S&T Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3928)

ANNUAL RESULTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The board (the "**Board**") of directors (the "**Directors**") of S&T Holdings Limited (the "**Company**") announce the audited results of the Company and its subsidiaries (the "**Group**") for the year ended 30 September 2019 together with comparative figures for the corresponding period in 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2019

	Notes	**2019** *S$*	2018 *S$*
Revenue			
Services	5	**96,359,253**	83,458,630
Rental	5	**512,845**	504,694
Total revenue		**96,872,098**	83,963,324
Cost of services		**(80,020,208)**	(70,664,483)
Gross profit		**16,851,890**	13,298,841
Other income	6	**201,167**	290,574
Other gains and losses	7	**468,027**	733,026
Administrative expenses		**(6,202,129)**	(4,916,894)
Impairment loss on financial assets and contract assets		**(76,672)**	–
Finance costs	8	**(971,067)**	(727,879)
Listing expenses		**(3,774,929)**	(631,200)
Share of result of a joint venture	16	**64,526**	(27,296)
Profit before taxation	9	**6,560,813**	8,019,172
Income tax expense	10	**(1,702,506)**	(1,239,284)
Profit for the year		**4,858,307**	6,779,888

	Note	**2019**	2018
		S$	*S$*
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Difference between the carrying amount and the fair value of properties at the date of transfer from property, plant and equipment to investment properties		**–**	767,248
Other comprehensive income for the year		**–**	767,248
Profit and total comprehensive income for the year		**4,858,307**	7,547,136
Basic and diluted earnings per share *(S$ cents)*	12	**1.33**	1.88

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Notes	2019 S$	2018 S$
Non-current assets			
Property, plant and equipment	13	**17,578,067**	18,414,835
Investment properties	14	**9,140,000**	9,160,000
Investment properties held under joint operations	15	**7,020,000**	6,895,000
Interest in a joint venture	16	**1,134,750**	1,070,224
Bank deposits	21	**225,383**	224,821
		35,098,200	35,764,880
Current assets			
Trade receivables	17	**10,649,571**	11,255,270
Other receivables, deposits and prepayments	18	**1,061,031**	2,342,014
Contract assets	20	**36,246,814**	25,463,110
Income tax recoverable		**–**	214,075
Bank balances and cash	21	**20,948,951**	3,659,905
		68,906,367	42,934,374
Current liabilities			
Trade and other payables	22	**23,875,071**	23,051,836
Amounts due to directors	19a	**–**	391,943
Amounts due to a related party	19b	**–**	1,224,792
Contract liabilities	20	**3,275**	227,246
Income tax payable		**1,363,894**	1,452,269
Bank overdrafts	23	**6,400,549**	5,325,553
Bank borrowings	23	**5,290,865**	4,271,436
Bank borrowings held under joint operations	23	**3,056,655**	3,232,325
Obligations under finance leases	24	**857,067**	1,009,223
		40,847,376	40,186,623
Net current assets		**28,058,991**	2,747,751
Total assets less current liabilities		**63,157,191**	38,512,631

	Notes	2019 S$	2018 S$
Non-current liabilities			
Bank borrowings	23	**8,861,155**	9,547,734
Bank borrowings held under joint operations	23	**948,556**	1,059,960
Obligations under finance leases	24	**813,174**	1,016,543
Deferred tax liabilities	25	**281,000**	193,000
		10,903,885	11,817,237
Net assets		**52,253,306**	26,695,394
Capital and reserves			
Share capital	26	**847,680**	6,895,003
Reserves		**51,405,626**	19,800,391
		52,253,306	26,695,394

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2019

	Share capital	Share premium *(Note a)*	Merger reserves *(Note b)*	Other reserves	Properties revaluation reserves *(Note 26)*	Accumulated profits	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
At 1 October 2017	6,895,000	–	–	–	–	19,393,255	26,288,255
Total comprehensive income for the year							
Profit for the year	–	–	–	–	–	6,779,888	6,779,888
Other comprehensive income for the year	–	–	–	–	767,248	–	767,248
Total	–	–	–	–	767,248	6,779,888	7,547,136
Transactions with owners, recognised directly in equity:							
Issue of shares *(Note 26)*	3	–	–	–	–	–	3
Dividends declared *(Note 11)*	–	–	–	–	–	(7,140,000)	(7,140,000)
Total	3	–	–	–	–	(7,140,000)	(7,139,997)
At 30 September 2018	6,895,003	–	–	–	767,248	19,033,143	26,695,394
Profit for the year, representing total comprehensive income for the year	–	–	–	–	–	4,858,307	4,858,307
Transactions with owners, recognised directly in equity:							
Elimination of share capital pursuant to Reorganisation *(Note 2)*	(6,895,003)	–	6,895,003	–	–	–	–
Issue of shares under the Capitalisation issue *(Note 26a)*	636,480	(636,480)	–	–	–	–	–
Issue of shares under the Share Offer *(Note 26b)*	211,200	22,387,200	–	–	–	–	22,598,400
Share issue expenses	–	(3,007,937)	–	–	–	–	(3,007,937)
Dividends waived *(Note 11)*	–	–	–	1,109,142	–	–	1,109,142
Total	(6,047,323)	18,742,783	6,895,003	1,109,142	–	4,858,307	25,557,912
At 30 September 2019	847,680	18,742,783	6,895,003	1,109,142	767,248	23,891,450	52,253,306

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2019

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 (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 the Note 27.

The 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 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.

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.

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 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") that are effective for the current year

Impact of initial application of IFRS 9 Financial Instruments

The Group applied IFRS 9 with an initial application date of 1 October 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39 *Financial Instruments: Recognition and Measurement* as permitted under IFRS 9 transitional provision.

The application of IFRS 9 on 1 October 2018 has no material impact on the consolidated financial position of the Group with regard to classification and measurement of financial instruments nor has any material additional impairment been recognised upon application of expected loss approach as at the same date.

New and amended IFRS issued but not yet effective

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

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[3]
IFRIC 23	Uncertainty over Income Tax Treatments[1]
Amendments to IFRS 3	Definition of a Business[4]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to IAS 1 and IAS 8	Definition of Material[5]
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015–2018 Cycle[1]
Frameworks	Amendments to References to the Conceptual Framework in IFRS Standards[3]
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[5]

1 Effective for annual periods beginning on or after 1 January 2019, with early application permitted

2 Effective for annual periods beginning on or after a date to be determined

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

4 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

5 Effective for annual periods beginning on or after 1 January 2020

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 a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group, and upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance to the nature, as appropriate.

