*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# 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 2018

**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 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 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.*

*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.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the day of its publication. This announcement will also be published on the Company's website at www.singasia.com.sg.*

* *For identification purposes only*

## HIGHLIGHTS

- The revenue of the Group amounted to approximately S$20,295,000 for the year ended 31 July 2018, representing an increase of approximately S$1,640,000 or 8.8% as compared with the year ended 31 July 2017.

- The loss for the year of the Group is approximately S$3,084,000 for the year ended 31 July 2018, representing an increase in net loss of approximately S$2,465,000 as compared to the loss for the year ended 31 July 2017.

- Basic and diluted loss per share was S$0.0025 for the year ended 31 July 2018 compared to basic and diluted loss per share of S$0.0005 (restated) for the year ended 31 July 2017.

- The Board does not recommend the payment of a final dividend for the year ended 31 July 2018.

## ANNUAL RESULTS

The board (the "Board") of Directors hereby announces the consolidated results of the Company and its subsidiaries (the "Group") for the financial year ended 31 July 2018 together with comparative figures for the financial year ended 31 July 2017.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*YEAR ENDED 31 JULY 2018*

| | Notes | **2018** | 2017 |
|---|---|---|---|
| | | ***S$*** | *S$* |
| **REVENUE** | 5 | **20,295,350** | 18,654,727 |
| Cost of services | | **(14,443,002)** | (12,770,833) |
| Gross profit | | **5,852,348** | 5,883,894 |
| Other income | 5 | **152,865** | 223,920 |
| Administrative expenses | | **(8,376,838)** | (6,539,173) |
| Other operating expenses | | **(729,194)** | (460,724) |
| Finance costs | | **—** | (5,608) |
| **LOSS BEFORE TAX** | 6 | **(3,100,819)** | (897,691) |
| Income tax credit | 7 | **16,773** | 279,179 |
| **LOSS FOR THE YEAR** | | **(3,084,046)** | (618,512) |
| **OTHER COMPREHENSIVE INCOME/(LOSS)** | | | |
| Items that may be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of foreign operations | | **1,472** | (376) |
| **TOTAL COMPREHENSIVE LOSS FOR THE YEAR** | | **(3,082,574)** | (618,888) |
| **Loss attributable to:** | | | |
| Owners of the Company | | **(3,084,046)** | (618,270) |
| Non-controlling interests | | **—** | (242) |
| | | **(3,084,046)** | (618,512) |
| **Total comprehensive loss attributable to:** | | | |
| Owners of the Company | | **(3,082,574)** | (618,646) |
| Non-controlling interests | | **—** | (242) |
| | | **(3,082,574)** | (618,888) |
| | | | Restated |
| **LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY** | | | |
| Basic and diluted | 8 | **(0.0025)** | (0.0005) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT 31 JULY 2018*

| | Notes | 2018<br>S$ | 2017<br>S$ |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **743,835** | 1,009,162 |
| Goodwill | | **905,495** | 905,495 |
| Deferred tax assets | | **438,469** | 369,426 |
| Prepayments, deposits and other receivables | | **428,212** | 103,212 |
| Total non-current assets | | **2,516,011** | 2,387,295 |
| **CURRENT ASSETS** | | | |
| Trade receivables | 9 | **4,118,158** | 3,451,349 |
| Prepayments, deposits and other receivables | | **458,482** | 226,564 |
| Cash and cash equivalents | | **2,225,478** | 6,088,213 |
| Total current assets | | **6,802,118** | 9,766,126 |
| **CURRENT LIABILITIES** | | | |
| Other payables and accruals | 10 | **2,092,496** | 1,868,368 |
| Tax payable | | **64,550** | 41,396 |
| Total current liabilities | | **2,157,046** | 1,909,764 |
| **NET CURRENT ASSETS** | | **4,645,072** | 7,856,362 |
| **NET ASSETS** | | **7,161,083** | 10,243,657 |
| **CAPITAL AND RESERVES** | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 11 | **433,000** | 433,000 |
| Share premium | | **12,079,017** | 12,079,017 |
| Merger reserve | | **(2,379,552)** | (2,379,552) |
| Other reserve | | **(4,958)** | (4,958) |
| Exchange reserve | | **1,096** | (376) |
| Accumulated (losses)/profits | | **(2,967,520)** | 116,526 |
| **TOTAL EQUITY** | | **7,161,083** | 10,243,657 |

## NOTES TO THE FINANCIAL STATEMENTS

*YEAR ENDED 31 JULY 2018*

### 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange on 15 July 2016. The Company's registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, 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 address and principal place of business of the Group is 27 New Bridge Road, Singapore 059391.

