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## **S&T Holdings Limited**

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

**(Stock Code: 3928)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of S&T Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the six months ended 31 March 2024 together with comparative figures for the corresponding period in 2023 as follows:

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2024

	Note	Six months ended 31 March	
		2024 S\$ (Unaudited)	2023 S\$ (Unaudited)
<b>Revenue</b>			
Services	4	<b>23,344,088</b>	31,608,291
Rental	4	<b>281,500</b>	276,850
Total revenue		<b>23,625,588</b>	31,885,141
Cost of services		<b>(20,872,113)</b>	(30,098,985)
<b>Gross profit</b>		<b>2,753,475</b>	1,786,156
Other income	5	<b>217,231</b>	99,359
Other gains and losses	6	<b>129,474</b>	1,424,235
Administrative expenses		<b>(2,554,366)</b>	(2,767,206)
Reversal of expected credit losses on financial assets and contract assets, net		<b>160,751</b>	39,596
Finance costs	7	<b>(454,307)</b>	(554,261)
Share of result of a joint venture		<b>(743)</b>	(768)
Profit before taxation	8	<b>251,515</b>	27,111
Income tax	9	<b>—</b>	253,141
<b>Profit and total comprehensive income for the period</b>		<b>251,515</b>	280,252
Basic and diluted earnings per share ( <i>S cents</i> )	11	<b>0.05</b>	0.06

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		31 March 2024	30 September 2023
	<i>Note</i>	S\$ (Unaudited)	S\$ (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	11,329,147	11,213,368
Investment properties	13	10,550,000	10,550,000
Investment property held under joint operations	13	4,250,000	4,250,000
Interest in a joint venture		10,325	11,068
Financial assets at fair value through profit or loss	24	1,270,613	1,266,447
Bank deposits		506,966	506,966
		<u>27,917,051</u>	<u>27,797,849</u>
<b>Current assets</b>			
Trade receivables	14	4,124,880	4,475,803
Other receivables, deposits and prepayments	15	1,868,809	2,485,344
Contract assets	16	19,953,590	20,571,767
Bank balances and cash		8,546,790	8,281,908
		<u>34,494,069</u>	<u>35,814,822</u>
<b>Current liabilities</b>			
Trade and other payables	17	15,095,284	16,124,056
Contract liabilities	16	190,857	34,601
Bank overdrafts	18	4,703,546	4,614,289
Bank borrowings	18	6,023,501	6,037,672
Bank borrowings held under joint operations	18	98,848	96,339
Lease liabilities	19	351,587	416,902
		<u>26,463,623</u>	<u>27,323,859</u>
<b>Net current assets</b>		<u>8,030,446</u>	<u>8,490,963</u>
<b>Total assets less current liabilities</b>		<u>35,947,497</u>	<u>36,288,812</u>

		<b>31 March</b>	30 September
		<b>2024</b>	2023
	<i>Note</i>	<b>S\$</b>	<b>S\$</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current liabilities</b>			
Bank borrowings	18	<b>4,063,249</b>	4,812,549
Bank borrowings held under joint operations	18	<b>2,313,611</b>	2,364,054
Lease liabilities	19	<b>1,360,116</b>	1,153,203
		<u><b>7,736,976</b></u>	<u>8,329,806</u>
<b>Net assets</b>		<u><b>28,210,521</b></u>	<u>27,959,006</u>
<b>Capital and reserves</b>			
Share capital	20	<b>847,680</b>	847,680
Reserves		<u><b>27,362,841</b></u>	<u>27,111,326</u>
		<u><b>28,210,521</b></u>	<u>27,959,006</u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 March 2024*

## 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, which is also the Company’s ultimate holding company. HG TEC is owned by Mr. Poon Soon Huat and Mr. Teo Teck Thye.

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

The unaudited interim condensed consolidated financial statements are presented in Singapore dollars (“**S\$**”), which is also the functional currency of the Company.

## 2 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting” issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. The unaudited interim condensed consolidated financial statements for the six months ended 31 March 2024 should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 30 September 2023 which has been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRS**”).

The unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain investment properties, investment property held under joint operations and financial assets at fair value through profit or loss, which were measured at fair value.

## 3 ACCOUNTING POLICIES

The accounting policies and methods of computation used in the unaudited interim condensed consolidated financial statements for the six months ended 31 March 2024 are consistent with those presented in the Company’s audited consolidated financial statements for the year ended 30 September 2023.

