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GT STEEL CONSTRUCTION GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8402)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of GT Steel Construction Group Limited (the “Company”) collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief (1) the information contained in this announcement is accurate and complete in all material respects and not misleading and deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

The original announcement is prepared in the English language. This announcement is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

RESULTS

The board (the “Board”) of Directors of the Company (together with its subsidiaries, the “Group”) is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 31 March 2020 together with unaudited comparative figures for the corresponding period in 2019, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2020

		Three months ended	
		31 March	
	<i>Note</i>	2020	2019
		S\$	S\$
		(Unaudited)	(Unaudited)
Revenue	3	2,938,567	16,829,401
Cost of services		(2,233,311)	(12,948,318)
Gross profit		705,256	3,881,083
Other income	4a	71,671	46,848
Other gains	4b	—	3,000
Selling expenses		(50,945)	(46,200)
Administrative expenses		(864,874)	(773,928)
Other expenses	4c	(57,353)	(152,551)
Finance costs	5	(49,237)	(36,821)
(Loss) Profit before taxation		(245,482)	2,921,431
Income tax expense	6	(277,332)	(590,261)
(Loss) Profit for the period	7	(522,814)	2,331,170
Other comprehensive income			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operation		7,465	2,441
Total comprehensive (expense) income for the period		(515,349)	2,333,611
Basic (loss) earnings per share (S\$ cents)	9	(0.11)	0.49

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

	Share capital	Share premium	Merger reserves	Accumulated profits	Translation Reserve	Total
	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>
At 1 January 2019 (audited)	827,586	8,613,061	2,999,983	13,058,338	(2,441)	25,496,527
<i>Total comprehensive income for the period:</i>						
Profit for the period	—	—	—	2,331,170	—	2,331,170
Other comprehensive income for the period	—	—	—	—	2,441	2,441
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	—	—	—	2,331,170	2,441	2,333,611
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019 (unaudited)	<u>827,586</u>	<u>8,613,061</u>	<u>2,999,983</u>	<u>15,389,508</u>	<u>—</u>	<u>27,830,138</u>
At 1 January 2020 (audited)	827,586	8,613,061	2,999,983	18,386,434	(7,465)	30,819,599
<i>Total comprehensive income (expense) for the period:</i>						
Loss for the period	—	—	—	(522,814)	—	(522,814)
Other comprehensive income for the period	—	—	—	—	7,465	7,465
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	—	—	—	(522,814)	7,465	(515,349)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020 (unaudited)	<u>827,586</u>	<u>8,613,061</u>	<u>2,999,983</u>	<u>17,863,620</u>	<u>—</u>	<u>30,304,250</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

1 GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 1 February 2017. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is at 64 Woodlands Industrial Park E9, Singapore 757833. The shares of the Company are listed on the GEM of the Stock Exchange with effect from 17 November 2017.

Its parent is Broadbville Limited (“Broadbville”), incorporated in the British Virgin Islands (“BVI”), which is also the Company’s ultimate holding company. Its ultimate controlling party is Mr. Ong Cheng Yew (“Mr. Ong”), who is the chairman and an executive Director.

The Company is an investment holding company and its operating subsidiaries are engaged in designing, supplying, fabricating and erecting structural steelworks for the construction of buildings including technological plants, industrial buildings, commercial buildings, government institutions and residential buildings and provision of pre-fabricated steel structures or on-site installation services.

The financial information is presented in Singapore Dollars (“S\$”), which is also the presentation currency of the Company.

The unaudited condensed consolidated financial information was approved by the Board on 14 May 2020.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

New and amended IFRSs that are effective for the current period

Amendments to IFRS 3 ⁽ⁱ⁾	<i>Definition of a business</i>
Amendments to IAS 1 and IAS 8 ⁽ⁱⁱ⁾	<i>Definition of material</i>
Amendments to IFRS 9, IAS 39 and IFRS 7 ⁽ⁱⁱ⁾	<i>Interest Rate Benchmark Reform</i>

- (i) 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.
- (ii) Effective for annual periods beginning on or after 1 January 2020.

