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SINGASIA HOLDINGS LIMITED

星亞控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8293)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 JULY 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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 SingAsia Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* For identification purposes only

HIGHLIGHTS

- The revenue of the Company and its subsidiaries (collectively the “Group”) amounted to approximately S\$20,833,000 for the year ended 31 July 2016, representing an increase of approximately S\$1,512,000 or 8% as compared with the year ended 31 July 2015.
- The loss for the year of the Group is approximately S\$1,297,000 for the year ended 31 July 2016, representing a decrease of approximately S\$3,408,000 as compared to the profit for the year ended 31 July 2015 mainly due to listing expenses of approximately S\$3,296,000 incurred during the year ended 31 July 2016. Excluding the one-off listing expenses, the Group would have recorded a profit of approximately S\$1,999,000 for the year ended 31 July 2016.
- Basic and diluted loss per share was S\$0.0064 for the year ended 31 July 2016 compared to basic and diluted earnings per share of S\$0.0106 for the year ended 31 July 2015.
- The Board does not recommend the payment of a final dividend for the year ended 31 July 2016.

ANNUAL RESULTS

The board of Directors (the “Board”) of the Company hereby announces the consolidated results of the Group for the financial year ended 31 July 2016 together with comparative figures for the financial year ended 31 July 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 JULY 2016

	<i>Notes</i>	2016 S\$	2015 S\$
REVENUE	4	20,833,182	19,320,989
Cost of services		(13,909,372)	(12,685,622)
Gross profit		6,923,810	6,635,367
Other income and gains	4	333,337	110,807
Administrative expenses		(5,070,557)	(4,308,665)
Other operating expenses		(3,502,072)	(116,812)
Finance costs		(46,685)	(83,377)
(LOSS)/PROFIT BEFORE TAX	5	(1,362,167)	2,237,320
Income tax credit/(expense)	6	65,006	(126,204)
(LOSS)/PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(1,297,161)</u>	<u>2,111,116</u>
Attributable to:			
Owners of the Company		(1,297,161)	2,119,011
Non-controlling interests		—	(7,895)
		<u>(1,297,161)</u>	<u>2,111,116</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	7	<u>(0.0064)</u>	<u>0.0106</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2016

	Notes	2016 S\$	2015 S\$
NON-CURRENT ASSETS			
Property, plant and equipment		895,653	524,782
Goodwill		886,341	886,341
Deferred tax assets		142,262	—
Total non-current assets		<u>1,924,256</u>	<u>1,411,123</u>
CURRENT ASSETS			
Trade receivables	8	2,824,269	3,849,716
Prepayments, deposits and other receivables		225,830	319,993
Cash and cash equivalents		8,287,411	1,031,029
Total current assets		<u>11,337,510</u>	<u>5,200,738</u>
CURRENT LIABILITIES			
Trade payables	9	5,840	83,906
Other payables and accruals	10	1,930,884	2,289,121
Interest-bearing bank borrowings	11	295,544	952,187
Tax payable		76,866	95,959
Total current liabilities		<u>2,309,134</u>	<u>3,421,173</u>
NET CURRENT ASSETS		<u>9,028,376</u>	<u>1,779,565</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,952,632</u>	<u>3,190,688</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	11	—	29,511
Deferred tax liabilities		85,371	77,925
Total non-current liabilities		<u>85,371</u>	<u>107,436</u>
NET ASSETS		<u>10,867,261</u>	<u>3,083,252</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	433,000	—
Share premium		12,079,017	—
Merger reserve		(2,379,552)	977,295
Retained profits		734,796	1,851,231
		<u>10,867,261</u>	<u>2,828,526</u>
Non-controlling interests		—	254,726
Total equity		<u>10,867,261</u>	<u>3,083,252</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2016

1. GENERAL

The Company is an exempted company with limited liability incorporated in the 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 22 December 2015 and the principal place of business in Hong Kong registered is 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong. The head office and principal place of business of the Group is at 27 New Bridge Road, Singapore 059391. The shares of the Company were listed on GEM on 15 July 2016 (the "Listing Date").