The Group has applied for the first time the following standards and amendments, which are mandatorily effective for the annual period beginning on or after 1 October 2023 for the preparation of the unaudited interim condensed consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments)	Insurance Contracts and related Amendments
IAS 1 (Amendments) and IFRS Practice Statement 2	Disclosure of Accounting Policies
IAS 8 (Amendments)	Definition of Accounting Estimates

The application of the above amendments has no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited interim condensed consolidated financial statements. The Group has not early applied any new standards or interpretations that are not yet effective for the current accounting 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

	<b>For the six months ended</b>	
	<b>31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Type of services</b>		
Construction services		
– Civil engineering works	21,282,599	24,373,497
– Building construction works	61,409	7,230,684
– Other ancillary services	2,000,080	4,110
	<u>23,344,088</u>	<u>31,608,291</u>
Revenue from contracts with customers	<u>23,344,088</u>	<u>31,608,291</u>
Rental from property investment	<u>281,500</u>	<u>276,850</u>
Segment revenue ( <i>Note 4(iii)</i> )	<u><u>23,625,588</u></u>	<u><u>31,885,141</u></u>
<b>Timing of revenue recognition</b>		
Over time	<u><u>23,344,088</u></u>	<u><u>31,608,291</u></u>
<b>Types of customers</b>		
Corporate	18,735,181	28,060,969
Government	4,608,907	3,547,322
	<u><u>23,344,088</u></u>	<u><u>31,608,291</u></u>

**(ii) Performance obligations for contracts with customers**

The Group derives its revenue from provision of construction of services over time.

**(iii) 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.

	<b>For the six months ended</b>	
	<b>31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Segment revenue</b>		
Construction services	<b>23,344,088</b>	31,608,291
Property investment	<b>281,500</b>	276,850
	<b><u>23,625,588</u></b>	<b><u>31,885,141</u></b>
<b>Segment results</b>		
Construction services	<b>2,533,492</b>	1,567,778
Property investment	<b>219,983</b>	218,378
	<b><u>2,753,475</u></b>	<b><u>1,786,156</u></b>
<b>Unallocated:</b>		
Other income	<b>217,231</b>	99,359
Other gains and losses	<b>129,474</b>	1,424,235
Administrative expenses	<b>(2,554,366)</b>	(2,767,206)
Reversal of expected credit losses on financial assets and contract assets, net	<b>160,751</b>	39,596
Finance costs	<b>(454,307)</b>	(554,261)
Share of result of a joint venture	<b>(743)</b>	(768)
	<b><u>251,515</u></b>	<b><u>27,111</u></b>
Profit before taxation	<b><u>251,515</u></b>	<b><u>27,111</u></b>

(iv) **Information about major customers**

Revenue from customers individually contributing over 10% of the total revenue of the Group during the period are as follows:

	For the six months ended	
	31 March	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Customer I**	3,445,902	N/A*
Customer II**	4,428,512	5,602,087
Customer III**	N/A*	5,666,856
Customer IV**	N/A*	4,477,204
Customer V**	2,408,806	3,920,068

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

\*\* Revenue was derived from the segment of construction services.

(v) **Geographical information**

The Group principally operates in Singapore, which is also the place of domicile. The Group's revenue for the six months ended 31 March 2024 represents 100% (six months ended 31 March 2023: 100%) of the total revenue of the Group. The Group's non-current assets are all located in Singapore.

**5 OTHER INCOME**

	For the six months ended	
	31 March	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Government grants ( <i>Note</i> )	22,644	19,238
Rental income from renting equipment	182,067	–
Interest income from bank deposits	12,520	7,198
Sundry income	–	72,923
	<u>217,231</u>	<u>99,359</u>

*Note:* Government grants for the six months ended 31 March 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.



## 6 OTHER GAINS AND LOSSES

	For the six months ended	
	31 March	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Net gain on disposal of property, plant and equipment ( <i>Note (i)</i> )	124,440	2,278,593
Gain from sale of scrap materials	43,760	24,361
Fair value gain on financial assets at fair value through profit or loss	4,166	3,941
Net foreign exchange losses	(42,892)	(577,660)
Net loss on disposal of investment property held under joint operations ( <i>Note (ii)</i> )	–	(305,000)
	<u>129,474</u>	<u>1,424,235</u>

### Notes:

- (i) Included in the net gain on disposal of property, plant and equipment during the six months ended 31 March 2023 was mainly a net gain of S\$2,129,035 recorded from the Group's disposal of a property to an external party for a consideration of S\$3,720,000.
- (ii) During the six months ended 31 March 2023, the Group disposed of an investment property held under joint operations to an external party for a consideration of S\$1,200,000 and the Group recognised a net loss of S\$305,000.

## 7 FINANCE COSTS

	For the six months ended	
	31 March	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Interests on:		
– Bank borrowings and overdrafts	434,303	522,799
– Lease liabilities	20,004	31,462
	<u>454,307</u>	<u>554,261</u>

