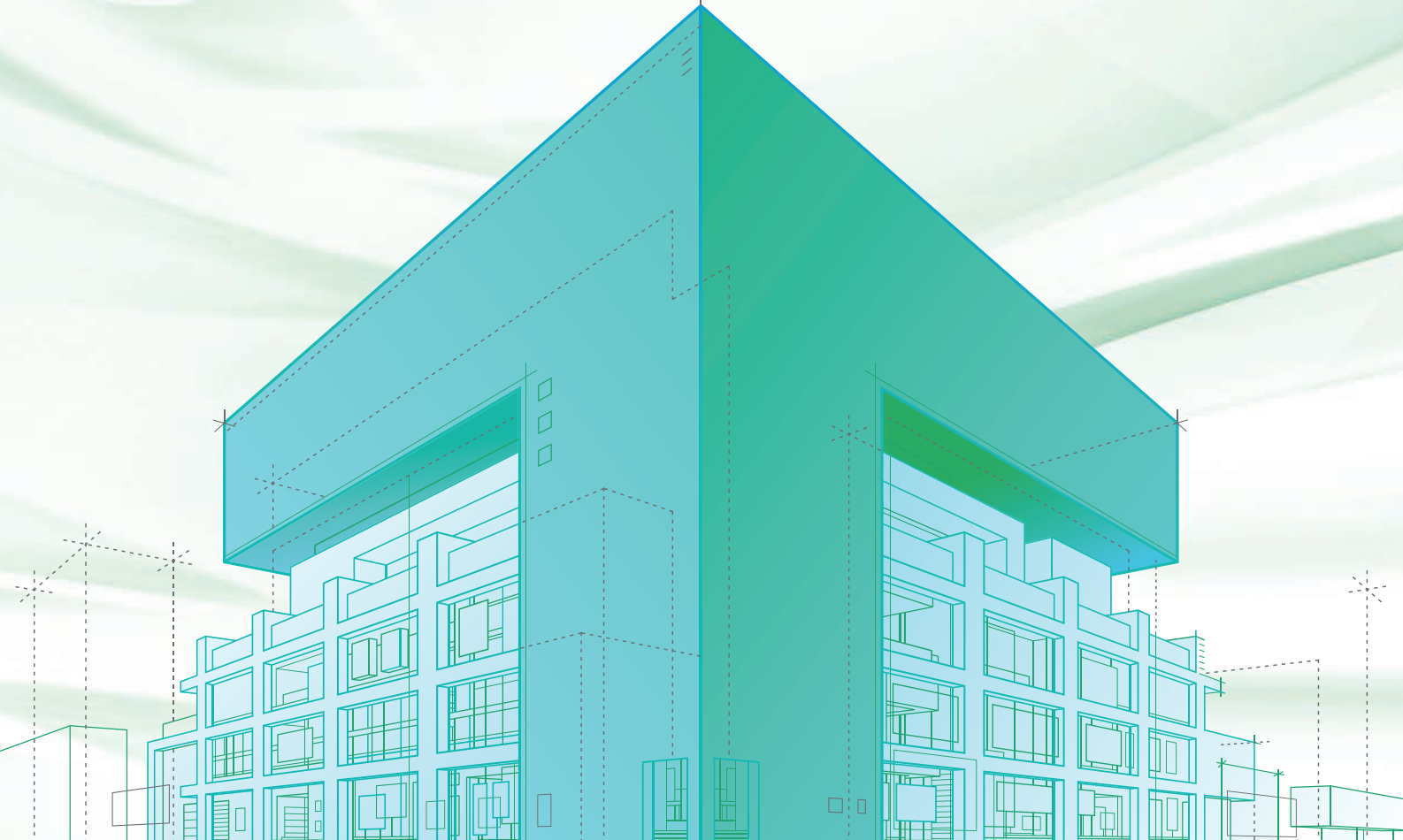




# S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
Stock code : 3928

## Interim Report 2024





# Contents

<b>2</b>	Corporate Information
<b>4</b>	Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
<b>5</b>	Interim Condensed Consolidated Statement of Financial Position
<b>7</b>	Interim Condensed Consolidated Statement of Changes in Equity
<b>8</b>	Interim Condensed Consolidated Statement of Cash Flows
<b>10</b>	Notes to the Interim Condensed Consolidated Financial Statements
<b>30</b>	Management Discussion and Analysis
<b>39</b>	Other Information

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Poon Soon Huat (*Chairman*)  
Mr. Koh Chew Chiang (alias Xu Zhouchang)  
(formerly known as Faris Koh)  
(*Chief Executive Officer*)