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

- manpower outsourcing
- manpower recruitment
- manpower training

### 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable IFRSs, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board and the applicable disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

These consolidated financial statements have been prepared under the historical cost convention. These consolidated financial statements are presented in Singapore dollars ("S$") except when otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 consolidated financial statements except for the adoption of the new/revised IFRSs that are relevant to the Group and effective from the current accounting period as detailed in note 3 to the announcement.

## 3. ADOPTION OF NEW/REVISED IFRSs

A number of new/revised IFRSs are first effective for the current accounting period of the Group. Of these, the changes in accounting policies relevant to these consolidated financial statements are as follows:

**Amendments to IAS 7: Disclosure Initiative**

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The adoption of the amendments did not have any significant impact on these consolidated financial statements.

**Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify, among others, how to account for deferred tax assets related to debt instruments measured at fair value.

The adoption of the amendments did not have any significant impact on these consolidated financial statements.

**Annual Improvements 2014-2016 Cycle: IFRS 12 — Clarification of the scope**

The amendments clarify that except for the summarised financial information for subsidiaries, joint ventures and associates in which the interests are classified or included in a disposal group that is classified as held for sale in accordance with IFRS 5, the requirements of IFRS 12 apply to interests in entities within the scope of IFRS 5.

The adoption of the amendments did not have any significant impact on these consolidated financial statements.

## 4. SEGMENT INFORMATION

The Group is principally engaged in the provision of manpower services. Information reported to the Group's management for the purpose of resource 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 2018, revenue is principally derived from the Group's operations in Singapore.

The geographical location of specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and deposits for renovation work and the location of the operation, in the case of goodwill. The analysis of the Group's non-current assets by geographical location is as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***S$*** | *S$* |
| Property, plant and equipment | | |
| Singapore | **607,945** | 1,009,162 |
| Hong Kong | **135,890** | — |
| | **743,835** | 1,009,162 |
| Deposits for renovation work | | |
| Hong Kong | **129,143** | — |
| | **129,143** | — |
| Goodwill | | |
| Singapore | **905,495** | 905,495 |
| | **905,495** | 905,495 |
| Total specified non-current assets | **1,778,473** | 1,914,657 |

### Information about major customers

For the year ended 31 July 2018, revenue of S$5,525,161 (2017: S$6,201,887) was derived from the provision of manpower services to one customer.

## 5. REVENUE AND OTHER INCOME

| | **2018** | 2017 |
|---|---|---|
| | ***S$*** | *S$* |
| **Revenue** | | |
| Manpower outsourcing | **19,122,002** | 17,110,052 |
| Manpower recruitment | **569,129** | 794,485 |
| Manpower training | **604,219** | 750,190 |
| | **20,295,350** | 18,654,727 |
| **Other income** | | |
| Government grants | **7,440** | 23,205 |
| Sundry income | **36,431** | 60,506 |
| Forfeiture income | **68,950** | 86,520 |
| Sale of merchandise | **39,731** | 53,432 |
| Interest income | **313** | 257 |
| | **152,865** | 223,920 |

