S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 3928

Interim Report 2020

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Poon Soon Huat *(Chairman)*
Mr. Teo Teck Thye *(Chief Executive Officer)*

Independent Non-Executive Directors
Mr. Chan Kwok Wing Kelvin
Mr. May Tai Keung Nicholas
Mr. Tam Hon Fai

AUDIT COMMITTEE

Mr. Tam Hon Fai *(Chairman)*
Mr. Chan Kwok Wing Kelvin
Mr. May Tai Keung Nicholas

REMUNERATION COMMITTEE

Mr. Chan Kwok Wing Kelvin *(Chairman)*
Mr. Teo Teck Thye
Mr. Tam Hon Fai

NOMINATION COMMITTEE

Mr. Poon Soon Huat *(Chairman)*
Mr. Chan Kwok Wing Kelvin
Mr. May Tai Keung Nicholas

COMPANY SECRETARY

Ms. Leung Hoi Yan

AUTHORISED REPRESENTATIVES

Mr. Poon Soon Huat
Ms. Leung Hoi Yan

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

Maybank Banking Berhad
United Overseas Bank Limited

AUDITOR

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
Singapore
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

COMPANY'S WEBSITE

www.singtec.com.sg

STOCK CODE

3928

The board (the "Board") of directors (the "Directors") of S&T Holdings Limited (the "Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the six months ended 31 March 2020 together with comparative figures for the corresponding period in 2019 as follows:

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 March 2020

		Six months ended 31 March	
	Note	**2020** **S$** **(Unaudited)**	2019 S$ (Unaudited)
Revenue			
Services	*5*	**31,976,547**	48,902,808
Rental	*5*	**278,201**	262,009
Total revenue		**32,254,748**	49,164,817
Cost of services		**(27,255,992)**	(41,271,799)
Gross profit		**4,998,756**	7,893,018
Other income	*6*	**187,949**	97,311
Other gains and losses	*7*	**604,936**	161,809
Administrative expenses		**(2,795,496)**	(2,811,100)
Finance costs	*8*	**(631,194)**	(462,074)
Listing expenses		**–**	(1,989,625)
Share of result of a joint venture		**–**	(17,557)
Profit before taxation	*9*	**2,364,951**	2,871,782
Income tax expense	*10*	**(436,806)**	(768,616)
Profit and total comprehensive income for the period		**1,928,145**	2,103,166
Basic and diluted earnings per share (S$ cents)	*12*	**0.40**	0.58

Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2020

	Note	31 March 2020 S$ (Unaudited)	30 September 2019 S$ (Audited)
Non-current assets			
Property, plant and equipment	13	**14,714,349**	17,578,067
Right-of-use assets	14	**6,005,240**	–
Investment properties	15	**9,140,000**	9,140,000
Investment properties held under joint operations	16	**7,020,000**	7,020,000
Interest in a joint venture		**1,134,750**	1,134,750
Bank deposits		**1,754,962**	225,383
		39,769,301	35,098,200
Current assets			
Trade receivables	17	**7,497,178**	10,649,571
Other receivables, deposits and prepayments	18	**896,841**	1,061,031
Contract assets	19	**34,105,917**	36,246,814
Bank balances and cash		**11,028,704**	20,948,951
		53,528,640	68,906,367
Current liabilities			
Trade and other payables	20	**14,221,050**	23,875,071
Contract liabilities	19	**–**	3,275
Income tax payable		**1,000,561**	1,363,894
Bank overdrafts	21	**5,236,428**	6,400,549
Bank borrowings	21	**1,485,002**	5,290,865
Bank borrowings held under joint operations	21	**2,970,269**	3,056,655
Obligations under finance leases	22	**–**	857,067
Lease liabilities	23	**1,722,797**	–
		26,636,107	40,847,376
Net current assets		**26,892,533**	28,058,991
Total assets less current liabilities		**66,661,834**	63,157,191
Non-current liabilities			
Bank borrowings	21	**8,588,806**	8,861,155
Bank borrowings held under joint operations	21	**893,180**	948,556
Obligations under finance leases	22	**–**	813,174
Lease liabilities	23	**2,697,397**	–
Deferred tax liabilities		**301,000**	281,000
		12,480,383	10,903,885
Net assets		**54,181,451**	52,253,306

Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2020

	Note	31 March 2020 S$ (Unaudited)	30 September 2019 S$ (Audited)
Capital and reserves			
Share capital	*24*	**847,680**	847,680
Reserves		**53,333,771**	51,405,626
		54,181,451	52,253,306

Interim Condensed Consolidated Statement of Changes in Equity

As at 31 March 2020

	Share capital	Share premium *(Note a)*	Merger reserves *(Note b)*	Other reserves	Properties revaluation reserves	Accumulated profits	Total
	S$	S$	S$	S$	S$	S$	S$
At 1 October 2018 (audited)	6,895,003	–	–	–	767,248	19,033,143	26,695,394
Profit for the period, representing total comprehensive income for the period	–	–	–	–	–	2,103,166	2,103,166
Transactions with owners, recognised directly in equity:							
Share issued by the Company on date of incorporation	–*	–	–	–	–	–	–*
Elimination of share capital pursuant to Reorganisation *(Note 2)*	(6,895,003)	–	6,895,003	–	–	–	–
Dividends waived	–	–	–	1,109,142	–	–	1,109,142
Total	(6,895,003)	–	6,895,003	1,109,142	–	2,103,166	3,212,308
At 31 March 2019 (unaudited)	–*	–	6,895,003	1,109,142	767,248	21,136,309	29,907,702
At 1 October 2019 (audited)	847,680	18,742,783	6,895,003	1,109,142	767,248	23,891,450	52,253,306
Profit for the period, representing total comprehensive income for the period	–	–	–	–	–	1,928,145	1,928,145
At 31 March 2020 (unaudited)	847,680	18,742,783	6,895,003	1,109,142	767,248	25,819,595	54,181,451

* *The amount is less than S$1.*

Notes:

a. *Share premium represents the excess of share issue over the par value.*

b. *Merger reserves represents the difference between the cost of acquisition pursuant to the Reorganisation (Notes 2(iii) and (iv)) and the total value of share capital of the entity acquired.*

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2020

	Six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before taxation	**2,364,951**	2,871,782
Adjustments for:		
Depreciation of property, plant and equipment	**941,785**	1,440,407
Depreciation of right-of-use assets	**687,293**	–
Fair value gains on investment properties	**–**	(40,000)
Fair value gains on investment properties held under joint operation	**–**	(40,000)
Finance costs	**631,194**	462,074
Interest income	**(139)**	(234)
Unrealised exchange difference	**(260,792)**	–
Net gain on disposal of property, plant and equipment	**(226,315)**	–
Share of result of a joint venture	**–**	17,557
Operating cash flow before movement in working capital	**4,137,977**	4,711,586
Movements in working capital:		
Trade receivables	**3,909,293**	7,630,136
Other receivables, deposits and prepayments	**164,190**	6,147
Contract assets	**2,140,897**	671,261
Contract liabilities	**(3,275)**	95,010
Trade and other payables	**(9,654,021)**	(9,520,731)
Cash generated from operations	**695,061**	3,593,409
Income tax paid	**(780,139)**	(1,100,360)
Income tax refunded	**–**	214,075
Net cash (used in) from operating activities	**(85,078)**	2,707,124
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	**226,315**	–
Purchase of property, plant and equipment	**(1,745,176)**	(114,124)
Purchase of right-of-use assets	**(197,123)**	–
Interest received	**139**	234
Net cash used in investing activities	**(1,715,845)**	(113,890)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2020

	Six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Issue costs paid	**–**	(551,596)
Interest paid	**(631,194)**	(462,074)
Fixed deposits pledged	**(1,529,579)**	–
Repayment of obligations under finance leases	**–**	(666,545)
Repayment of lease liabilities	**(835,248)**	–
(Repayment) Drawdown of bank overdrafts	**(1,164,121)**	1,128,371
Repayment of bank borrowings	**(5,097,374)**	(6,537,936)
Proceeds from bank borrowings	**877,400**	3,948,019
Advance from directors	**–**	946,600
Net cash used in financing activities	**(8,380,116)**	(2,195,161)
Net (decrease) increase in cash and cash equivalents	**(10,181,039)**	398,073
Cash and cash equivalents at beginning of the period	**20,948,951**	3,659,905
Effect of foreign exchange rate changes on bank balances and cash	**260,792**	–
Cash and cash equivalents at end of the period, represented by bank balances and cash	**11,028,704**	4,057,978

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2020

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 "Listing Date").