## 8 PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	<b>For the six months ended</b>	
	<b>31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Depreciation of property, plant and equipment:		
recognised as cost of services	<b>801,915</b>	667,909
recognised as administrative expenses	<b>432,790</b>	490,604
	<b>1,234,705</b>	1,158,513
Directors' remuneration ( <i>Note 22</i> )	<b>487,647</b>	481,118
Other staff costs:		
– Salaries and other benefits	<b>2,665,297</b>	2,681,812
– Contributions to Central Provident Fund (“CPF”)	<b>166,685</b>	184,264
– Foreign worker levy and skill development levy	<b>505,334</b>	543,218
Total staff costs (including Directors' remuneration):	<b>3,824,963</b>	3,890,412
– recognised as cost of services	<b>2,624,189</b>	2,770,100
– recognised as administrative expenses	<b>1,200,774</b>	1,120,312
Expense relating to short term lease	<b>5,442</b>	25,824
Cost of materials recognised as cost of services	<b>8,141,061</b>	8,228,278
Subcontracting fees recognised as cost of services	<b>7,928,316</b>	16,888,235

## 9 INCOME TAX

	<b>For the six months ended</b>	
	<b>31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Tax (credit)/expense comprises:		
Current tax		
– Singapore corporate income tax ( <i>Note (i)</i> )	–	–
– Adjustments in respect of prior years ( <i>Note (ii)</i> )	–	(253,141)
	<b>–</b>	<b>(253,141)</b>

*Notes:*

- (i) No Singapore corporate income tax provision was made as the Group did not generate assessable profits arising in Singapore for the six months ended 31 March 2024 and 2023.
- (ii) For the six months ended 31 March 2023, tax adjustments made was related to overprovision of prior years' Singapore corporate income tax which was finalised and refunded by the Singapore tax authorities to the Group.

## 10 DIVIDENDS

No dividend has been declared by the Company or group entities during the six months ended 31 March 2024 and subsequent to the period end up to the date of this announcement.

## 11 EARNINGS PER SHARE

	<b>For the six months ended</b>	
	<b>31 March</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period attributable to owners of the Company ( <i>S\$</i> )	<b>251,515</b>	280,252
Weighted average number of ordinary shares in issue	<b>480,000,000</b>	480,000,000
Basic and diluted earnings per share ( <i>S cents</i> )	<b><u>0.05</u></b>	<u>0.06</u>

The calculation of basic earnings per share for the six months ended 31 March 2024 and 2023 is based on the earnings for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the six months ended 31 March 2024 and 2023.

## 12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and properties S\$	Buildings and freehold land S\$	Dormitories S\$	Motor vehicles S\$	Plant and machinery S\$	Office equipment S\$	Furniture and fittings S\$	Leasehold improvements S\$	Total S\$
Cost:									
At 1 October 2022	9,673,870	1,717,867	1,306,858	6,422,987	8,983,400	435,629	112,236	1,558,192	30,211,039
Additions	-	-	-	200,488	1,441,500	23,210	-	-	1,665,198
Disposal/written off	-	(1,717,867)	-	(756,911)	(1,930,799)	(2,808)	-	(213,704)	(4,622,089)
At 30 September 2023 and 1 October 2023	9,673,870	-	1,306,858	5,866,564	8,494,101	456,031	112,236	1,344,488	27,254,148
Additions	-	-	544,824	35,660	770,000	-	-	-	1,350,484
Disposal/written off	-	-	-	(225,934)	(347,000)	-	-	-	(572,934)
At 31 March 2024	9,673,870	-	1,851,682	5,676,290	8,917,101	456,031	112,236	1,344,488	28,031,698
Accumulated depreciation:									
At 1 October 2022	1,605,716	123,169	750,489	5,783,366	6,532,376	359,607	108,899	1,508,719	16,772,341
Charge for the year	336,453	3,735	386,005	302,561	1,176,052	41,949	3,337	49,473	2,299,565
Disposal/written off	-	(126,904)	-	(756,911)	(1,930,799)	(2,808)	-	(213,704)	(3,031,126)
At 30 September 2023 and 1 October 2023	1,942,169	-	1,136,494	5,329,016	5,777,629	398,748	112,236	1,344,488	16,040,780
Charge for the period	168,227	-	217,359	122,049	709,553	17,517	-	-	1,234,705
Disposal/written off	-	-	-	(225,934)	(347,000)	-	-	-	(572,934)
At 31 March 2024	2,110,396	-	1,353,853	5,225,131	6,140,182	416,265	112,236	1,344,488	16,702,551
Carrying amount:									
At 30 September 2023 (audited)	<u>7,731,701</u>	<u>-</u>	<u>170,364</u>	<u>537,548</u>	<u>2,716,472</u>	<u>57,283</u>	<u>-</u>	<u>-</u>	<u>11,213,368</u>
At 31 March 2024 (unaudited)	<u>7,563,474</u>	<u>-</u>	<u>497,829</u>	<u>451,159</u>	<u>2,776,919</u>	<u>39,766</u>	<u>-</u>	<u>-</u>	<u>11,329,147</u>

The carrying amounts of right-of-use assets (included in property, plant and equipment) are set out below:

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
<b>Right-of-use assets</b>		
Leasehold land	1,078,014	1,107,281
Dormitories	497,829	170,364
Plant and machinery	–	551,551
Motor vehicles	94,996	130,620
	<u>1,670,839</u>	<u>1,959,816</u>

As at 31 March 2024, the leasehold properties and buildings and freehold land with carrying amounts of S\$6,485,460 (as at 30 September 2023: S\$6,624,420) in total are pledged to banks to secure banking facilities including bank borrowings.