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

| | **2018** | 2017 |
|---|---|---|
| | ***S$*** | *S$* |
| Cost of services | **14,443,002** | 12,770,833 |
| Depreciation | **471,154** | 412,816 |
| Operating lease charges | | |
| — Equipment | **16,085** | 31,304 |
| — Premises | **556,405** | 520,027 |
| Auditor's remuneration | | |
| — Audit services | | |
| • Current year | **153,200** | 148,725 |
| • Underprovision in prior year | **22,630** | — |
| — Non-audit services | **135,676** | 37,500 |
| Write off of property, plant and equipment | **12,007** | — |
| Employee benefits expenses (excluding directors' remuneration) | | |
| — Salaries and bonuses | **16,046,650** | 13,592,750 |
| — Contributions to defined contribution plans | **1,647,094** | 1,435,414 |
| — Foreign Worker Levy | **1,124,878** | 1,162,962 |
| — Other short-term benefits | **89,601** | 117,489 |
| Total employee benefits expenses (excluding directors' remuneration) | **18,908,223** | 16,308,615 |
| Trade receivables written off | **—** | 188 |
| Provision for impairment of trade receivables | **25,398** | 121,209 |
| Foreign exchange loss | **44,371** | 104,047 |

For the year ended 31 July 2018, cost of services includes S$11,904,874 (2017: S$10,381,029) related to salaries and bonuses, S$1,268,623 (2017: S$1,098,222) related to contributions to defined contributions plans and S$942,985 (2017: S$966,692) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

## 7. INCOME TAX

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

No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong for the years ended 31 July 2018 and 2017. Where there are assessable profits for current year onwards, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the profits tax rate for the first HK$2 million of estimated assessable profits will be lowered to 8.25% while the estimated assessable profits above HK$2 million will continue to be subject to the rate of 16.5% for corporations.

Singapore Corporate Income Tax has been provided at the rate of 17% (2017: 17%) on the chargeable income arising in Singapore during the year after offsetting any tax losses brought forward.

### Major components of income tax credit

The major components of income tax credit for the years ended 31 July 2018 and 2017 are:

| | **2018** | 2017 |
|---|---|---|
| | ***S$*** | *S$* |
| Current income tax: | | |
| Charge for the year | **64,550** | 41,396 |
| Overprovision in prior years | **(12,280)** | (8,040) |
| | **52,270** | 33,356 |
| Deferred income tax: | | |
| Deferred tax assets | **(69,043)** | (227,164) |
| Deferred tax liabilities | **—** | (85,371) |
| | **(69,043)** | (312,535) |
| Total tax credit for the year | **(16,773)** | (279,179) |

## 8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

| | 2018 | 2017 |
|---|---|---|
| Loss attributable to owners of the Company *(S$)* | **(3,084,046)** | (618,270) |
| | | (restated) |
| Weighted average number of shares in issue | **1,250,000,000** | 1,250,000,000 |
| | | (restated) |
| Basic and diluted loss per share *(S$)* | **(0.0025)** | (0.0005) |

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company and the weighted average number of shares in issue which have been adjusted/restated to reflect the effect of share subdivision on 8 March 2018 that each of the existing issued and unissued shares of the Company is subdivided into 5 shares.

The diluted loss per share is the same as the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 July 2018 and 2017.

## 9. TRADE RECEIVABLES

| | 2018 | 2017 |
|---|---|---|
| | ***S$*** | *S$* |
| Third parties | **3,700,811** | 3,135,302 |
| Less: Provision for impairment | **(117,424)** | (121,209) |
| | **3,583,387** | 3,014,093 |
| Unbilled receivables | **534,771** | 437,256 |
| | **4,118,158** | 3,451,349 |

Trade receivables are non-interest-bearing and are generally on 30-day terms.

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

| | **2018** | 2017 |
|---|---|---|
| | ***S$*** | *S$* |
| Less than 30 days | **1,691,266** | 1,451,197 |
| 31 to 60 days | **684,364** | 689,184 |
| 61 to 90 days | **259,808** | 237,959 |
| More than 90 days | **947,949** | 635,753 |
| | **3,583,387** | 3,014,093 |

## 10. OTHER PAYABLES AND ACCRUALS

| | **2018** | 2017 |
|---|---|---|
| | ***S$*** | *S$* |
| GST payables | **326,658** | 268,301 |
| Accrued casual labour costs | **723,832** | 600,907 |
| Accrued general staff costs | **719,162** | 621,601 |
| Accrued administrative and other operating expenses | **300,802** | 365,046 |
| Other payables | **22,042** | 12,513 |
| | **2,092,496** | 1,868,368 |