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by IFRS 16.

As at 30 September 2019, the Group had non-cancellable operating lease commitment of S$1,822,373. A preliminary assessment indicates that these arrangements will meet the definition of lease. Upon the application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for short-term leases.

In addition, as at 30 September 2019, the Group considers refundable rental deposits paid of S$90,480 and refundable rental deposits received of S$77,300 as rights and obligations respectively under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be considered as additional lease payment and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as lease applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not applying this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated profits without restating comparative information. Based on the initial assessment, the management of the Group expects that the adoption of IFRS 16 is unlikely to result in significant impact on the Group's net result nor net financial position.

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements of the Group have been prepared in accordance with IFRSs issued by the IASB.

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

(i) Disaggregation of revenue from contracts with customers

	2019	2018
	S$	*S$*
Type of services		
Construction services		
– Civil engineering works	**79,448,601**	70,229,006
– Building construction works	**15,742,461**	12,494,685
– Other ancillary services	**1,168,191**	734,939
Revenue from contracts with customers	**96,359,253**	83,458,630
Rental from Property investment	**512,845**	504,694
Segment revenue *(Note 5(iv))*	**96,872,098**	83,963,324
Timing of revenue recognition		
Over time	**96,359,253**	83,458,630
Type of customers		
Corporate	**45,578,345**	31,647,987
Government	**50,780,908**	51,810,643
	96,359,253	83,458,630

(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:

	2019	2018
	S$	*S$*
Civil engineering works		
– Within one year	**40,809,057**	61,522,063
– More than one year but not more than two years	**13,001,282**	2,959,330
– More than two years but not more than five years	**4,344,523**	721,844
– More than five years	**15,893,317**	–
	74,048,179	65,203,237
Building construction works		
– Within one year	**2,382,031**	7,927,619
	76,430,210	73,130,856

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2018: 12 months).

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

(iv) Segment information

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

- Construction services: 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.

	2019	2018
	S$	*S$*
Segment revenues		
Construction services	**96,359,253**	83,458,630
Property investment	**512,845**	504,694
	96,872,098	83,963,324
Segment results		
Construction services	**16,495,148**	12,929,643
Property investment	**356,742**	369,198
	16,851,890	13,298,841
Unallocated:		
Other income	**201,167**	290,574
Other gains and losses	**468,027**	733,026
Administrative expenses	**(6,202,129)**	(4,916,894)
Impairment loss on financial assets and contract assets	**(76,672)**	–
Finance costs	**(971,067)**	(727,879)
Listing expenses	**(3,774,929)**	(631,200)
Share of result of a joint venture	**64,526**	(27,296)
Profit before taxation	**6,560,813**	8,019,172

(v) Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group's revenue are all derived from Singapore (2018: 100%). The Group's non-current assets are all located in Singapore.

(vi) Information about major customers

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

	2019	2018
	S$	*S$*
Customer I**	**42,077,086**	46,776,756
Customer II**	**10,852,789**	N/A*
Customer III**	**10,729,499**	15,305,446

* 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

	2019	2018
	S$	*S$*
Government grants *(Note)*	**34,698**	63,374
Rental income from renting properties to directors	**132,000**	132,000
Rental income from renting equipment	**2,572**	11,242
Interest income from advances to directors	**–**	70,119
Interest income from bank deposits	**1,484**	561
Others	**30,413**	13,278
	201,167	290,574

Note: The government grants received mainly comprise of the Wage Credit Scheme ("**WCS**"), the Special Employment Credit ("**SEC**"), the Temporary Employment Credit ("**TEC**"), and the Workforce Training and Upgrading Grant ("**WTU**"). All of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

During the year ended 30 September 2019, the Group received grants of S$22,561 (2018: S$28,705) under the WCS. Under this credit scheme, the government provides assistance to Singapore-registered businesses by way of co-funding 15% (2018: 20%) of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000 and below.

During the year ended 30 September 2019, the Group received grants of S$9,398 (2018: S$9,591) under the SEC. Under this scheme, the government aims to encourage and facilitate Singapore-registered business to hire Singaporean workers more than 50 years old and persons with disabilities.

During the year ended 30 September 2019, the Group received grants of S$2,554 (2018: S$3,272) under the WTU. Under this scheme, the government co-funds companies in the construction industry for costs of selected skills assessment and training courses to upgrade the skills of workforce in the construction industry.

During the year ended 30 September 2019, the Group received grants of S$Nil (2018: S$13,662) under the TEC. Under this scheme, the government provides assistance to alleviate business costs due to increases in contribution rates of employee's national saving schemes.

The remaining balances of grants are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

7 OTHER GAINS AND LOSSES

	2019	2018
	S$	*S$*
Net gain on disposal of property, plant and equipment	**30,254**	164,760
Gain from sale of scrap materials	**109,587**	237,252
Net foreign exchange loss	**(1,801)**	–
Fair value (losses) gains on investment properties	**(20,000)**	480,000
Fair value gains (losses) on investment properties held under joint operations	**125,000**	(180,000)
Loss on revaluation of property, plant and equipment	**–**	(3,767)
Written off of payables to suppliers that are liquidated	**224,987**	–
Recovery of debts which were written off in prior years	**–**	34,781
	468,027	733,026

8 FINANCE COSTS

	2019	2018
	S$	*S$*
Interests on:		
– Bank borrowings	**679,378**	524,702
– Bank overdrafts	**219,269**	127,117
– Obligations under finance leases	**72,420**	76,060
	971,067	727,879

9 PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2019	2018
	S$	*S$*
Depreciation of property, plant and equipment,		
recognised as cost of services	**1,899,621**	2,020,716
recognised as administrative expenses	**875,331**	759,515
	2,774,952	2,780,231
Audit fees to auditors of the Company:		
– Annual audit fees	**245,000**	–
– Audit fees in connection with the listing of the Company *(Note)*	**267,000**	20,250
Listing expenses *(Note)*	**3,774,929**	631,200
Directors' remuneration	**1,304,036**	980,060
Other staff costs		
Salaries and other benefits	**7,830,146**	6,573,283
Contributions to Central Provident Fund ("**CPF**")	**560,671**	517,233
Foreign worker levy and skill development levy	**1,047,563**	930,099
Total staff costs (including directors' remuneration)	**10,742,416**	9,000,675
recognised as cost of services	**7,419,284**	7,063,668
recognised as administrative expenses	**3,323,132**	1,937,007
Cost of materials recognised as cost of services	**9,196,652**	13,488,133
Subcontracting fees recognised as cost of services	**52,244,113**	38,701,952

Note: Included in listing expenses are audit fees of S$267,000 (2018: S$20,250) paid to auditors of the Company, and non-audit fees of S$219,000 (2018: S$18,750) paid to other auditors of the Group.