### 13 INVESTMENT PROPERTIES/INVESTMENT PROPERTY HELD UNDER JOINT OPERATIONS

	Investment properties S\$	Investment property held under joint operations S\$
<b>Fair value</b>		
At 30 September 2022 (audited)	10,213,000	5,945,000
Net increase/(decrease) in fair value recognised in profit or loss	337,000	(190,000)
Disposal ( <i>Note 6</i> )	–	(1,505,000)
	<u>10,550,000</u>	<u>4,250,000</u>
At 30 September 2023 (audited) and 31 March 2024 (unaudited)	<u>10,550,000</u>	<u>4,250,000</u>

The Group's investment properties and investment property held under joint operations are held to earn rentals and for capital appreciation purposes. The investment properties and investment property held under joint operations are measured using the fair value model.

The valuations of the Group's investment properties and investment property held under joint operations were carried out on 30 September 2023 by GB Global Pte. Ltd., an independent qualified professional valuer not related to the Group, whose method of valuation has been disclosed below. Management has assessed that the key inputs and assumptions used for the valuation on 30 September 2023 remain applicable and reasonable as at 31 March 2024.

The fair values were determined based on the direct comparison approach that reflects sale of the properties in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market.

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
<b>Investment properties</b>		
21 Toh Guan Road East #01–10, Singapore 608609	1,510,000	1,510,000
21 Toh Guan Road East #01–11, Singapore 608609	1,510,000	1,510,000
45 Hillview Avenue #01–05, Singapore 669613	2,240,000	2,240,000
45 Hillview Avenue #01–06, Singapore 669613	2,230,000	2,230,000
11 Kang Choo Bin Road #01–01, Singapore 548315	1,400,000	1,400,000
11 Kang Choo Bin Road #01–03, Singapore 548315	1,660,000	1,660,000
	<u>10,550,000</u>	<u>10,550,000</u>

**Investment property held under joint operations**

114 Lavender Street, #01–68 CT Hub 2, Singapore 338729	8,500,000	8,500,000
Proportion of the Group’s ownership interest in the investment property held under joint operations	<u>50%</u>	<u>50%</u>
Group’s share of the investment property held under joint operations	<u>4,250,000</u>	<u>4,250,000</u>

The Group’s investment properties and investment property held under joint operations are pledged to banks to secure banking facilities including bank borrowings.

**14 TRADE RECEIVABLES**

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Trade receivables	4,416,989	4,868,991
Less: allowance for expected credit losses	<u>(292,109)</u>	<u>(393,188)</u>
	<u>4,124,880</u>	<u>4,475,803</u>

The Group grants credit terms to customers typically 30 to 35 days (as at 30 September 2023: 30 to 35 days) from the invoice dates. The following is an aging analysis of trade receivables, net of allowance for expected credit losses, presented based on the invoice date at the end of each reporting period:

	As at <b>31 March</b> <b>2024</b> S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Within 30 days	<b>2,398,923</b>	3,036,172
31 days to 60 days	<b>293,724</b>	91,054
61 days to 90 days	<b>22,150</b>	19,629
91 days to 180 days	<b>5,841</b>	59,484
181 days to 1 year	<b>120,647</b>	7,619
Over 1 year	<b>1,283,595</b>	1,261,845
	<b><u>4,124,880</u></b>	<b><u>4,475,803</u></b>

## 15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at <b>31 March</b> <b>2024</b> S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Sundry debtors	<b>537,191</b>	1,418,305
Prepayments and advances	<b>360,706</b>	236,568
Deposits	<b>985,235</b>	871,132
	<b><u>1,883,132</u></b>	<b><u>2,526,005</u></b>
Less: allowance for expected credit losses	<b>(14,323)</b>	(40,661)
	<b><u>1,868,809</u></b>	<b><u>2,485,344</u></b>

## 16 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities balances for financial reporting purpose:

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Contract assets, net of loss allowance	19,953,590	20,571,767
Contract liabilities	<u>(190,857)</u>	<u>(34,601)</u>
	<u><b>19,762,733</b></u>	<u><b>20,537,166</b></u>

### Contract assets

Amounts of contract assets represent the Group's rights to considerations from customers for the provision of construction services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

The Group's contract assets are analysed as follows:

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Construction contracts – <i>current</i> :		
Retention receivables	5,481,794	5,624,006
Others*	<u>14,564,393</u>	<u>15,073,692</u>
	<b>20,046,187</b>	20,697,698
Less: allowance for expected credit losses	<u>(92,597)</u>	<u>(125,931)</u>
	<u><b>19,953,590</b></u>	<u><b>20,571,767</b></u>

\* *It represents the revenue not yet been billed to the customers which the Group has completed the relevant services under such contracts but yet to be certified by representatives appointed by the customers.*



