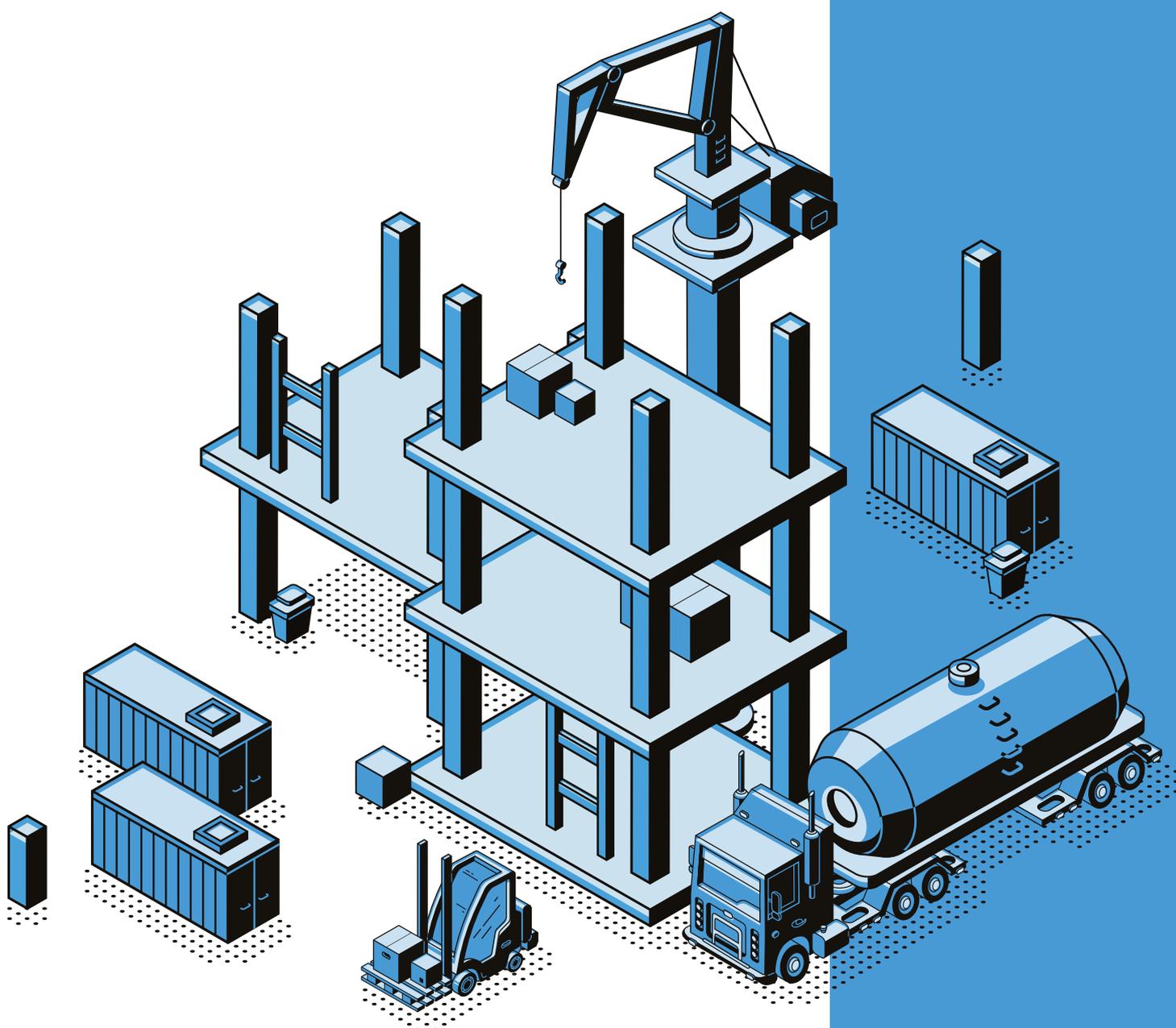


S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

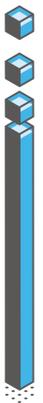
Stock code : 3928



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Poon Soon Huat (*Chairman*)
Mr. Koh Chew Chiang (alias Xu Zhouchang)
(formerly known as Faris Koh)
(*Chief Executive Officer*)
(*appointed on 26 November 2021*)
Mr. Teo Teck Thye (*Chief Executive Officer*)
(*resigned on 26 November 2021*)

Independent Non-Executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Mr. Chan Kwok Wing Kelvin (*Chairman*)
Mr. Koh Chew Chiang (alias Xu Zhouchang)
(formerly known as Faris Koh)
(*appointed on 26 November 2021*)
Mr. Tam Hon Fai
Mr. Teo Teck Thye
(*resigned on 26 November 2021*)

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Leung Hoi Yan

AUTHORISED REPRESENTATIVES

Mr. Poon Soon Huat
Ms. Leung Hoi Yan

LEGAL ADVISER TO THE COMPANY

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

COMPLIANCE ADVISER

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

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

16 Kian Teck Way
Singapore 628749

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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



BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Maybank Banking Berhad
United Overseas Bank Limited
DBS Bank Ltd

AUDITOR

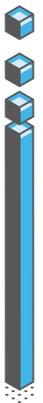
HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

COMPANY'S WEBSITE

www.singtec.com.sg

STOCK CODE

3928



The board (the “**Board**”) of directors (the “**Directors**”) of S&T Holdings Limited (the “**Company**”) announces 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 2022 together with comparative figures for the corresponding period in 2021.