## 11. SHARE CAPITAL

| | No. of shares | HK$ |
|---|---|---|
| **Authorised ordinary shares of HK$0.002 each (HK$0.01 as at 1 August 2016, 31 July 2017 and 1 August 2017 and HK$0.002 as at 31 July 2018):** | | |
| At 1 August 2016, 31 July 2017 and 1 August 2017 | 5,000,000,000 | 50,000,000 |
| Increase upon share subdivision *(Note a)* | 20,000,000,000 | — |
| At 31 July 2018 | 25,000,000,000 | 50,000,000 |

| | No. of shares | HK$ | Equivalent to S$ |
|---|---|---|---|
| **Issued and fully paid:** | | | |
| At 1 August 2016, 31 July 2017 and 1 August 2017 | 250,000,000 | 2,500,000 | 433,000 |
| Increase upon share subdivision *(Note a)* | 1,000,000,000 | — | — |
| At 31 July 2018 | 1,250,000,000 | 2,500,000 | 433,000 |

*Note a:* On 8 March 2018, the existing issued and unissued shares of the Company of HK$0.01 each is subdivided into 5 shares of HK$0.002 each. Further details of the share subdivision are set out in the Company's announcements dated 29 January 2018 and 7 March 2018 and the Company's circular dated 8 February 2018.

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

We are a well established one-stop specialised workforce solutions provider, helping customers to improve growth and performance by providing manpower outsourcing services, manpower recruitment services and manpower training services. Our workforce solutions meet customers' needs for a reliable, efficient workforce in the hotel and resort, retail and food and beverage ("F&B") sectors across Singapore. Over the years, we have built a solid track record of providing reliable and timely workforce solutions for the hospitality industry in Singapore, and have a good reputation among our customers and we have built a strong pipeline of talent workforce. We also provide manpower recruitment services to our customers. Besides, we also provide manpower training services for candidates from overseas who are pursuing employments in the hotel and resort, F&B and retail sectors, and offer them opportunities to attend training courses provided by local education institutions or our in-house training courses to enhance their knowledge and skills in these sectors.

The Group's revenue increased by approximately S$1,640,000 from approximately S$18,655,000 for the year ended 31 July 2017 to approximately S$20,295,000 for the year ended 31 July 2018. The increase was mainly attributable to the increase in revenue from hotel and resort and retail sectors.

During the year ended 31 July 2018, the Group incurred significant staff costs, administrative expenses and business development expenses for our project development team for negotiating potential investments. As a result, the Group recorded a net loss of approximately S$3,084,000 for the year ended 31 July 2018 as compared to net loss of approximately S$619,000 for year ended 31 July 2017.

In view of the challenging business environment, the Directors will constantly review the Group's business strategy. The Group expects to continue to incur significant expenses in seeking potential investments. Nonetheless, with a burgeoning demand from new and existing customers for our existing operations, the Group expects to retain substantial amount of market share and expects to continue to perform well in 2019 in terms of revenue.

## FINANCIAL REVIEW

### Revenue

The Group's revenue was mainly derived from manpower outsourcing, manpower recruitment and manpower training services. The Group's revenue increased from approximately S$18,655,000 for the year ended 31 July 2017 to approximately S$20,295,000 for the year ended 31 July 2018. The increase in revenue from our manpower outsourcing services was offset by decrease in revenue from our manpower recruitment services and manpower training services. The following table sets out the revenue of the Group by business segment for the periods as indicated:

| | For the year ended 31 July | | | |
|---|---|---|---|---|
| | **2018** | | 2017 | |
| | ***S$'000*** | ***%*** | *S$'000* | *%* |
| Manpower outsourcing | **19,122** | **94.2** | 17,110 | 91.7 |
| Manpower recruitment | **569** | **2.8** | 795 | 4.3 |
| Manpower training | **604** | **3.0** | 750 | 4.0 |
| | **20,295** | **100** | 18,655 | 100 |