The Company is a subsidiary of Centrex Treasure Holdings Limited ("Centrex Treasure"), incorporated in the British Virgin Islands, which is also the Company's ultimate holding company.

The Company is an investment holding company. The Group was involved in the following principal activities:

- manpower outsourcing
- manpower recruitment
- manpower training

The consolidated financial statements are presented in Singapore dollars ("S\$") except when otherwise indicated.

2. REORGANISATION AND BASIS OF PREPARATION

Historically, all the entities comprising the Group were under the common control of Mr. Sim Hak Chor ("Mr. Sim" or the "Controlling Shareholder") and held by him directly or indirectly. In preparation for the listing (the "Listing") of the Company's shares on GEM of the Stock Exchange, the entities now comprising the Group underwent a group reorganisation (the "Reorganisation") to enable the Company to become the holding company of the Group. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Group Structure" in the listing prospectus of the Company dated 5 July 2016 (the "Prospectus").

The companies now comprising the Group were under the common control of the Controlling Shareholder before and after the Reorganisation. 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 the date when the subsidiaries first came under the common control of the Controlling Shareholder where this is a shorter period.

Equity interests in subsidiaries held by parties other than the Controlling Shareholder prior to the Reorganisation are presented as non-controlling interests in equity.

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which include International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

All IFRSs effective for the accounting period commencing from 1 August 2015 have been adopted by the Group in preparation of the Group's consolidated financial statements for the year ended 31 July 2016.

3. SEGMENT INFORMATION

The Group is principally engaged in the provision of manpower services. Information reported to the Group's management for the purpose of resources allocation and performance assessment presents the operating results of the Group as a whole since the Group's resources are integrated and no discrete operating segment is available. Accordingly, no operating segment information is presented.

During the year ended 31 July 2016, all revenue, operating expenses, assets and liabilities are derived from the Group's operations in Singapore.

At the end of each reporting period, the Group's non-current assets were located in Singapore.

4. REVENUE, OTHER INCOME AND GAINS

	2016 S\$	2015 S\$
Revenue		
Manpower outsourcing	19,357,146	17,927,190
Manpower recruitment	984,520	975,218
Manpower training	491,516	418,581
	<u>20,833,182</u>	<u>19,320,989</u>
Other income and gains		
Government grants	25,438	76,140
Sundry income	104,399	34,667
Foreign exchange gain	36,227	—
Forfeiture income	86,075	—
Sale of merchandise	81,186	—
Interest income	12	—
	<u>333,337</u>	<u>110,807</u>

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	2016 S\$	2015 S\$
Cost of services	13,909,372	12,685,622
Depreciation	287,520	200,930
Operating lease charges	455,376	372,528
Loss on disposal of property, plant and equipment	—	260
	<u>14,652,268</u>	<u>13,261,340</u>

6. INCOME TAX CREDIT/EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Singapore corporate income tax has been provided at the rate of 17% (2015: 17%) on the chargeable income arising in Singapore during the year after offsetting any tax losses brought forward.

Major components of income tax credit/expense

The major components of income tax credit/expense for the years ended 31 July 2016 and 2015 are:

	2016 S\$	2015 S\$
Current income tax:		
Charge for the year	76,866	83,839
Overprovision in respect of prior years	(7,056)	(4,735)
Deferred income tax:		
(Credit)/charge for the year	(134,816)	40,060
Underprovision in respect of prior years	—	7,040
	<u> </u>	<u> </u>
Total tax (credit)/charge for the year	<u><u>(65,006)</u></u>	<u><u>126,204</u></u>

7. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2016	2015
(Loss)/profit attributable to owners of the Company (S\$)	<u>(1,297,161)</u>	<u>2,119,011</u>
Weighted average number of shares in issue	<u>202,328,767</u>	<u>200,000,000</u>
Basic and diluted (loss)/earnings per share (S\$)	<u><u>(0.0064)</u></u>	<u><u>0.0106</u></u>

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average number of shares in issue. The number of shares for the purpose of basic earnings per share for the year ended 31 July 2015 is based on the assumption that 200,000,000 ordinary shares of the Company are in issue and issuable, comprising an aggregate of 10,000 ordinary shares and 199,990,000 ordinary shares issuable upon capitalisation of share premium, as if the Reorganisation was effective on 1 August 2014.