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

For the six months ended 31 March 2022

	Note	Six months ended 31 March	
		2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Revenue			
Services	4	30,452,505	21,967,208
Rental	4	292,400	134,243
Total revenue		30,744,905	22,101,451
Cost of services		(30,103,564)	(26,000,139)
Gross profit/(loss)		641,341	(3,898,688)
Other income	5	549,184	1,215,444
Other gains and losses	6	275,947	110,286
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net		324,199	(79,431)
Administrative expenses		(4,001,302)	(3,955,785)
Finance costs	7	(582,959)	(625,395)
Share of result of a joint venture		(2,267)	1,206
Loss before taxation	8	(2,795,857)	(7,232,363)
Income tax expense	9	(39,298)	(58,154)
Loss and total comprehensive loss for the period		(2,835,155)	(7,290,517)
Basic and diluted loss per share (S cents)	11	(0.59)	(1.52)



Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2022

	Note	31 March 2022 S\$ (Unaudited)	30 September 2021 S\$ (Audited)
Non-current assets			
Property, plant and equipment	12	16,116,448	17,734,962
Investment properties	13	9,703,000	9,703,000
Investment properties held under joint operations	13	6,215,000	6,215,000
Interest in a joint venture		1,112,272	1,114,539
Financial assets at fair value through profit or loss	24	1,253,608	1,249,682
Bank deposits		226,558	226,514
		34,626,886	36,243,697
Current assets			
Trade receivables	14	6,210,998	8,348,440
Other receivables, deposits and prepayments	15	1,829,863	2,051,739
Income tax recoverable		–	39,298
Contract assets	16	19,816,376	19,745,844
Bank balances and cash		8,557,243	9,306,004
		36,414,480	39,491,325
Current liabilities			
Trade and other payables	17	16,856,015	16,005,411
Contract liabilities	16	127,659	334,783
Bank overdrafts	18	5,704,886	6,003,932
Bank borrowings	18	4,022,075	4,117,164
Bank borrowings held under joint operations	18	231,561	229,523
Lease liabilities	19	1,070,738	1,794,779
		28,012,934	28,485,592
Net current assets		8,401,546	11,005,733
Total assets less current liabilities		43,028,432	47,249,430
Non-current liabilities			
Bank borrowings	18	10,574,910	11,464,165
Bank borrowings held under joint operations	18	3,146,603	3,264,834
Lease liabilities	19	1,652,889	2,031,246
		15,374,402	16,760,245
Net assets		27,654,030	30,489,185



Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2022

	Note	31 March 2022 S\$ (Unaudited)	30 September 2021 S\$ (Audited)
Capital and reserves			
Share capital	20	847,680	847,680
Reserves		26,806,350	29,641,505
		27,654,030	30,489,185



Interim Condensed Consolidated Statement of Changes in Equity

As at 31 March 2022

	Share capital S\$	Share premium S\$	Merger reserves S\$	Other reserves S\$	Properties revaluation reserves S\$	Accumulated profits/(losses) S\$	Total S\$
At 30 September 2020 and 1 October 2020 (audited)	847,680	18,742,783	6,895,003	1,109,142	767,248	13,321,971	41,683,827
Loss and total comprehensive loss for the period	-	-	-	-	-	(7,290,517)	(7,290,517)
At 31 March 2021 (unaudited)	847,680	18,742,783	6,895,003	1,109,142	767,248	6,031,454	34,393,310
At 30 September 2021 and 1 October 2021 (audited)	847,680	18,742,783	6,895,003	1,109,142	767,248	2,127,329	30,489,185
Loss and total comprehensive loss for the period	-	-	-	-	-	(2,835,155)	(2,835,155)
At 31 March 2022 (unaudited)	847,680	18,742,783	6,895,003	1,109,142	767,248	(707,826)	27,654,030



Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2022

	Six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
OPERATING ACTIVITIES		
Loss before taxation	(2,795,857)	(7,232,363)
Adjustments for:		
Depreciation of property, plant and equipment	1,615,914	1,656,166
Fair value gains on financial assets at fair value through profit or loss (Reversal of)/allowance for expect credit losses on financial assets and contract assets, net	(3,926)	(3,909)
Finance costs	(324,199)	79,431
Interest income	582,959	625,395
Net exchange differences	(44)	(110)
Net gain on disposal of property, plant and equipment	102,812	180,126
Share of result of a joint venture	(72,900)	(188,253)
	2,267	(1,206)
Operating cash flow before movement in working capital	(892,974)	(4,884,723)
Movements in working capital:		
Trade receivables	2,309,489	(1,334,895)
Other receivables, deposits and prepayments	221,876	4,015,667
Contract assets	81,620	1,946,557
Contract liabilities	(207,124)	(34,885)
Trade and other payables	850,604	1,075,402
Cash generated from operations	2,363,491	783,123
Income tax paid	-	(157,180)
Net cash from operating activities	2,363,491	625,943
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	75,500	215,211
Purchase of property, plant and equipment	-	(18,706)
Net cash from investing activities	75,500	196,505



Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 31 March 2022

	Six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
FINANCING ACTIVITIES		
Interest paid	(582,959)	(625,395)
Repayment of lease liabilities	(1,102,398)	(1,351,147)
(Repayment)/drawdown of bank overdrafts	(299,046)	623,931
Repayment of bank borrowings	(3,401,503)	(3,603,774)
Proceeds from bank borrowings	2,300,966	3,739,496
Net cash used in financing activities	(3,084,940)	(1,216,889)
Net decrease in cash and cash equivalents	(645,949)	(394,441)
Cash and cash equivalents at beginning of the period	9,306,004	10,093,499
Effect of foreign exchange rate changes on bank balances and cash	(102,812)	(180,126)
Cash and cash equivalents at end of the period, represented by bank balances and cash	8,557,243	9,518,932



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

1 GENERAL

S&T Holdings Limited (the "**Company**") was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 17 September 2018. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") on 14 December 2018 and the principal place of business in Hong Kong is Unit B, 17/F, United Centre, 95 Queensway, Hong Kong. The principal place of business is at 16 Kian Teck Way, Singapore 628749. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 19 September 2019.

The Company is a subsidiary of HG TEC Holdings Limited ("**HG TEC**"), incorporated in the British Virgin Islands, which is also the Company's ultimate holding company. HG TEC is owned by Mr. Poon Soon Huat and Mr. Teo Teck Thye.

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

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

2 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 30 September 2021 which has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS**").

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



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

3 ACCOUNTING POLICIES

The accounting policies and methods of computation used in the unaudited interim condensed consolidated financial statements for the six months ended 31 March 2022 are the same as those presented in the Company's audited consolidated financial statements for the year ended 30 September 2021.

The Group has applied for the first time the following standards and amendments, which are mandatorily effective for the annual period beginning on or after 1 October 2021 for the preparation of the unaudited interim condensed consolidated financial statements:

IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16
IFRS 16 (Amendments)

Interest Rate Benchmark Reform – Phase 2
COVID-19 Related Rent Concessions beyond 30 June
2021

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



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

4 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of construction services (including civil engineering works, building construction works and other ancillary services) by the Group to external customers and property investment being rental income from investment properties and investment properties held under joint operations.

(i) Disaggregation of revenue from contracts with customers

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Type of services		
Construction services		
– Civil engineering works	27,050,809	18,230,723
– Building construction works	3,266,352	2,927,770
– Other ancillary services	135,344	808,715
Revenue from contracts with customers	30,452,505	21,967,208
Rental from property investment	292,400	134,243
Segment revenue (Note 4(iii))	30,744,905	22,101,451
Timing of revenue recognition		
Over time	30,452,505	21,967,208
Types of customers		
Corporate	22,157,182	15,064,883
Government	8,295,323	6,902,325
	30,452,505	21,967,208

(ii) Performance obligations for contracts with customers

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



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

4 REVENUE AND SEGMENT INFORMATION (continued)

(iii) Segment information

Information is reported to the executive directors of the Company, being the Chief Operating Decision Makers ("CODMs") of the Group, for the purposes of resource allocation and performance assessment. The CODMs review segment revenue and results attributable to each segment, which is measured by reference to respective segments' gross profit. The Group has two operating segments as follows:

- Construction services: 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.

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

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Segment revenues		
Construction services	30,452,505	21,967,208
Property investment	292,400	134,243
	30,744,905	22,101,451
Segment results		
Construction services	417,999	(3,952,125)
Property investment	223,342	53,437
	641,341	(3,898,688)
Unallocated:		
Other income	549,184	1,215,444
Other gains and losses	275,947	110,286
Administrative expenses	(4,001,302)	(3,955,785)
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net	324,199	(79,431)
Finance costs	(582,959)	(625,395)
Share of result of a joint venture	(2,267)	1,206
Loss before taxation	(2,795,857)	(7,232,363)



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

4 REVENUE AND SEGMENT INFORMATION (continued)

(iv) Information about major customers

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

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Customer I**	3,967,951	4,884,832
Customer II**	N/A*	2,309,377
Customer III**	7,744,801	N/A*
Customer IV**	7,078,858	N/A*
Customer V**	4,047,103	N/A*

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

** Revenue is from segment of construction services.

(v) Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group's revenue for the six months ended 31 March 2022 represents 100% (six months ended 31 March 2021: 100%) of the total revenue of the Group. The Group's non-current assets are all located in Singapore.

5 OTHER INCOME

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Government grants (Note)	220,027	1,006,238
Rental income from renting properties to directors (Note 22)	52,000	66,000
Others	277,157	143,206
	549,184	1,215,444

Note: Government grants mainly included COVID-19 related support by the Singapore Government to help companies tide through this period of economic uncertainty, such as foreign worker levy rebates and the Jobs Support Scheme.



