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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 JANUARY 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "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 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 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 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.

* For identification purposes only

HIGHLIGHTS

- The unaudited revenue of the Company and its subsidiaries (collectively the "Group") amounted to approximately S\$10,238,000 for the six months ended 31 January 2018, representing an increase of approximately S\$324,000 or 3.3% as compared with the six months ended 31 January 2017.
- The unaudited loss for the period of the Group was approximately S\$1,470,000 for the six months ended 31 January 2018, representing an increase of approximately S\$1,379,000 as compared to the loss for the six months ended 31 January 2017.
- Basic and diluted loss per share was 0.118 Singapore cents for the six months ended 31 January 2018 as compared to basic and diluted loss per share of 0.007 Singapore cents (restated) for the six months ended 31 January 2017.
- The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2018.

INTERIM RESULTS

The board of Directors (the “Board”) of the Company hereby announces the unaudited condensed consolidated results of the Group for the three months and six months ended 31 January 2018, together with the unaudited comparative figures for the corresponding period in 2017, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 January 2018

	Notes	Three months ended 31 January		Six months ended 31 January	
		2018 S\$ (Unaudited)	2017 S\$ (Unaudited)	2018 S\$ (Unaudited)	2017 S\$ (Unaudited)
REVENUE	4	5,492,305	5,331,099	10,237,623	9,913,726
Cost of services		(3,982,657)	(3,749,204)	(7,246,936)	(6,796,234)
Gross profit		1,509,648	1,581,895	2,990,687	3,117,492
Other income and gains	4	45,260	83,894	83,219	189,460
Administrative expenses		(2,145,693)	(1,764,286)	(4,143,826)	(3,253,398)
Other operating expenses		(277,116)	(77,061)	(407,204)	(137,942)
Finance costs		—	(2,637)	—	(5,608)
LOSS BEFORE TAX	5	(867,901)	(178,195)	(1,477,124)	(89,996)
Income tax credit/(expense)	6	4,157	23,687	7,607	(615)
LOSS FOR THE PERIOD		(863,744)	(154,508)	(1,469,517)	(90,611)
OTHER COMPREHENSIVE INCOME					
Exchange difference on translation of foreign operations		2,475	728	2,632	442
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		2,475	728	2,632	442
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(861,269)	(153,780)	(1,466,885)	(90,169)

	Three months ended 31 January		Six months ended 31 January	
	2018	2017	2018	2017
<i>Notes</i>	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to:				
Owners of the Company	(863,744)	(154,169)	(1,469,517)	(90,369)
Non-controlling interests	—	(339)	—	(242)
	<u>(863,744)</u>	<u>(154,508)</u>	<u>(1,469,517)</u>	<u>(90,611)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(861,269)	(153,441)	(1,466,885)	(89,927)
Non-controlling interests	—	(339)	—	(242)
	<u>(861,269)</u>	<u>(153,780)</u>	<u>(1,466,885)</u>	<u>(90,169)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Basic and diluted (<i>Singapore cents</i>)	(0.069)	(Restated) (0.012)	(0.118)	(Restated) (0.007)
	<u>(0.069)</u>	<u>(0.012)</u>	<u>(0.118)</u>	<u>(0.007)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2018

	Notes	31 January 2018 S\$ (Unaudited)	31 July 2017 S\$ (Audited)
NON-CURRENT ASSETS			
Plant and equipment	9	830,458	1,009,162
Goodwill	10	905,495	905,495
Deferred tax assets		409,600	369,426
Prepayments, deposits and other receivables	12	<u>27,832</u>	<u>103,212</u>
Total non-current assets		<u>2,173,385</u>	<u>2,387,295</u>
CURRENT ASSETS			
Trade receivables	11	4,091,615	3,451,349
Prepayments, deposits and other receivables	12	372,745	226,564
Cash and cash equivalents		<u>4,230,218</u>	<u>6,088,213</u>
Total current assets		<u>8,694,578</u>	<u>9,766,126</u>
CURRENT LIABILITIES			
Trade payables	13	45,711	—
Other payables and accruals	14	1,990,300	1,868,368
Tax payable		<u>55,180</u>	<u>41,396</u>
Total current liabilities		<u>2,091,191</u>	<u>1,909,764</u>
NET CURRENT ASSETS		<u>6,603,387</u>	<u>7,856,362</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,776,772</u>	<u>10,243,657</u>
NET ASSETS		<u>8,776,772</u>	<u>10,243,657</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	433,000	433,000
Share premium		12,079,017	12,079,017
Merger reserve		(2,379,552)	(2,379,552)
(Accumulated losses)/retained profits		(1,352,991)	116,526
Other reserves		<u>(2,702)</u>	<u>(5,334)</u>
Total equity		<u>8,776,772</u>	<u>10,243,657</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2018