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 July 2016 and 2015.

8. TRADE RECEIVABLES

	2016 S\$	2015 S\$
Third parties	2,471,287	2,837,065
Related parties	—	677,032
Unbilled revenue	352,982	335,619
	<u>2,824,269</u>	<u>3,849,716</u>

Trade receivables (including amounts due from related parties) are non-interest-bearing and are generally on 30-day terms.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2016 S\$	2015 S\$
Less than 30 days	1,213,664	1,786,114
31 to 60 days	542,188	614,928
61 to 90 days	219,887	291,514
More than 90 days	495,548	821,541
	<u>2,471,287</u>	<u>3,514,097</u>

9. TRADE PAYABLES

	2016 S\$	2015 S\$
Third parties	5,840	6,075
Related parties	—	77,831
	<u>5,840</u>	<u>83,906</u>

Trade payables (including amounts due to related parties) are non-interest-bearing and are generally settled on 14-day terms.

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2016 S\$	2015 S\$
Less than 30 days	5,840	6,075
31 to 60 days	—	—
61 to 90 days	—	—
More than 90 days	—	77,831
	<u>5,840</u>	<u>83,906</u>

10. OTHER PAYABLES AND ACCRUALS

	2016 S\$	2015 S\$
Related parties	—	107,342
Amount due to a director	—	414,736
GST payables	216,030	307,868
Accrued casual labour costs	508,322	839,669
Accrued staff costs	515,063	482,201
Other payables	691,469	137,305
	<u>1,930,884</u>	<u>2,289,121</u>

11. INTEREST-BEARING BANK BORROWINGS

	2016 S\$	2015 S\$
Current:		
Factoring loans — secured	295,544	906,481
Term loan — secured	—	45,706
	<u>295,544</u>	<u>952,187</u>
Non-current:		
Term loan — secured (repayable in the second year)	—	29,511
	<u>—</u>	<u>29,511</u>

For the years ended 31 July 2016 and 2015, the effective interest rates per annum of the bank borrowings were 6% and 6.37% respectively.

Factoring loans

Factoring loans are payable on demand and secured over certain trade receivables of the Group (Note 8) and the personal guarantee of S\$2,500,000 provided by a director of the Group. During the year ended 31 July 2016, the Group has cancelled one of the factoring loan facilities and accordingly, the director's personal guarantee has been reduced to S\$2,000,000.

Term loan

Term loan is secured over a personal guarantee provided by a director amounting to S\$200,000 and matures on 31 January 2017. The loan has been fully repaid on 25 July 2016.

12. SHARE CAPITAL

The Company was incorporated on 12 November 2015 with authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the date of incorporation, one ordinary share was allotted and issued to Centrex Treasure, a company controlled by Mr. Sim. On 20 June 2016, the authorised share capital of the Company was increased to HK\$50,000,000 divided into 5,000,000,000 shares of HK\$0.01 each, by the creation of an additional 4,962,000,000 shares ranking *pari passu* in all respects with the existing shares.

On 20 June 2016, the Company acquired the entire issued share capital of SingAsia Investments Limited from Mr. Sim, Ms. Serene Tan, Mr. Frey Ng Meng Choon, Mr. Woo Chee Sin and Mr. Wong Swee Fatt, which was satisfied by (i) the allotment and issuance of 9,999 new shares of the Company to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Serene Tan, Mr. Frey Ng Meng Choon, Mr. Woo Chee Sin and Mr. Wong Swee Fatt) credited as fully paid; and (ii) the crediting of the one nil-paid share, which was registered in the name of Centrex Treasure, as fully paid.