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

6 OTHER GAINS AND LOSSES

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Net gain on disposal of property, plant and equipment	72,900	188,253
Gain from sale of scrap materials	301,933	84,255
Fair value gains on financial assets at fair value through profit or loss	3,926	3,909
Net foreign exchange losses	(102,812)	(180,126)
Others	–	13,995
	275,947	110,286

7 FINANCE COSTS

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Interests on:		
– Bank borrowings and overdrafts	531,785	542,357
– Lease liabilities	51,174	83,038
	582,959	625,395



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

8 LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Depreciation of right-of-use assets and property, plant and equipment, recognised as cost of services	1,019,901	1,214,840
recognised as administrative expenses	596,013	441,327
	1,615,914	1,656,167
Directors' remuneration	540,696	544,695
Other staff costs:		
– Salaries and other benefits	2,991,961	3,336,178
– Contributions to Central Provident Fund ("CPF")	193,915	281,841
– Foreign worker levy and skill development levy	515,409	898,463
Total staff costs (including directors' remuneration), of which:	4,241,981	5,061,177
recognised as cost of services	2,991,850	3,495,638
recognised as administrative expenses	1,250,131	1,565,539
Cost of materials recognised as cost of services	4,534,551	5,160,355
Subcontracting fees recognised as cost of services	20,959,189	13,557,761



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

9 INCOME TAX EXPENSE

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Current tax		
– Underprovision of Singapore corporate income tax in prior years	39,298	58,154

10 DIVIDENDS

No dividend has been declared by the Company or group entities during the six months ended 31 March 2022 and 2021 or subsequent to the period end.

11 LOSS PER SHARE

	For the six months ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Loss for the period attributable to owners of the Company (S\$)	(2,835,155)	(7,290,517)
Weighted average number of ordinary shares in issue	480,000,000	480,000,000
Basic and diluted loss per share (S cents)	(0.59)	(1.52)

The calculation of basic loss per share for the six months ended 31 March 2022 and 2021 is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue.

Diluted loss per share is the same as the basic loss per share because the Group has no dilutive securities that are convertible into shares during the six months ended 31 March 2022 and 2021.



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and properties S\$	Buildings and freehold land S\$	Dormitories S\$	Motor vehicles S\$	Plant and machinery S\$	Office equipment S\$	Furniture and fittings S\$	Leasehold improvements S\$	Total S\$
Cost:									
At 1 October 2020	9,888,907	3,548,113	695,967	6,764,173	14,212,400	429,297	112,236	1,704,544	37,355,637
Additions	-	-	167,680	172,716	786,000	18,328	-	-	1,144,724
Disposal/written off	-	-	(118,679)	(358,476)	(2,853,500)	(17,070)	-	-	(3,347,725)
At 30 September 2021 and 1 October 2021	9,888,907	3,548,113	744,968	6,578,413	12,144,900	430,555	112,236	1,704,544	35,152,636
Disposal/written off	-	-	-	-	(330,000)	-	-	-	(330,000)
At 31 March 2022	9,888,907	3,548,113	744,968	6,578,413	11,814,900	430,555	112,236	1,704,544	34,822,636
Accumulated depreciation:									
At 1 October 2020	998,195	221,830	273,343	5,018,010	8,871,995	255,807	82,400	1,266,351	16,987,931
Charge for the period	464,090	22,202	372,782	644,421	1,737,834	63,275	13,555	194,500	3,512,659
Elimination on disposal/ written off	-	-	(118,679)	(234,449)	(2,713,100)	(16,688)	-	-	(3,082,916)
At 30 September 2021 and 1 October 2021	1,462,285	244,032	527,446	5,427,982	7,896,729	302,394	95,955	1,460,851	17,417,674
Charge for the period	226,293	11,101	183,785	261,858	799,987	29,309	6,472	97,109	1,615,914
Elimination on disposal/ written off	-	-	-	-	(327,400)	-	-	-	(327,400)
At 31 March 2022	1,688,578	255,133	711,231	5,689,840	8,369,316	331,703	102,427	1,557,960	18,706,188
Carrying values:									
At 30 September 2021 (audited)	8,426,622	3,304,081	271,522	1,150,431	4,248,171	128,161	16,281	243,693	17,734,962
At 31 March 2022 (unaudited)	8,200,329	3,292,980	33,737	888,573	3,445,584	98,852	9,809	146,584	16,116,448



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

12 PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying amounts of right-of-use assets are set out below:

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Right-of-use assets:		
Leasehold land	1,159,031	1,246,364
Dormitories	33,737	217,521
Plant and machinery	1,971,784	3,398,843
Motor vehicles	4,233	778,407
	3,168,785	5,641,135

The leasehold properties and buildings and freehold land with carrying value of S\$10,334,279 (as at 30 September 2021: S\$10,484,340) in total are pledged to banks to secure banking facilities including bank borrowings.

13 INVESTMENT PROPERTIES/INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS

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

The valuations of the Group's investment properties and investment properties held under joint operations were carried out on 30 September 2021 by ROMA Appraisals Limited, an independent qualified professional valuer not related to the Group, whose method of valuation has been disclosed below. Management has assessed that the key inputs and assumptions used for the valuation on 30 September 2021 remain applicable and reasonable as at 31 March 2022.