New and amendments to IFRSs in issue but not yet effective

At the date of authorisation of these financial results, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17 ⁽ⁱ⁾	<i>Insurance Contracts</i>
Amendments to IFRS 10 and IAS 28 ⁽ⁱⁱ⁾	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

- (i) Effective for annual periods beginning on or after 1 January 2021.
- (ii) Effective for annual periods beginning on or after a date to be determined.

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in IFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial results of the Group in future periods.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all IFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in IFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;

- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain IFRSs have been updated to the New Framework, whilst some IFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

3 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of construction services, installation and auxiliary services provided by the Group to external customers. The Group's operations are mainly derived from Singapore during the financial period.

Information is reported to the Executive Directors, being the chief operating decision maker ("CODM") of the Group, for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies. The CODM reviews revenue by category, i.e. provision of services comprising design, supply, fabrication and erection of structural steel-works for the construction of buildings, including technological plants, industrial buildings, commercial buildings, government institutions and residential buildings in Singapore and Malaysia and other installation and auxiliary services by the Group to external customers for the respective reporting period. No analysis of the Group's results, assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

An analysis of the Group's revenue for the period is as follows:

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Revenue from:		
Provision of structural steelworks services	<u>2,938,567</u>	<u>16,829,401</u>

Timing of recognition

Revenue based by timing of recognition are as follows:

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Over time	<u>2,938,567</u>	<u>16,829,401</u>

Major customers

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

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Customer I	<u>1,117,951</u>	<u>13,914,887</u>
Customer II	<u>1,042,993</u>	<u>N/A*</u>

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

Geographical information

Revenue based on geographical location of customers are as follows:

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Singapore	<u>2,938,567</u>	<u>16,824,357</u>
Malaysia	<u>—</u>	<u>5,044</u>
	<u>2,938,567</u>	<u>16,829,401</u>

4 A. OTHER INCOME

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Insurance claim receipt	29,245	179
Government grants	9,597	9,040
Rental income	32,829	28,329
Sundry income	—	9,300
	<u>71,671</u>	<u>46,848</u>

B. OTHER GAINS

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	—	3,000
	<u>—</u>	<u>3,000</u>

C. OTHER EXPENSES

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Expenses in relation to the proposed transfer of listing of the shares of the Company from GEM to the Main Board of the Stock Exchange (the “Proposed Transfer”)	57,353	152,551
	<u>57,353</u>	<u>152,551</u>

5 FINANCE COSTS

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Interest on:		
Bank borrowings:		
— wholly repayable within five years	19,481	22,220
— not wholly repayable within five years	10,751	10,867
Lease liabilities	19,005	—
Obligations under finance leases	—	3,734
	<u>49,237</u>	<u>36,821</u>

6 INCOME TAX EXPENSE

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current tax:		
— Singapore corporate income tax (“CIT”)	—	569,630
— Under provision in prior years	277,332	14,148
Deferred tax expense:		
— Current year	—	6,483
	<u>—</u>	<u>6,483</u>
	277,332	590,261
	<u>277,332</u>	<u>590,261</u>

Singapore CIT is calculated at 17% (2019: 17%) of the estimated assessable profit for the period.

7 (LOSS) PROFIT FOR THE PERIOD

(Loss) Profit for the period has been arrived at after charging:

	Three months ended 31 March	
	2020	2019
	S\$	S\$
	(Unaudited)	(Unaudited)
Listing transfer expenses (<i>Note a</i>)	57,353	152,551
Depreciation of property, plant and equipment:		
— Recognised in cost of services	120,197	112,888
— Recognised in administrative expenses	159,320	53,064
Depreciation of right-of-use assets		
— Recognised in cost of services	84,337	—
— Recognised in administrative expenses	90,113	—
Depreciation of investment properties	13,316	13,316
Directors’ emoluments	142,298	69,653
Other staff costs:		
— Salaries and wages	888,907	1,029,936
— Defined contribution plans	20,347	26,866
— Other staff benefits	15,894	26,445
	<u>—</u>	<u>26,445</u>
Total staff costs	1,067,446	1,152,900
	<u>1,067,446</u>	<u>1,152,900</u>
Cost of materials recognised as expenses	400,583	2,725,267
Subcontractor costs recognised as expenses	806,255	7,808,987
	<u>806,255</u>	<u>7,808,987</u>

Note:

a. This pertains to expenses incurred in relation to the Proposed Transfer.

