

IPO FACT SHEET
S&T Holdings Limited (3928)
ISSUE STATISTICS

Offer Size:	HK\$126m- HK\$138m
Placement Tranche:	120m
Price:	HK\$1.05- HK\$1.15
Board lot:	2,000
Entry fee:	HK\$2,323.18
Historical PE	13.04x-14.28x
Net tangible asset per share:	HK\$0.57- HK\$0.59
Market Cap (post-IPO):	HK\$504m- HK\$552m
Open:	29 Aug 2019
Close:	12.00 noon on 3 Sep 2019
Trading:	19 Sep 2019
Sponsor:	Grande Capital Limited

Year ended 30 Sep	(\$'000)	yoy % chg
Revenue		
2017	60,348	34.9%
2018	83,963	39.1%
Profit for the year		
2017	3,955	53.1%
2018	6,780	71.4%

BACKGROUND

- The Group engage in construction services and property investment business in Singapore.
- During the Track Record Period, their construction services primarily include (i) civil engineering works entailing road works, earthworks, drainage works, 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.
- During the same period, their property investment business primarily includes residential and industrial properties leasing.

BUSINESS STRATEGIES

- Further strengthen their market position in the construction industry in Singapore.
- Further expand their property investment business in Singapore so as to further diversify their revenue stream.
- Strengthen their financial position.
- Enhance their machinery fleet.
- Strengthen their manpower.
- Develop a production area for steel bar fabrication for their usage.
- Invest in BIM and ERP systems.
- Acquire more investment properties.

COMPETITIVE STRENGTHS

- Well-established presence in the construction industry in Singapore.
- Experienced management team.
- Stable relationship with some of their major suppliers and subcontractors.
- Wide range of construction machines and equipment which enables us to take on various large-scale construction projects.

- Stringent quality control and high safety standard and environmental impact control.

KEY RISKS

- Their revenue was mostly derived from construction services and such contracts are non-recurring in nature and there is no guarantee that their customers will award new contracts to us in the future.
- They may not be able to maintain or increase their tender and quotation success rate.
- They had a concentration of customers during the Track Record Period.
- A portion of their revenue was generated from contracts awarded by Singapore government agencies during the Track Record Period and any significant reduction in the level of Singapore government's spending on civil engineering and building construction services may materially and adversely affect us.
- They determine the tender or quotation price based on their estimated construction time and costs which may deviate from the actual time and costs incurred and any inaccurate cost estimation and cost overrun may adversely affect their financial results..

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Strengthen their financial position in order to pay for upfront costs.	23.9	25.3%
Enhance their machinery fleet, by acquiring additional hydraulic excavators, articulated dump trucks, crusher, trailer and trucks and lorries in order to cater for more construction works of different scales and complexity.	34.0	36.0%
Strengthen their workforce.	12.6	13.4%
Develop the production area in their headquarters for steel bar fabrication for their own usage.	2.2	2.3%
Invest in BIM and ERP systems to enhance their information technology capability and project implementation efficiency.	5.7	6.1%
Acquire addition investment properties for their property investment business.	15.9	16.9%
Total:	94.3	100.0%

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