The Company is a subsidiary of HG TEC Holdings Limited ("HG TEC"), incorporated in the British Virgin Islands (the "BVI"), which is also the Company's ultimate holding company. HG TEC is owned by Mr. Poon Soon Huat ("Mr. Poon") and Mr. Teo Teck Thye ("Mr. Teo"). Upon the entering into the concert party deed, Mr. Poon and Mr. Teo through HG TEC became the controlling shareholders of S&T Holdings Limited and its subsidiaries (the "Group") (collectively referred to as the "Controlling Shareholders").

The Company is an investment holding company and the principal activities of its operating subsidiaries are disclosed in the Note 27.

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

2 GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In preparation for the initial listing of the shares of the Company on the Stock Exchange, the companies comprising the Group underwent a group reorganisation (the "Reorganisation") as described below. Prior to the Reorganisation, Sing Tec Development Pte. Ltd. ("Sing Tec Development"), Sing Tec Construction Pte Ltd ("Sing Tec Construction") and Initial Resources Pte. Ltd. ("Initial Resources") (collectively referred to as the "Singapore subsidiaries"), the operating subsidiaries of the Group, were under joint control of the Controlling Shareholders.

2 GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The Reorganisation comprised the following steps:

(i) On 4 May 2018, HG TEC and Builink Holdings Limited ("Builink") were incorporated in the BVI with limited liability. Each of them is authorised to issue a maximum of 50,000 ordinary shares of a single class with a par value of United States dollars ("US$") 1.00 each. On the same date, HG TEC and Builink issued and allotted one fully paid share at par value to each of Mr. Poon and Mr. Teo respectively;

(ii) On 17 September 2018, the Company was incorporated in the Cayman Islands as an exempted company with an authorised share capital of Hong Kong dollars ("HK$") 380,000 divided into 38,000,000 shares of HK$0.01 each. The entire issued share capital of the Company, one fully paid share at par, was issued and allotted to the initial subscriber. On the same date, the one share was transferred to HG TEC at par value;

(iii) On 19 November 2018, each of Mr. Poon and Mr. Teo transferred one share, in aggregate representing the entire issued share capital of Builink, to the Company at par value. In consideration of the acquisition, the Company allotted and issued one ordinary share to each of Mr. Teo and Mr. Poon respectively. On 13 December 2018, each of Mr. Teo and Mr. Poon transferred one share in the Company at par value to HG TEC respectively;

(iv) On 18 December 2018, Mr. Poon, Mr. Teo, HG TEC, the Company and Builink executed a reorganisation agreement and the relevant instrument of transfer, pursuant to which:

   (a) each of Mr. Poon and Mr. Teo transferred 172,500 shares, being 100% equity interest owned by the Controlling Shareholders, in aggregate representing the entire issued share capital of Sing Tec Construction to Builink;

   (b) each of Mr. Poon and Mr. Teo transferred 3,250,000 shares, being 100% equity interest owned by the Controlling Shareholders, in aggregate representing the entire issued share capital of Sing Tec Development to Builink; and

   (c) each of Mr. Poon and Mr. Teo transferred 25,000 shares, being 100% equity interest owned by the Controlling Shareholders, in aggregate representing the entire issued share capital of Initial Resources to Builink.

   In consideration of the above transfer, the Company issued and allotted 60 shares, credited as fully paid, to HG TEC on 18 December 2018. Following the aforesaid acquisition, the Singapore subsidiaries became indirectly wholly owned by the Company.

2 GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

As a result of the Reorganisation being completed on 18 December 2018, the Company became the holding company of the Group with its business being conducted through the Singapore subsidiaries.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the interim condensed consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

3 ADOPTION OF NEW AND REVISED STANDARDS

New and amended International Financial Reporting Standards ("IFRSs") issued but not yet effective for the current year

At the date of authorisation of these interim condensed consolidated financial statements, the Group has not early applied the following new and amendments to IFRSs Standards and Interpretations that have been issued by the International Accounting Standards Board ("IASB") but are not yet effective:

Amendments to IFRS 3	Definition of a Business[1]
Amendments to IAS 1 and IAS 8	Definition of Material[2]
Frameworks	Amendments to References to the Conceptual Framework in IFRS Standards[3]

1 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

2 Effective for annual periods beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after 1 January 2021.

3 ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and amended International Financial Reporting Standards ("IFRSs") issued but not yet effective for the current year (continued)

Except as described below, the management of the Group considers that the application of the other new and amendments to IFRS Standards and Interpretations is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in foreseeable future:

IFRS 16 Leases

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group's interim condensed consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 October 2019.

The Group has applied IFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.

- Does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

(a) *Impact of the new definition of a lease*

The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 October 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 October 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

3 ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and amended International Financial Reporting Standards ("IFRSs") issued but not yet effective for the current year (continued)

IFRS 16 Leases (continued)

(b) Impact on Lessee Accounting

(i) Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. Applying IFRS 16, for all leases (except as noted below), the Group:

a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii);

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36. For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'administrative expenses' in profit or loss.

3 ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and amended International Financial Reporting Standards ("IFRSs") issued but not yet effective for the current year (continued)

IFRS 16 Leases (continued)

(b) Impact on Lessee Accounting (continued)

(i) Former operating leases (continued)

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(ii) Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application are reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption. The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 October 2019.

(c) Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

3 ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and amended International Financial Reporting Standards ("IFRSs") issued but not yet effective for the current year (continued)

IFRS 16 Leases (continued)

(d) *Financial impact of initial application of IFRS 16*

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 October 2019 was 2.25%.

	As at 1 October 2019 S$ (Unaudited)
Operating lease commitments disclosed as at 30 September 2019	1,822,373
Less: Short-term leases recognised on a straight-line basis as expenses	(156,129)
	1,666,244
Discounted using the Group's incremental borrowing rate of 2.25%	1,300,954
Add: Finance lease liabilities recognised as at 30 September 2019	1,670,241
Lease liability recognised as at 1 October 2019	2,971,195

Upon transition to IFRS 16, the Group has recognised S$1,300,954 of right-of-use assets (Note 14) and S$1,300,954 of lease liabilities relating to previous operating lease commitment under IAS 17 on 1 October 2019. No difference is recognised in accumulated profits.

In addition, property, plant and equipment previously held under finance leases applying IAS 17, which amounted to S$2,916,194 (Note 13), have been reclassified to right-of-use assets under IFRS 16 at the date of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The interim condensed consolidated financial statements of the Group have been prepared in accordance with the IFRS issued by the International Accounting Standards Board ("IASB").

