China Next-Gen Commerce and Supply Chain Limited
中國新零售供應鏈集團有限公司

(formerly known as S&T Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3928)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of China Next-Gen Commerce and Supply Chain Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 September 2024 (the "**Annual Results**"), together with the comparative figures for the year ended 30 September 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2024

	Note	**2024**	2023
		S$	*S$*
Revenue			
Services	4	**55,467,476**	55,588,818
Rental	4	**506,100**	466,820
Total revenue		**55,973,576**	56,055,638
Cost of services		**(51,174,485)**	(52,249,992)
Gross profit		**4,799,091**	3,805,646
Other income	5	**341,780**	190,683
Other gains and losses	6	**792,865**	3,313,936
Administrative expenses		**(5,998,944)**	(5,690,465)
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net		**189,669**	(1,326,234)
Finance costs	7	**(905,894)**	(995,642)
Share of result of a joint venture		**(2,720)**	(575,142)
Loss before taxation	8	**(784,153)**	(1,277,218)
Income tax	9	**–**	240,107
Loss and total comprehensive loss for the year		**(784,153)**	(1,037,111)
Basic and diluted loss per share *(S cents)*	11	**(0.16)**	(0.22)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Note	**2024**	2023
		S$	*S$*
Non-current assets			
Property, plant and equipment		**11,819,158**	11,213,368
Investment properties		**11,460,000**	10,550,000
Investment properties held under joint operations		**4,250,000**	4,250,000
Interest in a joint venture		**8,348**	11,068
Financial assets at fair value through profit or loss		**1,282,430**	1,266,447
Bank deposits		**510,384**	506,966
		29,330,320	27,797,849
Current assets			
Trade receivables	12	**7,961,984**	4,475,803
Other receivables, deposits and prepayments		**2,434,428**	2,485,344
Contract assets		**23,781,688**	20,571,767
Bank balances and cash		**6,138,881**	8,281,908
		40,316,981	35,814,822
Current liabilities			
Trade and other payables	13	**20,008,560**	16,124,056
Contract liabilities		**3,899,299**	34,601
Bank overdrafts		**4,479,752**	4,614,289
Bank borrowings		**5,944,625**	6,037,672
Bank borrowings held under joint operations		**101,151**	96,339
Lease liabilities		**750,713**	416,902
		35,184,100	27,323,859
Net current assets		**5,132,881**	8,490,963
Total assets less current liabilities		**34,463,201**	36,288,812

	Note	2024	2023
		S$	S$
Non-current liabilities			
Bank borrowings		**3,546,474**	4,812,549
Bank borrowings held under joint operations		**2,261,776**	2,364,054
Lease liabilities		**1,480,098**	1,153,203
		7,288,348	8,329,806
Net assets		**27,174,853**	27,959,006
Capital and reserves			
Share capital		**847,680**	847,680
Reserves		**26,327,173**	27,111,326
		27,174,853	27,959,006

1 GENERAL

China Next-Gen Commerce and Supply Chain Limited (formerly known as 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 Alpine Treasure Limited ("**Alpine Treasure**"), incorporated in the British Virgin Islands (the "**BVI**"), which is also the Company's ultimate holding company as at 30 September 2024. Alpine Treasure is owned as to 80% and 20% by Mr. Ho Chi Hong and Mr. Chang Tin Duk Victor through his holding vehicle, Scholar Global Limited, respectively.

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 new and 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 2023 for the preparation of the consolidated financial statements:

IFRS 17 (Including the October 2020 and February 2020 Amendments to HKFRS 17)	Insurance Contracts
IAS 8 (Amendments)	Definition of Accounting Estimates
IAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12 (Amendments)	International Tax Reform — Pillar Two model Rules
IAS 1 (Amendments) and IFRS Practice Statement 2	Disclosure of Accounting Policies

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 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 16 (Amendments)	Lease liability in a Sales and Leaseback[2]
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current[2]
IAS 1 (Amendments)	Non-current Liabilities with Covenants[2]
IAS 21 (Amendments)	Lack of Exchangeability[3]
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangement[2]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2024.
[3] Effective for annual periods beginning on or after 1 January 2025.