Included in share issue expenses are audit fees of S$89,000 (2018: S$6,750) paid to auditors of the Company, and non-audit fees of S$73,000 (2018: S$6,250) paid to other auditors of the Group.

10 INCOME TAX EXPENSE

	2019	2018
	S$	*S$*
Tax expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**1,663,279**	1,228,284
– Overprovision in prior years	**(48,773)**	–
Deferred tax *(Note 25)*		
– Current year provision	**51,000**	11,000
– Underprovision in prior years	**37,000**	–
	1,702,506	1,239,284

Singapore CIT is calculated at 17% (2018: 17%) of the estimated assessable profit of the Singapore subsidiaries. These entities are further eligible for CIT rebate of 20%, capped at S$10,000 for Year of Assessment ("**YA**") 2019 while Nil for YA 2020. 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 (YA 2019: next S$290,000) of normal chargeable income for YA 2020.

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

	2019	2018
	S$	*S$*
Profit before taxation	**6,560,813**	8,019,172
Tax at applicable tax rate of 17%	**1,115,338**	1,363,259
Effect of income not taxable for tax purpose	**(17,850)**	(46,349)
Effect of expenses not deductible for tax purpose	**812,704**	245,259
Effect of different tax rates of subsidiaries operating in other jurisdictions	**30,832**	–
Tax effect of share of result of a joint venture	**(10,969)**	4,640
Effect on tax concession and exemption	**(200,773)**	(335,796)
Effect of unused tax losses and deductible temporary differences not recognised	**–**	8,271
Effect of previously unrecognised and unused tax losses now being utilised	**(15,003)**	–
Overprovision for current tax in prior years	**(48,773)**	–
Underprovision for deferred tax in prior years	**37,000**	–
Taxation for the year	**1,702,506**	1,239,284

11 DIVIDENDS

On 29 September 2018, Sing Tec Development and Sing Tec Construction declared one-tier tax exempt interim dividends of S$5,700,000 and S$1,440,000 respectively in respect of the financial year ended 30 September 2018. Out of total dividends amount of S$7,140,000, S$5,530,858 was settled by offsetting against amounts due from the Controlling Shareholders, who were the then shareholders of the entities as at the date of declaration, and S$1,609,142 remained unpaid as at 30 September 2018. On 20 December 2018, unpaid dividend amounting to S$1,109,142 was waived by the Controlling Shareholders (recorded as other reserves) and the remaining balance of S$500,000 was settled in cash.

No dividend has been declared by the Company or group entities during the year or subsequent to the year end.

The rate of dividends and the number of shares ranking for the above dividends are not presented as such information is not meaningful.

12 EARNINGS PER SHARE

	2019	2018
Profit for the year attributable to owners of the Company *(S$)*	**4,858,307**	6,779,888
Weighted average number of ordinary shares in issue	**363,945,205**	360,000,000
Basic and diluted earnings per share *(S$ cents)*	**1.33**	1.88

The calculation of basic earnings per share for the years ended 30 September 2019 and 2018 is based on the profit for the year 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 year ended 30 September 2018 had been determined on the assumption that the Reorganisation and the Capitalisation issue as detailed in Notes 2 and 26 had been effective on 1 October 2017.

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 years ended 30 September 2019 and 2018.

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Buildings and freehold land*	Motor vehicles	Plant and machinery	Office equipment	Furniture and fittings	Leasehold improvement	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Cost:								
At 1 October 2017	10,472,356	3,548,113	5,791,244	11,774,051	243,210	47,704	733,447	32,610,125
Additions	–	–	1,238,538	1,482,600	67,848	64,532	971,097	3,824,615
Transferred to investment properties	(2,134,756)	–	–	–	–	–	–	(2,134,756)
Disposals	–	–	(807,083)	(1,253,650)	(4,520)	–	–	(2,065,253)
At 30 September 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
Disposal/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
Accumulated depreciation:								
At 1 October 2017	354,248	155,222	3,921,492	8,056,661	94,007	35,281	659,133	13,276,044
Charge for the year	307,571	22,204	714,052	1,498,642	52,773	14,684	170,305	2,780,231
Transferred to investment properties	(338,237)	–	–	–	–	–	–	(338,237)
Disposals	–	–	(706,515)	(1,187,674)	(3,953)	–	–	(1,898,142)
At 30 September 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
Carrying values:								
At 30 September 2019	7,736,098	3,348,485	1,875,271	3,723,048	193,269	45,469	656,427	17,578,067
At 30 September 2018	8,014,018	3,370,687	2,293,670	3,635,372	163,711	62,271	875,106	18,414,435

* Freehold land with carrying value of S$2,438,000 as at 30 September 2018 and 2019 is not subject to depreciation. All of the buildings and freehold land are initially held for use for administrative purposes and stated at cost less subsequent accumulated depreciation, where applicable. These are leased to the two directors of the Group, Mr. Poon and Mr. Teo, for an unspecified tenancy period prior to 1 December 2018. Subsequently, the Group and the two directors entered into lease agreements for lease term of three years ending 30 November 2021. The related rental income is disclosed in Note 6.

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

During the year, included in the additions of plant and machinery and motor vehicles were S$886,521 (2018: S$2,158,611) that were acquired under finance leases (Note 24) and S$60,830 (2018: S$Nil) remained unpaid as at year end. These constituted as non-cash transactions during the year.

The leasehold properties and buildings and freehold land with carrying value of S$11,084,583 (2018: S$11,384,705) in total are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 23.