***Manpower outsourcing***

The manpower outsourcing services provided by the Group are mainly deployment of manpower to the Group's customers. The Group's revenue derived from manpower outsourcing services increased from approximately S$17,110,000 for the year ended 31 July 2017 to approximately S$19,122,000 for the year ended 31 July 2018. The following table sets out the revenue from manpower outsourcing services by sector for the periods as indicated:

| | For the year ended 31 July | | | |
|---|---|---|---|---|
| | **2018** | | 2017 | |
| | ***S$'000*** | ***%*** | *S$'000* | *%* |
| Hotel and resort | **17,347** | **90.7** | 14,649 | 85.6 |
| F&B | **1,258** | **6.6** | 1,963 | 11.5 |
| Retail | **494** | **2.6** | 435 | 2.5 |
| Others | **23** | **0.1** | 63 | 0.4 |
| | **19,122** | **100** | 17,110 | 100 |

The increase of revenue from manpower outsourcing services was mainly due to increase in business generated from new customers as well as from existing customers. We recorded a growth in revenue derived from hotel and resort and retail sectors, from approximately S$14,649,000 and approximately S$435,000 for the year ended 31 July 2017 to approximately S$17,347,000 and approximately S$494,000 for the year ended 31 July 2018, respectively.

Revenue from manpower outsourcing services generated from F&B sector decreased by approximately S$705,000 from approximately S$1,963,000 for the year ended 31 July 2017 to approximately S$1,258,000 for the year ended 31 July 2018. F&B sector is facing stiff competition especially from food delivery service providers. There are more ready-to-cook meals available at convenience stores and hot foods from vending machines are also starting to catch on. Many F&B companies have embarked on technology and system innovation to keep up with the recent trends and to be more competitive in the sector. All these factors have resulted in decreased demand for our services in the F&B sector.

***Manpower recruitment***

The Group's revenue derived from manpower recruitment services decreased from approximately S$795,000 for the year ended 31 July 2017 to approximately S$569,000 for the year ended 31 July 2018. It is mainly attributable to decrease in demand from our customers for new recruits due to tighter foreign employment restrictions in Singapore.

***Manpower training***

The Group's revenue derived from manpower training services decreased from approximately S$750,000 for the year ended 31 July 2017 to approximately S$604,000 for the year ended 31 July 2018, mainly because less training projects were being secured due to the delay in approval of projects by the relevant government authorities in the candidates' country for the year ended 31 July 2018.

## Gross profit

Gross profit remained relatively stable while overall gross profit margin decreased slightly from 31.5% for the year ended 31 July 2017 to 28.8% for the year ended 31 July 2018. The table below sets out a breakdown of gross profit and gross profit margin by revenue type for the periods as indicated:

| | For the year ended 31 July | | | |
|---|---|---|---|---|
| | **2018** | | 2017 | |
| | ***S$'000*** | ***Gross profit margin %*** | *S$'000* | *Gross profit margin %* |
| Manpower outsourcing | **5,004** | **26.2%** | 4,664 | 27.3% |
| Manpower recruitment | **431** | **75.7%** | 633 | 79.6% |
| Manpower training | **417** | **69.0%** | 587 | 78.3% |
| | **5,852** | **28.8%** | 5,884 | 31.5% |

The gross profit margin of manpower outsourcing services decreased from 27.3% for the year ended 31 July 2017 to 26.2% for the year ended 31 July 2018 as we had to charge more competitive prices to keep ahead of the competition.

The gross profit margin of manpower recruitment services decreased from 79.6% for the year ended 31 July 2017 to 75.7% for the year ended 31 July 2018. This was because manpower recruitment services incurred higher cooperative fee during the year ended 31 July 2018.

The gross profit margin of manpower recruitment services decreased from 78.3% for the year ended 31 July 2017 to 69.0% for the year ended 31 July 2018. This was mainly due to decreased demand for such services coupled with higher costs of training courses.