8 DIVIDEND

The directors do not recommend the payment of dividend for the three months ended 31 March 2020 (2019: Nil).

9 (LOSS) EARNINGS PER SHARE

	Three months ended 31 March	
	2020 (Unaudited)	2019 (Unaudited)
(Loss) Profit attributable to the owners of the Company (S\$)	(522,814)	2,331,170
Weighted average number of ordinary shares in issue	480,000,000	480,000,000
Basic (loss) earnings per share (S\$ cents)	(0.11)	0.49

The calculation of basic (loss) earnings per share is based on the (loss) profit for the period attributable to owners of the Company and the weighted average number of shares in issue.

10 RELATED PARTY TRANSACTION

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

	Three months ended 31 March	
	2020 S\$ (Unaudited)	2019 S\$ (Unaudited)
Short term benefits	163,178	114,772
Post-employment benefits	9,180	10,800
	<u>172,358</u>	<u>125,572</u>

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

The Group is principally engaged in the design, supply, fabricate and erect structural steel works for the construction of buildings, including technological plants, industrial buildings, commercial buildings, government institutions and residential buildings in Singapore.

FINANCIAL REVIEW

Revenue and Results

For the three months ended 31 March 2020, the Group recorded revenue of approximately S\$2,939,000 (2019: approximately S\$16,829,000).

The revenue decreased by approximately S\$13,890,000 or 82.5%. Since late 2019, there has been an outbreak of a highly contagious form of novel coronavirus disease (“COVID-19”) affecting a lot of countries across the world. COVID-19 has resulted in the delay or suspension of the projects, which significantly affect the Group’s business and financial results.

The gross profit for the three months ended 31 March 2020 was approximately S\$705,000 (2019: approximately S\$3,881,000). The gross profit margin was maintained at a range of 24.0% to 23.1% for the three months ended 31 March 2020 and 2019.

Selling and administrative expenses for the three months ended 31 March 2020 was approximately S\$916,000 (2019: approximately S\$820,000), representing an increase of approximately S\$96,000, which was mainly due to the increase in the depreciation of newly acquired factory in the second half of the year of 2019.

Other expenses for the three months ended 31 March 2020 mainly related to expenses in relation to the Proposed Transfer of approximately S\$57,000 (2019: approximately S\$153,000).

The Group recorded a loss before tax for the three months ended 31 March 2020 of approximately S\$188,000 exclusive of expenses in relation to the Proposed Transfer of approximately S\$57,000 (2019: a profit of approximately S\$3,074,000 exclusive of expenses in relation to the Proposed Transfer of approximately S\$153,000).

Loss for the three months ended 31 March 2020 was approximately S\$465,000 (exclusive of expenses in relation to the Proposed Transfer of approximately S\$57,000), representing a decrease of approximately S\$2,949,000 as compared with the corresponding period of last year which recorded a profit of approximately S\$2,484,000 (exclusive of expenses in relation to the Proposed Transfer of approximately S\$153,000).

Foreign Exchange Exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of the Group. However, the Group retains the proceeds from the listing of the Company on GEM of the Stock Exchange on 17 November 2017 by way of share offer in Hong Kong dollars, which exposed the Group to foreign exchange risk arising from the fluctuations of exchange rate for Hong Kong dollars against Singapore dollars. The Group does not have a foreign currency hedging policy but it continuously monitors its foreign exchange exposure and will apply appropriate measures if necessary.

Reserves

Movement in the reserves of the Group for the three months ended 31 March 2020 are set out above in the unaudited condensed consolidated statement of changes in equity.