The carrying value of below items that are assets held under finance leases:

	2019	2018
	S$	*S$*
Plant and machinery	**1,844,016**	1,609,600
Motor vehicles	**1,109,195**	1,424,544
	2,953,211	3,034,144

14 INVESTMENT PROPERTIES

	Investment properties
	S$
Fair value	
At 1 October 2017	6,120,000
Transferred from property, plant and equipment *(Note)*	2,560,000
Net increase in fair value recognised in profit or loss	480,000
At 30 September 2018	9,160,000
Net decrease in fair value recognised in profit or loss	(20,000)
At 30 September 2019	9,140,000

Note: During the year ended 30 September 2018, two properties with carrying amount of S$1,796,519 were transferred from property, plant and equipment to investment properties upon the signing of lease agreement. The fair value of the properties at the transfer date approximates S$2,560,000, representing S$767,248 revaluation increase from revaluation of one property which is recognised in other comprehensive income and accumulated in properties revaluation reserves and S$3,767 revaluation decrease arising from revaluation of another property which was recognised in other gains and losses.

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 on the respective year end dates 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. The investment properties are categorised within level 3 of the fair value hierarchy.

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. There has been no change in the valuation technique during year.

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

Property	**Valuation technique**	**Significant unobservable input(s)**	**Sensitivity**
21 Toh Guan Road East #01–10, Singapore 608609	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$405 to S$422 (2018: S$395 to S$434) per square foot ("**sqft.**") as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
21 Toh Guan Road East #01–11, Singapore 608609	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$405 to S$422 (2018: S$395 to S$434) per sqft. as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
45 Hillview Avenue #01–05, Singapore 669613	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$1,104 to S$1,187 (2018: S$1,010 to S$1,121) per sqft. as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
45 Hillview Avenue #01–06, Singapore 669613	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$1,104 to S$1,187 (2018: S$1,010 to S$1,121) per sqft. as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
11 Kang Choo Bin Road #01–01, Singapore 548315	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$971 to S$1,099 (2018: S$988 to S$1,145) per sqft. as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
11 Kang Choo Bin Road #01–03, Singapore 548315	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$971 to S$1,099 (2018: S$988 to S$1,145) per sqft. as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

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	
	2019	2018
	S$	*S$*
21 Toh Guan Road East #01–10, Singapore 608609 *(Note i)*	**1,490,000**	1,490,000
21 Toh Guan Road East #01–11, Singapore 608609 *(Note ii)*	**1,490,000**	1,490,000
45 Hillview Avenue #01–05, Singapore 669613	**1,780,000**	1,720,000
45 Hillview Avenue #01–06, Singapore 669613	**1,770,000**	1,710,000
11 Kang Choo Bin Road #01–01, Singapore 548315	**1,190,000**	1,240,000
11 Kang Choo Bin Road #01–03, Singapore 548315	**1,420,000**	1,510,000
	9,140,000	9,160,000

All the above properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 23. There was no transfer into or out of Level 3 during the year.

Notes:

(i) The property was transferred from property, plant and equipment with carrying amount of S$752,752 to investment property with fair value amounting S$1,520,000 at the transfer date of 28 February 2018. Amount of S$767,248 of revaluation increase arising from revaluation of this part of property was recognised in other comprehensive income and accumulated in properties revaluation reserves.

(ii) The property comprises a 2-storey ground floor industrial unit. Part of the property i.e. level 1 was newly transferred from property, plant and equipment with carrying amount of S$1,043,767 to investment property with fair value amounting S$1,040,000 at the transfer date of 28 February 2018. Amount of S$3,767 revaluation decrease arising from revaluation of this part of property was recognised in other gains and losses.

Details of rental income earned from and direct operating expenses for the Group's investment properties are disclosed as follows:

	2019	2018
	S$	*S$*
Gross rental income recognised as rental revenue	**281,361**	228,310
Less: Direct operating expenses incurred and recognised as cost of services	**(77,735)**	(31,455)
	203,626	196,855

15 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS

Fair value hierarchy of the Group's investment properties held under joint operations are as follows:

	Fair Value Level 3	
	2019	2018
	S$	*S$*
7 Soon Lee Street #01–13, Singapore 627608 *(Note i)*	**4,190,000**	4,020,000
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**	2,010,000
114 Lavender Street #01–68, CT Hub 2, Singapore 338729 *(Note ii)*	**9,850,000**	9,770,000
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**	4,885,000
	7,020,000	6,895,000

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 on the respective year end dates by the Valuer, whose method of valuation has been disclosed below. The investment properties are categorised within level 3 of the fair value hierarchy.

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. There has been no change in the valuation technique during the year.

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

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
7 Soon Lee Street #01–13, Singapore 627608,	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$593 to S$625 (2018: S$532 to S$603) per sqft. as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
114 Lavender Street #01–68, CT Hub 2, Singapore 338729	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$1,286 to S$1,407 (2018: S$1,071 to S$1,600) per sqft. as at 30 September 2019.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

Both properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 23. There was no transfer into or out of Level 3 during the year.

Notes:

(i) Pursuant to the arrangement with the joint party in connecting with the property, all the costs, deposit, revenue and mortgage loan related to the property shall be shared by the Group and the joint party in proportion to their respective ownership. The relative information attributed to the Group's interest is as follows:

	2019	2018
	S$	*S$*
Group's share of investment property held under joint operation		
At beginning of the year	**2,010,000**	2,085,000
Net increase (decrease) in fair value recognised in profit or loss	**85,000**	(75,000)
At end of the year	**2,095,000**	2,010,000

(ii) Pursuant to the arrangement with the joint party in connection with the property, all the costs, deposit, revenue and mortgage loan related to the property shall be shared by the Group and the joint party in proportion to their respective ownership. The relative information attributed to the Group's interest is as follows:

	2019	2018
	S$	*S$*
Group's share of the investment property held under joint operation		
At beginning of the year	**4,885,000**	4,990,000
Net increase (decrease) in fair value recognised in profit or loss	**40,000**	(105,000)
At end of the year	**4,925,000**	4,885,000

Details of rental income earned from and direct operating expenses for investment properties held under joint operations attributable to the Group are disclosed as follows:

	2019	2018
	S$	*S$*
Gross rental income recognised as rental revenue	**231,484**	276,384
Less: Direct operating expenses incurred and recognised as cost of services	**(78,368)**	(104,041)
	153,116	172,343

16 INTEREST IN A JOINT VENTURE

	2019	2018
	S$	*S$*
Cost of interest in a joint venture, unlisted	**1,000,000**	1,000,000
Share of result of a joint venture	**134,750**	70,224
	1,134,750	1,070,224

The Group has interest in the following joint venture:

Name of joint venture	**Place of incorporation**	**Proportion of ownership interest held by the Group**	**Principal activities**
Ramo – Sing Tec JV Pte. Ltd.	Singapore	50%	General contractors

Ramo – Sing Tec JV Pte. Ltd. was incorporated in June 2014. The registered capital is S$2,000,000 and the Group contributed S$1,000,000.