In addition, the interim condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and the applicable disclosures required by the Companies Ordinance.

5 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.

Information is reported to the executive Directors, being the chief operating decision makers ("CODMs") of the Group, for the purposes of resource allocation and performance assessment. No other analysis of the Group's result nor assets and liabilities is regularly provided to the CODMs for review and the CODMs review the overall results and financial performance of the Group as a whole. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

(i) Disaggregation of revenue from contracts with customers

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Type of services		
Construction services		
– Civil engineering works	**29,616,087**	40,495,054
– Building construction works	**2,012,400**	7,828,101
– Other ancillary services	**348,060**	579,653
Revenue from contracts with customers	**31,976,547**	48,902,808
Rental from Property investment	**278,201**	262,009
Segment revenue *(Note 5(iv))*	**32,254,748**	49,164,817
Timing of revenue recognition		
Over time	**31,976,547**	48,902,808
Type of customers		
Corporate	**16,699,008**	20,308,988
Government	**15,277,539**	28,593,820
	31,976,547	48,902,808

5 REVENUE AND SEGMENT INFORMATION (continued)

(ii) Performance obligations for contracts with customers

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

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at the end of each reporting period:

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Civil engineering works		
– Within one year	**23,823,140**	32,373,687
– More than one year but not more than two years	**13,216,916**	4,923,923
– More than two years but not more than five years	**8,634,203**	12,438,582
– More than five years	**14,936,013**	11,000,421
	60,610,272	60,736,613
Building construction works		
– Within one year	**404,427**	2,898,854
	61,014,699	63,635,467

During the six months ended 31 March 2020, majority of the construction contracts for services provided to external customers last over 12 months (six months ended 31 March 2019: 12 months).

All performance obligations for provision of other ancillary services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

5 REVENUE AND SEGMENT INFORMATION (continued)

(iv) Segment information

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: Engage in provision of civil engineering works, building construction works and other ancillary services to government and commercial corporations.

- Property investment: Include residential and industrial properties leasing.

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Segment revenues		
Construction services	**31,976,547**	48,902,808
Property investment	**278,201**	262,009
	32,254,748	49,164,817
Segment results		
Construction services	**4,792,142**	7,735,455
Property investment	**206,614**	157,563
	4,998,756	7,893,018

(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 2020 represents 100% (six months ended 31 March 2019: 100%) of the Group's total revenue. The Group's non-current assets are all located in Singapore.

5 REVENUE AND SEGMENT INFORMATION (continued)

(vi) Information about major customers

Revenue from customers individually contributing over 10% of total revenue of the Group during the six months ended 31 March 2020 are as follows:

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Customer I**	**8,364,844**	25,231,147
Customer II**	**N/A***	8,301,041
Customer III**	**N/A***	7,791,106
Customer IV**	**3,263,045**	N/A*
Customer V**	**4,883,307**	N/A*

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

** *Revenue is from segment of Construction services.*

6 OTHER INCOME

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Government grants	**60,015**	27,278
Rental income from renting properties to directors	**66,000**	66,000
Rental income from renting equipment	**46,095**	1,492
Interest income from bank deposits	**139**	234
Others	**15,700**	2,307
	187,949	97,311

7 OTHER GAINS AND LOSSES

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Net gain on disposal of property, plant and equipment	**226,315**	–
Gain from sale of scrap materials	**113,425**	81,809
Net foreign exchange gains	**265,196**	–
Fair value gains on investment properties	**–**	40,000
Fair value gains on investment properties held under joint operations	**–**	40,000
	604,936	161,809

8 FINANCE COSTS

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Interests on:		
– Bank borrowings	**418,356**	345,847
– Bank overdrafts	**142,265**	74,809
– Obligations under finance leases	**–**	41,418
– Lease liabilities	**70,573**	–
	631,194	462,074

9 PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets and property, plant and equipment,		
recognised as cost of services	**1,122,467**	1,015,519
recognised as administrative expenses	**506,611**	424,888
	1,629,078	1,440,407
Audit fees to auditors of the Company:		
– Annual audit fees *(Note)*	**–**	–
– Audit fees in connection with the listing of the Company	**–**	172,125
Listing expenses	**–**	1,989,625
Directors' remuneration	**593,500**	521,600
Other staff costs:		
– Salaries and other benefits	**2,891,797**	3,449,497
– Contributions to CPF	**418,818**	277,083
– Foreign worker levy and skill development levy	**992,725**	465,955
	4,896,840	4,714,135
Total staff costs (including directors' remuneration),		
recognised as cost of services	**3,472,606**	3,321,287
recognised as administrative expenses	**1,424,234**	1,392,848
Cost of materials recognised as cost of services	**5,443,593**	5,876,336
Subcontracting fees recognised as cost of services	**14,836,019**	26,565,382

Note: No remuneration has been incurred prior to the appointment of the Company's statutory auditor in the six months ended 31 March 2019 and 2020.

10 INCOME TAX EXPENSE

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current tax		
– Singapore corporate income tax ("CIT")	**450,000**	812,385
– Overprovision in prior years	**(33,194)**	(48,769)
Deferred tax		
– Current year provision (reversal)	**20,000**	(32,000)
– Underprovision in prior years	**–**	37,000
	436,806	768,616

Singapore CIT is calculated at 17% of the estimated assessable profit of the Singapore subsidiaries. Singapore subsidiaries can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 for the Year of Assessment 2020 and 2021 of normal chargeable income.

10 INCOME TAX EXPENSE (continued)

The income tax expense for the period can be reconciled to the profit before taxation per the interim condensed consolidated statement of profit or loss and other comprehensive income as follows:

	For the six months ended 31 March	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Profit before taxation	**2,364,951**	2,871,782
Tax at applicable tax rate of 17%	**402,042**	488,203
Effect of income not taxable for tax purpose	**–**	(13,600)
Effect of expenses not deductible for tax purpose	**118,388**	432,652
Effect of different tax rates of the Company and its subsidiaries operating in other jurisdictions	**3,474**	(168)
Tax effect of share of result of a joint venture	**–**	(2,985)
Effect on tax concession and exemption	**(84,187)**	(105,269)
Effect of unused tax losses and deductible temporary differences not recognised	**30,283**	(18,448)
Overprovision for current tax in prior years	**(33,194)**	(48,769)
Underprovision for deferred tax in prior years	**–**	37,000
Taxation for the period	**436,806**	768,616

11 DIVIDENDS

No dividend has been declared by the Company or group entities during the six months ended 31 March 2019 and 2020 or subsequent to the period end.

12 EARNINGS PER SHARE

	For the six months ended 31 March	
	2020 **(Unaudited)**	2019 (Unaudited)
Profit for the period attributable to owners of the Company (S$)	**1,928,145**	2,103,166
Weighted average number of ordinary shares in issue	**480,000,000**	360,000,000
Basic and diluted earnings per share (S$ cents)	**0.40**	0.58

The calculation of basic earnings per share for the six months ended 31 March 2019 and 2020 is based on the profit for the period attributable to owners of the Company and the weighted average number of shares in issue.

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the six months ended 31 March 2019 had been determined on the assumption that the Reorganisation and the Capitalisation issue as detailed in Notes 2 and 24 had been effective on 1 October 2018.

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 2019 and 2020.