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

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

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

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Investment properties		
21 Toh Guan Road East #01-10, Singapore 608609	1,480,000	1,480,000
21 Toh Guan Road East #01-11, Singapore 608609	1,480,000	1,480,000
45 Hillview Avenue #01-05, Singapore 669613	1,950,000	1,950,000
45 Hillview Avenue #01-06, Singapore 669613	1,940,000	1,940,000
11 Kang Choo Bin Road #01-01, Singapore 548315	1,300,000	1,300,000
11 Kang Choo Bin Road #01-03, Singapore 548315	1,553,000	1,553,000
	9,703,000	9,703,000
Investment properties held under joint operations		
7 Soon Lee Street #01-13, Singapore 627608	3,560,000	3,560,000
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729	8,870,000	8,870,000
	12,430,000	12,430,000
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	6,215,000	6,215,000

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



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

14 TRADE RECEIVABLES

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Trade receivables	6,362,637	8,216,689
Less: allowance for expected credit losses	(151,639)	(323,686)
	6,210,998	7,893,003
Unbilled revenue	-	455,437
	6,210,998	8,348,440

The Group grants credit terms to customers typically 30 to 35 days (as at 30 September 2021: 30 to 35 days) from the invoice dates, for the six months ended 31 March 2022. The following is an aging analysis of trade receivables, net of allowance for expected credit losses, presented based on the invoice date at the end of each reporting period:

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Within 30 days	3,372,286	4,856,319
31 days to 60 days	32,546	54,545
61 days to 90 days	272,969	347,486
91 days to 180 days	379,702	934,583
181 days to 1 year	924,208	1,002,309
Over 1 year	1,229,287	697,761
	6,210,998	7,893,003



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Sundry debtors	537,046	898,959
Advances to subcontractors	–	104,940
Prepayments	395,477	434,741
Deposits	912,926	628,685
	1,845,449	2,067,325
Less: allowance for expected credit losses	(15,586)	(15,586)
	1,829,863	2,051,739

16 CONTRACT ASSETS/LIABILITIES

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

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Contract assets, net of loss allowance	19,816,376	19,745,844
Contract liabilities	(127,659)	(334,783)
	19,688,717	19,411,061



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

16 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets

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

The Group's contract assets are analysed as follows:

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Construction contracts – current:		
Retention receivables	3,574,555	3,749,578
Others*	16,506,826	16,413,423
	20,081,381	20,163,001
Less: allowance for expected credit losses	(265,005)	(417,157)
	19,816,376	19,745,844

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

Contract liabilities

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

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Construction contracts – current	127,659	334,783



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

17 TRADE AND OTHER PAYABLES

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Trade payables	3,638,118	4,831,887
Trade accruals	7,166,297	5,282,894
Retention payables*	3,488,040	3,272,875
	14,292,455	13,387,656
Payroll and CPF payables	689,866	873,771
Deposits	81,700	95,900
Sundry creditors	1,151,975	632,716
Goods and Services Tax ("GST") payable	150,419	175,168
Accrued expenses	489,600	840,200
	2,563,560	2,617,755
	16,856,015	16,005,411

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

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

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Within 30 days	1,433,113	1,049,616
31 days to 60 days	1,025,347	1,539,307
61 days to 90 days	991,648	1,508,521
Over 90 days	188,010	734,443
	3,638,118	4,831,887



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

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

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Bank overdrafts	5,704,886	6,003,932
Bank borrowings and bank borrowings held under joint operations – secured and guaranteed	17,975,149	19,075,686
	23,680,035	25,079,618
Maturity analysis:		
Within one year (amounts shown under current liabilities)	9,958,522	10,350,619
More than one year, but not exceeding five years	6,336,293	6,868,458
More than five years	7,385,220	7,860,541
Amounts shown under non-current liabilities	13,721,513	14,728,999
	23,680,035	25,079,618
Analysed as:		
Current liabilities		
Bank overdrafts	5,704,886	6,003,932
Bank borrowings	4,022,075	4,117,164
Bank borrowings held under joint operations	231,561	229,523
	9,958,522	10,350,619
Non-current liabilities		
Bank borrowings	10,574,910	11,464,165
Bank borrowings held under joint operations	3,146,603	3,264,834
	13,721,513	14,728,999



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

19 LEASE LIABILITIES

	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)
Lease liabilities payable:		
Within one year	1,070,738	1,794,779
More than one year, but not exceeding five years	706,451	1,059,267
More than five years	946,438	971,979
Non-current	1,652,889	2,031,246
Total lease liabilities	2,723,627	3,826,025
Analysed as:		
Current	1,070,738	1,794,779
Non-current	1,652,889	2,031,246
	2,723,627	3,826,025

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function. The weighted average incremental borrowing rates applied to lease liabilities range from 2.3% to 5.1% (as at 30 September 2021: 2.3% to 5.1%).

20 SHARE CAPITAL

	Number of ordinary shares	Par value HK\$	Share capital HK\$
Authorised share capital of the Company:			
At 1 October 2021 and 31 March 2022	1,000,000,000	0.01	10,000,000
	Number of ordinary shares	Share capital HK\$	Share capital S\$
Issued and fully paid of the Company:			
At 1 October 2021 and 31 March 2022	480,000,000	4,800,000	847,680



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

21 CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

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

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

22 RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with related parties:

Name of related parties	Nature of transaction	For the six months ended 31 March	
		2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Mr. Poon Soon Huat (Note (i))	Rental income	42,000	36,000
Mr. Teo Teck Thye (Notes (i) and (ii))	Rental income	10,000	30,000

Notes:

(i) Mr. Poon Soon Huat acted as the chairman of the Company and Mr. Teo Teck Thye was the then chief executive officer of the Company.

(ii) Mr. Teo Teck Thye resigned with effect from 26 November 2021.