Summarised financial information in respect of the joint venture, representing amounts shown in the joint venture's financial statements prepared in conformity with IFRSs are as below:

	2019	2018
	S$	*S$*
Current assets	**2,458,372**	2,484,937
– including cash and cash equivalents	**59,516**	68,210
Non-current assets	**5,670**	36,760
Current liabilities, representing total liabilities	**(194,542)**	(381,249)
Net assets	**2,269,500**	2,140,448
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of net assets, representing the carrying amount of the Group's interest in the joint venture	**1,134,750**	1,070,224

	2019	2018
	S$	*S$*
Revenue	**–**	10,000
Profit (loss) and total comprehensive income (loss) for the year	**129,052**	(54,592)
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of result of the joint venture	**64,526**	(27,296)
Dividends received from the joint venture	**–**	500,000

17 TRADE RECEIVABLES

	2019	2018
	S$	*S$*
Trade receivables	**9,477,426**	10,670,867
Loss allowance	**(67,495)**	–
	9,409,931	10,670,867
Unbilled revenue *(Note)*	**1,239,640**	584,403
	10,649,571	11,255,270

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 (2018: 30 to 35 days) from the invoice dates. The following is an aged analysis of trade receivables, net of loss allowance, presented based on the invoice date at the end of each reporting period:

	2019	2018
	S$	*S$*
Within 30 days	**3,010,442**	7,702,466
31 days to 60 days	**4,878,504**	2,438,703
61 days to 90 days	**229,364**	25,447
91 days to 180 days	**1,063,977**	67,655
181 days to 1 year	**169,051**	397,664
Over 1 year	**58,593**	38,932
	9,409,931	10,670,867

Prior to 1 October 2018, 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 a trade receivable, the management of the Group considers any change in the credit quality of the trade receivable from the initial recognition date to the end of the reporting period. Considering the high credibility of these customers, good track record with the Group and subsequent settlement, management believes the trade receivables at the end of each reporting period were of good credit quality and that no impairment allowance was necessary in respect of the remaining unsettled balances.

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$6,399,489 (2018: S$2,968,401) which are past due as at 30 September 2019 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:

	2019	2018
	S$	*S$*
Within 30 days	**4,878,504**	2,438,703
31 days to 60 days	**229,364**	25,447
61 days to 90 days	**1,063,977**	67,655
91 days to 180 days	**169,051**	397,664
Over 180 days	**58,593**	38,932
	6,399,489	2,968,401

Upon the application of IFRS 9 on 1 October 2018, 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 (for example, the current and forecasted economic growth rates in Singapore, which reflect the general economic conditions of the industry in which the debtors operate) 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.

During the year ended 30 September 2019, the Group recognised S$67,495 impairment allowance based on individual assessment for all customers.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	2019
	S$
Balance at beginning of the year	–
Impairment losses recognised – credit-impaired	67,495
Balance at end of the year	67,495

Since the application of IFRS 9 on 1 October 2018, there has been no change in the estimation techniques or significant assumptions made.

18 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019	2018
	S$	*S$*
Sundry debtors	**523,583**	1,625,008
Prepayments	**242,222**	317,383
Deferred expenses	**88,929**	–
Deposits	**181,861**	164,606
Goods and Services Tax ("**GST**") receivable	**269**	–
Prepaid listing expenses	**–**	25,184
Deferred issue costs	**–**	148,400
Rental receivable	**24,167**	61,433
	1,061,031	2,342,014

19 AMOUNTS DUE TO DIRECTORS / A RELATED PARTY

a. Amounts due to directors

The balances as at 30 September 2018 are non-trade related, unsecured, non-interest bearing and repayable on demand. These balances are settled in cash during the year ended 30 September 2019.

b. Amounts due to a related party

	2019	2018
	S$	*S$*
Trade related	**–**	13,910
Non-trade related	**–**	1,210,882
	–	1,224,792

The balances as at year end are unsecured, non-interest bearing and repayable on demand. The related party is the joint venture of the Group (Note 16). The average credit period on purchases of services from the joint venture is 120 days (2018 : 120 days). The aging of trade related amounts due to the related party presented based on the invoice date at the end of the reporting period is as follows:

	2019	2018
	S$	*S$*
Over 2 years	**–**	13,910
	–	13,910

During the year, S$13,910 of trade related and S$413,780 of non-trade related amounts due to a related party have been offset against trade receivables due from the related party arising during the year. The remaining balance of S$797,102 non-trade related amounts due to the related party was firstly taken over by executive directors of the Company, who are also directors of the related party, and then fully settled in cash with the directors during the year.

20 CONTRACT ASSETS / LIABILITIES

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

	2019	2018
	S$	*S$*
Contract assets, net of loss allowance	**36,246,814**	25,463,110
Contract liabilities	**(3,275)**	(227,246)
	36,243,539	25,235,864

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$119,705 (2018: S$1,180,441) as at 30 September 2019.

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:

	2019	2018
	S$	*S$*
Construction contracts – current:		
Retention receivables	**3,301,906**	4,479,220
Others*	**33,073,790**	22,164,331
	36,375,696	26,643,551
Loss allowance	**(9,177)**	–
	36,366,519	26,643,551

* 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.

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 30 September 2019, the Group recognised S$9,177 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.

The table below shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

	2019
	S$
Balance at beginning of the year	**–**
Impairment losses recognised – credit-impaired	**9,177**
Balance at end of the year	**9,177**

Contract liabilities

The contract liabilities represents 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:

	2019	2018
	S$	*S$*
Construction contracts – current	**122,980**	1,407,687

Out of revenue recognised during the year, S$227,246 (2018: S$1,122,931) 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 year relates to performance obligations that were satisfied in prior years.