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$	Buildings and freehold land S$	Motor vehicles S$	Plant and machinery S$	Office equipment S$	Furniture and fittings S$	Leasehold improvement S$	Total S$
Cost:								
At 1 October 2018	8,337,600	3,548,113	6,222,699	12,003,001	306,538	112,236	1,704,544	32,234,731
Additions	–	–	379,999	1,484,400	87,490	–	–	1,951,889
Disposals/written off	–	–	(245,492)	(331,800)	–	–	–	(577,292)
At 30 September 2019	8,337,600	3,548,113	6,357,206	13,155,601	394,028	112,236	1,704,544	33,609,328
Reclassification to right-of-use asset on initial application of IFRS 16 *(Note 14)*	–	–	(1,835,532)	(2,858,000)	–	–	–	(4,693,532)
At 1 October 2019 (restated)	8,337,600	3,548,113	4,521,674	10,297,601	394,028	112,236	1,704,544	28,915,796
Additions	–	–	35,500	1,678,300	31,376	–	–	1,745,176
Reclassification *(Note)*	–	–	105,000	(535,000)	–	–	–	(430,000)
Disposal/written off	–	–	(45,000)	(875,000)	(10,900)	–	–	(930,900)
At 31 March 2020	8,337,600	3,548,113	4,617,174	10,565,901	414,504	112,236	1,704,544	29,300,072
Accumulated depreciation:								
At 1 October 2018	323,582	177,426	3,929,029	8,367,629	142,827	49,965	829,438	13,819,896
Charge for the year	277,920	22,202	784,693	1,396,724	57,932	16,802	218,679	2,774,952
Disposal/written off	–	–	(231,787)	(331,800)	–	–	–	(563,587)
At 30 September 2019	601,502	199,628	4,481,935	9,432,553	200,759	66,767	1,048,117	16,031,261
Reclassification to right-of-use asset on initial application of IFRS 16 *(Note 14)*	–	–	(726,337)	(1,051,001)	–	–	–	(1,777,338)
At 1 October 2019 (restated)	601,502	199,628	3,755,598	8,381,552	200,759	66,767	1,048,117	14,253,923
Charge for the period	138,960	11,101	198,394	430,740	32,783	8,319	121,488	941,785
Reclassification *(Note)*	–	–	54,248	266,667	–	–	–	320,915
Disposal/written off	–	–	(45,000)	(875,000)	(10,900)	–	–	(930,900)
At 31 March 2020	740,462	210,729	3,963,240	8,203,959	222,642	75,086	1,169,605	14,585,723
Carrying values:								
At 30 September 2019 (audited)	7,736,098	3,348,485	1,875,271	3,723,048	193,269	45,469	656,427	17,578,067
At 1 October 2019 (restated)	7,736,098	3,348,485	766,076	1,916,049	193,269	45,469	656,427	14,661,873
At 31 March 2020 (unaudited)	7,597,138	3,337,384	653,934	2,361,942	191,862	37,150	534,939	14,714,349

Note: *During the six months ended 31 March 2020, the Group entered into lease arrangements for existing property, plant and equipment with carrying amount of S$935,000. Accordingly, these are reclassified to right-of-use assets.*

During the six months ended 31 March 2020, the Group's lease arrangements for its right-of-use assets with carrying amount of S$184,085 have ceased. Accordingly, these are reclassified to property, plant and equipment.

13 PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Freehold land	N/A
Buildings	50 years
Leasehold properties	30 years
Motor vehicles	5 years
Plant and machinery	5 years
Office equipment	5 years
Furniture and fittings	5 years
Leasehold improvement	Shorter of 5 years and lease term

14 RIGHT-OF-USE ASSETS

	Leasehold land	**Dormitories**	**Motor vehicles**	**Plant and machinery**	**Total**
	S$	S$	S$	S$	S$
Cost:					
At 1 October 2019	1,300,954	–	1,835,532	2,858,000	5,994,486
Additions	–	250,955	61,015	1,412,500	1,724,470
Reclassification *(Note 13)*	–	–	(105,000)	535,000	430,000
At 31 March 2020	1,300,954	250,955	1,791,547	4,805,500	8,148,956
Accumulated depreciation:					
At 1 October 2019	–	–	726,337	1,051,001	1,777,338
Charge for the period	28,384	26,698	175,087	457,124	687,293
Reclassification *(Note 13)*	–	–	(54,248)	(266,667)	(320,915)
At 31 March 2020	28,384	26,698	847,176	1,241,458	2,143,716
Carrying values:					
At 31 March 2020 (unaudited)	1,272,570	224,257	944,371	3,564,042	6,005,240

15 INVESTMENT PROPERTIES

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out by ROMA Appraisals Limited (the "Valuer"), an independent qualified professional valuer not related to the Group, whose method of valuation has been disclosed below. The address of the Valuer is at 22/F, China Overseas Building, No. 139 Hennessy Road, Wan Chai, Hong Kong. Management has assessed that the key inputs and assumptions used by the Valuer for the valuation dated 31 October 2019 remain applicable and reasonable as at 31 March 2020.

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.

The investment properties are categorised within level 3 of the fair value hierarchy.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at the end of each reporting period are as follows:

	Fair value (level 3) as at	
	31 March 2020	30 September 2019
	S$	S$
	(Unaudited)	(Audited)
21 Toh Guan Road East #01-10, Singapore 608609	**1,490,000**	1,490,000
21 Toh Guan Road East #01-11, Singapore 608609	**1,490,000**	1,490,000
45 Hillview Avenue #01-05, Singapore 669613	**1,780,000**	1,780,000
45 Hillview Avenue #01-06, Singapore 669613	**1,770,000**	1,770,000
11 Kang Choo Bin Road #01-01, Singapore 548315	**1,190,000**	1,190,000
11 Kang Choo Bin Road #01-03, Singapore 548315	**1,420,000**	1,420,000
	9,140,000	9,140,000

All the above properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 21. There was no transfer into or out of Level 3 during the six months ended 31 March 2020.

16 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS

Fair value hierarchy of the Group's investment properties held under joint operations as at the end of each reporting period are as follows:

	Fair value (level 3) as at	
	31 March 2020 S$ (Unaudited)	30 September 2019 S$ (Audited)
7 Soon Lee Street #01-13, Singapore 627608	**4,190,000**	4,190,000
Proportion of the Group's ownership interest in the investment properties held under joint operations	**50%**	50%
Group's share of the investment properties held under joint operations	**2,095,000**	2,095,000
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729	**9,850,000**	9,850,000
Proportion of the Group's ownership interest in the investment properties held under joint operations	**50%**	50%
Group's share of the investment properties held under joint operations	**4,925,000**	4,925,000
	7,020,000	7,020,000

The fair value of the Group's investment properties held under joint operations has been arrived at on the basis of a valuation carried out by the Valuer, whose method of valuation has been disclosed below. The investment properties are categorised within level 3 of the fair value hierarchy. Management has assessed that the key inputs and assumptions used by the Valuer for the valuation dated 31 October 2019 remain applicable and reasonable as at 31 March 2020.

The fair value was 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.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Both properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 21. There was no transfer into or out of Level 3 during the six months ended 31 March 2020.

17 TRADE RECEIVABLES

	As at 31 March 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Trade receivables	**7,029,895**	9,477,426
Loss allowance	**(67,495)**	(67,495)
	6,962,400	9,409,931
Unbilled revenue *(Note)*	**534,778**	1,239,640
	7,497,178	10,649,571

Note: Unbilled revenue represents revenue recognised but not yet billed to the customers as at year end. The Group's rights of the unbilled revenue are unconditional.