As part of the Share Offer (as defined below), the Company allotted and issued a total of 199,990,000 shares (of which 12,500,000 shares are sale shares) of the Company to Centrex Treasure, credited as fully paid at par, by way of capitalisation of the sum of HK\$1,999,900 standing to the credit of the share premium account of the Company (the "Capitalisation Issue").

The Company was successfully listed on the GEM board of the Stock Exchange on 15 July 2016 by way of share offer of 62,500,000 shares (including 12,500,000 sale shares) at the price of HK\$1 per share (the "Share Offer"). The net proceeds were approximately S\$4.49 million.

	No. of shares	S\$
Issued and fully paid ordinary shares:		
At date of incorporation	1	—
Shares issued pursuant to the Reorganisation (Note 2)	9,999	17
Shares issued under the Capitalisation Issue	199,990,000	346,383
Shares issued under the Share Offer	50,000,000	86,600
	<u>250,000,000</u>	<u>433,000</u>
At 31 July 2016		

13. DIVIDENDS

No dividends has been declared or paid during the year ended 31 July 2016.

During the year ended 31 July 2015, a subsidiary, TCC Hospitality Resources Pte. Ltd., had declared and paid dividends to its then shareholder in total of S\$2,758,000 on 15 December 2014, 12 January 2015 and 1 July 2015 respectively.

The rate of dividends and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a Singapore-based workforce solutions provider. We provide manpower outsourcing services, manpower recruitment services and manpower training services. Our workforce solutions meet customers' needs for a reliable and efficient workforce in the hotel and resort, retail, food and beverage ("F&B") and other sectors (including event organisers and various industries) across Singapore. These sectors are always in demand for flexible workforce support to reduce cost and respond to seasonal and fluctuating market conditions.

The Group's competitive strengths include (i) our well-established presence as a workforce solutions provider in the hotel and resort, F&B and retail sectors; (ii) our long-term rapport with major customers who are some of the active and major market players in the hotel and resort sector in Singapore; and (iii) our strong and experienced management team.

Other than the competitive strengths mentioned above, our Group distinguishes itself against other players by its value-added services. Our competitive advantages include (i) a large database of freelance contractors; (ii) comprehensive training for all new recruits, even for casual contractors; and (iii) use of proprietary software such as Job-Management System, Mobile Attendance System and Hi-TCC app to streamline administrative tasks for customers and the job-booking process for casual contractors.

The Listing provided additional capital to the Group to implement the corporate plans as set out in the Prospectus. Furthermore, the Listing also strengthened the financial position and enhanced the competitiveness of the Group.

Looking forward, we will continue to seize opportunities to expand our market presence by (i) engaging more with our existing customers in the hotel and resort sector to explore business opportunities for manpower outsourcing services to other departments; (ii) expanding into provision of security services for private properties, commercial properties, shopping malls and the hotel and resort sector; (iii) exploring business opportunities for manpower outsourcing services for white collar office workers; and (iv) growth through acquisition of strategic partners that are complementary to our existing business.

With the Group's experienced management team and reputation in the market, the Directors believe that the Group is well-positioned to compete against our competitors. The Group will pursue the strategies mentioned above to further strengthen our position as an established workforce solutions provider in Singapore.