## Contract liabilities

The contract liabilities represent the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Construction contracts – <i>current</i>	<u>190,857</u>	<u>34,601</u>

## 17 TRADE AND OTHER PAYABLES

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Trade payables	6,761,713	4,273,229
Trade accruals	3,351,753	6,275,978
Retention payables*	<u>3,638,060</u>	<u>3,653,275</u>
	<u>13,751,526</u>	<u>14,202,482</u>
Payroll and CPF payables	633,044	975,594
Deposits	150,450	83,650
Sundry creditors	465,160	489,007
Goods and Services Tax payable	50,954	45,549
Accrued expenses	<u>44,150</u>	<u>327,774</u>
	<u>1,343,758</u>	<u>1,921,574</u>
	<u>15,095,284</u>	<u>16,124,056</u>

\* *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 following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Within 30 days	2,988,737	2,303,422
31 days to 60 days	1,609,576	854,009
61 days to 90 days	834,487	605,364
Over 90 days	1,328,913	510,434
	<u>6,761,713</u>	<u>4,273,229</u>

**18 BANK OVERDRAFTS/BANK BORROWINGS/BANK BORROWINGS HELD UNDER JOINT OPERATIONS**

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Bank overdrafts	4,703,546	4,614,289
Bank borrowings and bank borrowings held under joint operations – secured and guaranteed	<u>12,499,209</u>	<u>13,310,614</u>
	<u>17,202,755</u>	<u>17,924,903</u>
Maturity analysis:		
Within one year (amounts shown under current liabilities)	10,825,895	10,748,300
More than one year, but not exceeding five years	1,777,986	2,389,463
More than five years	4,598,874	4,787,140
Amounts shown under non-current liabilities	<u>6,376,860</u>	<u>7,176,603</u>
	<u>17,202,755</u>	<u>17,924,903</u>

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Analysed as:		
<b>Current liabilities</b>		
Bank overdrafts	4,703,546	4,614,289
Bank borrowings	6,023,501	6,037,672
Bank borrowings held under joint operations	98,848	96,339
	<u>10,825,895</u>	<u>10,748,300</u>
<b>Non-current liabilities</b>		
Bank borrowings	4,063,249	4,812,549
Bank borrowings held under joint operations	2,313,611	2,364,054
	<u>6,376,860</u>	<u>7,176,603</u>

## 19 LEASE LIABILITIES

	As at 31 March 2024 S\$ (Unaudited)	As at 30 September 2023 S\$ (Audited)
Lease liabilities payable:		
Within one year	351,587	416,902
More than one year, but not exceeding five years	493,361	258,926
More than five years	866,755	894,277
Non-current	<u>1,360,116</u>	<u>1,153,203</u>
Total lease liabilities	<u>1,711,703</u>	<u>1,570,105</u>
Present value of minimum lease payments:		
Current	351,587	416,902
Non-current	<u>1,360,116</u>	<u>1,153,203</u>
	<u>1,711,703</u>	<u>1,570,105</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function. The weighted average incremental borrowing rates applied to lease liabilities range from 2.3% to 5.6% (as at 30 September 2023: 2.3% to 5.6%).

## 20 SHARE CAPITAL

	<b>Number of ordinary shares</b>	<b>Par value HK\$</b>	<b>Share capital HK\$</b>
Authorised share capital of the Company: At 1 October 2023 and 31 March 2024	<u>1,000,000,000</u>	<u>0.01</u>	<u>10,000,000</u>
	<b>Number of ordinary shares</b>	<b>Share capital HK\$</b>	<b>Share capital S\$</b>
Issued and fully paid of the Company: At 1 October 2023 and 31 March 2024	<u>480,000,000</u>	<u>4,800,000</u>	<u>847,680</u>

## 21 CAPITAL MANAGEMENT

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 the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of debt, which includes bank overdrafts and borrowings (including those held under joint operations) and lease liabilities, net of bank deposits, bank balances and cash and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure on a regular basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of items in the context of capital structure, and takes appropriate actions to adjust the Group's capital structure. Based on recommendations of the management, the Group will balance its overall capital structure through continuity of funding of cash flows from operating activities or raising new funds.

## 22 RELATED PARTY TRANSACTIONS

### Compensation of Directors and other key management personnel

The remuneration of Directors and other members of key management of the Group were as follows:

	For the six months ended	
	31 March	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
<b>Directors</b>		
Salaries and allowances	402,000	396,000
Director fees	61,878	62,433
Discretionary bonus	–	–
Contributions to CPF	23,769	22,685
	<u>487,647</u>	<u>481,118</u>
<b>Other key management personnel</b>		
Salaries and allowances	113,400	105,500
Contributions to CPF	17,000	16,235
	<u>130,400</u>	<u>121,735</u>

## 23 PERFORMANCE BONDS

As at 31 March 2024, performance bonds of S\$12,667,453 (30 September 2023: S\$10,741,214) were given by a bank and insurance companies in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers.