	Attributable to owners of the company							Total equity S\$
	Share capital S\$	Share premium S\$	Merger reserve S\$	Other reserve S\$	Exchange fluctuation reserve S\$	(Accumulated losses)/retained profits S\$	Non-controlling interests S\$	
2018								
At 1 August 2017 (audited)	433,000	12,079,017	(2,379,552)	(4,958)	(376)	116,526	—	10,243,657
Loss for the period	—	—	—	—	—	(1,469,517)	—	(1,469,517)
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	—	—	—	—	2,632	—	—	2,632
Total comprehensive loss for the period	—	—	—	—	2,632	(1,469,517)	—	(1,466,885)
At 31 January 2018 (unaudited)	<u>433,000</u>	<u>12,079,017</u>	<u>(2,379,552)</u>	<u>(4,958)</u>	<u>2,256</u>	<u>(1,352,991)</u>	<u>—</u>	<u>8,776,772</u>
2017								
At 1 August 2016 (audited)	433,000	12,079,017	(2,379,552)	—	—	734,796	—	10,867,261
Loss for the period	—	—	—	—	—	(90,369)	(242)	(90,611)
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	—	—	—	—	442	—	—	442
Total comprehensive loss for the period	—	—	—	—	442	(90,369)	(242)	(90,169)
Acquisition of a subsidiary	—	—	—	—	—	—	17,172	17,172
Acquisition of non-controlling interests without a change in control	—	—	—	—	—	—	(16,930)	(16,930)
At 31 January 2017 (unaudited)	<u>433,000</u>	<u>12,079,017</u>	<u>(2,379,552)</u>	<u>—</u>	<u>442</u>	<u>644,427</u>	<u>—</u>	<u>10,777,334</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2018

	Six months ended 31 January	
	2018	2017
	S\$	S\$
	(Unaudited)	(Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(1,477,124)	(89,996)
Adjustments for:		
Depreciation	239,220	191,022
Loss on disposal of plant and equipment	12,008	—
Finance costs	—	5,608
Foreign exchange gain	—	(53,305)
Interest income	(216)	(92)
	<u>(1,226,112)</u>	<u>53,237</u>
Changes in working capital:		
Trade receivables	(640,266)	(1,186,186)
Prepayments, deposits and other receivables	(70,801)	(57,374)
Trade payables	45,711	74,205
Other payables and accruals	121,932	252,484
	<u>(1,769,536)</u>	<u>(863,634)</u>
Cash used in operations	(1,769,536)	(863,634)
Income tax paid	(18,783)	(101,907)
	<u>(1,788,319)</u>	<u>(965,541)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of plant and equipment	(72,484)	(174,460)
Acquisition of a subsidiary	—	51,067
Interest received	216	92
	<u>(72,268)</u>	<u>(123,301)</u>
Net cash flows used in investing activities	(72,268)	(123,301)

	Six months ended 31 January	
	2018	2017
	S\$	S\$
	(Unaudited)	(Unaudited)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of bank borrowings	—	(2,537,754)
Proceeds from bank borrowings	—	2,242,210
Interest paid	—	(5,608)
	<u>—</u>	<u>(5,608)</u>
Net cash flows used in financing activities	—	(301,152)
	<u>—</u>	<u>(301,152)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(1,860,587)	(1,389,994)
Cash and cash equivalents at beginning of period	6,088,213	8,287,411
Effect of foreign exchange rate changes on the balance of cash held in a foreign currency	2,592	53,305
	<u>2,592</u>	<u>53,305</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>4,230,218</u>	<u>6,950,722</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 January 2018

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's registered office address is Clifton House, 75 Fort Road, PO 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 and principal place of business of the Group is at 27 New Bridge Road, Singapore 059391.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") was involved in the following principal activities:

- manpower outsourcing
- manpower recruitment
- manpower training

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 31 January 2018 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Exchange.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2017, which 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. The accounting policies and methods of computation used in the preparation of these unaudited condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 July 2017, except for the adoption of the following IFRS which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 August 2017.