The Group grants credit terms to customers typically 30 to 35 days (30 September 2019: 30 to 35 days) from the invoice dates, for the six months ended 31 March 2020. The following is an aging analysis of trade receivables, net of loss allowance, presented based on the invoice date at the end of each reporting period:

	As at 31 March 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Within 30 days	**2,141,217**	3,010,442
31 days to 60 days	**119,675**	4,878,504
61 days to 90 days	**89,151**	229,364
91 days to 180 days	**3,488,740**	1,063,977
181 days to 1 year	**1,053,319**	169,051
Over 1 year	**70,298**	58,593
	6,962,400	9,409,931

Allowance for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts, determined by reference to individual customer's credit quality. In determining the recoverability of trade receivables, the management of the Group considers any change in the credit quality of the trade receivables from the initial recognition date to the end of the reporting period. In the opinion of the management of the Group, the trade receivables at the end of each reporting period are of good credit quality which considering the high credibility of these customers, good track record with the Group and subsequent settlement, the management believes that no impairment allowance is necessary in respect of the remaining unsettled balances.

17 TRADE RECEIVABLES (continued)

The Group does not charge interest or hold any collateral over these balances.

Included in the Group's trade receivables are aggregate carrying amounts of approximately S$4,821,183 (30 September 2019: S$6,399,489) which are past due as at 31 March 2020 for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on repayment history of respective customer.

Aging of the trade receivables which are past due but not impaired as at reporting date:

	As at 31 March 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Within 30 days	**119,675**	4,878,504
31 days to 60 days	**89,151**	229,364
61 days to 90 days	**3,488,740**	1,063,977
91 days to 180 days	**1,053,319**	169,051
Over 180 days	**70,298**	58,593
	4,821,183	6,399,489

The Group applied simplified approach to provide the expected credit losses prescribed by IFRS 9.

As part of the Group's credit risk management, the Group applied individual assessment for its customers. The expected loss rates are estimated based on historical observed default rates over the expected life of the debtors and internal credit rating by reference to a study of other corporates' default and recovery data from international credit rating agencies, and are adjusted for forward-looking information that is available without undue costs or efforts. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date.

As at 31 March 2020, the Group recognised S$67,495 (30 September 2019: S$67,495) impairment allowance based on individual assessment for all customers.

There has been no change in the estimation techniques or significant assumptions made.

18 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 March 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Sundry debtors	**306,881**	523,583
Prepayments	**316,846**	242,222
Deferred expenses	**–**	88,929
Deposits	**211,681**	181,861
Goods and Services Tax ("GST") receivable	**–**	269
Rental receivable	**61,433**	24,167
	896,841	1,061,031

19 CONTRACT ASSETS/LIABILITIES

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

	As at 31 March 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Contract assets, net of loss allowance	**34,105,917**	36,246,814
Contract liabilities	**–**	(3,275)
	34,105,917	36,243,539

Contract assets and contract liabilities arising from the same contract are presented on a net basis above. In the analysis below, these contract assets and contract liabilities are presented on a gross basis, with the effect of the grossing up being S$Nil (30 September 2019: S$119,705) as at 31 March 2020.

19 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 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Construction contracts – *current*:		
Retention receivables	**2,874,520**	3,301,906
Others*	**31,240,574**	33,073,790
	34,115,094	36,375,696
Loss allowance	**(9,177)**	(9,177)
	34,105,917	36,366,519

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

Changes of contract assets during the year were mainly due to: (1) the amount of retention receivables in accordance with the number of ongoing and completed contracts under the defect liability period during the year; and (2) in the size and number of contract works that the relevant services were completed but yet certified by representatives appointed by the customers at the end of each reporting period.

The Group's contract assets include retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

19 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets (continued)

To measure the ECL of contract assets, the Group applied individual assessment for all customers. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables disclosed in Note 17 for the same types of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets attributable to same debtor. As at 31 March 2020, the Group recognised S$9,177 (30 September 2019: S$9,177) of impairment allowance based on individual assessment for all customers.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

As at 31 March 2020, the Group has recognised S$9,177 impairment allowance in lifetime ECL of contract assets in accordance with the simplified approach set out in IFRS 9.

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.

The Group's contract liabilities are analysed as follows:

	As at 31 March 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Construction contracts – *current*	**–**	122,980

Out of revenue recognised during the six months ended 31 March 2020, S$3,275 (30 September 2019: S$227,246) relates to carried-forward contract liabilities that were included in contract liabilities balance presented in the consolidated statement of financial position at beginning of the year.

None of the revenue recognised during the six months ended 31 March 2020 relates to performance obligations that were satisfied in prior years.

20 TRADE AND OTHER PAYABLES

	As at 31 March 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Trade payables	**5,569,235**	4,185,265
Trade accruals	**4,617,005**	11,505,756
Retention payables*	**2,757,777**	3,411,401
	12,944,017	19,102,422
Payroll and CPF payables	**320,750**	1,536,850
Deposits	**74,700**	77,300
Sundry creditors	**725,755**	743,224
GST payable	**81,594**	467,784
Accrued listing expenses	**–**	295,966
Accrued expenses	**74,234**	288,151
Listing expenses payable	**–**	1,363,374
	1,277,033	4,772,649
	14,221,050	23,875,071

* *The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works. These are classified as current as they are expected to be paid within the Group's normal operating cycle.*

The average credit period on purchases from suppliers is 30 to 60 days or payable on delivery (30 September 2019: 30 to 60 days or payable on delivery).

20 TRADE AND OTHER PAYABLES (continued)

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 2020 S$ (Unaudited)	As at 30 September 2019 S$ (Audited)
Within 30 days	**1,604,040**	924,201
31 days to 60 days	**1,712,325**	1,054,627
61 days to 90 days	**1,635,890**	1,575,530
Over 90 days	**616,980**	630,907
	5,569,235	4,185,265

21 BANK OVERDRAFTS/BANK BORROWINGS/BANK BORROWINGS HELD UNDER JOINT OPERATIONS

Bank overdrafts carry interests at fixed market rates of 5.5% per annum as at 31 March 2020 (30 September 2019: 5.5%). The balances are secured by corporate guarantees issued by the Company.

The bank borrowings are secured and guaranteed by:

(a) First legal mortgage over owner-occupied properties and investment properties as set out in Notes 13 and 15;

(b) Corporate guarantees issued by the Company; and

(c) Bank deposits pledged to banks to secure banking facilities, including bank overdrafts, granted to the Group, amounting to S$1,754,962 (30 September 2019: S$225,383) as at 31 March 2020.

The bank borrowings held under joint operators are secured by first legal mortgage over investment properties held under joint operations as set out in Note 16. In addition, joint and several guarantees are provided by the Company and the joint partners.

The weighted average effective interest rates of the borrowings were carried at variable rates of 4.7% (30 September 2019: 4.7%) per annum for the six months ended 31 March 2020. The amounts are repayable at various dates throughout to 2037.

22 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments as at 30 September 2019 S$ (Audited)	Present value of minimum lease payments as at 30 September 2019 S$ (Audited)
Amounts payable under finance leases:		
Within one year	905,969	857,067
More than one year, but not exceeding two years	595,809	576,132
More than two years, but not exceeding five years	233,729	224,595
More than five years	12,611	12,447
	1,748,118	1,670,241
Less: Future finance charges	(77,877)	
Present value of lease obligations	1,670,241	
Less: Amounts due for settlement within one year (shown under current liabilities)		(857,067)
Amounts due for settlement after one year		813,174

The Group's obligations under finance leases were secured by the lessor's title to the leased assets.