## 24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities is determined as follows:

- (i) The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid prices and ask prices respectively, and
- (ii) The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models (e.g. discounted cash flow analysis using observable and/or unobservable inputs).

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets is measured at fair value on a recurring basis.

	Fair value		Fair value hierarchy	Valuation techniques and key input	Significant unobservable inputs
	As at 31 March 2024	As at 30 September 2023			
<b>Financial assets</b>	<b>S\$</b>	<b>S\$</b>			
	<b>(Unaudited)</b>	<b>(Audited)</b>			
Financial assets at fair value through profit or loss	<b>1,270,613</b>	1,266,447	Level 2	Quoted redemption value by insurance company	N/A

Except as disclosed as above, the Directors consider the carrying amounts of financial assets and financial liabilities carried at amortised costs in the interim condensed consolidated financial statements approximate to their fair values.

## 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\$8.3 million, from approximately S\$31.9 million for the six months ended 31 March 2023 (“**1HFY23**”) to approximately S\$23.6 million for the six months ended 31 March 2024 (“**1HFY24**”). The Group's gross profit increased by approximately S\$1.0 million, from approximately S\$1.8 million for 1HFY23 to approximately S\$2.8 million for 1HFY24. The Group also recorded a net profit of approximately S\$0.3 million for both 1HFY24 and 1HFY23.

The Group's net profit for 1HFY24 remained stable as compared to 1HFY23 which was mainly attributable to the combined effects of (i) an increase in gross profit and gross profit margin, which was primarily driven by the improvement of cost control for ongoing projects and higher profit margins contributed by other ancillary services in 1HFY24; and (ii) a decrease in other gains driven by the decrease in the net gain on disposal of property, plant and equipment of approximately S\$2.1 million for 1HFY24.

With reference to the latest press released on 23 May 2024 by the Ministry of Trade and Industry (“**MTI**”), Singapore's economy grew by 2.7% on a year-on-year basis in the first quarter of 2024, faster than the 2.2% growth recorded in the previous quarter. The construction sector grew by 4.1% year-on-year in the first quarter of 2024, extending the 5.2% growth in the previous quarter. Growth during the quarter was supported by an increase in public sector construction output even as private sector construction output declined. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 2.0% in the first quarter, a pullback from the 2.0% expansion in the preceding 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. BCA anticipates that private sector construction demand in 2024 will come mainly from residential developments under the Government Land Sales, expansion of the two Integrated Resorts, redevelopment of commercial premises, as well as development of mixed-used properties and industrial facilities.

The Group acknowledges that its business operations are still reeling from the aftermath of COVID-19 despite the overall improved outlook of the domestic construction industry in Singapore. Coupled with the high interest rate environment and rise in material, labour and subcontracting costs, the Group remains cautiously optimistic in profit recovery and business growth in this challenging landscape. The Group expects the construction industry to regain momentum in the medium to long term.

The Group will continue to remain focus in 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 in the tender success rate and adaptability to the changing market demands.

## **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 (“**Construction Services**”); and (ii) property investment business.

The Group’s 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:

	<b>For the six months ended 31 March</b>			
	<b>2024</b>		<b>2023</b>	
	<i>Revenue</i> <i>S\$'000</i> <i>(Unaudited)</i>	<i>% of total</i> <i>revenue</i>	<i>Revenue</i> <i>S\$'000</i> <i>(Unaudited)</i>	<i>% of total</i> <i>revenue</i>
<b>Construction Services</b>				
— Civil engineering works	<b>21,283</b>	<b>90.1</b>	24,373	76.4
— Building construction works	<b>61</b>	<b>0.2</b>	7,231	22.7
— Other ancillary services	<b>2,000</b>	<b>8.5</b>	4	0.0
	<b>23,344</b>	<b>98.8</b>	31,608	99.1
<b>Property investment</b>	<b>282</b>	<b>1.2</b>	277	0.9
<b>Total revenue</b>	<b>23,626</b>	<b>100.0</b>	<b>31,885</b>	<b>100.0</b>

The Group's total revenue decreased by approximately S\$8.3 million or approximately 26.0%, from approximately S\$31.9 million for 1HFY23 to approximately S\$23.6 million for 1HFY24. The decrease was mainly due to (i) a decrease in revenue from civil engineering works and building construction works by approximately S\$3.1 million and S\$7.2 million, respectively; and (ii) overall decrease in construction activities driven by the slower progress of the Group's construction projects for 1HFY24 as compared to 1HFY23. Such decrease was partially offset by an increase in revenue from other ancillary services by approximately S\$2.0 million.

The revenue from property investment remained stable at approximately S\$0.3 million for 1HFY24 and 1HFY23, respectively.