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

	2024	2023
	S$	*S$*
Type of services		
Construction services		
– Civil engineering works	**51,993,643**	48,157,252
– Building construction works	**138,783**	7,395,252
– Other ancillary services	**3,335,050**	36,314
Revenue from contracts with customers	**55,467,476**	55,588,818
Rental from property investment	**506,100**	466,820
Segment revenue *(Note 4(iv))*	**55,973,576**	56,055,638
Timing of revenue recognition		
Over time	**55,467,476**	55,588,818
Type of customers		
Corporate	**46,842,925**	47,195,853
Government	**8,624,551**	8,392,965
	55,467,476	55,588,818

(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:

	2024	2023
	S$	*S$*
Civil engineering works		
– Within one year	**62,533,662**	66,752,387
– More than one year but not more than two years	**31,555,850**	32,494,749
– More than two years but not more than five years	**28,813,731**	34,557,743
	122,903,243	133,804,879
Building construction works		
– Within one year	**–**	118,104
– More than one year but not more than two years	**–**	–
	–	118,104
	122,903,243	133,922,983

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2023: 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.

	2024	2023
	S$	*S$*
Segment revenue		
Construction services	**55,467,476**	55,588,818
Property investment	**506,100**	466,820
	55,973,576	56,055,638
Segment results		
Construction services	**4,445,157**	3,440,572
Property investment	**353,934**	365,074
	4,799,091	3,805,646
Unallocated:		
Other income	**341,780**	190,683
Other gains and losses	**792,865**	3,313,936
Administrative expenses	**(5,998,944)**	(5,690,465)
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net	**189,669**	(1,326,234)
Finance costs	**(905,894)**	(995,642)
Share of result of a joint venture	**(2,720)**	(575,142)
Loss before taxation	**(784,153)**	(1,277,218)

(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 (2023: 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:

	2024	2023
	S$	*S$*
Customer I**	**–***	5,801,600
Customer II**	**5,252,042**	6,838,688
Customer III**	**7,281,481**	10,902,056
Customer IV**	**6,240,057**	6,446,798
Customer V**	**6,119,196**	6,855,052
Customer VI**	**7,603,210**	–*

* 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

	2024	2023
	S$	*S$*
Government grants *(Note (i))*	**30,745**	23,852
Rental income from renting equipment	**284,583**	58,000
Interest income from bank deposits	**26,452**	19,259
Others *(Note (ii))*	**–**	89,572
	341,780	190,683

Notes:

(i) Government grants for the years ended 30 September 2024 and 2023 mainly represented the employment credit scheme.

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. There are no special condition or contingencies that are needed to be fulfilled and they were non-recurring in nature.

(ii) During the year ended 30 September 2023, others mainly included insurance claims of approximately S$49,300.

6 OTHER GAINS AND LOSSES

	2024	2023
	S$	*S$*
Net gain on disposal of property, plant and equipment *(Note (i))*	**161,106**	3,271,035
Net loss on disposal of investment property held under joint operations *(Note (ii))*	**–**	(305,000)
Gain from sale of scrap materials	**149,019**	52,910
Net foreign exchange losses	**(443,243)**	(340,812)
Fair value gains on investment properties	**910,000**	337,000
Fair value losses on investment properties held under joint operations	**–**	(190,000)
Fair value gains on financial assets at fair value through profit or loss	**15,983**	8,439
Write back of payables	**–**	480,364
	792,865	3,313,936

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.

(ii) During the year ended 30 September 2023, the Group disposed of 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

	2024	2023
	S$	*S$*
Interests on:		
– Bank borrowings	**618,395**	730,025
– Bank overdrafts	**239,820**	210,458
– Lease liabilities	**47,679**	55,159
	905,894	995,642