The average lease term ranged from 2 to 7 years for the year ended 30 September 2019. Interest rates underlying all obligations under finance leases were fixed at respective contract dates. During the year ended 30 September 2019, the effective interest rate charged ranged from 3.1% to 6.5% per annum.

23 LEASE LIABILITIES

	As at 31 March 2020 S$ (Unaudited)
Maturity analysis:	
Year 1	1,839,635
Year 2	1,229,304
Year 3	370,162
Year 4	98,053
Year 5	97,992
Year 6 onwards	1,266,345
	4,901,491
Less: unearned interest	(481,297)
	4,420,194
Analysed as:	
Current	1,722,797
Non-current	2,697,397
	4,420,194

The Group does not face a significant liquidity risk with regard to lease liabilities. Lease liabilities are monitored within the Group's treasury function.

24 SHARE CAPITAL

For the purpose of presenting the share capital of the Group prior to the Reorganisation in the consolidated statement of financial position, the balances as at 1 October 2017 and 2018 represented the share capital of all companies comprising the Group and that have been incorporated.

	Number of ordinary shares	**Par value**	**Share capital**
		HK$	HK$
Authorised share capital of the Company:			
At date of incorporation on 17 September 2018, 1 October 2018 and 31 March 2019	38,000,000	0.01	380,000
Increase on 23 August 2019 *(Note a)*	962,000,000	0.01	9,620,000
At 30 September 2019 (audited) and 31 March 2020 (unaudited)	1,000,000,000	0.01	10,000,000

	Number of ordinary shares	**Share capital**
		S$
Issued and fully paid of all companies comprising the Group:		
At 1 October 2017	6,895,000	6,895,000
Issue of shares pursuant to the Reorganisation *(Note 2(i))*	2	3
Issue of shares on date of incorporation of the Company *(Note 2(ii))*	1	–*
At 30 September 2018	6,895,003	6,895,003
Issued and fully paid of the Company:		
At 1 October 2018	1	–*
Issue of shares pursuant to the Reorganisation *(Note 2(iii))*	2	–*
Issue of shares pursuant to the Reorganisation *(Note 2(iv))*	60	–*
Issue of shares under the Capitalisation issue *(Note a)*	359,999,937	636,480
Issue of shares under the Share Offer *(Note b)*	120,000,000	211,200
At 30 September 2019 (audited) and 31 March 2020 (unaudited)	480,000,000	847,680

* *The amount is less than S$1.*

24 SHARE CAPITAL (continued)

Notes:

a. *Pursuant to the written resolution of the directors of the Company passed on 23 August 2019, it was resolved that, among other things:*

- *The authorised share capital of the Company was increased from HK$380,000 to HK$10,000,000 by the creation of an additional 962,000,000 shares; and*

- *Conditional on the share premium account of the Company being credited as a result of the Share Offer, the directors of the Company were authorised to capitalise the amount HK$3,599,999 (equivalent to S$636,480) from the amount standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par of 359,999,937 shares, rank pari passu in all respects with all the then existing shares.*

b. *The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 19 September 2019 by way of placing of 108,000,000 shares and public offer of 12,000,000 shares at the price of HK$1.07 per share ("Share Offer"), resulting in gross proceeds received by the Company of approximately HK$128.4 million (S$22.6 million).*

The net proceeds after deducting the underwriting commissions and expenses paid or payable by the Company in relation to the Share Offer amounted to HK$86.3 million (S$15.2 million).

25 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 and lease liabilities, net of bank deposits, bank balances and cash and equity attributable to owners of the Group, 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.

26 RELATED PARTY TRANSACTIONS

Related parties in these interim condensed consolidated financial statements refer to the Group's key management personnel and their close family members as well as entities jointly controlled by the executive directors of the Company.

Compensation of 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	
	2020	2019
	S$	S$
	(Unaudited)	(Unaudited)
Short-term benefits	**921,000**	840,044
Contributions to CPF	**67,495**	61,167
	988,495	901,211

27 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 31 March 2020 are set out below:

Name of subsidiary	Place of incorporation/ operation	Paid up issued capital	Group's effective interest	Interest held by the Company	Principal activities
Builink	BVI	US$2	100%	100%	Investment holding
Sing Tec Development	Singapore	S$6,500,000	100%	–	Provision of civil engineering works, building construction works and property investment
Sing Tec Construction	Singapore	S$345,000	100%	–	Provision of civil engineering works, building construction works and other ancillary services
Initial Resources	Singapore	S$50,000	100%	–	Provision of other ancillary services

None of the subsidiaries has issued any debt securities at end of the period.

28 PERFORMANCE BONDS

As at 31 March 2020, performance bonds of S$14,815,883 (30 September 2019: S$9,051,174) 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.

Management Discussion and Analysis

BUSINESS REVIEW

The Group has been established for over 20 years and is principally engaged in the provision of construction services and property investment business in Singapore. The Group specialises in providing construction services in (i) civil engineering works entailing road works, earthworks, drainage works, earth retaining stabilising structures ("ERSS") works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration ("A&A") 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.

During the six months ended 31 March 2020, the Group's revenue decreased by approximately 34.3% to approximately S$32.3 million as compared to approximately S$49.2 million for the six months ended 31 March 2019. The Group's gross profit and net profit also decreased by approximately 36.7% and 53.7% to approximately S$5.0 million and S$1.9 million respectively, as compared to the gross profit and net profit (excluding listing expenses) of approximately S$7.9 million and S$4.1 million for the six months ended 31 March 2019.

Such decrease is mainly attributable to (i) some of the sizable projects of the Group being substantially completed in the end of 2019 and fewer projects were awarded in the six months ended 31 March 2020 as compared to the six months ended 31 March 2019; (ii) the first case of novel coronavirus (the "COVID-19") occurred in Singapore in the end of January 2020 causing slowdown of the progress of the on-going projects of the Group. Due to the outbreak of COVID-19 in China, the Chinese workers from subcontractors were unable to report for work after the Chinese New Year in 2020 and the Group and its subcontractors failed to find enough number of substitute workers to perform the site works of the on-going projects; and (iii) the Malaysia movement control order (the "cordon sanitaire") implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19. The cordon sanitaire involves prohibition of movement which affected the Group's supply chain in construction materials between Malaysia and Singapore from 18 March 2020 to 9 June 2020 (both dates inclusive), thus leading to a slowdown in business operation.

In the upcoming year, the Group anticipates an adverse impact to our business operation and financial performance as the construction industry's growth in Singapore is expected to weaken in 2020 and 2021 from the elevated risks of COVID-19. In view of the latest development of the COVID-19 pandemic in Singapore, the Ministry of Health of Singapore further outlined tighter measures to reduce the local transmission of COVID-19. These tighter measures include closure of more work premises and restriction of movement of workers residing in dormitories. Other than essential services, business activities that cannot be conducted through telecommuting or other means from home shall be suspended from 7 April 2020 to 1 June 2020 (both dates inclusive) as a circuit breaker (the "Circuit Breaker Period") to curb further spread of the COVID-19. Save for emergency repairs and rudimentary maintenance works, the majority of the Group's construction projects were halted resulting in inevitable delay and disruption to the progress of the Group's construction works during the Circuit Breaker Period.

The Group commits to monitor the situation closely and work with the Group's customers and relevant government authorities to mitigate any potential risks and issues.