### **Cost of services**

The Group's cost of services decreased by approximately S\$9.2 million or approximately 30.6%, from approximately S\$30.1 million for 1HFY23 to approximately S\$20.9 million for 1HFY24. 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\$1.0 million from approximately S\$1.8 million for 1HFY23 to approximately S\$2.8 million for 1HFY24. The Group's gross profit margin also increased by 6.1 percentage points from approximately 5.6% for 1HFY23 to approximately 11.7% for 1HFY24. The increase in both gross profit and gross profit margin was primarily driven by the higher profit margins contributed by other ancillary services in 1HFY24 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\$0.1 million for 1HFY23 to approximately S\$0.2 million for 1HFY24. 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\$1.3 million from approximately S\$1.4 million for 1HFY23 to approximately S\$0.1 million for 1HFY24. The decrease in other gains and losses was primarily driven by a decrease in the net gain on disposal of property, plant and equipment by approximately S\$2.2 million, which is partially offset by (i) a decrease in net foreign exchange losses of approximately S\$0.5 million; and (ii) a decrease in the net loss on disposal of investment property held under joint operations of approximately S\$0.3 million.

## **Administrative expenses**

The Group's administrative expenses decreased by approximately S\$0.2 million from approximately S\$2.8 million for 1HFY23 to approximately S\$2.6 million for 1HFY23. The decrease in administrative expenses was mainly due to a decrease in professional fees of approximately S\$0.2 million.

## **Reversal of expected credit losses on financial assets and contract assets, net**

The Group's reversal of expected credit losses on financial assets and contract assets increased by approximately S\$120,000 from approximately S\$40,000 for 1HFY23 to approximately S\$160,000 for 1HFY24. The increase 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 during 1HFY24 as compared to 1HFY23.

## **Finance costs**

The Group's finance costs decreased by approximately S\$0.1 million from approximately S\$0.6 million for 1HFY23 to approximately S\$0.5 million for 1HFY24. The decrease was mainly due to the decrease in bank borrowings (including those held under joint operations) in 1HFY24.

## **Share of result of a joint venture**

The Group's share of result of a joint venture for 1HFY24 and 1HFY23 remained stable at a loss of approximately S\$700 respectively.

## **Income tax**

The Group's income tax credit decreased by approximately S\$0.3 million for 1HFY24 as compared to 1HFY23. No income tax provision was made as the Group did not generate assessable profits for 1HFY24 and 1HFY23. The tax credit for 1HFY23 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 for 1HFY23.

## **Profit for the period**

As a result of the foregoing factors, the Group recorded a net profit for the period of approximately S\$0.3 million for both 1HFY24 and 1HFY23.

## **INTERIM DIVIDEND**

The Board has resolved not to recommend the declaration of an interim dividend for 1HFY24 (1HFY23: 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 cash and cash equivalents, 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 31 March 2024, the Group had bank balances and cash of approximately S\$8.5 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\$18.9 million as at 31 March 2024 as compared to approximately S\$19.5 million as at 30 September 2023.

As at 31 March 2024, the Group's bank overdrafts amounting to approximately S\$4.7 million (as at 30 September 2023: approximately S\$4.6 million) were denominated in Singapore dollars and at fixed interest rates. As at 31 March 2024, the Group's bank borrowings (including bank borrowings held under joint operations) amounting to approximately S\$6.2 million (as at 30 September 2023: approximately S\$6.9 million) were denominated in Singapore dollars and at fixed interest rates.

### **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 period-end date and expressed as a percentage. The gearing ratio of the Group as at 31 March 2024 was approximately 67.0% as compared to 69.7% as at 30 September 2023. 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 31 March 2024.

## **Charges on group assets**

As at 31 March 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\$6.5 million (as at 30 September 2023: approximately S\$6.6 million); (iii) investment properties with carrying value of approximately S\$10.6 million (as at 30 September 2023: approximately S\$10.6 million); and (iv) investment property 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 period. 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\$0.3 million, respectively, as at 31 March 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.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES OR JOINT VENTURE**

There were no material acquisition or disposal of subsidiaries and associate companies or joint ventures by the Group during 1HFY24.

## **SIGNIFICANT INVESTMENTS HELD**

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

## Investment properties

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

Significant investments	Usage	Total number of years of land lease	As at/For the six months ended 31 March 2024				As at/For the year ended 30 September 2023			
			Investment cost	Fair value	Realised/unrealised gains recognised during the period	Percentage of fair value to the Group's total assets	Investment cost	Fair value	Realised/unrealised gains recognised during the year	Percentage of fair value to the Group's total assets
			(\$)	(\$)	(\$)		(\$)	(\$)	(\$)	
			(Unaudited)	(Unaudited)	(Unaudited)		(Audited)	(Audited)	(Audited)	
21 Toh Guan Road East #01-10, Singapore 608609	commercial	60	992,640	1,510,000	—	2.4%	992,640	1,510,000	—	2.4%
21 Toh Guan Road East #01-11, Singapore 608609	commercial	60	1,667,700	1,510,000	—	2.4%	1,667,700	1,510,000	—	2.4%
45 Hillview Avenue #01-05, Singapore 669613	residential	999	1,334,600	2,240,000	—	3.6%	1,334,600	2,240,000	130,000	3.5%
45 Hillview Avenue #01-06, Singapore 669613	residential	999	1,334,600	2,230,000	—	3.6%	1,334,600	2,230,000	130,000	3.5%
11 Kang Choo Bin Road #01-01, Singapore 548315	residential	999	1,264,075	1,400,000	—	2.2%	1,264,075	1,400,000	40,000	2.2%
11 Kang Choo Bin Road #01-03, Singapore 548315	residential	999	1,529,979	1,660,000	—	2.7%	1,529,979	1,660,000	37,000	2.6%
<b>Total</b>			<b>8,123,594</b>	<b>10,550,000</b>	<b>—</b>	<b>16.9%</b>	<b>8,123,594</b>	<b>10,550,000</b>	<b>337,000</b>	<b>16.6%</b>