21 BANK DEPOSITS / BANK BALANCES AND CASH

Bank deposits represent deposits pledged a bank to secure banking facilities, including bank borrowings granted to the Group (Note 23). These bank deposits are not expected to be released within twelve months from the financial year end and presented as non-current assets.

Bank deposits carry fixed interest rate of 0.25% (2018: 0.25%) per annum as at 30 September 2019.

The remaining bank balances and cash are interest free or at nominal rate.

22 TRADE AND OTHER PAYABLES

	2019	2018
	S$	*S$*
Trade payables	**4,185,265**	8,596,721
Trade accruals	**11,505,756**	8,556,768
Retention payables*	**3,411,401**	2,115,211
	19,102,422	19,268,700
Payroll and CPF payables	**1,536,850**	1,388,823
Deposits	**77,300**	43,250
Sundry creditors	**743,224**	222,490
GST payable	**467,784**	233,146
Deferred rental income	**–**	49,450
Accrued listing expenses	**295,966**	118,832
Accrued expenses	**288,151**	118,003
Listing expenses payable	**1,363,374**	–
Dividend payable	**–**	1,609,142
	4,772,649	3,783,136
	23,875,071	23,051,836

* 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 (2018: 30 to 60 days or payable on delivery).

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

	2019	2018
	S$	*S$*
Within 30 days	**924,201**	5,580,096
31 days to 60 days	**1,054,627**	1,682,920
61 days to 90 days	**1,575,530**	1,010,165
Over 90 days	**630,907**	323,540
	4,185,265	8,596,721

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

	2019	2018
	S$	*S$*
Bank overdrafts *(Note i)*	**6,400,549**	5,325,553
Bank borrowings – secured and guaranteed *(Note ii)*	**14,152,020**	13,819,170
Analysed as carrying amount repayable:		
within one year	**5,290,865**	4,144,037
more than one year, but not exceeding two years	**553,026**	719,505
more than two years, but not exceeding five years	**1,772,352**	1,781,952
more than five years	**6,535,777**	7,046,277
Carrying amount of bank loans that contain a repayment on demand clause:		
Repayable within one year from the end of reporting period*	**–**	127,399
	14,152,020	13,819,170
Less: Amounts due within one year (shown under current liabilities)	**(5,290,865)**	(4,271,436)
Amounts shown under non-current liabilities	**8,861,155**	9,547,734

Bank borrowings held under joint operations

	2019	2018
The total mortgage bank loans related to investment properties held under joint operations	**8,010,422**	8,584,570
Proportion of the Group's ownership interest in the mortgage bank loans	**50%**	50%
Group's share of the mortgage bank loans related to investment properties held under joint operations – secured and guaranteed *(Note iii)*	**4,005,211**	4,292,285
Analysed as carrying amount repayable:		
within one year	**99,682**	97,781
more than one year, but not exceeding two years	**104,450**	101,935
more than two years, but not exceeding five years	**343,365**	333,727
more than five years	**500,741**	624,298
Carrying amount of bank loans that contain a repayment on demand clause:		
Repayable within one year from the end of reporting period*	**148,509**	143,804
Not repayable within one year from the end of reporting period but shown under current liabilities*	**2,808,464**	2,990,740
	4,005,211	4,292,285
Less: Amounts due within one year (shown under current liabilities)	**(3,056,655)**	(3,232,325)
Amounts shown under non-current liabilities	**948,556**	1,059,960

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes:

(i) Bank overdrafts carry interests at market rates of 5.5% (2018: 5.5%) per annum as at 30 September 2019. The balances are secured and jointly guaranteed by the executive directors of the Company.

(ii) 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 14;

(b) Joint and several guarantees from the executive directors of the Company in their personal capacities; and

(c) Bank deposits pledged to banks to secure banking facilities, including bank overdrafts, granted to the Group, amounting to S$225,383 (2018: S$224,821) as at 30 September 2019 (Note 21).

(iii) The bank borrowings are secured by first legal mortgage over investment properties held under joint operations as set out in Note 15. In addition, joint and several guarantees are provided by the executive directors of the Company and the joint partners.

The weighted average effective interest rates of the borrowings were 4.7% (2018: 4.0%) per annum for the year ended 30 September 2019. The amounts are repayable at various dates throughout to 2037.

24 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		**Present value of minimum lease payments**	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
Amounts payable under finance leases				
Within one year	**905,969**	1,066,635	**857,067**	1,009,223
More than one year, but not exceeding two years	**595,809**	582,843	**576,132**	552,428
More than two years but not exceeding five years	**233,729**	446,953	**224,595**	427,501
More than five years	**12,611**	37,954	**12,447**	36,614
	1,748,118	2,134,385	**1,670,241**	2,025,766
Less: Future finance charges	**(77,877)**	(108,619)		
Present value of lease obligations	**1,670,241**	2,025,766		
Less: Amounts due for settlement within one year (shown under current liabilities)			**(857,067)**	(1,009,223)
Amounts due for settlement after one year			**813,174**	1,016,543

The Group's obligations under finance leases are secured by the lessor's titled to the leased assets (Note 13) and guarantees provided by the executive directors of the Company.

The average lease term ranges from 2 to 7 years (2018: 2 to 7 years). Interest rates underlying all obligations under finance leases are fixed at respective contract dates. During the year, the effective interest rate charged are ranged from 3.1% to 6.5% (2018: 3.1% to 6.5%) per annum.

25 DEFERRED TAX LIABILITIES

	2019	2018
	S$	*S$*
At beginning of the year	**193,000**	182,000
Charged to profit or loss for the year *(Note 10)*	**88,000**	11,000
At end of the year	**281,000**	193,000

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

	2019	2018
	S$	*S$*
Unused tax losses	**825,647**	959,612
Other temporary differences	**243,393**	197,678

As at 30 September 2019 and 2018, the Group has unused tax losses and other temporary differences available for offset against future profits. No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredictability of future profit streams of the respective group companies. The unrecognised tax losses can be carried forward subject to there being no substantial change in shareholders as required by provisions of the Singapore Income Tax Act.

The Group has no other significant unrecognised deferred tax assets for deductible temporary differences at 30 September 2019 and 2018.