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

22 RELATED PARTY TRANSACTIONS (continued)

Compensation of directors and other key management personnel

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

	For the six months ended 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Directors		
Salaries and allowances	436,000	494,500
Director fees	62,526	35,435
Discretionary bonus	20,000	–
Contributions to CPF	22,170	14,760
	540,696	544,695
Other key management personnel		
Salaries and allowances	101,500	227,000
Contributions to CPF	15,980	19,720
	117,480	246,720

23 PERFORMANCE BONDS

As at 31 March 2022, performance bonds of S\$16,852,418 (30 September 2021: S\$16,852,418) were given by a bank and insurance companies in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers.



Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 31 March 2022

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

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

	Fair value as at		Fair value hierarchy	Valuation techniques and key input	Significant unobservable inputs
	As at 31 March 2022 S\$ (Unaudited)	As at 30 September 2021 S\$ (Audited)			
Financial assets at fair value through profit or loss	1,253,608	1,249,682	Level 2	Quoted redemption value by insurance company	N/A

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



Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group has been established for over 20 years and is principally engaged in construction services and property investment business in Singapore. The Group specialises in providing construction services and solutions in (i) civil engineering works entailing road works, earthworks, drainage works, earth retaining stabilising structure works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials. The Group's property investment business primarily includes residential and industrial properties leasing.

According to the Ministry of Trade and Industry ("MTI"), the Singapore economy grew by 3.7% on a year-on-year basis in the first quarter of 2022, moderating from the 6.1% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.7%, slower than the 2.3% growth in the previous quarter. The construction sector grew by 2.1% year-on-year in the first quarter of 2022, slower than the 2.9% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the sector posted growth of 3.2%, a turnaround from the 2.1% contraction in the fourth quarter of 2021.

The construction sector in Singapore had stabilised amid the Singapore government's progressive easing of COVID-19 control measures and border restrictions. However, the operating environment remained below pre-COVID-19 levels, as construction activities continue to be weighed down by labour shortages, rising oil prices and increases in cost of construction materials, machinery and transportation.

To further support the construction industry and boost market sentiment, the Singapore government had extended certain existing relief initiatives to help construction companies mitigate and recover from the impacts of COVID-19 pandemic until the end of June 2022. Some measures included extension of foreign worker levy rebates to further aid affected businesses to retain their enterprise capabilities; and further extension to allow contractors to seek a determination from an assessor to adjust contract sums amid increased foreign manpower costs due to COVID-19 pandemic under the COVID-19 (Temporary Measures) Act.

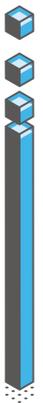


Management Discussion and Analysis

Although COVID-19 has hindered the Group's business recovery, the progressive relaxation of COVID-19 restrictions and improvement in construction activities during the six months ended 31 March 2022 ("1HFY22") allowed the Group to accelerate the progress on its projects which had fallen behind on schedule. This has translated to improvements to our overall business performance as compared to the corresponding six months ended 31 March 2021 ("1HFY21"). The Group's revenue increased by approximately 39.1% to approximately S\$30.7 million for 1HFY22 as compared to approximately S\$22.1 million for 1HFY21. The Group has also rebounded and recorded a gross profit of approximately S\$0.6 million for 1HFY22 as compared to a gross loss of approximately S\$3.9 million for 1HFY21. The Group incurred a net loss of approximately S\$2.8 million for 1HFY22 as compared to approximately S\$7.3 million for 1HFY21. Despite the improvement in overall financial performance, the Group's profitability remained under pressure by high administrative expenses brought about from the prolonged effects of COVID-19 pandemic as discussed above.

As the world enters the third year of the pandemic, the economic recovery thus far has been encouraging, albeit challenging. Aligning with many developed economies, Singapore is moving forward to live alongside COVID-19, adapting to a new norm as its population now has much stronger protection and understanding on managing related risks than before against COVID-19. The MTI projects Singapore's Gross Domestic Product ("GDP") growth to maintain between 3% to 5% in 2022, a slight moderation from the GDP growth of 7.6% in 2021, barring further disruptions caused by the ongoing Russia-Ukraine conflict or a severe worsening of the pandemic. The Building and Construction Authority ("BCA") projects that total construction demand in 2022 to be between S\$27 billion and S\$32 billion with the public sector contributing about 60% of total demand. This is supported by the strong pipeline of public housing projects including those under the Home Improvement Programme, as well as healthcare developments and infrastructure works domestically. Despite the improved performance of the construction industry in Singapore, the Group remains cautiously bullish in its business outlook in view of competitive tender pricings and existing market headwinds. Since February 2022, the external economic environment has deteriorated, due in part to the onset of the Russia-Ukraine conflict. In particular, the conflict has disrupted the global supply of energy, food and other commodities, which has in turn exacerbated global inflationary pressures and adversely affected the growth of many economies. Meanwhile, stringent measures implemented in China to contain its domestic COVID-19 outbreaks are likely to weigh on its economy and contribute to global supply bottlenecks. Consequently, global supply disruptions are projected to be more severe and prolonged than earlier expected, potentially persisting throughout 2022.

The Group will continue to focus on its core expertise and adopt a more strategic approach in project tendering by focusing on contracts with higher value and margins; managing its costs structures and manpower resources; and improve operational efficiencies. The Group will concentrate on restoring its profitability and expects a stronger recovery to its business operations and financial performance in the upcoming years.



Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

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

The Group's Construction Services are widely required in new infrastructure and building developments, redevelopment, additions and alterations works and upgrading projects, which involve residential, commercial and industrial buildings. For property investment business, the Group leases both industrial and residential properties to earn rental income from tenants.