### Independent Non-Executive Directors

Mr. Chan Kwok Wing Kelvin  
Mr. Tam Hon Fai  
Mr. Wong Ka Bo Jimmy

## AUDIT COMMITTEE

Mr. Tam Hon Fai (*Chairman*)  
Mr. Chan Kwok Wing Kelvin  
Mr. Wong Ka Bo Jimmy

## REMUNERATION COMMITTEE

Mr. Chan Kwok Wing Kelvin (*Chairman*)  
Mr. Koh Chew Chiang (alias Xu Zhouchang)  
(formerly known as Faris Koh)  
Mr. Tam Hon Fai

## NOMINATION COMMITTEE

Mr. Poon Soon Huat (*Chairman*)  
Mr. Chan Kwok Wing Kelvin  
Mr. Wong Ka Bo Jimmy

## COMPANY SECRETARY

Ms. Fung Mei Ling

## AUTHORISED REPRESENTATIVES

Mr. Poon Soon Huat  
Ms. Fung Mei Ling

## LEGAL ADVISER TO THE COMPANY

As to Hong Kong law  
ONC Lawyers  
19th Floor  
Three Exchange Square  
8 Connaught Place  
Central, Hong Kong

## COMPLIANCE ADVISER

Grande Capital Limited  
Room 2701, 27th Floor, Tower One  
Admiralty Centre  
18 Harcourt Road  
Admiralty, Hong Kong

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

16 Kian Teck Way  
Singapore 628749

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 17/F, United Centre  
95 Queensway, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
2103B, 21/F, 148 Electric Road  
North Point, Hong Kong

## PRINCIPAL BANKERS

United Overseas Bank Limited  
DBS Bank Ltd

## AUDITOR

HLB Hodgson Impey Cheng Limited  
*Certified Public Accountants*  
31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central, Hong Kong

## COMPANY'S WEBSITE

[www.singtec.com.sg](http://www.singtec.com.sg)

## STOCK CODE

3928

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.

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

# Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2024

	Note	31 March 2024 S\$ (Unaudited)	30 September 2023 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
		<b>27,917,051</b>	<b>27,797,849</b>
<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
		<b>34,494,069</b>	<b>35,814,822</b>
<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
		<b>26,463,623</b>	<b>27,323,859</b>
<b>Net current assets</b>		<b>8,030,446</b>	<b>8,490,963</b>
<b>Total assets less current liabilities</b>		<b>35,947,497</b>	<b>36,288,812</b>

# Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2024

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

# Interim Condensed Consolidated Statement of Changes in Equity

As at 31 March 2024

	Share capital S\$	Share premium S\$	Merger reserves S\$	Other reserves S\$	Properties revaluation reserves S\$	Accumulated profits/(losses) S\$	Total S\$
<b>At 30 September 2022 and 1 October 2022 (audited)</b>	847,680	18,742,783	6,895,003	1,109,142	767,248	634,261	28,996,117
Profit and total comprehensive income for the period	—	—	—	—	—	280,252	280,252
<b>At 31 March 2023 (unaudited)</b>	847,680	18,742,783	6,895,003	1,109,142	767,248	914,513	29,276,369
<b>At 30 September 2023 and 1 October 2023 (audited)</b>	847,680	18,742,783	6,895,003	1,109,142	767,248	(402,850)	27,959,006
Profit and total comprehensive income for the period	—	—	—	—	—	251,515	251,515
<b>At 31 March 2024 (unaudited)</b>	847,680	18,742,783	6,895,003	1,109,142	767,248	(151,335)	28,210,521



# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2024

	Six months ended 31 March	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	251,515	27,111
Adjustments for:		
Depreciation of property, plant and equipment	1,234,705	1,158,513
Fair value gains on financial assets at fair value through profit or loss	(4,166)	(3,941)
Reversal of expect credit losses on financial assets and contract assets, net	(160,751)	(39,596)
Finance costs	454,307	554,261
Interest income	(12,520)	(7,198)
Net exchange differences	42,892	577,600
Net gain on disposal of property, plant and equipment	(124,440)	(2,278,593)
Net loss on disposal of investment property held under joint operations	—	305,000
Share of result of a joint venture	743	768
Operating cash flow before movements in working capital	1,682,285	293,925
Movements in working capital:		
Trade receivables	452,002	2,293,756
Other receivables, deposits and prepayments	642,873	(1,160,586)
Contract assets	651,511	2,564,379
Contract liabilities	156,256	184,738
Trade and other payables	(1,208,772)	(2,329,102)
Cash generated from operations	2,376,155	1,847,110
Income tax refunded	—	253,141
<b>Net cash generated from operating activities</b>	<b>2,376,155</b>	<b>2,100,251</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	124,440	3,869,558
Purchase of property, plant and equipment	(625,660)	(15,210)
Proceeds from disposal of investment property held under joint operations	—	1,200,000
Interest received	12,520	7,154
<b>Net cash (used in)/generated from investing activities</b>	<b>(488,700)</b>	<b>5,061,502</b>