26 SHARE CAPITAL / RESERVES

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 that have been incorporated.

	Number of ordinary shares	**Par value** *HK$*	**Share capital** *HK$*
Authorised share capital of the Company:			
At date of incorporation on 17 September 2018 and 1 October 2018	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	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	480,000,000	847,680

* The amount is less than S$1.

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 ordinary shares and public offer of 12,000,000 ordinary 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 approximately HK$86.3 million (S$15.2 million).

Properties revaluation reserves

The properties revaluation reserves arise from the difference between the carrying amount and the fair value of properties at the date of transfer from property, plant and equipment (Note 13) to investment properties (Note 14). Where the revalued properties are sold, the portion of the properties revaluation reserves that relate to those assets is effectively realised and is transferred directly to retained earnings.

The properties revaluation reserves are not available for distribution to the Company's shareholders.

	2019	2018
	S$	*S$*
At beginning of the year	**767,248**	–
Changes during the year in other comprehensive income	**–**	767,248
At end of the year	**767,248**	767,248

27 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 September 2019 are set out below:

Name of subsidiary	**Place of incorporation/ operation**	**Paid up issued capital**	**Group's effective 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 the end of the year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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 ("**ERSS**") works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials. The Group's property investment business primarily includes residential and industrial properties leasing.

The Group had established a solid track record over the years in undertaking a strong and diversified mix of public and private sector projects through partnering with an array of Singapore government agencies, private companies and listed corporations.

The Group recorded a revenue growth of approximately 15.5%, from approximately S$83.9 million for the year ended 30 September 2018 to approximately S$96.9 million for the year ended 30 September 2019. The recognition of listing expenses of approximately S$3.8 million for the year ended 30 September 2019 resulted in the decrease of profit for the year by approximately 27.9%, from approximately S$6.8 million for the year ended 30 September 2018 to approximately S$4.9 million for the year ended 30 September 2019.

Excluding listing expenses of approximately S$0.6 million and S$3.8 million for the years ended 30 September 2018 and 30 September 2019 respectively, profit for the years ended 30 September 2018 and 30 September 2019 would have been approximately S$7.4 million and S$8.7 million respectively and the Group's profit for the year would have increased by approximately S$1.3 million, or approximately 17.6% year-on-year.

Even though the construction industry in Singapore expects to see modest growth in the next few years, the Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties most relevant to the Group. The key risks and uncertainties identified are as follows:

(i) The Group relies on subcontractors to implement the projects and any significant increase in subcontracting charges or any substandard subcontractor works may have adverse impacts on the Group's financial results

The Group relies on subcontractors to carry out portions of its projects, charges from which comprises of approximately 65.3% (2018: 54.8%) of the Group's cost of services for the year. Any unexpected fluctuations in subcontracting charges during the course of execution of the Group's projects will thus have a negative impact on the Group's profitability. Besides, there is no assurance that the Group's subcontractors will always provide services at acceptable standards, and the Group may incur additional time and costs in rectifying substandard work, if any, which may cause cost overrun or delay to the projects.

(ii) **Construction works are highly labour-intensive and the Group relies on a stable supply of labour to carry out its projects**

There is no assurance that the supply of labour and average labour costs will remain stable at all times. When there is a significant increase in the cost of labour and the Group or the subcontractors have to retain labour by increasing their wages, the Group's staff costs and/or subcontracting charges will increase and as a result, the Group's profitability will be adversely affected. Furthermore, if the Group experiences any failure to attract and retain competent personnel or any material increase in labour costs as a result of the shortage of skilled labour, the Group's competitiveness and business would be damaged, thereby adversely affecting the Group's financial condition, operating results as well as future prospects.

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, additions and alterations ("**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 year ended 30 September			
	2019		2018	
	Revenue S$ million	***% of total revenue***	*Revenue S$ million*	*% of total revenue*
Construction services				
Civil engineering works	**79.5**	**82.0**	70.2	83.7
Building construction works	**15.7**	**16.3**	12.5	14.9
Other ancillary services	**1.2**	**1.2**	0.7	0.8
	96.4		83.4	
Property investment	**0.5**	**0.5**	0.5	0.6
Total	**96.9**	**100.0**	83.9	100.0

The Group's overall revenue increased by approximately S$13.0 million or approximately 15.5% from approximately S$83.9 million for the year ended 30 September 2018 to approximately S$96.9 million for the year ended 30 September 2019. The Group's overall revenue increased due to the increase in revenue from both civil engineering works and building construction works by approximately S$9.3 million and S$3.2 million respectively, and increase in other ancillary services by approximately S$0.5 million. Revenue contributed from property investment remains relatively stable.

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

	For the year ended 30 September			
	2019		2018	
	Revenue ***S$ million***	***% of total revenue***	Revenue *S$ million*	*% of total revenue*
Public customers	**50.8**	**52.7**	51.8	62.1
Private customers	**45.6**	**47.3**	31.6	37.9
Total	**96.4**	**100.0**	83.4	100.0

The increase in the Group's revenue is mainly due to revenue contributed from private customers which has increased significantly by approximately S$14.0 million or approximately 44.3%. Further, the increase in revenue from private customers is mainly attributed to works performed for 23 new private sector projects secured during the year ended 30 September 2019, which contributed to revenue of approximately S$17.3 million. Such increase in revenue is partially offset by projects which were completed as at last financial year end and hence did not contribute to any revenue during the year ended 30 September 2019.

Cost of Services

The Group's cost of services increased by approximately S$9.3 million or approximately 13.2% from approximately S$70.7 million for the year ended 30 September 2018 to approximately S$80.0 million for the year ended 30 September 2019. Such increase in cost of services was generally in line with the increase in revenue.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the year ended 30 September 2019 amounted to approximately S$16.9 million, representing an increase of approximately S$3.7 million or approximately 28.0% as compared with approximately S$13.2 million for the year ended 30 September 2018.

The Group recorded a slight increase of approximately 1.7% in gross profit margin from approximately 15.7% for the year ended 30 September 2018 to approximately 17.4% for the year ended 30 September 2019. The increase in the Group's gross profit margin was mainly due to increase in profitability of services to private customers.