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from (i) the provision of civil engineering works, building construction works and other ancillary services which include logistics and transportation services of construction materials, for both public and private sector customers; and (ii) property investment business.

The Group's civil engineering and building construction services are widely required in new infrastructure and building developments, redevelopment, A&A 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 summarises the breakdown of the Group's revenue segments:

	For the six months ended 31 March			
	2020		2019	
	Revenue S$ million	**% of total revenue**	Revenue S$ million	% of total revenue
Construction services				
Civil engineering works	**29.6**	**91.7**	40.5	82.3
Building construction works	**2.0**	**6.2**	7.8	15.9
Other ancillary services	**0.4**	**1.2**	0.6	1.2
	32.0		48.9	
Property investment	**0.3**	**0.9**	0.3	0.6
Total	**32.3**	**100.0**	49.2	100.0

The Group's revenue decreased by approximately S$16.9 million or approximately 34.3% from approximately S$49.2 million for the six months ended 31 March 2019 to approximately S$32.3 million for the six months ended 31 March 2020. The Group's revenue decreased mainly due to the decrease in revenue from both civil engineering works and building construction works by approximately S$10.9 million and S$5.8 million respectively. The decrease in revenue was also attributed to some of the sizable projects of the Group substantially completed in the end of 2019 and fewer projects awarded in the six months ended 31 March 2020 as compared to the six months ended 31 March 2019.

Revenue contributed from property investment remains stable.

The following table sets out the breakdown of the Group's revenue in relation to the construction services by reference to the type of customers:

	For the six months ended 31 March			
	2020		2019	
	Revenue S$ million	**% of total revenue**	Revenue S$ million	% of total revenue
Public customers	**15.3**	**47.8**	28.6	58.5
Private customers	**16.7**	**52.2**	20.3	41.5
Total	**32.0**	**100.0**	48.9	100.0

The decrease in the Group's revenue during the six months ended 31 March 2020 is mainly due to the decrease in revenue contributed from public customers by approximately S$13.3 million or approximately 46.5%. The decrease in such revenue was attributed to majority of the sizable public projects of the Group substantially completed in the end of 2019, and hence contributed lesser revenue as compared to the six months ended 31 March 2019.

Cost of Services

The Group's cost of services decreased by approximately S$14.0 million or approximately 33.9% from approximately S$41.3 million for the six months ended 31 March 2019 to approximately S$27.3 million for the six months ended 31 March 2020. Such decrease in cost of services was generally in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 31 March 2020 amounted to approximately S$5.0 million, representing a decrease of approximately S$2.9 million or approximately 36.7% as compared with approximately S$7.9 million for the six months ended 31 March 2019.

The Group's gross profit margin for the six months ended 31 March 2020 was approximately 15.5%, which was relatively stable when compared with approximately 16.1% for the six months ended 31 March 2019.

Other Income

Other income mainly included (i) government grants, (ii) rental income from renting properties to executive Directors and (iii) rental income from renting equipment. During the six months ended 31 March 2020, other income amounted to approximately S$0.2 million as compared to approximately S$0.1 million for the six months ended 31 March 2019. The slight increase in other income was mainly due to the increase in government grants of approximately S$33,000 and the increase in rental income for renting equipment of approximately S$45,000 during the six months ended 31 March 2020.

Other Gains or Losses

Other gains or losses mainly included (i) net gain on disposal of property, plant and equipment, (ii) gain from sale of scrap materials and (iii) net foreign exchange gains. During the six months ended 31 March 2020, other gains and losses amounted to a net gain of approximately S$0.6 million as compared to approximately S$0.2 million for the six months ended 31 March 2019. The increase in net gain was mainly due to an increase in net gain on disposal of property, plant and equipment and increase in net foreign exchange gains, partially offset by a decrease in the fair value gains on the Group's investment properties and fair value gains on investment properties held under joint operations during the six months ended 31 March 2020.

Administrative Expenses

The administrative expenses of the Group for the six months ended 31 March 2020 remains relatively stable as compared to the six months ended 31 March 2019, which amounted to approximately S$2.8 million.

Finance Costs

The Group's finance costs for the six months ended 31 March 2020 amounted to approximately S$0.6 million which is relatively stable when compared to S$0.5 million for the six months ended 31 March 2019.

Income Tax Expense

The Group's income tax expense decreased by approximately S$0.4 million from approximately S$0.8 million for the six months ended 31 March 2019 to approximately S$0.4 million for the six months ended 31 March 2020. Such decrease was mainly driven by the decrease in profit before taxation, excluding the tax effect of the non-deductible listing expenses of approximately S$2.0 million incurred during the six months ended 31 March 2019.

Profit for the Year

Profit after taxation of the Group for the six months ended 31 March 2020 decreased by approximately S$0.2 million or approximately 9.5%, from approximately S$2.1 million for the six months ended 31 March 2019 to S$1.9 million for the six months ended 31 March 2020. Excluding the listing expenses of approximately S$2.0 million and S$Nil for the six months ended 31 March 2019 and 31 March 2020 respectively, the profit after taxation for the six months ended 31 March 2019 and 31 March 2020 of the Group would have been approximately S$4.1 million and S$1.9 million respectively and the decrease in profit after taxation would be approximately S$2.2 million, or approximately 53.7%.

Interim Dividend

The Board did not recommend the declaration of an interim dividend for the six months ended 31 March 2020 (six months ended 31 March 2019: 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 balance. The Group's overall strategy remains unchanged from 2019. The capital structure of the Group consists of debt, which includes bank overdrafts and borrowings and lease liabilities, net of bank deposits, bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves.

The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated from operations and net proceeds from the Share Offer.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in Singapore dollars and Hong Kong dollars, are generally deposited with certain financial institutions.

As at 31 March 2020, the Group had total bank balances and cash of approximately S$11.0 million as compared to approximately S$20.9 million as at 30 September 2019. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations), obligations under finance leases and lease liabilities of approximately S$23.6 million as compared to approximately S$26.2 million as at 30 September 2019.

Pledge of Assets

The Group had pledged its bank deposits, owner-occupied properties, investment properties and investment properties held under joint operations to secure banking facilities, including bank borrowings, during the six months ended 31 March 2019 and 31 March 2020.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements at all times.

Foreign Exchange Risk

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in Singapore dollars and the Group's assets and liabilities are primarily denominated in Singapore dollars. However, the Group has certain bank balances denominated in Hong Kong dollars amounting to approximately S$9.4 million as at 31 March 2020 which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movements of the foreign currency rate.

Gearing Ratio

Gearing ratio is calculated by dividing all borrowings by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 31 March 2020 was approximately 43.5% (30 September 2019: 50.2%).

Significant Investment, Material Acquisitions and Disposal of Subsidiaries and Associated Companies

Apart from the reorganisation in relation to the listing of the Company's shares (as set out under the section headed "History, Development and Reorganisation" in the prospectus of the Company dated 29 August 2019 (the "Prospectus")), there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the six months ended 31 March 2020. Save for the business plan as disclosed in the Prospectus, there was no plan for material investments or capital assets as at 31 March 2020.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the Prospectus, the Group did not have other future plans for material investments or capital assets as at 31 March 2020.