FINANCIAL REVIEW

Revenue

Our Group's revenue comprised of revenue from manpower outsourcing, manpower recruitment and manpower training services. Our revenue increased from approximately S\$19,321,000 for the year ended 31 July 2015 to approximately S\$20,833,000 for the year ended 31 July 2016, representing a growth of approximately 8%. The growth was mainly attributable to increase in revenue from manpower outsourcing services. The following table sets forth the revenue of our Group by revenue type for the periods indicated:

	For the year ended 31 July			
	2016		2015	
	S\$'000	%	S\$'000	%
Manpower outsourcing	19,357	92.9	17,927	92.8
Manpower recruitment	985	4.7	975	5.0
Manpower training	491	2.4	419	2.2
	<u>20,833</u>	<u>100</u>	<u>19,321</u>	<u>100</u>

Manpower outsourcing

Revenue from manpower outsourcing services is predominantly from the hotel and resort, F&B and retail sectors. Revenue derived from manpower outsourcing services increased by approximately S\$1,430,000 in the year ended 31 July 2016, accounting for approximately 95% of the total revenue growth. The following table sets forth the revenue from manpower outsourcing services by sector for the periods indicated:

	For the year ended 31 July			
	2016		2015	
	S\$'000	%	S\$'000	%
Hotel and resort	14,709	76.0	13,787	76.9
F&B	3,316	17.1	2,554	14.2
Retail	1,214	6.3	1,358	7.6
Others	118	0.6	228	1.3
	<u>19,357</u>	<u>100</u>	<u>17,927</u>	<u>100</u>

Majority of our customers for manpower outsourcing services are from the hotel and resort sector. The proportion of manpower outsourcing services revenue derived from customers in the hotel and resort sector remained fairly consistent for both financial years. Revenue from manpower outsourcing services generated from the single largest customer in the hotel and resort sector decreased by approximately S\$1,435,000 in the year ended 31 July 2016. The decrease was offset by the increase in sales to existing customers as well as sales to new customers, resulting in a net increase of approximately S\$922,000. The broader customer base enabled us to reduce our reliance on the single largest customer.

Notwithstanding a decrease in the number of customers in the F&B sector, manpower outsourcing services revenue from this sector increased by approximately S\$762,000 in the year ended 31 July 2016. Increase in revenue was due to higher sales made to existing customers.

Revenue from manpower outsourcing services in the retail sector decreased by approximately S\$144,000 in the year ended 31 July 2016 on the back of the struggling retail industry in Singapore. Sales to existing customers were lower and we did not secure significant new customers from the retail sector.

Gross Profit

The overall gross profit increased from approximately S\$6,635,000 for the year ended 31 July 2015 to approximately S\$6,924,000 for the year ended 31 July 2016, mainly due to increase in revenue from manpower outsourcing and manpower training services. The overall gross profit margin decreased slightly from 34.3% for the year ended 31 July 2015 to 33.2% for the year ended 31 July 2016. The table below sets forth a breakdown of gross profit and gross profit margin by revenue type for the periods indicated:

	For the year ended 31 July			
	2016		2015	
	<i>Gross profit</i>		<i>Gross profit</i>	
	<i>margin</i>		<i>margin</i>	
	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>
Manpower outsourcing	5,887	30.4%	5,719	31.9%
Manpower recruitment	752	76.3%	803	82.4%
Manpower training	285	58.0%	113	26.9%
	6,924	33.2%	6,635	34.3%

The gross profit margin of manpower outsourcing services decreased slightly from approximately 31.9% for the year ended 31 July 2015 to 30.4% for the year ended 31 July 2016 due to a slight increase in labour cost.

The gross profit margin for manpower recruitment services decreased from approximately 82.4% for the year ended 31 July 2015 to 76.3% for the year ended 31 July 2016. For manpower recruitment services, we pay fees to our cooperative partners located in different countries with varying cooperative fees. The gross profit margin for manpower recruitment services is dependent on such cooperative fees paid. During the year ended 31 July 2016, more manpower recruitment services were derived from cooperative partners with higher cooperative fees, resulting in a lower gross profit margin.

The gross profit margin for manpower training services increased from approximately 26.9% for the year ended 31 July 2015 to approximately 58% for the year ended 31 July 2016 as new projects secured during the year had better margins.

Administrative Expenses

Administrative expenses comprised mainly of depreciation of property, plant and equipment, staff costs, office rental and auditor's remuneration. Total administrative expenses increased from approximately S\$4,309,000 in the year ended 31 July 2015 to approximately S\$5,071,000 in the year ended 31 July 2016.