Amendments to IAS 7
Amendments to IAS 12

Disclosure Initiative
Recognition of Deferred Tax Assets for
Unrealised Losses

The adoption of these amendments did not result in substantial changes to the Group’s accounting policies and amounts reported for the current and prior periods.

All IFRSs effective for the accounting period commencing from 1 August 2017, together with the relevant transitional provisions, have been adopted by the Group in preparation of these condensed consolidated financial statements. The adoption of these new/revised IFRSs does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.

The Group has not early adopted any new/revised IFRSs that have been issued but are not yet effective for the financial year beginning on 1 August 2017. The directors are in the process of assessing the possible impact on the future adoption of these new/revised IFRSs, but are not yet in a position to reasonably estimate their impact on the Group’s results and financial statements.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements are presented in Singapore dollars (“S\$” or “\$”) except when otherwise indicated.

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 six months ended 31 January 2018, revenue, operating expenses, assets and liabilities are mainly derived from the Group's operations in Singapore.

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

4. REVENUE, OTHER INCOME AND GAINS

	Three months ended		Six months ended	
	31 January		31 January	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue				
Manpower outsourcing	5,136,744	4,910,372	9,455,242	8,958,110
Manpower recruitment	177,224	221,052	296,759	380,724
Manpower training	178,337	199,675	485,622	574,892
	5,492,305	5,331,099	10,237,623	9,913,726
Other income and gains				
Government grants	2,520	—	7,440	19,875
Sundry income	10,631	16,583	17,076	31,735
Foreign exchange gain	—	19,455	—	53,305
Forfeiture income	16,150	25,325	31,975	45,750
Sale of merchandise	15,826	22,465	26,512	38,703
Interest income	133	66	216	92
	45,260	83,894	83,219	189,460

5. LOSS BEFORE TAX

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

	Three months ended		Six months ended	
	31 January		31 January	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of services	3,982,657	3,749,204	7,246,936	6,796,234
Depreciation	116,404	98,808	239,220	191,022
Employee benefit expense (excluding Directors' remuneration):				
— Salaries and bonuses ⁽¹⁾	4,401,096	3,935,220	8,045,981	7,134,782
— Central Provident Fund contributions ⁽²⁾	453,475	440,314	811,042	785,435
— Mandatory Provident Fund contributions	12,070	—	26,477	—
— Foreign Worker Levy ⁽³⁾	285,728	276,304	559,576	542,200
— Short-term benefits	21,602	21,886	36,217	47,122

(1) Salaries and bonuses included casual labour costs of S\$5,959,721 (2017: S\$5,522,756) for the six months ended 31 January 2018. These amounts have been included in the cost of services.

Salaries and bonuses included casual labour costs of S\$3,285,125 (2017: S\$3,054,656) for the three months ended 31 January 2018. These amounts have been included in the cost of services.

(2) Central Provident Fund ("CPF") contributions included casual labour costs of S\$652,430 (2017: S\$614,075) for the six months ended 31 January 2018. These amounts have been included in the cost of services.

CPF contributions included casual labour cost of S\$376,198 (2017: S\$348,318) for the three months ended 31 January 2018. The amounts have been included in the cost of services.

- (3) Foreign Worker Levy included casual labour costs of S\$472,320 (2017: S\$ S\$441,616) for the six months ended 31 January 2018. These amounts have been included in the cost of services.

Foreign Worker Levy included casual labour costs of S\$240,783 (2017: S\$210,167) for the three months ended 31 January 2018. These amounts have been included in the cost of services.

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 operated.

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

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong during the period.

For the subsidiary operating in Republic of Korea, corporate tax has been provided at the rate of 10% (2017: 10%) on the estimated assessable profit for the period.

Major Components of Income Tax (Credit)/Expense

The major components of income tax (credit)/expense for the three months and six months ended 31 January 2018 and 2017 are:

	Three months ended		Six months ended	
	31 January 2018	2017	31 January 2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax:				
Charge for the period	20,161	11,292	36,456	13,702
Over provision in respect of prior years	(3,889)	—	(3,889)	—
Deferred income tax:				
Credit for the period	(20,429)	(34,979)	(40,174)	(13,087)
Total tax (credit)/expense for the period	(4,157)	(23,687)	(7,607)	615

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 31 January		Six months ended 31 January	
	2018 S\$ (Unaudited)	2017 S\$ (Unaudited) (Restated)	2018 S\$ (Unaudited)	2017 S\$ (Unaudited) (Restated)
Loss attributable to owners of the Company (S\$)	(863,744)	(154,169)	(1,469,517)	(90,369)
Weighted average number of shares in issue	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000
Basic and diluted loss per share (Singapore cents)	<u>(0.069)</u>	<u>(0.012)</u>	<u>(0.118)</u>	<u>(0.007)</u>

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company and the weighted average number of shares in issue which have been adjusted to reflect the effect of share subdivision (Note 17) on 8 March 2018.