## Other income

Other income decreased from approximately S$224,000 for the year ended 31 July 2017 to approximately S$153,000 for the year ended 31 July 2018. The decrease was mainly due to lower government grants, lower forfeiture income and lower income from sale of merchandise.

### Administrative expenses

Administrative expenses increased by approximately S$1,838,000 or 28.1%, from approximately S$6,539,000 for the year ended 31 July 2017 to approximately S$8,377,000 for the year ended 31 July 2018. The substantial increase was mainly attributable to higher staff costs, motor vehicle expenses, depreciation of property, plant and equipment, professional fees as well as management fees.

Staff costs related to directors' remuneration, staff salaries, CPF contributions, MPF contributions, staff allowance, and other welfare expenses. Our staff costs amounted to approximately S$4,434,000 and approximately S$5,596,000 for the year ended 31 July 2017 and 31 July 2018 respectively. The increase of approximately S$1,162,000 was mainly due to higher expenses incurred for strengthening our project development team.

The Group acquired a motor vehicle during the year ended 31 July 2018. Motor vehicle expenses increased by approximately S$142,000 from approximately S$3,000 for the year ended 31 July 2017 to approximately S$145,000 for the year ended 31 July 2018.

Depreciation expenses, management fees, professional fees and other administrative expenses collectively increased by approximately S$534,000 for the year ended 31 July 2018.

Depreciation expenses increased by approximately S$58,000 due to acquisition of motor vehicle, computers and equipment during the year ended 31 July 2018.

Management fees increased by approximately S$155,000 mainly due to rental payments for the Hong Kong office.

Professional fees increased by approximately S$149,000 mainly due to (i) an increase in legal and professional fees for a proposed acquisition; (ii) an increase in professional fees for the share subdivision and adoption of share option scheme, and (iii) an increase in services fees for reporting of quarterly results and interim results.

### Other operating expenses

Other operating expenses increased by approximately S$268,000 from approximately S$461,000 for the year ended 31 July 2017 to approximately S$729,000 for the year ended 31 July 2018. The increase was mainly due to higher business development expenses.

### Income tax credit

The Group recorded a tax credit of approximately S$17,000 for the year ended 31 July 2018 due to (i) the recognition of deferred tax assets which arose from the excess of tax values over net book values of property, plant and equipment; (ii) reversal of overprovision of Singapore Corporate Income Tax in prior years, and (iii) offsetted by provision of Singapore Corporate Income Tax for profit-making subsidiaries in Singapore.

**Loss for the year**

Due to the combined effect of lower gross profit, higher administrative expenses and higher operating expenses, the loss for the Group was approximately S$3,084,000 for the year ended 31 July 2018, compared to the loss of approximately S$619,000 for the year ended 31 July 2017.

**Liquidity and financial resources**

As at 31 July 2018, the Group had total assets of approximately S$9,318,000 (2017: S$12,153,000) which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately S$2,157,000 (2017: S$1,910,000) and S$7,161,000 (2017: S$10,243,000), respectively. The current ratio of the Group as at 31 July 2018 was approximately 3.2 times (2017: approximately 5.1 times). The total assets to total equity ratio of the Group as at 31 July 2018 was approximately 1.3 times (2017: approximately 1.2 times).

As at 31 July 2018, the Group had cash and cash equivalents of approximately S$2,225,000 (2017: S$6,088,000) which were placed with major banks in Singapore and Hong Kong.

**Foreign exchange exposure**

The Group transacts mainly in Singapore dollars, which is the functional currency of the majority of the Group's operating subsidiaries. However, the Group retained part of the proceeds from the Share Offer (as defined below) in Hong Kong dollars which contributed to an unrealised foreign exchange loss of approximately S$44,000 as Hong Kong dollars weakened against Singapore dollars.

**Future plans for material investments and capital assets**

Save as disclosed, the Company did not have any future plans for significant investments or capital assets as at the date of this announcement, but the Company may, at any point, be negotiating potential investments when considering it is appropriate.

**Material acquisitions and disposals of subsidiaries, associates and joint ventures**

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

**Significant investments held**

The Group did not hold any significant investments during the year ended 31 July 2018.