Depreciation of property, plant and equipment increased by approximately S\$87,000 due to increase in acquisition of computers and equipment.

Staff costs comprised of Directors' remuneration and remuneration of support staff from the accounts and finance, operations, marketing and communication, and information technology departments. Staff costs increased by approximately S\$411,000 due to salary increment and increase in number of staff.

Office rental increased by approximately S\$62,000 due to increase in rental during the year.

Auditor's remuneration increased by approximately S\$80,000 after the Group's reorganisation for the Listing.

Other Operating Expenses

Other operating expenses for the year ended 31 July 2016 included approximately S\$3,296,000 non-recurring listing expenses. Excluding the one-off listing expenses, other operating expenses increased from S\$117,000 for the year ended 31 July 2015 to S\$206,000 for the year ended 31 July 2016. The increase is mainly attributable to increase in transport and travelling expenses as higher expenses were incurred for overseas travel.

Income Tax Credit

The Group recorded a tax credit of approximately S\$65,000 for the year ended 31 July 2016 mainly due to recognition of deferred tax assets arising from excess of tax values over net book values of property, plant and equipment and unutilised tax losses from prior periods in certain subsidiaries of the Group.

(Loss)/Profit for the Year

Due to the combined effect of the factors mentioned above including in particular the recognition of significant non-recurring listing expenses of approximately S\$3,296,000 for the year ended 31 July 2016, the Group recorded a loss for the year of approximately S\$1,297,000. If the one-off listing expenses were excluded, the Group would have recorded a profit for the year ended 31 July 2016 of approximately S\$1,999,000, which is slightly lower than the profit for the year ended 31 July 2015 of approximately S\$2,111,000 as a result of lower gross profit margin and higher administrative expenses in particular staff costs, offset by tax credit.

Liquidity and financial resources

As at 31 July 2016, the Group had total assets of approximately S\$13,262,000 (2015: S\$6,612,000), which is financed by total liabilities, shareholders' equity (comprising share capital and reserves) and non-controlling interests of approximately S\$2,395,000 (2015: S\$3,529,000); approximately S\$10,867,000 (2015: S\$2,829,000) and Nil (2015: S\$254,000) respectively. The current ratio as at 31 July 2016 of the Group was approximately 4.9 times (2015: approximately 1.5 times).

During the year ended 31 July 2016, the Group raised net proceeds from issuance of its share capital of approximately S\$4,490,000. The net cash generated from operating activities of approximately S\$3,000 included listing expenses paid of approximately S\$3,016,000.

As at 31 July 2016, the Group had cash and cash equivalents of approximately S\$8,287,000 (2015: S\$1,031,000) which were placed with major banks in Singapore and Hong Kong.

The total interest-bearing bank borrowings of the Group as at 31 July 2016 was approximately S\$296,000 (2015: S\$982,000). The gearing ratio (calculated based on interest-bearing liabilities divided by total equity) of the Group as of 31 July 2016 was 2.7% (2015: 31.8%), which remained low as the Group was not in need of any material debt financing for the year ended 31 July 2016.

Foreign Exchange Exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group retains some proceeds from the Share Offer (details disclosed under Note 12 to the financial statements) in Hong Kong dollars which contributed to an unrealised foreign exchange gain of approximately S\$36,000 as Hong Kong dollars appreciated against Singapore dollars.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus and in this announcement, the Group did not have other plans for material investments or capital assets as of 31 July 2016.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the financial year ended 31 July 2016, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures save for those related to the Reorganisation (details disclosed under Note 2 to the financial statements).

Significant Investments held

The Group did not hold any significant investments during the year ended 31 July 2016.

Contingent Liabilities

As at 31 July 2016, the Group did not have any material contingent liabilities (2015: Nil).