The following table sets forth the breakdown of the Group's revenue segments:

	For the six months ended 31 March			
	2022		2021	
	Revenue S\$ million (Unaudited)	% of total revenue	Revenue S\$ million (Unaudited)	% of total revenue
Construction Services	30.4	99.0	22.0	99.5
Property investment	0.3	1.0	0.1	0.5
Total revenue	30.7	100.0	22.1	100.0

The Group's total revenue increased by approximately S\$8.6 million or approximately 38.9% from approximately S\$22.1 million for 1HFY21 to approximately S\$30.7 million for 1HFY22. The overall increase in the Group's revenue was mainly due to (i) improvement to the progress of our construction services due to further easing of COVID-19 restrictions and increase in construction activities during 1HFY22 as compared to the corresponding 1HFY21, where the Group's construction activities were significantly disrupted by the Singapore government's implementation of phased resumption measures; and (ii) increase in property investment income due to higher tenancy rates from the Group's investment properties during 1HFY22 as compared to the corresponding 1HFY21.

Cost of services

The Group's cost of services increased by approximately S\$4.1 million or 15.8% from approximately S\$26.0 million for 1HFY21 to approximately S\$30.1 million for 1HFY22 due to the increase in revenue as discussed above.





Gross profit and gross profit margin

The Group recorded a gross profit for 1HFY22 of approximately S\$0.6 million, as compared to a gross loss of approximately S\$3.9 million for 1HFY21. The Group also recorded a gross profit margin of approximately 2.1% for 1HFY22, as compared to a gross loss margin of approximately 17.6%.

Higher output and improvement in construction work progress due to further relaxation of COVID-19 restrictions and resumption of operations has resulted in the gross profit and gross profit margin for 1HFY22 as compared to the gross loss and gross loss margin for 1HFY21.

Other income

Other income decreased by approximately S\$0.7 million from approximately S\$1.2 million for 1HFY21 to approximately S\$0.5 million for 1HFY22 as a result of a decrease in government grants of approximately S\$0.8 million received by the Group as compared to 1HFY21. The decrease in government grants was a result of the progressive wind down of the government's COVID-19 reliefs during 1HFY22, as economic activity has recovered in comparison to 1HFY21.

Other gains and losses

For 1HFY22, other gains and losses amounted to a net gain of approximately S\$0.3 million as compared to approximately S\$0.1 million for 1HFY21. The increase was mainly due to an increase in the gain from sale of scrap materials of approximately S\$0.2 million.

Administrative expenses

The Group's administrative expenses for 1HFY22 remained relatively stable as compared to 1HFY21, which amounted to approximately S\$4.0 million in both periods, respectively.

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

The allowance for expected credit losses on financial assets and contract assets decreased by approximately S\$0.4 million from an allowance of approximately S\$0.1 million for 1HFY21 to a net gain from reversal of expected credit losses of approximately S\$0.3 million for 1HFY22. This was mainly due to the improvement in the prevailing market environment and the expectation of the Group's collectability of financial assets and contract assets from the recovery of the construction industry.

Finance costs

The Group's finance costs for 1HFY22 remained relatively stable as compared to 1HFY21, which amounted to approximately S\$0.6 million in both periods, respectively.

Income tax expense

Income tax expense for the Group remained relatively stable for 1HFY22 and 1HFY21 as a result of underprovision of Singapore corporate income tax in prior years.

Loss for the period

Loss for the period decreased by approximately S\$4.5 million from approximately S\$7.3 million for 1HFY21 to approximately S\$2.8 million for 1HFY22. This was mainly due to the increase in revenue and the turnaround from gross loss to gross profit in 1HFY22 as discussed above.

Management Discussion and Analysis

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for 1HFY22 (1HFY21: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity. The Group's overall strategy remains unchanged throughout the reporting period. The capital structure of the Group consists of debt, which includes bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities, net of bank deposits, bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves.

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

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

As at 31 March 2022, the Group has cash and bank balances of approximately S\$8.6 million (at 30 September 2021: approximately S\$9.3 million). The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities of approximately S\$26.4 million as at 31 March 2022 (at 30 September 2021: approximately S\$28.9 million).

Gearing ratio

Gearing ratio is calculated by dividing total borrowings by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 31 March 2022 was approximately 95.5% as compared to 94.8% as at 30 September 2021. The increase in gearing ratio was mainly due to the decrease in total equity of the Group as at 31 March 2022.

Pledge of assets

As at 31 March 2022, the Group has pledged certain bank deposits, owner-occupied properties, investment properties and investment properties held under joint operations with an aggregate carrying amount of approximately S\$26.5 million (30 September 2021: approximately S\$26.6 million) to the banks to secure banking facilities granted to the Group.

Treasury policy

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



FOREIGN EXCHANGE RISK

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in Singapore dollars and the Group's assets and liabilities are primarily denominated in Singapore dollars. However, the Group has certain bank balances and other payables denominated in Hong Kong dollars amounting to approximately S\$8.0 million and S\$0.6 million, respectively, as at 31 March 2022 which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the Group manages the risk by closely monitoring the movements of the foreign currency rate and would consider hedging against significant foreign currency exposure should it be necessary.

CONTINGENT LIABILITIES

There was no contingent liabilities during the six months ended 31 March 2022.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries, associate companies or joint ventures during the six months ended 31 March 2022 and up to the date of this report.