**Contingent liabilities**

As at 31 July 2018, the Group did not have any material contingent liabilities (2017: Nil).

**Use of proceeds from the Share Offer**

The Company was successfully listed on GEM of the Stock Exchange on 15 July 2016 ("Listing Date") 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 "Share Offer"). The net proceeds raised from the Share Offer were approximately HK$26.1 million (approximately S$4.49 million) after deducting listing-related expenses.

An analysis of the amount utilised up to 31 July 2018 is set out below:

| | **Adjusted use of proceeds in respect of business objectives from the Listing Date to 31 July 2018** *HK$mil* | **Actual utilised amount up to 31 July 2018** *HK$mil* |
|---|---|---|
| Expansion and strengthening of existing manpower outsourcing services | 10.7 | 10.7 |
| Acquisitions of strategic partners | 5.0 | 0.6 |
| Enhancing our information technology software to support the Group's business infrastructure | 4.8 | 2.5 |
| Repayment of loans | 3.4 | 1.7 |
| Working capital and general corporate use | 2.2 | 2.2 |
| | 26.1 | 17.7 |

The remaining net proceeds as at 31 July 2018 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong.

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

### Employee information

As at 31 July 2018, the Group had an aggregate of 256 employees (2017: 235), comprising of 4 executive Directors (2017: 4), 110 support staff (2017: 99) and 142 full-time deployment staff (2017: 132).

The Group's remuneration policies are in line with the prevailing market practices and formulated on the basis of job scope and responsibilities. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). Our employees are also entitled to discretionary bonus which is awarded according to the Group's performance as well as individual's performance.

## EVENTS AFTER REPORTING PERIOD

(i) On 6 August 2018, Heritage Charm Limited ("Heritage"), a wholly-owned subsidiary of the Company, entered into a non-legally binding cooperation framework agreement (the "Strategic Cooperation Framework Agreement") with Poly Property Community Service Technology Group Limited ("Poly Property"), pursuant to which, Heritage will cooperate with Poly Property to enter the commercial and residential property management market, creating complementary advantages in terms of information management and service as well as exploring various opportunities in the property service market. The Strategic Cooperation Framework Agreement is valid for a term of three years. Heritage will provide Poly Property with manpower recruitment and management services (the "Provision of Services") in the People's Republic of China (the "PRC"). Heritage and Poly Property will enter into a formal agreement in relation to the Provision of Services. No formal agreement has been entered into up to date of this announcement.

    Details of the Strategic Cooperation Framework Agreement are set out in the announcement made by the Company on 6 August 2018.

(ii) On 24 May 2018, SingAsia Hong Kong Limited (the ''Purchaser''), an indirect wholly-owned subsidiary of the Company, has entered into a non-legally binding memorandum of understanding (the ''MOU'') with a vendor (the ''Vendor''), an independent third party not connected with the Company and its connected persons. Pursuant to the MOU, it is proposed that the Purchaser may acquire the entire issued share capital of Mobile Medical International Holdings Limited and its subsidiaries, which are principally engaged in health check business in Hong Kong from the Vendor (the "Proposed Acquisition"). The MOU does not constitute legally-binding commitment on the part of the Vendor and the Purchaser in respect of the Proposed Acquisition.

On 18 October 2018, the Purchaser and the Vendor entered into a termination agreement to terminate the MOU (the "Termination Agreement"). Pursuant to the Termination Agreement, the MOU shall be terminated forthwith and cease to have effect and the Vendor and the Purchaser shall release and discharge the other from all past, present and future duties, obligations and liabilities under the MOU absolutely.

## DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 July 2018 and no final dividend was paid during the year ended 31 July 2018.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 31 July 2018, the interests and short positions of each Director and chief executive in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

### Long positions in ordinary shares of the Company

| | | Number of shares held, capacity and nature of interest | | | |
|---|---|---|---|---|---|
| **Name of Director** | *Note* | **Directly beneficially owned** | **Through controlled corporation** | **Total** | **Percentage of the issued share capital** |
| Mr. Sim Hak Chor | 1 | — | 400,000,000 | 400,000,000 | 32% |

*Note:*

1. Centrex Treasure Holdings Limited is beneficially owned as to approximately 94.89% by Mr. Sim Hak Chor. Under the SFO, Mr. Sim Hak Chor is deemed to be interested in all the shares held by Centrex Treasure Holdings Limited. Details of the interest in the Company held by Centrex Treasure Holdings Limited are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company" below.

