costs decreased by approximately S$0.2 million from approximately S$1.2 million for the year ended 30 September 2022 to approximately S$1.0 million for the year ended 30 September 2023. The decrease was mainly due to the decrease in bank borrowings (including those held under joint operations) during the year ended 30 September 2023.

Share of result of a joint venture

The Group's loss of share of result of a joint venture has increased by approximately S$0.1 million from approximately S$0.5 million for the year ended 30 September 2022 to approximately S$0.6 million for the year ended 30 September 2023. The increase was mainly due to an increase in net allowance for expected credit losses recognised on financial assets of the joint venture.

Income tax expense

The Group's income tax expense decreased by approximately S$0.3 million from a tax expense of approximately S$40,000 for the year ended 30 September 2022 to a tax credit of approximately S$0.2 million for the year ended 30 September 2023. This was mainly due to an adjustment of income tax related to net overprovision of prior years' tax which was finalised and refunded to the Group by the Singapore tax authorities during the year ended 30 September 2023.

Loss for the year

As a result of the foregoing factors, the Group recorded a reduction in net loss for the year by approximately S$0.5 million or 33.3%, from a net loss for the year of approximately S$1.5 million for the year ended 30 September 2022 to approximately S$1.0 million for the year ended 30 September 2023.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2023 (for the year ended 30 September 2022: 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 in the objective, policies or processes for managing capital 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. There had been no material change in the capital structure of the Group since the Listing.

The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of bank balances and cash, borrowings and net proceeds from the Share Offer. The management of the Group reviews the capital structure on a regular basis.

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 2023, the Group had bank balances and cash of approximately S$8.3 million as compared to approximately S$9.0 million as at 30 September 2022. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities of approximately S$19.5 million as at 30 September 2023 as compared to approximately S$25.4 million as at 30 September 2022.

Gearing ratio

Gearing ratio is calculated by dividing all bank overdrafts, bank borrowings (including bank borrowings held under joint operations) 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 2023 was approximately 69.7% (as at 30 September 2022: approximately 87.6%). The decrease in gearing ratio was mainly due to the decrease in bank borrowings (including bank borrowings held under joint operations) of the Group as at 30 September 2023.

Charges on group assets

As at 30 September 2023, (i) bank deposits of approximately S$0.5 million (as at 30 September 2022: approximately S$0.5 million); (ii) owner-occupied properties with carrying value of approximately S$6.6 million (as at 30 September 2022: approximately S$8.5 million); (iii) investment properties with carrying value of approximately S$10.6 million (as at 30 September 2022: approximately S$10.2 million); and (iv) investment properties held under joint operations with carrying value of approximately S$4.3 million (as at 30 September 2022: approximately S$5.9 million) have been pledged to the banks to secure banking facilities including bank borrowings granted to the Group.

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$0.2 million, respectively, as at 30 September 2023 which exposed 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 INVESTMENTS HELD

The Group's significant investments comprised investment properties and investment properties held under joint operations.

Investment properties

The following table sets forth the investment cost, fair value and size relative to the Group's total assets as at the dates indicated:

	As at 30 September 2023			As at 30 September 2022		
Significant investments	**Investment cost** *(S$)*	**Fair value** *(S$)*	**Percentage to the Group's total assets**	Investment cost *(S$)*	Fair value *(S$)*	Percentage to the Group's total assets
21 Toh Guan Road East #01-10, Singapore 608609	**992,640**	**1,510,000**	**2.4%**	992,640	1,510,000	2.0%
21 Toh Guan Road East #01-11, Singapore 608609	**1,667,700**	**1,510,000**	**2.4%**	1,667,700	1,510,000	2.0%
45 Hillview Avenue #01-05, Singapore 669613	**1,334,600**	**2,240,000**	**3.5%**	1,334,600	2,110,000	2.9%
45 Hillview Avenue #01-06, Singapore 669613	**1,334,600**	**2,230,000**	**3.5%**	1,334,600	2,100,000	2.8%
11 Kang Choo Bin Road #01-01, Singapore 548315	**1,264,075**	**1,400,000**	**2.2%**	1,264,075	1,360,000	1.8%
11 Kang Choo Bin Road #01-03, Singapore 548315	**1,529,979**	**1,660,000**	**2.6%**	1,529,979	1,623,000	2.2%
Total	**8,123,594**	**10,550,000**	**16.6%**	8,123,594	10,213,000	13.7%

Investment properties held under joint operations

The following table sets forth the investment cost, fair value and size relative to the Group's total assets as at the dates indicated:

		As at 30 September 2023			As at 30 September 2022		
Significant investments	**Proportion of the Group's ownership interest**	**Investment cost attributable to the Group** *(S$)*	**Fair value attributable to the Group** *(S$)*	**Percentage to the Group's total assets**	Investment cost attributable to the Group *(S$)*	Fair value attributable to the Group *(S$)*	Percentage to the Group's total assets
7 Soon Lee Street #01-13, Singapore 627608 *(Note (i))*	50%	–	–	–	2,017,048	1,505,000	2.0%
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729 *(Note (ii))*	50%	**4,985,271**	**4,250,000**	**6.7%**	4,985,271	4,440,000	6.0%
Total		**4,985,271**	**4,250,000**	**6.7%**	7,002,319	5,945,000	8.0%

Notes:

(i) The property was held under joint operations with Chartered Employment Agency Pte Ltd. During the year ended 30 September 2023, the Group disposed the investment property held under joint operations to an external party at a consideration of approximately S$1.2 million and the Group recorded a net loss of approximately S$0.3 million.

(ii) The property is held under joint operations with Poh Wah Group Pte Ltd.

The Company's investment strategy for investment properties and investment properties held under joint operations

The Group's strategy is to continuously establish an investment property portfolio which is able to add an alternative, stable and recurring revenue stream to the Group's overall business and also to diversify risk of any potential change in the construction industry; and for potential capital appreciation purposes. Depending on prevailing market conditions (i.e. price and reasonable returns), the Group would from time to time solidify its property investment business by (i) identifying value adding investment properties in future; and (ii) evaluating existing portfolio on an going basis and selling or replacing less performing investment properties.

Save as disclosed in this announcement, the Group did not hold other significant investments during the year ended 30 September 2023.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES OR JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries and associated companies or joint ventures by the Group for the year ended 30 September 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Company's prospectus dated 29 August 2019 (the "**Prospectus**") and this announcement, the Group did not have other future plans for material investments or capital assets as at 30 September 2023.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group had a total of 183 employees (as at 30 September 2022: 200 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 2023 amounted to approximately S$8.1 million (for the year ended 30 September 2022: 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 CPF 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 2023, the Group had performance bonds of approximately S$10.7 million (as at 30 September 2022: approximately S$16.9 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 bonds will be released upon completion of the contracts.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During the year ended 30 September 2023, the Group acquired items of property, plant and equipment of approximately S$1.7 million (for the year ended 30 September 2022: approximately S$1.0 million).

As at 30 September 2023, the Group had no material capital commitments (as at 30 September 2022: Nil).

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). As set out in the announcement of the Company dated 4 September 2023, the Board had resolved to change the allocation of the use of net proceeds. An analysis of the utilisation of the net proceeds and the unutilised net proceeds after reallocation from the Share Offer from 19 September 2019 (the "**Listing Date**") up to 30 September 2023 is set out below:

Purposes	**Planned use of net proceeds as disclosed in the Prospectus**	**Revised allocation of net proceeds**	**Actual amount of net proceeds utilised as at 1 October 2022**	**Actual amount of net proceeds utilised during the year ended 30 September 2023**	**Actual amount of net proceeds utilised from the Listing Date up to 30 September 2023**	**Unutilised amount of net proceeds as at 30 September 2023**	**Expected timeline of full utilisation of revised allocation of net proceeds**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	
Strengthening the Group's financial position	21.8	36.4	21.8	8.6	30.4	6.0	By 31 March 2024
Enhancing the Group's machinery fleet	31.0	36.3	31.0	5.3	36.3	–	–
Strengthening the Group's workforce	11.6	11.6	11.6	–	11.6	–	–
Developing production area for steel bar fabrication	2.0	2.0	2.0	–	2.0	–	–
Investing in BIM and ERP systems	5.3	–	–	–	–	–	–
Acquiring investment properties	14.6	–	–	–	–	–	–
Total	86.3	86.3	66.4	13.9	80.3	6.0	

As at 30 September 2023, the unutilised amount of net proceeds was placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and Singapore.

The Group intends to apply the remaining net proceeds according to the revised plans. For the reasons and benefits of changing the allocation of the use of net proceeds, please refer to the announcement published on 4 September 2023 for details.

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 2023.

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 Group. 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 ended 30 September 2023.

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 2023, and there is no outstanding share option as at 30 September 2023.

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 2023, 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 2023, 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 2023, 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 2023 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.

REVIEW OF ANNUAL 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 2023 as set out in this announcement have been agreed by HLB Hodgson Impey Cheng Limited ("**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 this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the 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 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 2023 will be published on the aforesaid websites and despatched to the shareholders of the Company in due course.

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

Hong Kong, 29 December 2023

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.