8 LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2024	2023
	S$	*S$*
Depreciation of property, plant and equipment:		
– recognised as cost of services	**1,608,420**	1,386,216
– recognised as administrative expenses	**977,302**	913,349
	2,585,722	2,299,565
Expense relating to short-term leases	**159,270**	127,569
Auditors' remuneration:		
– Annual audit fees	**146,475**	307,672
Directors' remuneration	**1,038,216**	1,028,495
Other staff costs:		
– Salaries and other benefits	**5,862,187**	5,711,509
– Contributions to Central Provident Fund ("**CPF**")	**329,804**	324,488
– FWL and skill development levy	**988,171**	1,064,960
Total staff costs (including Directors' remuneration):	**8,218,378**	8,129,452
– recognised as cost of services	**5,618,669**	5,539,754
– recognised as administrative expenses	**2,599,709**	2,589,698
Cost of materials recognised as cost of services	**19,519,635**	13,828,788
Subcontracting costs recognised as cost of services	**21,385,605**	28,752,387

9 INCOME TAX

	2024	2023
	S$	*S$*
Tax (credit)/expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	–
– (Over)/under provision in prior years	**–**	(240,107)
Deferred tax		
– Current year	**–**	–
	–	(240,107)

Singapore CIT is calculated at 17% (2023: 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 2024 and 2023.

10 DIVIDENDS

No dividend has been declared by the Company or group entities during the year (2023: Nil) or subsequent to the year end.

11 LOSS PER SHARE

	2024	2023
Loss for the year attributable to owners of the Company *(S$)*	**(784,153)**	(1,037,111)
Weighted average number of ordinary shares in issue	**480,000,000**	480,000,000
Basic and diluted loss per share *(S cents)*	**(0.16)**	(0.22)

The calculation of basic loss per share for the years ended 30 September 2024 and 2023 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 2024 and 2023.

12 TRADE RECEIVABLES

	2024	2023
	S$	*S$*
Trade receivables	**8,299,673**	4,868,991
Less: allowance for expected credit losses	**(337,689)**	(393,188)
	7,961,984	4,475,803

The Group grants credit terms to customers typically 30 to 35 days (2023: 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:

	2024	2023
	S$	*S$*
Within 30 days	**6,044,924**	3,036,172
31 days to 60 days	**548,226**	91,054
61 days to 90 days	**633,165**	19,629
91 days to 180 days	**617,601**	59,484
181 days to 1 year	**26,188**	7,619
Over 1 year	**91,880**	1,261,845
	7,961,984	4,475,803

13 TRADE AND OTHER PAYABLES

	2024	2023
	S$	*S$*
Trade payables	**7,067,901**	4,273,229
Trade accruals	**6,751,083**	6,275,978
Retention payables*	**3,633,979**	3,653,275
	17,452,963	14,202,482
Payroll and CPF payables	**1,006,944**	975,594
Deposits	**119,200**	83,650
Sundry creditors	**254,897**	489,007
GST payable	**601,901**	45,549
Accrued expenses	**572,655**	327,774
	2,555,597	1,921,574
	20,008,560	16,124,056

* 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 (2023: 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:

	2024	2023
	S$	*S$*
Within 30 days	**2,775,586**	2,303,422
31 days to 60 days	**1,777,400**	854,009
61 days to 90 days	**1,070,868**	605,364
Over 90 days	**1,444,047**	510,434
	7,067,901	4,273,229

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$0.1 million, from approximately S$56.1 million for the year ended 30 September 2023 to approximately S$56.0 million for the year ended 30 September 2024. The Group recorded an increase in gross profit of approximately S$1.0 million, from approximately S$3.8 million for the year ended 30 September 2023 to approximately S$4.8 million for the year ended 30 September 2024. The Group also recorded a decrease in net loss of approximately S$0.2 million, from approximately S$1.0 million for the year ended 30 September 2023 to approximately S$0.8 million for the year ended 30 September 2024.

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; and (ii) higher profit margins contributed by other ancillary services during the year ended 30 September 2024.

With reference to the latest press released on 22 November 2024 by the Ministry of Trade and Industry ("**MTI**"), Singapore's overall external demand outlook is expected to remain resilient for the rest of 2024. Taking into account the better-than-expected performance of the Singapore economy in the first three quarters of the year (i.e., 3.8% year-on-year), as well as the latest global and domestic situations, MTI has upgraded the GDP growth forecast for 2024 to "around 3.5%", from "2.0% to 3.0%" previously. Looking ahead to 2025, MTI estimates economic growth to ease slightly to "1.0% to 3.0%" due to existential geopolitical uncertainties.