Dividend

No dividend was paid, proposed or declared for the ordinary shareholders of the Company for the three months ended 31 March 2020 (2019: Nil).

Contingent Liabilities

As at 31 March 2020, the Group did not have any contingent liabilities.

Capital Commitments

As at 31 March 2020, the Group did not have any capital commitments.

Employee Information

As at 31 March 2020, the Group had an aggregate of 141 (2019: 141) employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two years contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S\$1,067,000 and S\$1,153,000 for the three months ended 31 March 2020 and 2019 respectively.

BUSINESS REVIEW

The Group is principally engaged in the design, supply, fabricate and erect structural steel works for the construction of buildings, including technological plants, industrial buildings, commercial buildings, government institutions and residential buildings in Singapore.

Revenue comprised of revenue from the provision of construction services, installation and auxiliary services provided by the Group to external customers, which amounted to approximately S\$2,939,000 and S\$16,829,000 for the three months ended 31 March 2020 and 2019 respectively.

Management is actively seeking projects from other customers for diversification of customer concentration risks, and expanding existing capacity to cater to higher demands.

During the three months ended 31 March 2020 and 31 March 2019, the Group recorded a net loss of approximately S\$465,000 (exclusive of expenses in relation to the Proposed Transfer of approximately S\$57,000), and a profit of approximately S\$2,484,000 (exclusive of expenses in relation to the Proposed Transfer of approximately S\$153,000) respectively.

The Group's strategies are to expand and strengthen its market position in the structural steel work industry in Singapore through the expansion of its projection capacity and workforce.

Singapore's construction sector is being driven by a large number of infrastructure projects which will continue into the latter part of the next decade. These infrastructure projects feed into the government's overall strategy for growth which includes bringing in new companies, investing in new industry sectors and increasing the population level. Structural steel is a critical component in many of these projects.

Those large scale projects will increase demand in design and consultancy skills from the steel fabricators, which will in turn enhance their skills and productivity making them more valuable for future projects.

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in our businesses and operations as efficiently and effectively as possible. The Board delegates some of these responsibilities to various operational departments. The Group's financial position, operations, business and prospects may be affected by various risks and uncertainties such as the non-recurring nature of the Group's contracts, potential delays in projects and risks involved in engaging subcontractors. The Group adopts risk management policies, measures and monitoring systems to pre-empt and contain exposures associated with the identified risks.

Since late 2019, there has been an outbreak of COVID-19 which has been affecting a lot of countries across the world. Since then, the projects of the Group have slowed down, delayed and suspended.

Going forward, the Group will continue to manage its expenditures, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

PROSPECT

Economic outlook for 2020

On 26 March 2020, The Ministry of Trade and Industry (“MTI”) had downgraded the GDP growth forecast of Singapore for 2020 to “-4.0% to -1.0%”, from an earlier estimate of “-0.5% to 1.5%”. On a quarter-on-quarter annualized basis, the economy shrank by 10.6% during the period from January to March, a magnitude unseen since the third quarter of 2010 and a sharp pullback from 0.6% growth in the previous quarter. For the first quarter, the construction sector lead the decline with a contraction of 4.3% year on year. The MTI said the 2020 outlook has sharply deteriorated after the COVID-19 outbreak which rapidly escalated beyond China to many other countries, including the United States of America (the “U.S.”), the United Kingdom, France and Germany.

On 3 April 2020, the Ministry of Health of Singapore has implemented “Additional Measures to Minimise Further Spread of COVID-19 Cases” which outlined enhanced safe distancing measures to reduce the risk of further local transmission of COVID-19. In compliance with Singapore government’s rules, the Group has stopped its business operation until 1 June 2020, which significantly affected the Group’s business and financial results. The Group expects the macroeconomic environment would remain challenging amid the COVID-19 outbreak, which has shown signs of slowing down, crash of the crude oil prices, as well as escalating trade tensions and geopolitical risks, including uncertainty over the outcome of the upcoming 2020 U.S. Presidential election.