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 six months and three months ended 31 January 2018 and 2017.

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2018 (2017: Nil).

9. PLANT AND EQUIPMENT

During the six months ended 31 January 2018, the Group acquired assets with aggregate cost of S\$72,484 (2017: S\$174,460).

10. GOODWILL

S\$

As at 31 July 2017 (Audited) and 31 January 2018 (Unaudited)	<u>905,495</u>
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Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amounts of goodwill have been allocated as follows:

S\$

Manpower outsourcing

TCC Hospitality Resources Pte. Ltd and TCC Manpower Pte. Ltd	886,341
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Manpower training and recruitment

TCC Education and Consulting Services Pte. Ltd and TCC Korea Inc.	<u>19,154</u>
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905,495

The recoverable amounts of the above CGUs is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by management in annual basis.

The management considers the major factors and assumptions contributing to the calculation approved for year ended 31 July 2017 has not violated significantly during the period and no further write down of the carrying amounts of goodwill as at period ended 31 January 2018. The management will continue to monitor the recoverability of goodwill and consider impairment of necessary.

11. TRADE RECEIVABLES

	As at 31 January 2018 S\$ (Unaudited)	As at 31 July 2017 S\$ (Audited)
Third parties	3,878,967	3,135,302
Less: Provision for impairment	(121,209)	(121,209)
	3,757,758	3,014,093
Unbilled receivables	333,857	437,256
	4,091,615	3,451,349

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

All trade receivables are denominated in Singapore dollars.

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

	As at 31 January 2018 S\$ (Unaudited)	As at 31 July 2017 S\$ (Audited)
Less than 30 days	2,455,494	1,451,197
31 to 60 days	393,234	689,184
61 to 90 days	112,091	237,959
More than 90 days	796,939	635,753
	3,757,758	3,014,093

The movements in provision for impairment of trade receivables are as follows:

	As at 31 January 2018 S\$ (Unaudited)	As at 31 July 2017 S\$ (Audited)
At beginning of period	121,209	—
Impairment loss recognized	<u>—</u>	<u>121,209</u>
At end of period	<u>121,209</u>	<u>121,209</u>

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of S\$121,209 (2017: S\$121,209).

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 January 2018 S\$ (Unaudited)	As at 31 July 2017 S\$ (Audited)
Current:		
Deposits	140,034	27,306
Other receivables	58,788	28,122
Prepayments	<u>173,923</u>	<u>171,136</u>
	<u>372,745</u>	<u>226,564</u>
Non-current:		
Deposits	<u>27,832</u>	<u>103,212</u>

13. TRADE PAYABLES

	As at 31 January 2018 S\$ (Unaudited)	As at 31 July 2017 S\$ (Audited)
Trade payables	<u>45,711</u>	<u>—</u>

Trade payables are non-interest-bearing and are generally settled on 14-day terms.

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

	As at 31 January 2018 S\$ (Unaudited)	As at 31 July 2017 S\$ (Audited)
Less than 30 days	<u>45,711</u>	<u>—</u>

14. OTHER PAYABLES AND ACCRUALS

	As at 31 January 2018 S\$ (Unaudited)	As at 31 July 2017 S\$ (Audited)
GST payables	350,093	268,301
Accrued casual labour costs	692,183	600,907
Accrued staff costs	700,697	621,601
Other payables	<u>247,327</u>	<u>377,559</u>
	<u>1,990,300</u>	<u>1,868,368</u>

15. SHARE CAPITAL

	<i>No. of shares</i>	<i>HK\$</i>
Authorised: ordinary shares of HK\$0.01 each		
At 1 August 2016, 31 July 2017, 1 August 2017, and 31 January 2018	<u>5,000,000,000</u>	<u>50,000,000</u>
	<i>No. of shares</i>	<i>S\$</i>
Issued and fully paid ordinary shares of HK\$0.01 each:		
At 1 August 2016, 31 July 2017, 1 August 2017 and 31 January 2018	<u>250,000,000</u>	<u>433,000</u>

16. RELATED PARTY TRANSACTIONS

Compensation of Key Management Personnel

	Three months ended		Six months ended	
	31 January		31 January	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and bonuses	282,699	202,680	546,317	405,360
CPF contributions	16,199	15,300	31,499	30,600
MPF contributions	1,535	—	3,097	—
	<u>300,433</u>	<u>217,980</u>	<u>580,913</u>	<u>435,960</u>

The remuneration of executive directors and key executives of the Group is determined by having regard to the performance of individuals of the Group and market trends.

