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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 2017

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.

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 Company and its subsidiaries (collectively the "Group") amounted to approximately S$18,655,000 for the year ended 31 July 2017, representing a decrease of approximately S$2,178,000 or 10.5% as compared with the year ended 31 July 2016.
- The loss for the year of the Group is approximately S$619,000 for the year ended 31 July 2017, representing a decrease in net loss of approximately S$679,000 as compared to the loss for the year ended 31 July 2016.
- Basic and diluted loss per share was S$0.0025 for the year ended 31 July 2017 compared to basic and diluted loss per share of S$0.0064 for the year ended 31 July 2016.
- The Board does not recommend the payment of a final dividend for the year ended 31 July 2017.

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 2017 together with comparative figures for the financial year ended 31 July 2016.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JULY 2017

	Notes	**2017** **S$**	2016 *S$*
REVENUE	4	**18,654,727**	20,833,182
Cost of services		**(12,770,833)**	(13,909,372)
Gross profit		**5,883,894**	6,923,810
Other income and gains	4	**223,920**	333,337
Administrative expenses		**(6,539,173)**	(5,070,557)
Other operating expenses		**(460,724)**	(3,502,072)
Finance costs		**(5,608)**	(46,685)
LOSS BEFORE TAX	5	**(897,691)**	(1,362,167)
Income tax credit	6	**279,179**	65,006
LOSS FOR THE YEAR		**(618,512)**	(1,297,161)
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(376)**	—
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(618,888)**	(1,297,161)
Loss attributable to:			
Owners of the Company		**(618,270)**	(1,297,161)
Non-controlling interests		**(242)**	—
		(618,512)	(1,297,161)
Total comprehensive loss attributable to:			
Owners of the Company		**(618,646)**	(1,297,161)
Non-controlling interests		**(242)**	—
		(618,888)	(1,297,161)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	7	**(0.0025)**	(0.0064)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2017

	Notes	**2017** **S$**	2016 S$
NON-CURRENT ASSETS			
Property, plant and equipment		**1,009,162**	895,653
Goodwill		**905,495**	886,341
Deferred tax assets		**369,426**	142,262
Prepayments, deposits and other receivables		**103,212**	—
Total non-current assets		**2,387,295**	1,924,256
CURRENT ASSETS			
Trade receivables	8	**3,451,349**	2,824,269
Prepayments, deposits and other receivables		**226,564**	225,830
Cash and cash equivalents		**6,088,213**	8,287,411
Total current assets		**9,766,126**	11,337,510
CURRENT LIABILITIES			
Trade payables	9	**—**	5,840
Other payables and accruals	10	**1,868,368**	1,930,884
Interest-bearing bank borrowings	11	**—**	295,544
Tax payable		**41,396**	76,866
Total current liabilities		**1,909,764**	2,309,134
NET CURRENT ASSETS		**7,856,362**	9,028,376
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,243,657**	10,952,632
NON-CURRENT LIABILITY			
Deferred tax liabilities		**—**	85,371
NET ASSETS		**10,243,657**	10,867,261
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	**433,000**	433,000
Share premium		**12,079,017**	12,079,017
Merger reserve		**(2,379,552)**	(2,379,552)
Retained profits		**116,526**	734,796
Other reserves		**(5,334)**	—
Total equity		**10,243,657**	10,867,261

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, 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 shares of the Company were listed on GEM on 15 July 2016.

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

- manpower outsourcing
- manpower recruitment
- manpower training

2. REORGANISATION AND BASIS OF PREPARATION

Prior to the Reorganisation (as defined below), 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 the 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" of the Company's prospectus 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 of the Group for the year ended 31 July 2016 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 that year, 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 in the consolidated financial statements for the year ended 31 July 2016.

The 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 2016, together with the relevant transitional provisions, have been adopted by the Group in preparation of these 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 consolidated financial statements have been prepared under the historical cost convention. The 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 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 year ended 31 July 2017, revenue, operating expenses, assets and liabilities are principally derived from the Group's operations in Singapore.

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

4. REVENUE, OTHER INCOME AND GAINS

	2017	2016
	S$	*S$*
Revenue		
Manpower outsourcing	**17,110,052**	19,357,146
Manpower recruitment	**794,485**	984,520
Manpower training	**750,190**	491,516
	18,654,727	20,833,182
Other income and gains		
Government grants	**23,205**	25,438
Sundry income	**60,506**	104,399
Foreign exchange gain	**—**	36,227
Forfeiture income	**86,520**	86,075
Sale of merchandise	**53,432**	81,186
Interest income	**257**	12
	223,920	333,337

5. LOSS BEFORE TAX

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

	2017	2016
	S$	*S$*
Cost of services	**12,770,833**	13,909,372
Depreciation	**412,816**	287,520
Operating lease charges	**551,331**	455,376
Trade receivables written off	**188**	6,612
Impairment of trade receivables	**121,209**	—
Foreign exchange loss/(gain)	**104,047**	(36,227)

6. INCOME TAX CREDIT

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.