**Long positions in ordinary shares of an associated corporation**

| Name of associated corporation | Name | Capacity/nature of interest | Number of shares held | Approximate percentage of issued share capital |
|---|---|---|---|---|
| Centrex Treasure Holdings Limited *(Note 1)* | Mr. Sim Hak Chor | Beneficial owner | 4,826 | 94.89% |
| Centrex Treasure Holdings Limited *(Note 1)* | Ms. Serene Tan | Beneficial owner | 109 | 2.14% |

*Note:*

1. Centrex Treasure Holdings Limited is beneficially owned as to approximately 94.89% and 2.14% by Mr. Sim Hak Chor and Ms. Serene Tan, respectively.

Save as disclosed above, as at 31 July 2018, none of the Directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 July 2018, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

| Name | Directly beneficially owned | Interest of spouse | Through controlled corporation | Total | Percentage of the issued share capital |
|---|---|---|---|---|---|
| Centrex Treasure Holdings Limited | 400,000,000 | — | — | 400,000,000 | 32% |
| Mr. Yeung Chun Wai, Anthony | 36,420,000 *(Note 1)* | 22,100,000 | 147,850,000 | 206,370,000 | 16.51% |
| Ms. Lui Lai Yan | 22,100,000 *(Note 1)* | 184,270,000 | — | 206,370,000 | 16.51% |
| Rising Elite Global Limited | 147,850,000 *(Note 2)* | — | — | 147,850,000 | 11.83% |
| Mr. Li Haifeng | 176,955,000 | — | — | 176,955,000 | 14.16% |

*Notes:*

1. Ms. Lui Lai Yan is the spouse of Mr. Yeung Chun Wai, Anthony. Ms. Lui Lai Yan is deemed to be interested in all the shares of the Company in which Mr. Yeung Chun Wai, Anthony is interested under Part XV of the SFO.

2. Rising Elite Global Limited is beneficially wholly owned by Mr. Yeung Chun Wai, Anthony. Under the SFO, Mr. Yeung Chun Wai, Anthony is deemed to be interested in all the shares of the Company held by Rising Elite Global Limited.

Save as disclosed above, as at 31 July 2018, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares and debentures of the Company or its associated corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 July 2018, the Company has complied with the applicable code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 15 of the GEM Listing Rules, except for the deviation from CG Code provision A.2.1.

CG Code provision A.2.1 states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sim Hak Chor ("Mr. Sim") is the chairman and the chief executive officer of the Company. In view of Mr. Sim being the founder of the Group and he has been responsible for the overall management, strategic planning and business development of the Group since 2004, the Board believes that it is in the best interest of the Group to have Mr. Sim taking up both roles for effective management and business development. The Board considers that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and qualified individuals, with three of them being independent non-executive Directors. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by CG Code Provision A.2.1.

## 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 all of them had confirmed their compliance with the Required Standard of Dealings during the year ended 31 July 2018.

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

During the year ended 31 July 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## AUDIT COMMITTEE

The Group established an audit committee (the "Audit Committee") on 20 June 2016 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and Code Provision C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis. Mr. Chan Fong Kong Francis, the 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 the 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 the Group's annual results for the year ended 31 July 2018.

## SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 July 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 July 2018. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on the preliminary announcement.

## APPRECIATION

The Board would like to extend its sincere thanks to our shareholders, customers and business partners for their continuous support to the Group. We 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, 24 October 2018

*As at the date of this announcement, the executive Directors are Mr. Sim Hak Chor, Ms. Serene Tan, Mr. Yeung Chun Sing Standly and Ms. Wang Chunyang; and the independent non-executive Directors are Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis.*