Employees and Remuneration Policy

As at 31 March 2020, the Group had a total of 246 employees (31 March 2019: 213 employees), including two executive Directors but excluding three independent non-executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the six months ended 31 March 2020 amounted to approximately S$4.9 million (six months ended 31 March 2019: S$4.7 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 CPF and job training programs, salary increments and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

Performance Bonds

As at 31 March 2020, the Group had performance bonds of approximately S$14.8 million (30 September 2019: S$9.1 million) given in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

Capital Expenditures and Capital Commitments

During the six months ended 31 March 2020, the Group acquired items of property, plant and equipment of approximately S$1.7 million (30 September 2019: S$2.0 million). Save for the future plans and the proceeds as set out in the Prospectus, the Group had no material capital commitments as at 31 March 2020.

Use of Net Proceeds from the Share Offer

The net proceeds from the Share Offer were approximately HK$86.3 million (after deducting listing expenses). An analysis of the utilisation of the net proceeds from the Share Offer from the Listing Date (i.e. 19 September 2019) up to 31 March 2020 is set out below:

Purposes	HK$ million	Approximate percentage of the total net proceeds	Approximate actual amount utilised as at 31 March 2020 HK$ million	Unused amount of net proceeds as at 31 March 2020 HK$ million
Strengthening the Group's financial position	21.8	25.3%	18.9	2.9
Enhancing the Group's machinery fleet	31.0	36.0%	6.0	25.0
Strengthening the Group's workforce	11.6	13.4%	0.7	10.9
Developing production area for steel bar fabrication	2.0	2.3%	0.2	1.8
Investing in BIM and ERP systems	5.3	6.1%	0.0	5.3
Acquiring investment properties	14.6	16.9%	0.0	14.6

As at 31 March 2020, part of the unused amount of net proceeds was placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and Singapore. Up to 31 March 2020, all net proceeds were applied in accordance with the intentions previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned.

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

As at 31 March 2020, the interests and short positions of the Directors and chief executive 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 ("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 as set out in Appendix 10 ("Model Code") of the Listing Rules were as follows:

(a) Long positions in the shares of HK$0.01 each of the Company ("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%
Mr. Teo Teck Thye ("Mr. Teo") *(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. Mr. Poon, Mr. Teo and HG TEC are regarded as a group of controlling shareholders of the Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be 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.

(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%
Mr. Teo (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 and as to 50% by Mr. Teo.

Save as disclosed above, as at 31 March 2020, none of the Directors or chief executive 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 of the Listing Rules.

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

As at 31 March 2020, 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 the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be 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. Accordingly, Ms. Yeo Siew Lan 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. Accordingly, Ms. Ng Kwee Bee 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 2020, 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 DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the profiles of the Directors have been updated as follows:

Independent non-executive Directors

Mr. May Tai Keung Nicholas, aged 58, 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 a member of the audit and nomination committee of the Company.

Mr. May has gained experience in areas of accounting, finance and general management since 1987. From September 1987 to October 1990, he worked with Deloitte Ross Tohmatsu (currently known as Deloitte Touche Tohmatsu) in the audit department. Since then, he had worked at management level in various private companies. From October 2002 to October 2003, he worked for Kinetana International Biotech Pharma Ltd, a company listed on GEM of the Stock Exchange (stock code: 8031) and delisted from the Stock Exchange in September 2006, as the financial controller and company secretary. From March 2004 to July 2005, he worked for Zhongda International Holdings Ltd, a company listed on the Main Board of the Stock Exchange (the "Main Board") (stock code: 909), as the group financial controller and company secretary. From August 2005 to October 2006, he worked for Matsunichi Communication Holdings Limited (currently known as Goldin Properties Holdings Limited), a company listed on the Main Board (stock code: 283) and delisted from the Stock Exchange in August 2017, as the chief financial officer and company secretary and his last position as deputy general manager. From April 2007 to October 2009, he worked for Hopewell Holdings Limited, a company listed on the Main Board (stock code: 54), as the group financial controller. From May 2008 to October 2009, he also worked for Hopewell Highway Infrastructure Limited (now known as Shenzhen Investment Holdings Bay Avea Development Company Limited), a company listed on the Main Board (stock code: 737), as an alternate director. From March 2010 to March 2013, he worked for China Resources Property Management Limited as the chief financial officer and internal audit director. In addition, from April 2015 to January 2018, Mr. May served in China Information Technology Development Limited, a company listed on GEM of the Stock Exchange (stock code: 8178), as an independent non-executive director.

Since July 2013, he has been appointed as the director of Nichova Consultants Ltd. On 22 January 2020, Mr. May was appointed as an independent non-executive director of SEM Holdings Limited (stock code: 9929).

Mr. May obtained a degree of bachelor of economics from Macquarie University in Australia in April 1986 and a degree of master of commerce in finance from the University of New South Wales in Australia in June 1995. He has been an associate of the Hong Kong Society of Accountants (currently known as The Hong Kong Institute of Certified Public Accountants) since June 1990.

Mr. Tam Hon Fai, aged 36, 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 listed on GEM of the Stock Exchange in July 2014 and transferred of its listing to the Main Board in February 2017, responsible for financial operations and management. Since January 2012, Mr. Tam has acted as audit partner of CTY & Co. In June 2019, Mr. Tam joined JMG Corporate Consulting Limited, a firm principally engaged in provision of corporate advisory services, and appointed as executive director.

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 qualified accountant of the Hong Kong Institute of Certified Public Accountants since January 2010.

Mr. Chan Kwok Wing Kelvin, aged 66, 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 remuneration committee and a member of the audit and nomination committee of the Company.

From October 1979 to July 1980, Mr. Chan worked with Ng Chun Man & Associates as town planner. From July 1980 to July 1981, he worked with Hong Kong Prisons Department (currently known as Hong Kong Correctional Services Department) as executive officer. From July 1981 to December 2013, he worked with the Planning Department of Hong Kong government, with his last position as chief town planner. Since January 2010, Mr. Chan has been a director of several limited companies, which are mainly engaged in provision of corporate services and properties and investment holding. On 20 May 2020, Mr. Chan was appointed as an independent non-executive director of Kingland Group Holdings Limited, a company listed on the Main Board (stock code: 1751).

Mr. Chan obtained a degree of bachelor of arts from the University of Toronto in June 1979 and degree of master of philosophy from the University of London in July 1985. He also obtained a certificate in urban design from the University of Hong Kong in June 1992 and a postgraduate diploma in photography from the School of Professional and Continuing Education of the University of Hong Kong in June 2016. He was elected as a member of the Hong Kong Institute of Planners in July 1986 and a member of the Royal Town Planning Institute in June 1986.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding directors' securities transactions throughout the six months ended 31 March 2020.

SHARE OPTION SCHEME

The Company conditionally 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 main purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 23 August 2019 and during the six months ended 31 March 2020, and there is no outstanding share options as at 31 March 2020.

EVENTS AFTER THE REPORTING PERIOD

Save as the voluntary announcement dated 9 April 2020 in relation to the Group's business update on COVID-19, there are no significant events relevant to the business or financial or operational performance of the Group that comes to the attention of the Directors after the six months ended 31 March 2020.

CORPORATE GOVERNANCE

During the six months ended 31 March 2020, the Company complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

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

During the six months ended 31 March 2020, 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 interim results for the six months ended 31 March 2020 and discussed with the management on the accounting principles and practices adopted by the Group. The Audit Committee was of the opinion 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. The figures in respect of the announcement of the Group's results for the six months ended 31 March 2020 have been reviewed and agreed by the Audit Committee, to the amounts set out in the Group's unaudited consolidated financial statements for the six months ended 31 March 2020. The interim accounts are prepared in accordance with International Financial Reporting Standards.

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

Hong Kong, 29 May 2020