Growth in the construction sector came in at 3.7% year-on-year, following the 4.8% growth in the second quarter, on account of an increase in public sector construction output which outweighed a decline in private sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 0.7%, moderating from the 3.4% expansion in the previous quarter.

According to the announcement of the Building and Construction Authority ("**BCA**") on 15 January 2024, the preliminary construction demand for 2023 reached S$33.8 billion, due to an uptrend in tender prices, expediting of construction awards for several private residential projects and ramping up of Housing Development Board's public housing projects. This exceeded BCA's forecast of S$27 billion to S$32 billion in January 2023. In 2024, the total construction demand is projected to range between S$32 billion and S$38 billion, with the public sector contributing about 55% of the total demand. The BCA also expects a steady improvement in construction demand over the medium-term to reach between S$31 billion and S$38 billion per year from 2025 to 2028. BCA also projects private sector construction demand to range between S$14 billion and S$17 billion in 2024.

Despite the overall improved outlook of the domestic construction industry in Singapore this year as compared to last year, the Group remains cautiously optimistic in profit recovery and business growth as the Group is still exposed to a relatively high interest rate climate and inflationary pressures in material, labour and subcontracting costs. The Group expects the construction industry to regain momentum in the medium to long term.

In light of the above, the Group will continue to focus on our business strategies of strengthening our core business 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 41.8% (for the year ended 30 September 2023: approximately 55.0%) of the Group's total cost of services for the year ended 30 September 2024. 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			
	2024		2023	
	Revenue		Revenue	
	S$ million	***% of total revenue***	*S$ million*	*% of total revenue*
Construction services				
Civil engineering works	**52.0**	**92.8**	48.2	85.9
Building construction works	**0.2**	**0.4**	7.4	13.2
Other ancillary services	**3.3**	**5.9**	–	–
	55.5	**99.1**	55.6	99.1
Property investments	**0.5**	**0.9**	0.5	0.9
Total revenue	**56.0**	**100.0**	56.1	100.0

The Group's revenue decreased by approximately S$0.1 million or approximately 0.2%, from approximately S$56.1 million for the year ended 30 September 2023 to approximately S$56.0 million for the year ended 30 September 2024.

The slight decrease in the Group's total revenue was mainly due to a decrease in revenue from building construction works by approximately S$7.2 million mainly driven by overall decrease in building construction works projects. Such decrease was offset by (i) increase in revenue from civil engineering works of approximately S$3.8 million mainly due to slight improvement in progress of civil engineering works; and (ii) increase in revenue from other ancillary services by approximately S$3.3 million, mainly due to a one-off salvage works related to the demolition of shipyard.

The revenue from property investments remained relatively stable at approximately S$0.5 million for each of the years ended 30 September 2024 and 2023.

Cost of services

The Group's cost of services decreased by approximately S$1.0 million or approximately 1.9% from approximately S$52.2 million for the year ended 30 September 2023 to approximately S$51.2 million for the year ended 30 September 2024. Such decrease was mainly driven by (i) the improvement of cost control for the Group's ongoing projects; and (ii) an increase in the Group's portion of revenue contributed by other ancillary services of which the profit margin was higher during the year ended 30 September 2024.

Gross profit and gross profit margin

The Group's gross profit increased by approximately S$1.0 million from approximately S$3.8 million for the year ended 30 September 2023 to approximately S$4.8 million for the year ended 30 September 2024. The Group's gross profit margin also increased by 1.8 percentage points from approximately 6.8% for the year ended 30 September 2023 to approximately 8.6% for the year ended 30 September 2024. The increase in both gross profit and gross profit margin was primarily driven by the higher profit margins contributed by other ancillary services and the improvement of cost management for the Group's ongoing projects.

Other income

The Group's other income increased by approximately S$0.1 million from approximately S$0.2 million for the year ended 30 September 2023 to approximately S$0.3 million for the year ended 30 September 2024. The increase in other income was mainly attributable to an increase in rental income from renting equipment of approximately S$0.2 million and partially offset by a decrease in sundry income of approximately S$0.1 million.