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2024

	Six months ended 31 March	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
<b>FINANCING ACTIVITIES</b>		
Interest paid	(454,307)	(554,261)
Repayment of lease liabilities	(403,226)	(570,857)
Drawdown/(repayment) of bank overdrafts	89,257	(78,412)
Repayment of bank borrowings	(6,079,692)	(11,383,301)
Proceeds from bank borrowings	5,268,287	5,848,959
<b>Net cash used in financing activities</b>	<b>(1,579,681)</b>	<b>(6,737,872)</b>
Net increase in cash and cash equivalents	307,774	423,881
Cash and cash equivalents at beginning of the period	8,281,908	8,958,253
Effect of foreign exchange rate changes on bank balances and cash	(42,892)	(577,600)
<b>Cash and cash equivalents at end of the period, represented by bank balances and cash</b>	<b>8,546,790</b>	<b>8,804,534</b>

# 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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 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

	For the six months ended 31 March	
	2024 S\$ (Unaudited)	2023 S\$ (Unaudited)
<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
Revenue from contracts with customers	23,344,088	31,608,291
Rental from property investment	281,500	276,850
Segment revenue (Note 4(iii))	23,625,588	31,885,141
<b>Timing of revenue recognition</b>		
Over time	23,344,088	31,608,291
<b>Types of customers</b>		
Corporate	18,735,181	28,060,969
Government	4,608,907	3,547,322
	23,344,088	31,608,291

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

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

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 4 REVENUE AND SEGMENT INFORMATION (continued)

### (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.

	For the six months ended	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
<b>Segment revenue</b>		
Construction services	<b>23,344,088</b>	31,608,291
Property investment	<b>281,500</b>	276,850
	<b>23,625,588</b>	31,885,141
<b>Segment results</b>		
Construction services	<b>2,533,492</b>	1,567,778
Property investment	<b>219,983</b>	218,378
	<b>2,753,475</b>	1,786,156
<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)
Profit before taxation	<b>251,515</b>	27,111

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 4 REVENUE AND SEGMENT INFORMATION (continued)

### (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 S\$ (Unaudited)	2023 S\$ (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 S\$ (Unaudited)	2023 S\$ (Unaudited)
Government grants (Note)	22,644	19,238
Rental income from renting equipment	182,067	—
Interest income from bank deposits	12,520	7,198
Sundry income	—	72,923
	217,231	99,359

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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 6 OTHER GAINS AND LOSSES

	For the six months ended 31 March	
	2024 S\$ (Unaudited)	2023 S\$ (Unaudited)
Net gain on disposal of property, plant and equipment (Note (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 (Note (ii))	—	(305,000)
	<b>129,474</b>	<b>1,424,235</b>

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 S\$ (Unaudited)	2023 S\$ (Unaudited)
Interests on:		
— Bank borrowings and overdrafts	434,303	522,799
— Lease liabilities	20,004	31,462
	<b>454,307</b>	<b>554,261</b>



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 8 PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

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

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 9 INCOME TAX

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

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 report.

## 11 EARNINGS PER SHARE

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

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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 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									
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									
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									
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									
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)	7,731,701	—	170,364	537,548	2,716,472	57,283	—	—	11,213,368
At 31 March 2024 (unaudited)	7,563,474	—	497,829	451,159	2,776,919	39,766	—	—	11,329,147

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 12 PROPERTY, PLANT AND EQUIPMENT (continued)

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
	<b>1,670,839</b>	1,959,816

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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 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 (Note 6)	—	(1,505,000)
At 30 September 2023 (audited) and 31 March 2024 (unaudited)	10,550,000	4,250,000

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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 13 INVESTMENT PROPERTIES/INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS (continued)

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
	<b>10,550,000</b>	10,550,000
<b>Investment property held under joint operations</b>		
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	50%	50%
Group's share of the investment property held under joint operations	4,250,000	4,250,000

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

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 14 TRADE RECEIVABLES

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

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:

	<b>As at 31 March 2024 S\$ (Unaudited)</b>	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>4,124,880</b>	4,475,803