## Investment property held under joint operations

The following table sets forth the investment cost, fair value, realised/unrealised gains/(losses) and size relative to the Group's total assets as at the dates indicated:

		As at/For the six months ended 31 March 2024					As at/For the year ended 30 September 2023				
		Total number of years of land lease	Proportion of the Group's ownership interest	Investment cost to the Group (\$)	Fair value to the Group (\$)	Realised/unrealised gains/(losses) attributable to the Group	Percentage of fair value attributable to the Group's total assets	Investment cost to the Group (\$)	Fair value to the Group (\$)	Realised/unrealised gains/(losses) attributable to the Group	Percentage of fair value attributable to the Group's total assets
recognised during the period (Unaudited)	to the Group (Unaudited)					recognised during the year (Audited)	to the Group (Audited)				
7 Soon Lee Street #01-13, Singapore 627608 (Note (i))	commercial	30	50%	—	—	—	—	—	—	(305,000)	—
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729 (Note(ii))	commercial	99	50%	4,985,271	4,250,000	—	6.8%	4,985,271	4,250,000	(190,000)	6.7%
<b>Total</b>				<b>4,985,271</b>	<b>4,250,000</b>	<b>—</b>	<b>6.8%</b>	<b>4,985,271</b>	<b>4,250,000</b>	<b>(495,000)</b>	<b>6.7%</b>

### Notes:

- (i) The investment property was held under joint operation with Chartered Employment Agency Pte Ltd. During the year ended 30 September 2023, the Group disposed of the investment property held under joint operation 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 investment property is held under joint operation with Poh Wah Group Pte Ltd.

## The Company's investment strategy for investment properties and investment property 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 as at 31 March 2024.

### **Future Plans for Material Investments or Capital Assets**

The Group did not have any future plans for material investments and capital assets as at 31 March 2024.

### **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2024, the Group had a total of 182 employees (as at 31 March 2023: 197 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 1HFY24 amounted to approximately S\$3.8 million (1HFY23: approximately S\$3.9 million).

In order to attract and retain high quality staff and to enable smooth operations within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from contributions to the Central Provident Fund and job training programs, salary increments and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

### **PERFORMANCE BONDS**

As at 31 March 2024, the Group had performance bonds of approximately S\$12.7 million (as at 30 September 2023: approximately S\$10.7 million). The performance bonds were given by a bank and insurance companies in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.



## CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During 1HFY24, the Group acquired items of property, plant and equipment of approximately S\$1.4 million (1HFY23: approximately S\$15,000).

As at 31 March 2024, the Group had no material capital commitments (as at 30 September 2023: 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 “**Announcement**”), the Board has 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 31 March 2024 is set out below:

Purposes	Planned use of net proceeds as disclosed in the Prospectus <i>HK\$ million</i>	Revised allocation of net proceeds as disclosed in the Announcement <i>HK\$ million</i>	Actual amount of net proceeds utilised as at 1 October 2023 <i>HK\$ million</i>	Actual amount of net proceeds	Actual amount of net proceeds	Unutilised amount of net proceeds as at 31 March 2024 <i>HK\$ million</i>
				utilised during the six months ended 31 March 2024 <i>HK\$ million</i>	utilised from the Listing Date up to 31 March 2024 <i>HK\$ million</i>	
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	–	–	–	–	–
<b>Total</b>	<b>86.3</b>	<b>86.3</b>	<b>80.3</b>	<b>6.0</b>	<b>86.3</b>	<b>–</b>

As at 31 March 2024, all the net proceeds from the Share Offer had been utilised.

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there is no material subsequent event undertaken by the Group after 31 March 2024 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

During 1HFY24, the Company complied with the code provisions as set out in Part 2 of Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

## **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 during 1HFY24, and there was no outstanding share option as at 31 March 2024.

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

During 1HFY24, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Group’s unaudited condensed consolidated interim results for 1HFY24 and discussed with the management of the Company 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 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the Company's website at [www.singtec.com.sg](http://www.singtec.com.sg) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The interim report of the Company for the six months ended 31 March 2024 will be despatched to the shareholders of the Company as appropriate and published on the aforesaid websites in due course.

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

Hong Kong, 31 May 2024

*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.*