Other gains and losses

The Group's other gains and losses decreased by approximately S$2.5 million from approximately S$3.3 million for the year ended 30 September 2023 to approximately S$0.8 million for the year ended 30 September 2024. The decrease in other gains and losses was primarily driven by (i) a decrease in net gain on disposal of property, plant and equipment of approximately S$3.1 million; and (ii) an increase in net foreign exchange losses of approximately S$0.1 million for the year ended 30 September 2024.

Such decrease was partially offset by an increase in the fair value gains on investment properties by S$0.6 million.

Administrative expenses

The Group's administrative expenses increased by approximately S$0.3 million from approximately S$5.7 million for the year ended 30 September 2023 to approximately S$6.0 million for the year ended 30 September 2024. The increase in administrative expenses was mainly due to an increase in professional fees of approximately S$0.3 million.

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

The Group recorded a net reversal of expected credit losses on financial assets and contract assets of approximately S$0.2 million for the year ended 30 September 2024, reversing from a net loss on allowance for expected credit losses on financial assets and contract assets of approximately S$1.3 million for the year ended 30 September 2023. This was mainly due to the stabilisation in performance of the prevailing construction industry and slight improvement in the Group's historical observed default rates over the expected life of its debtors and forward-looking factors specific to the debtors and the economic environment.

Finance costs

The Group's finance costs decreased by approximately S$0.1 million from approximately S$1.0 million for the year ended 30 September 2023 to approximately S$0.9 million for the year ended 30 September 2024. The decrease was mainly due to the decrease in bank borrowings (including those held under joint operations) during the year ended 30 September 2024.

Share of result of a joint venture

The Group's loss of share of result of a joint venture decreased by approximately S$0.6 million from approximately S$0.6 million for the year ended 30 September 2023 to approximately S$3,000 for the year ended 30 September 2024. The decrease was due to the recognition of a net allowance for expected credit losses during the year ended 30 September 2023 while there were no further allowances for expected credit losses made for the year ended 30 September 2024 as the joint venture is dormant.

Income tax

The Group's income tax credit decreased by approximately S$0.2 million from a tax credit of approximately S$0.2 million for the year ended 30 September 2023 to no income tax provision for the year ended 30 September 2024. No income tax provision was made as the Group did not generate assessable profits for the year ended 30 September 2024. The tax credit for the year ended 30 September 2023, represented income tax adjustment relating to net overprovision of prior years' tax which was finalised and refunded to the Group by the Singapore tax authorities.

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$0.2 million or 20.0%, from a net loss for the year of approximately S$1.0 million for the year ended 30 September 2023 to approximately S$0.8 million for the year ended 30 September 2024.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2024 (for the year ended 30 September 2023: 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 2024, the Group had bank balances and cash of approximately S$6.1 million as compared to approximately S$8.3 million as at 30 September 2023. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities of approximately S$18.6 million as at 30 September 2024 as compared to approximately S$19.5 million as at 30 September 2023.

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 2024 was approximately 68.3% (as at 30 September 2023: approximately 69.7%). 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 2024.

Charges on group assets

As at 30 September 2024, (i) bank deposits of approximately S$0.5 million (as at 30 September 2023: approximately S$0.5 million); (ii) owner-occupied properties with carrying value of approximately S$6.3 million (as at 30 September 2023: approximately S$6.6 million); (iii) investment properties with carrying value of approximately S$11.5 million (as at 30 September 2023: approximately S$10.6 million); and (iv) investment properties held under joint operations with carrying value of approximately S$4.3 million (as at 30 September 2023: approximately S$4.3 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 denominated in Hong Kong dollars amounting to approximately S$5.8 million as at 30 September 2024 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 2024			As at 30 September 2023		
Significant investments	Usage	Total number of years of land lease	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	commercial	60 from 1 December 1997	992,640	1,650,000	2.4%	992,640	1,510,000	2.4%
21 Toh Guan Road East #01-11, Singapore 608609	commercial	60 from 1 December 1997	1,667,700	1,650,000	2.4%	1,667,700	1,510,000	2.4%
45 Hillview Avenue #01-05, Singapore 669613	residential	999 from 19 May 1883	1,334,600	2,480,000	3.6%	1,334,600	2,240,000	3.5%
45 Hillview Avenue #01-06, Singapore 669613	residential	999 from 19 May 1883	1,334,600	2,470,000	3.5%	1,334,600	2,230,000	3.5%
11 Kang Choo Bin Road #01-01, Singapore 548315	residential	999 from 19 February 1883	1,264,075	1,440,000	2.1%	1,264,075	1,400,000	2.2%
11 Kang Choo Bin Road #01-03, Singapore 548315	residential	999 from 19 February 1883	1,529,979	1,770,000	2.5%	1,529,979	1,660,000	2.6%
Total			8,123,594	11,460,000	16.5%	8,123,594	10,550,000	16.6%