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>As at 31 March 2024 S\$ (Unaudited)</b>	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>1,883,132</b>	2,526,005
Less: allowance for expected credit losses	<b>(14,323)</b>	(40,661)
	<b>1,868,809</b>	2,485,344

## 16 CONTRACT ASSETS/LIABILITIES

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

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



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 16 CONTRACT ASSETS/LIABILITIES (continued)

### 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*	14,564,393	15,073,692
	<b>20,046,187</b>	20,697,698
Less: allowance for expected credit losses	<b>(92,597)</b>	(125,931)
	<b>19,953,590</b>	20,571,767

\* 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>	190,857	34,601

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 17 TRADE AND OTHER PAYABLES

	<b>As at 31 March 2024 S\$ (Unaudited)</b>	As at 30 September 2023 S\$ (Audited)
Trade payables	<b>6,761,713</b>	4,273,229
Trade accruals	<b>3,351,753</b>	6,275,978
Retention payables*	<b>3,638,060</b>	3,653,275
	<b>13,751,526</b>	14,202,482
Payroll and CPF payables	<b>633,044</b>	975,594
Deposits	<b>150,450</b>	83,650
Sundry creditors	<b>465,160</b>	489,007
Goods and Services Tax payable	<b>50,954</b>	45,549
Accrued expenses	<b>44,150</b>	327,774
	<b>1,343,758</b>	1,921,574
	<b>15,095,284</b>	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 following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

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

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 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	12,499,209	13,310,614
	<b>17,202,755</b>	17,924,903
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	6,376,860	7,176,603
	<b>17,202,755</b>	17,924,903
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
	<b>10,825,895</b>	10,748,300
<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
	<b>6,376,860</b>	7,176,603

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 19 LEASE LIABILITIES

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

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	1,000,000,000	0.01	10,000,000
	<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	480,000,000	4,800,000	847,680

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 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
	<b>487,647</b>	481,118
<b>Other key management personnel</b>		
Salaries and allowances	113,400	105,500
Contributions to CPF	17,000	16,235
	<b>130,400</b>	121,735

## 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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2024

## 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			
Financial assets	S\$ (Unaudited)	S\$ (Audited)			
Financial assets at fair value through profit or loss	1,270,613	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:

	For the six months ended 31 March			
	2024		2023	
	Revenue S\$'000 (Unaudited)	% of total revenue	Revenue S\$'000 (Unaudited)	% of total revenue
<b>Construction Services</b>				
— Civil engineering works	21,283	90.1	24,373	76.4
— Building construction works	61	0.2	7,231	22.7
— Other ancillary services	2,000	8.5	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>	31,885	100.0

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.



## Management Discussion and Analysis

### **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.

## Management Discussion and Analysis

### **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 (\$) (Unaudited)	Realised/unrealised gains recognised during the period (\$) (Unaudited)	Percentage of fair value to the Group's total assets	Investment cost (\$)	Fair value (\$) (Audited)	Realised/unrealised gains recognised during the year (\$) (Audited)	Percentage of fair value to the Group's total assets
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>

## Management Discussion and Analysis

### 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:

Significant investments	Usage	Total number of years of land lease	Proportion of the Group's ownership interest	As at/For the six months ended 31 March 2024				As at/For the year ended 30 September 2023			
				Investment cost attributable to the Group	Fair value attributable to the Group	Realised/unrealised gains/(losses) attributable to the Group	Percentage of fair value attributable to the Group's total assets	Investment cost attributable to the Group	Fair value attributable to the Group	Realised/unrealised gains/(losses) attributable to the Group	Percentage of fair value attributable to the Group's total assets
				(S\$)	(S\$)	(S\$)		(S\$)	(S\$)	(S\$)	
				(Unaudited)	(Unaudited)	(Unaudited)		(Audited)	(Audited)	(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 report, 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).

## Management Discussion and Analysis

### 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 HK\$ million	Revised allocation of net proceeds as disclosed in the Announcement HK\$ million	Actual amount of net proceeds utilised as at 1 October 2023 HK\$ million	Actual amount of net proceeds utilised during the six months ended 31 March 2024 HK\$ million	Actual amount of net proceeds utilised from the Listing Date up to 31 March 2024 HK\$ million	Unutilised amount of net proceeds as at 31 March 2024 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	—	—	—	—	—
<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.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

#### (a) Long positions in the shares of HK\$0.01 each of the Company (the "Shares")

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Poon Soon Huat ("Mr. Poon") (Note)	Interest in controlled corporation	360,000,000	75%

Note: 360,000,000 Shares are held by HG TEC Holdings Limited ("HG TEC") which is beneficially owned as to 50% by Mr. Poon and as to 50% by Mr. Teo Teck Thye ("Mr. Teo"). Mr. Poon, Mr. Teo and HG TEC are regarded as a group of controlling shareholders of the Company under acting in concert of the Listing Rules to exercise their voting rights in the Company and they together are interested in a total of 75% of the issued share capital of the Company. Mr. Poon is deemed to be interested in the Shares held by HG TEC pursuant to the SFO.