17. EVENTS AFTER THE REPORTING PERIOD

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 (the "Share Subdivision"). 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

FINANCIAL REVIEW

Revenue

The unaudited revenue of the Group amounted to approximately S\$10,238,000 for the six months ended 31 January 2018, representing an increase of approximately S\$324,000 or a growth of approximately 3.3% as compared with the six months ended 31 January 2017. The growth was mainly attributable to increase in revenue from manpower outsourcing services.

Revenue from manpower outsourcing services is predominantly from hotel and resort, food and beverage (F&B) and retail sectors. The growth was principally attributable to increase in demand for our services from our customers in hotel and resort. Hotel and resort sector experienced high demand due to the year-end holidays and we benefited from the festive boost by generating more revenue from the hotel and resort sector.

GROSS PROFIT

Despite the increase in revenue, the Group's gross profit decreased by approximately S\$126,000 or 4.0% from approximately S\$3,117,000 for the six months ended 31 January 2017 to approximately S\$2,991,000 for the six months ended 31 January 2018.

The overall gross profit margin decreased slightly from 31.4% for the six months ended 31 January 2017 to 29.2% for the six months ended 31 January 2018. The gross profit margin was lower for the six months ended 31 January 2018 as we had to charge lower prices in order to stay competitive.

OTHER INCOME AND GAINS

Other income and gains decreased by approximately S\$106,000 from approximately S\$189,000 for the six months ended 31 January 2017 to approximately S\$83,000 for the six months ended 31 January 2018 due to nil unrealised exchange gain on bank balances which are denominated in Hong Kong dollars, lower forfeiture income and lower income from sale of merchandise.

ADMINISTRATIVE EXPENSES

The administrative expenses increased by approximately S\$891,000, from approximately S\$3,253,000 for the six months ended 31 January 2017 to approximately S\$4,144,000 for the six months ended 31 January 2018. The substantial increase was mainly due to increase of staff costs resulting from the increase in number of executive directors and support staff.

OTHER OPERATING EXPENSES

Other operating expenses increased from approximately S\$138,000 for the six months ended 31 January 2017 to approximately S\$407,000 for the six months ended 31 January 2018 mainly due to higher entertainment expenses and unrealised exchange loss on bank balances which are denominated in Hong Kong dollars.

LOSS FOR THE PERIOD

Our loss for the period increased by approximately S\$1,379,000, from approximately S\$91,000 for the six months ended 31 January 2017 to approximately S\$1,470,000 for the six months ended 31 January 2018 which was mainly due to cumulative effect of aforesaid reasons.

EMPLOYEE INFORMATION

As at 31 January 2018, the Group had an aggregate of 265 employees (2017: 259), comprising of 4 executive Directors (2017: 2), 112 support staff (2017: 98) and 149 full-time deployment staff (2017: 159).

Our employees are remunerated according to their job scope and responsibilities. The Group offered attractive remuneration package in order to attract and retain high quality staff. Our 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.

EVENTS AFTER THE REPORTING PERIOD

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.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended 31 January 2018, the Group had cash and cash equivalents of S\$4,230,000 which were placed with major banks in Singapore and Hong Kong. The cash and cash equivalents had decreased by approximately S\$1,858,000 or 30.52% as compared to the year ended 31 July 2017. The decrease in cash and cash equivalents was mainly due to funds used to finance the Group's operations.

USE OF PROCEEDS FROM THE SHARE OFFER

The Company was successfully listed on the GEM board of the 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 January 2018 is set out below:

	Planned use of net proceeds (as stated in the Prospectus) in respect of business objectives from the Listing Date to 31 January 2018 <i>HK\$mil</i>	Actual utilised amount up to 31 January 2018 <i>HK\$mil</i>
Expansion and strengthening of existing manpower outsourcing services	7.4	4.6
Acquisitions of strategic partners	5.0	0.6
Enhancing our information technology software to support our Group's business infrastructure	3.5	2.6
Repayment of loans	3.4	1.7
Working capital and general corporate use	2.2	2.2
	<u>21.5</u>	<u>11.7</u>

The remaining net proceeds as at 31 January 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.