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 2024			As at 30 September 2023		
Significant investment	**Usage**	**Total number of years of land lease**	**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 asset**	Investment cost attributable to the Group *(S$)*	Fair value attributable to the Group *(S$)*	Percentage to the Group's total asset
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729 *(Note (i))*	commercial	63 from 12 January 2012	50%	4,985,271	4,250,000	6.1%	4,985,271	4,250,000	6.7%
Total				4,985,271	4,250,000	6.1%	4,985,271	4,250,000	6.7%

Note:

(i) 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 2024.

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 2024.

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 2024.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, the Group had a total of 184 employees (as at 30 September 2023: 183 employees), excluding the Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the year ended 30 September 2024 amounted to approximately S$8.2 million (for the year ended 30 September 2023: approximately S$8.1 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 2024, the Group had performance bonds of approximately S$14.0 million (as at 30 September 2023: approximately S$10.7 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 2024, the Group acquired items of property, plant and equipment of approximately S$3.4 million (for the year ended 30 September 2023: approximately S$1.7 million).

As at 30 September 2024, the Group had no material capital commitments (as at 30 September 2023: Nil).

CHANGES IN SHAREHOLDING

On 19 June 2024, a sale and purchase agreement (the "**Sale and Purchase Agreement**") in relation to the sale and purchase of 360,000,000 shares of the Company (the "**Sale Share(s)**"), representing 75.0% of the total issued share capital of the Company, was entered into among Alpine Treasure Limited ("**Alpine Treasure**") (as purchaser), HG TEC Holdings Limited (as vendor) and Mr. Poon Soon Huat and Mr. Teo Teck Thye (as guarantors) for a total cash consideration of HK$100,000,000 (representing approximately HK$0.2778 per Sale Share). Alpine Treasure is owned as to 20% and 80% by Mr. Chang Tin Duk Victor ("**Mr. Chang**") through his holding vehicle, Scholar Global Limited, and Mr. Ho Chi Hong ("**Mr. Ho**"), respectively. As at the date of the Sale and Purchase Agreement, Mr. Ho held 16,170,000 shares in the Company.

The sale and purchase of the Sale Shares was completed on 10 July 2024. Immediately following the completion, Alpine Treasure and parties acting in concert with it became interested in 376,170,000 shares in the Company, representing approximately 78.4% of the total issued share capital of the Company. As a result, Alpine Treasure was required to make a mandatory unconditional cash offer for 103,830,000 shares in the Company (the "**Offer Share(s)**"), being all the issued shares of the Company other than those already owned or agreed to be acquired by Alpine Treasure and parties acting in concert with it pursuant to the Hong Kong Code on Takeovers and Mergers. Get Nice Securities Limited, on behalf of Alpine Treasure, made the offer (the "**Offer**") to acquire all the Offer Shares on the basis of HK$0.2778 in cash for each Offer Share.

The Offer was closed on 10 September 2024. No valid acceptance in respect of the Offer Shares under the Offer was received. Accordingly, Alpine Treasure and parties acting in concert with it are interested in 376,170,000 shares in the Company immediately after the close of the Offer. Accordingly, the Company did not satisfy the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") immediately after the close of the Offer. The Company applied to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 10 July 2024 to 30 September 2024 (both days inclusive) (the "**Waiver Period**") to allow Alpine Treasure to restore the minimum public float of the Company by way of placement of existing shares in the Company to independent third parties. On 9 July 2024, the Stock Exchange granted the Company a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules during the Waiver Period.