Use of Proceeds from the Share Offer

The Company was successfully listed on the GEM board of the Stock Exchange on 15 July 2016 by way of share offer of 50,000,000 new shares and 12,500,000 sale shares at the price of HK\$1 per share. The net proceeds raised from the Share Offer were approximately HK\$26.1 million (approximately S\$4.49 million) after deducting listing-related expenses.

In line with that disclosed in the Prospectus, the Company intends to apply the net proceeds raised from the Share Offer as to:

- (i) approximately 41.1% of the net proceeds or approximately HK\$10.7 million for the expansion and strengthening of existing manpower outsourcing services;
- (ii) approximately 19.1% or approximately HK\$5.0 million for growth through acquisitions of strategic partners;
- (iii) approximately 18.4% or approximately HK\$4.8 million for enhancing our information technology software to support our Group's business infrastructure;
- (iv) approximately 13.0% or approximately HK\$3.4 million for repayment of loans; and

- (v) approximately 8.4% or approximately HK\$2.2 million for working capital and other general corporate purpose.

As at 31 July 2016, the Company has not yet utilised the net proceeds of approximately HK\$26.1 million raised from the Share Offer in accordance with the intended use of proceeds set out in the Prospectus. The unutilised balance has been deposited with financial institutions and will be applied in the manner stated above.

As at the date of this announcement, the Directors do not anticipate any change to the plan as to the use of the proceeds.

Employee Information

As at 31 July 2016, the Group had an aggregate of 211 employees (2015: 228), comprising of 2 executive Directors (2015: 2), 90 support staff (2015: 90) and 119 full-time deployment staff (2015: 136).

Our employees are remunerated according to their job scope and responsibilities. Our local employees are also entitled to discretionary bonus depending on their respective performance. Our foreign workers are employed on contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' remuneration, amounted to approximately S\$17,080,000 for the year ended 31 July 2016 (2015: S\$15,410,000). Total staff costs included casual labour costs of approximately S\$13,471,000 for the year ended 31 July 2016 (2015: S\$12,203,000) which are also included in the cost of services.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 July 2016 and no interim dividend was paid during the year ended 31 July 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board believes that good corporate governance is essential for efficient and effective management of our business to safeguard the interest of our stakeholders and achieve the highest return for our shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 15 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code from the Listing Date up to 31 July 2016, except for Code Provision A.2.1 of the CG Code — segregation of the roles of chairman and chief executive officer.

Code Provision A.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sim is the chairman of the Board. Mr. Sim is also our Executive Director who is responsible for managing the businesses of the Company and its subsidiaries, implementing major strategies and making day-to-day decisions for business operations, and is therefore our Chief Executive Officer for the purpose of the GEM Listing Rules.

Mr. Sim is the founder of the Group and has been responsible for the overall management, strategic planning and business development of the Group since 2004. The Board believes that the vesting of the roles of Chairman and Chief Executive Officer in Mr. Sim is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. In addition, with the presence of three independent non-executive Directors which

represent more than half of the Board, the Board considers that there is a balance of power and authority such that power is not concentrated in any one individual. Accordingly, the Company has not segregated the roles of its Chairman and Chief Executive Officer as required by Code Provision A.2.1 of the CG Code.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and each of them had confirmed his/her compliance with the Required Standard of Dealings during the year ended 31 July 2016.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Since the Listing Date to 31 July 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Group established an audit committee (the "Audit Committee") of the Board on 20 June 2016 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. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo. Mr. Tan Eng Ann, our Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

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 systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed these financial results with senior management and the external auditors of the Company.

APPRECIATION

The Board would like to extend its sincere thanks to the shareholders of the Company, business partners and customers of the Group for their support to the Group. The Board would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year.

By order of the Board
SingAsia Holdings Limited
Sim Hak Chor
Chairman

Hong Kong, 25 October 2016

As at the date of this announcement, the executive Directors are Mr. Sim Hak Chor and Ms. Serene Tan; and the independent non-executive Directors are Mr. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.singasia.com.sg.