#### (b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held	Percentage of interest in associated corporation
Mr. Poon (Note)	HG TEC	Beneficial owner	1	50%

Note: The Company is owned as to 75% by HG TEC. HG TEC is beneficially owned as to 50% by Mr. Poon.

Save as disclosed above, as at 31 March 2024, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 of the Listing Rules.



## Other Information

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2024, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
HG TEC (Note 1)	Beneficial owner	360,000,000	75%
Mr. Poon (Note 1)	Interest in controlled corporation	360,000,000	75%
Mr. Teo (Note 1)	Interest in controlled corporation	360,000,000	75%
Ms. Yeo Siew Lan (Note 2)	Interest of spouse	360,000,000	75%
Ms. Ng Kwee Bee (Note 3)	Interest of spouse	360,000,000	75%

Notes:

1. HG TEC is beneficially owned as to 50% by Mr. Poon and as to 50% by Mr. Teo. Mr. Poon, Mr. Teo and HG TEC are regarded as a group of controlling shareholders of the Company under acting in concert of the Listing Rules to exercise their voting rights in the Company and they together are interested in a total of 75% of the issued share capital of the Company. Mr. Poon and Mr. Teo are deemed to be interested in the Shares held by HG TEC pursuant to the SFO.
2. Ms. Yeo Siew Lan is the spouse of Mr. Poon and accordingly, is deemed to be interested in all the Shares in which Mr. Poon is interested under the SFO.
3. Ms. Ng Kwee Bee is the spouse of Mr. Teo and accordingly, is deemed to be interested in all the Shares in which Mr. Teo is interested under the SFO.

Save as disclosed above, as at 31 March 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

## DISCLOSURE OF INFORMATION ON DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the profile of the Director of the Company has been updated as follows:

### **Independent non-executive Director**

**Mr. Tam Hon Fai**, aged 40, was appointed as the independent non-executive Director on 23 August 2019. He is primarily responsible for providing independent judgement on the strategy, performance, resources and standard of conduct. He is the chairman of the audit committee and a member of the remuneration committee of the Company.

Mr. Tam worked at Deloitte Touche Tohmatsu from September 2006 to August 2011 in the audit department. From December 2011 to July 2013, Mr. Tam was the company secretary of Zhonghua Gas Holdings Limited (formerly known as Northern New Energy Holdings Limited and Noble House (China) Holdings Limited) (stock code: 8246), a company listed on GEM of the Stock Exchange, responsible for general corporate governance affairs. From February 2014 to September 2014, Mr. Tam was the financial controller of Bamboos Health Care Holdings Limited (stock code: 2293), a company previously listed on GEM of the Stock Exchange in July 2014 and transferred its listing to the Main Board of the Stock Exchange in March 2017, responsible for financial operations and management. From January 2012 to November 2022, Mr. Tam acted as an audit partner of CTY & Co. Since August 2017, Mr. Tam has been a director of JMG Corporate Advisory Limited, a firm principally engaged in the provision of corporate advisory services. In June 2020, Mr. Tam joined Marksman Services Group Limited, a firm principally engaged in provision of corporate advisory services, and was appointed as executive director. Since October 2020, Mr. Tam has acted as an audit partner of IPA CPA Limited. From December 2020 to February 2022, Mr. Tam was the company secretary of Sino Vision Worldwide Holdings Limited, a company previously listed on GEM of the Stock Exchange (stock code: 8086) until July 2023. In April 2023, Mr. Tam joined WK Group (Holdings) Limited (stock code: 2535), a company listed on the Main Board of the Stock Exchange, as the financial controller and company secretary, responsible for financial management and secretarial affairs.

Mr. Tam obtained a degree of bachelor of business administration in accounting from the Hong Kong University of Science and Technology in May 2006. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2010 and is currently a fellow member of the Hong Kong Institute of Certified Public Accountants.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted 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 throughout 1HFY24.

### 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.

### EVENTS AFTER THE REPORTING PERIOD

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

### 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 Listing Rules.

### 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 (including sale of treasury shares).

### AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Group's unaudited condensed consolidated interim results for 1HFY24 including this report 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.

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

Hong Kong, 31 May 2024