Mr. Ho, being the Chairman of the Company, an executive Director as well as an ultimate beneficial owner and a party acting in concert with Alpine Treasure, entered into a placing agreement with Yellow River Securities Limited (the "**Placing Agent**") on 12 September 2024 pursuant to which the Placing Agent agreed, as agent of Mr. Ho, to procure on a best effort basis independent third party placees to subscribe for up to 16,170,000 shares (the "**Placing Share(s)**") in the Company, representing approximately 3.37% of the total issued share capital of the Company, held by Mr. Ho at the placing price of HK$0.2778 per Placing Share (the "**Placing**").

Completion of the Placing took place on 26 September 2024. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, all of the placees and their beneficial owners are third parties independent of the Company, Alpine Treasure and its ultimate beneficial owner(s), being Mr. Ho and Mr. Chang.

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 "**Announcement**"), 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 2024 is set out below:

Purposes	**Planned use of net proceeds as disclosed in the Prospectus**	**Revised allocation of net proceeds as disclosed in the Announcement**	**Actual amount of net proceeds utilised as at 1 October 2023**	**Actual amount of net proceeds utilised during the year ended 30 September 2024**	**Actual amount of net proceeds utilised from the Listing Date up to 30 September 2024**	**Unutilised amount of net proceeds as at 30 September 2024**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Strengthening the Group's financial position	21.8	36.4	30.4	6.0	36.4	–
Enhancing the Group's machinery fleet	31.0	36.3	36.3	–	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	80.3	6.0	86.3	–

As at 30 September 2024, all the net proceeds from the Share Offer had been utilised.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 of Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the year ended 30 September 2024.

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 C3 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 2024.

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, agreed to be granted, exercised, cancelled, forfeited or lapsed under the Share Option Scheme since its adoption on 23 August 2019 and there was no outstanding share option as at 30 September 2024.

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 2024, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 30 September 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares of the Company).

EVENTS AFTER THE REPORTING PERIOD

Change of company name and stock short name

Pursuant to a special resolution at an extraordinary general meeting of the Company held on 6 November 2024, the English name of the Company has been changed from "S&T Holdings Limited" to "China Next-Gen Commerce and Supply Chain Limited" and the dual foreign name "中國新零售供應鏈集團有限公司" has been adopted as the dual foreign name in Chinese of the Company. The English stock short name of the Company will be changed from "S&T HLDGS" to "CHINA NEXT-GEN" and "中國新零售供應鏈" will be adopted as the Chinese stock short name of the Company for trading in the securities of the Company on the Stock Exchange with effect from 9:00 a.m. on 31 December 2024. The stock code of the Company remains unchanged as "3928".

Change of Board composition

Mr. Chan Kwok Wing Kelvin resigned as an independent non-executive Director with effect from 29 November 2024.

In order to achieve gender diversity and pursuant to Rule 13.92 of the Listing Rule, the Company appointed Ms. Chen Yunxia as independent non-executive Director with effect from 29 November 2024.

Save as disclosed in this announcement, there is no material subsequent event undertaken by the Group after 30 September 2024 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

As disclosed in the announcement of the Company dated 27 September 2024, the Company did not satisfy the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules as a result of a mandatory unconditional cash offer and the Stock Exchange has granted the Company a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules during the period from 10 July 2024 to 30 September 2024 (both days inclusive) to allow Alpine Treasure, a controlling shareholder of the Company, to restore the minimum public float of the Shares by way of placement of the Company's existing shares to independent third parties (the "**Placing Arrangement**").

Immediately after completion of the Placing Arrangement on 26 September 2024, the public float of the Company has been restored to not less than 25% of the total number of issued shares of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

Save as disclosed above, 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 during the year ended 30 September 2024 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 2024 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 2024 will be published on the aforesaid websites and made available to the shareholders of the Company in due course.

By Order of the Board
China Next-Gen Commerce and Supply Chain Limited
Ho Chi Hong
Chairman and Executive Director

Hong Kong, 27 December 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho Chi Hong and Mr. Chang Tin Duk Victor; one non-executive Director, namely Mr. Law Ka Wing Eric; and three independent non-executive Directors, namely Mr. Li Tao, Mr. Tam Tak Kei Raymond and Ms. Chen Yunxia.