SIGNIFICANT INVESTMENTS HELD

Save for the Group's investment properties (including those held under joint operations), financial assets at fair value through profit or loss and the Company's investment in various subsidiaries and a joint venture, the Group did not hold any significant investments as at 31 March 2022.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this report and the Company's prospectus dated 29 August 2019 (the "**Prospectus**"), the Group did not have other future plans for material investments or capital assets as at 31 March 2022.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2022, the Group has a total of 204 employees (31 March 2021: 223 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 1HFY22 amounted to approximately S\$4.2 million (1HFY21: approximately S\$5.1 million).



Management Discussion and Analysis

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

RETIREMENT BENEFIT COSTS

The Company only has defined contribution schemes and does not have any defined benefit plan. The Group operates its businesses principally in Singapore. Under the applicable Singapore Law, employers are required to pay both the employer and employee's share of the Central Provident Fund contributions every month. Employers are entitled to recover the employee's share from the employee's wages. The total Central Provident Fund contributions are computed based on a specific percentage of the payroll costs. The percentage and employee's share of Central Provident Fund contribution is not fixed and is determined by the age and total wages for the calendar month of the employees.

Payments made to the Central Provident Fund are recognised as expense when employees have rendered service entitling them to the contributions.

During the six months ended 31 March 2022, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 March 2022, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

PERFORMANCE BONDS

As at 31 March 2022, the Group has performance bonds of approximately S\$16.9 million (30 September 2021: approximately S\$16.9 million) given in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During 1HFY22, the Group did not acquire any item of property, plant and equipment (1HFY21: approximately S\$1.0 million). Save for the future plans and the use of proceeds from the listing as set out in the Prospectus, the Group has no material capital commitments as at 31 March 2022.



Management Discussion and Analysis

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the share offer after deducting listing expenses amounted to approximately HK\$86.3 million (equivalent to approximately S\$15.2 million). An analysis of the utilisation of the net proceeds from the share offer from 19 September 2019 (the "Listing Date") up to 31 March 2022 is set out below:

Purposes	Planned use of net proceeds		Planned amount of net proceeds to be utilised from the Listing Date up to 31 March 2022	Actual amount of net proceeds utilised from the Listing Date up to 31 March 2022	Unutilised amount of net proceeds as at 31 March 2022	Expected timeline for the use of the remaining balance of net proceeds
	HK\$ million	%	HK\$ million	HK\$ million	HK\$ million	
Strengthening the Group's financial position	21.8	25.3	21.8	21.8	–	N/A
Enhancing the Group's machinery fleet	31.0	36.0	31.0	25.1	5.9	30 September 2022
Strengthening the Group's workforce	11.6	13.4	11.6	11.6	–	N/A
Developing production area for steel bar fabrication	2.0	2.3	2.0	2.0	–	N/A
Investing in BIM and ERP systems	5.3	6.1	5.3	–	5.3	30 September 2022
Acquiring investment properties	14.6	16.9	14.6	–	14.6	30 September 2022
Total	86.3	100.0	86.3	60.5	25.8	

As at 31 March 2022, part of the unutilised 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 2022, the utilised net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned.

The delay in utilising the net proceeds up to 31 March 2022 was mainly due to the prolonged effects of COVID-19 pandemic on the Group's business operations. Save for strengthening the Group's financial position, strengthening the Group's workforce and developing area for steel bar fabrication, the Company delayed its use of net proceeds so as to preserve the cash position and liquidity of the Group given the uncertainty caused by the COVID-19 pandemic. It is expected that the remaining unutilised amount of net proceeds will be utilised by the year ending 30 September 2022 depending on the development of COVID-19 pandemic and its impact on the economic conditions in Singapore.



Other Information

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

As at 31 March 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

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

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

Note: 360,000,000 Shares are held by HG TEC Holdings Limited ("HG TEC") which is beneficially owned as to 50% by Mr. Poon and as to 50% by Mr. Teo Teck Thye ("Mr. Teo"). Mr. Poon, Mr. Teo and HG TEC are regarded as a group of controlling shareholders of the Company under 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 is deemed to be interested in the Shares held by HG TEC pursuant to the SFO.

(b) Long positions in the shares of associated corporations

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

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

Save as disclosed above, as at 31 March 2022, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules.



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

As at 31 March 2022, 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 and accordingly, is deemed to be interested in all the Shares in which Mr. Poon is interested under the SFO.
3. Ms. Ng Kwee Bee is the spouse of Mr. Teo and accordingly, is deemed to be interested in all the Shares in which Mr. Teo is interested under the SFO.

Save as disclosed above, as at 31 March 2022, 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.



Other Information

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and by relevant employees of the 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 the Directors' securities transactions throughout the six months ended 31 March 2022.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 23 August 2019. The principal terms of the Share Option Scheme are summarised in Appendix V to the Prospectus. The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 23 August 2019 and during the six months ended 31 March 2022, and there was no outstanding share option as at 31 March 2022.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there is no material subsequent event undertaken by the Group after 31 March 2022 and up to the date of this report.

CORPORATE GOVERNANCE

During the six months ended 31 March 2022, 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 2022, 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 2022 and discussed with the management of the Company on the accounting principles and practices adopted by the Group. The Audit Committee was of the view that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 31 May 2022