Going forward, the Group will continue to expand and strengthen its market position in the structural steelwork industry in Singapore through the expansion of its production capacity and workforce.

Further, the Company is in the process of considering the Proposed Transfer. The Company will issue further announcement(s) to keep the shareholders of the Company and potential investors informed of the Proposed Transfer as and when required under the GEM Listing Rules.

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

As at 31 March 2020, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "SFO")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

Aggregate long positions in the shares and underlying shares of the Company

Name of Director	Nature of interest	Number of shares held	Approximate percentage of the issued share capital
Mr. Ong Cheng Yew	Interest of the controlled company ^(Note 1)	360,000,000	75%
Ms. Koh Siew Khing ^(Note 2)	Interest of spouse	360,000,000	75%

Notes:

- (1) Broadbville Limited is wholly-owned by Mr. Ong Cheng Yew. Under the SFO, Mr. Ong Cheng Yew is deemed to be interested in all the shares of the Company held by Broadbville Limited.
- (2) Ms. Koh Siew Khing is the spouse of Mr. Ong Cheng Yew and is deemed to be interested in all the shares of the Company in which Mr. Ong is interested in under the SFO.

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

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

As at 31 March 2020, the register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 March 2020, the Company had been notified of the following substantial shareholder's interest and short positions being 5% or more of the issued share capital of the Company.

Aggregate long positions in the shares and underlying shares of the Company

Name of substantial shareholder	Nature of interest	Number of shares held	Approximate percentage of the issued share capital
Broadbville Limited	Beneficial owner	360,000,000	75%

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who had an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 31 March 2020.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the period under review, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Group had any interests in any business which competed with or might compete with the business of the Group.

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

During the three months ended 31 March 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY THE DIRECTORS

During the three months ended 31 March 2020, the Company has adopted a code of conduct regarding securities transactions by directors on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

CORPORATE GOVERNANCE PRACTICES

The Board considers good corporate governance a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code during the three months ended 31 March 2020.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Vinco Capital Limited, as at 31 March 2020, save for the compliance adviser agreement dated 26 June 2017 entered into between the Company and Vinco Capital Limited, neither Vinco Capital Limited, its directors, employees and associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “Scheme”) on 2 November 2017. The purpose of the Scheme is to advance the interests of the Company and the shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons’ contribution to further advance the interests of the Group. The principal terms of the Scheme are summarized in the section headed “Share Option Scheme” in Appendix V to the prospectus of the Company dated 30 October 2017.

As at 31 March 2020, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

DIVIDEND

The Directors do not recommend the payment of dividend for the three months ended 31 March 2020 (2019: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group has no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the three months ended 31 March 2020.

EVENTS AFTER THE REPORTING PERIOD

The outbreak of COVID-19 since early 2020 has brought additional uncertainties in the global macroeconomic situation. As disclosed in the announcement of the Company dated 6 April 2020, the Group's financial performance has been impacted. With the government's help through Job Support Scheme, Wage Credit Scheme, deferment of income tax payments and Property Tax Reliefs etc, the cost burden of the Group has been lessened. The Group will closely monitor the development of the epidemic and assess its impact on the financial position and operating results of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the latest practicable date prior to the issue of this announcement.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 21 June 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Tam Wai Tak Victor, Ms. Chooi Pey Nee and Mr. Tan Yeok Lim (Chen Yulin). Mr. Tam Wai Tak Victor, a Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee. Among other things, the primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the unaudited results for the three months ended 31 March 2020 and has provided advice and comments thereon.

By order of the Board
GT Steel Construction Group Limited
Ong Cheng Yew
Chairman and Executive Director

Singapore, 14 May 2020

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Ong Cheng Yew (Chairman) and Ms. Koh Siew Khing and three independent non-executive Directors, namely, Mr. Tam Wai Tak Victor, Ms. Chooi Pey Nee and Mr. Tan Yeok Lim (Chen Yulin).

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.gt-steel.com.sg.