CAPITAL STRUCTURE

The Group's operation is being financed by internally generated cash flow and fund raised from capital market. As at 31 January 2018, the Group's capital structure consisted of capital attributable to equity holders of the Company, comprising share capital, share premium, and reserves.

EXPOSURE TO FOREIGN EXCHANGE

The Group mainly operates in the Singapore with the majority of its transactions denominated and settled in Singapore dollars, which is the functional currency of the majority of the Group's operating subsidiaries. However, the Group retains some proceeds from the Share Offer in Hong Kong dollars. Currently, the Group does not have a foreign currency hedging policy. However, the Group will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.

BUSINESS REVIEW AND OUTLOOK

During the current financial period, the Group recorded net loss of approximately S\$1,470,000 which was primarily due to increase in administrative expenses and due to staff costs and other operating expenses that is coupled by higher cost of services. The Group always considers its employees as the most valuable asset of the Group and offers competitive benefits package that fits our employees' needs in order to stay competitive in the market.

Although there was a loss for the six months ended 31 January 2018, the Group has been continuously seeking ways to improve the performance of the Group. The Group will maximise its efforts in increase the sources of revenue in the future.

Singapore's economy is heavily dependent on the global environment. We expect the global economic situation to remain uncertain. This will, in turn affect Singapore's economy and the Group's profitability.

CHARGES ON ASSETS

As at 31 January 2018, the Group did not have any charges on assets.

CONTINGENT LIABILITIES

As at 31 January 2018, the Group did not have any significant contingent liabilities.

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 January 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 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

Name of Director	Note	Number of shares held, capacity and nature of interest			Percentage of the issued share capital
		Directly beneficially owned	Through controlled corporation	Total	
Mr. Sim Hak Chor	(1)	—	80,000,000	80,000,000	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 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 January 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 the Exchange pursuant to Rule 5.46 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 January 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	Number of shares held, capacity and nature of interest			Total	Percentage of the issued share capital
	Directly beneficially owned	Interest of spouse	Through controlled corporation		
Centrex Treasure Holdings Limited	80,000,000	—	—	80,000,000	32.00%
Mr. Yeung Chun Wai, Anthony	8,260,000 (Note 1)	4,420,000	42,065,000	54,745,000	21.90%
Ms. Lui Lai Yan	4,420,000 (Note 1)	50,325,000	—	54,745,000	21.90%
Rising Elite Global Limited	42,065,000 (Note 2)	—	—	42,065,000	16.83%
Mr. Li Haifeng	42,000,000	—	—	42,000,000	16.80%

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 January 2018, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "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.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' 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 Company had any interests in any businesses which competed with or might compete with the business of the Group.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Vinco Capital Limited, as at 31 January 2018, save for the compliance adviser agreement dated 4 July 2016 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period under review.

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 of 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 during the period under review, except for Code Provision A.2.1 of the CG Code — segregation of the roles of chairman and chief executive officer.

Mr. Sim currently assumes the roles of both chairman and chief executive officer of the Company. 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. The Board will review the need of appointing a suitable candidate to assume the role of chief executive officer when necessary.

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 six months ended 31 January 2018.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Neither a Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries was a party during the period.

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2018.

UPDATED BIOGRAPHICAL DETAILS OF DIRECTORS

In accordance with Rule 17.50A(1) of the GEM Listing Rules, the information of the following directors were updated:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Tan Eng Ann has resigned as the independent non-executive Director, the chairman of the audit committee of the Company and a member of each of the remuneration committee and the nomination committee of the Company with effect from 1 February 2018.

Mr. Chan Fong Kong Francis has been appointed as the independent non-executive Director, the chairman of the audit committee of the Company, a member of each of the remuneration committee and the nomination committee of the Company with effect from 1 February 2018.

AUDIT COMMITTEE

The Group established an Audit Committee 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. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis. Mr. Chan Fong Kong Francis, 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 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 unaudited results for the six months ended 31 January 2018 and has provided advice and comments thereon.

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

Hong Kong, 15 March 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 and Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis.

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.