Other Income

Other income mainly included (i) rental income from renting properties to executive Directors, (ii) government grants and (iii) rental income from renting equipment. During the year ended 30 September 2019, other income amounted to approximately S$0.2 million (2018: S$0.3 million). The decrease in other income was mainly due to lesser government grants received and no interest income from advances to executive Directors for the year ended 30 September 2019.

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, (iii) fair value gains or losses on investment properties and investment properties held under joint operations and (iv) written off of payable to suppliers that are liquidated. During the year ended 30 September 2019, other gains and losses amounted to a net gain of approximately S$0.5 million (2018: S$0.7 million). The decrease in net gain was mainly due to a fall in the fair value gains on the Group's investment properties and decrease in gain from sale of scrap materials, partially offset with increase in the fair value gains on the Group's investment properties held under joint operations and the written off of payables to suppliers that are liquidated during the year.

Administrative Expenses

The administrative expenses of the Group for the year ended 30 September 2019 amounted to approximately S$6.2 million, representing an increase of approximately S$1.3 million or approximately 26.5% compared with approximately S$4.9 million for the year ended 30 September 2018, mainly due to the increase in staff costs (including Directors' remuneration) as a result of increase in staff headcount and salary increments and increase in professional fees in relation to post-listing compliance.

Finance Costs

The Group's finance costs increased by approximately S$0.3 million or approximately 42.9% from approximately S$0.7 million for the year ended 30 September 2018 to approximately S$1.0 million for the year ended 30 September 2019. Such increase was mainly driven by the increase in the Group's bank overdrafts and borrowings during the year ended 30 September 2019.

Income Tax Expense

The Group's income tax expense increased by approximately S$0.5 million or approximately 41.7% from approximately S$1.2 million for the year ended 30 September 2018 to approximately S$1.7 million for the year ended 30 September 2019. Such increase was mainly driven by the increase in profit before taxation excluding listing expenses which are not deductible for tax purpose for the respective years.

Profit for the Year

Profit after taxation of the Group decreased by approximately S$1.9 million from approximately S$6.8 million for the year ended 30 September 2018 to S$4.9 million for the year ended 30 September 2019. This is mainly due to the increase in listing expenses by approximately S$3.2 million and administrative expenses by approximately S$1.3 million year-on-year.

Excluding listing expenses of approximately S$0.6 million and S$3.8 million for the years ended 30 September 2018 and 30 September 2019 respectively, profit for the years ended 30 September 2018 and 30 September 2019 would have been approximately S$7.4 million and S$8.7 million respectively and the Group's profit for the year would have increased by approximately S$1.3 million, or approximately 17.6% year-on-year.

Final Dividend

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2019.

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 2018. The capital structure of the Group consists of debt, which includes bank overdrafts and borrowings and obligations under finance leases, 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.

The Group had total bank balances and cash of approximately S$20.9 million (2018: S$3.7 million). The Group had total bank overdrafts and borrowings and obligations under finance leases of approximately S$26.2 million (2018: S$25.5 million) as at 30 September 2019.

Pledge of Assets

The Group has 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 years ended 30 September 2018 and 30 September 2019.

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 and other payables denominated in Hong Kong dollars amounting to approximately S$19.8 million and S$1.1 million respectively as at 30 September 2019 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 30 September 2019 was approximately 50.2% (2018: 101.4%).

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

Apart from the reorganisation in relation to the Listing (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 year ended 30 September 2019. Save for the business plan as disclosed in the Prospectus, there was no plan for material investments or capital assets as at 30 September 2019.

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 30 September 2019.

Employees and Remuneration Policy

As at 30 September 2019, the Group had a total of 226 employees (2018: 193 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 year ended 30 September 2019 amounted to approximately S$10.7 million (2018: S$9.0 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 30 September 2019, the Group had performance bonds of approximately S$9.1 million (2018: S$7.5 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. Subsequent to the year ended 30 September 2019, the Group has obtained additional performance bonds amounting to approximately S$1.5 million.

Capital Expenditures and Capital Commitments

During the year ended 30 September 2019, the Group acquired items of property, plant and equipment of approximately S$2.0 million (2018: S$3.8 million).

Save for the future plans and the proceeds as set out in the Prospectus, the Group had no material capital commitments as at 30 September 2019.

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). In line with the future plans and the proceeds as set out in the Prospectus, the Group plans to allocate the net proceeds and will implement its future plans for the purposes as outlined below:

Purposes	*HK$ million*	**Approximate Percentage of the Total Net Proceeds**
Strengthening our financial position	21.8	25.3%
Enhancing our machinery fleet	31.0	36.0%
Strengthening our workforce	11.6	13.4%
Developing production area for steel bar fabrication	2.0	2.3%
Investing in BIM and ERP systems	5.3	6.1%
Acquiring investment properties	14.6	16.9%

As the Shares were listed on 19 September 2019, the Company did not deploy its listing proceeds as at 30 September 2019.

CORPORATE GOVERNANCE

The Company has adopted and complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 of the Listing Rules since the listing of the shares of the Company on the Stock Exchange on 19 September 2019 (the "**Listing Date**") to the date of this announcement.

SHARE OPTION SCHEME

The Company has 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 there is no outstanding share option as at 30 September 2019.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the year ended 30 September 2019, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISER'S INTERESTS

As notified by the Company's compliance adviser, Grande Capital Limited (the "**Compliance Adviser**"), as at 30 September 2019, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 10 December 2018, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

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

During the year ended 30 September 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER 30 SEPTEMBER 2019

There is no material subsequent event undertaken by the Group after 30 September 2019 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules since the Listing Date and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the Group's audited financial results for the year ended 30 September 2019 and discussed with the management and the auditor of the Company 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 year ended 30 September 2019 have been reviewed and agreed by the Audit Committee, to the amounts set out in the Group's audited consolidated financial statements for the year. The annual accounts will be prepared in accordance with International Financial Reporting Standards. Such annual accounts will be audited under International Standards on Auditing issued by the International Auditing and Assurance Standards Board as required by Rule 19.21 of the Listing Rules.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.singtec.com.sg and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The Annual Report will be despatched to shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 19 December 2019

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Poon Soon Huat and Mr. Teo Teck Thye; and three independent non-executive Directors, namely Mr. Chan Kwok Wing Kelvin, Mr. May Tai Keung Nicholas and Mr. Tam Hon Fai.