No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong for the years ended 31 July 2017 and 2016.

Singapore corporate income tax has been provided at the rate of 17% (2016: 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 2017 and 2016 are:

	2017	2016
	S$	*S$*
Current income tax:		
Charge for the year	**41,396**	76,866
Overprovision in respect of prior years	**(8,040)**	(7,056)
Deferred income tax	**(312,535)**	(134,816)
Total tax credit for the year	**(279,179)**	(65,006)

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2017	2016
Loss attributable to owners of the Company *(S$)*	**(618,270)**	(1,297,161)
Weighted average number of shares in issue	**250,000,000**	202,328,767
Basic and diluted loss per share *(S$)*	**(0.0025)**	(0.0064)

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.

For the purpose of presenting loss per share, the weighted average number of ordinary shares for the year ended 31 July 2016 was determined 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 (as defined in Note 2) was effective on 1 August 2015.

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 2017 and 2016.

8. TRADE RECEIVABLES

	2017	2016
	S$	*S$*
Third parties	**3,135,302**	2,471,287
Less: Provision for impairment	**(121,209)**	—
	3,014,093	2,471,287
Unbilled receivables	**437,256**	352,982
	3,451,349	2,824,269

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

All trade receivables are denominated in Singapore dollars.

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:

	2017	2016
	S$	*S$*
Less than 30 days	**1,451,197**	1,213,664
31 to 60 days	**689,184**	542,188
61 to 90 days	**237,959**	219,887
More than 90 days	**635,753**	495,548
	3,014,093	2,471,287

9. TRADE PAYABLES

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

All trade payables are denominated in Singapore dollars.

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

	2017	2016
	S$	S$
Less than 30 days	—	5,840

10. OTHER PAYABLES AND ACCRUALS

	2017	2016
	S$	S$
Goods and services tax payables	268,301	216,030
Accrued casual labour costs	600,907	508,322
Accrued staff costs	621,601	515,063
Other payables	377,559	691,469
	1,868,368	1,930,884

Other payables are non-interest-bearing and are repayable on demand.

11. INTEREST-BEARING BANK BORROWINGS

	2017	2016
	S$	S$
Current:		
Factoring loans — secured	—	295,544

As at 31 July 2016, the effective interest rate of the bank borrowings was 6%.

As at 31 July 2016, the outstanding factoring loans were repayable on demand, secured by certain trade receivables of the Group and were guaranteed by a director of the Company. The loans have been fully repaid during the year.

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 Holdings Limited ("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 to rank 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	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
At 31 July 2016, 1 August 2016 and 31 July 2017	250,000,000	433,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a one-stop workforce solutions provider for companies and organisations looking to streamline their operations in the hotel and resort, retail, food and beverage ("F&B") sectors and other sectors outside the hospitality industry. We specialise in on-demand manpower outsourcing services with the objective of providing our customers with a reliable contingent labour workforce to enhance the performance of their businesses. We also provide complementary manpower recruitment services to our customers, focusing on blue-collared workers. In addition, we provide manpower training services to overseas candidates who are pursuing employment in the hotel and resort, retail and F&B sectors to develop their skills and knowledge.

In the current financial year, as we faced decreasing sales, particularly for the manpower outsourcing business, we adopted a different strategy to penetrate the market to seek out opportunities to increase sales. We offered competitive pricing to our customers through establishing subsidiaries operating under different brand names. For manpower training services, a new subsidiary in the Republic of Korea was acquired during the financial year to provide liaison services to our Korean customers. This reduced our reliance on external agents, giving rise to improved profit margins for training projects from the Republic of Korea.

A net loss of approximately S$619,000 was recorded for the year ended 31 July 2017 due to decrease in revenue and gross profit of the Group's business coupled with increase in administrative expenses and other operating expenses. We saw a decline of the Group's revenue due to unfavorable market conditions and intense price competition. Increase in administrative expenses was mainly attributable to higher staff costs and higher professional fees following the listing of the Company since July 2016. 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, higher other operating expenses for the year ended 31 July 2017 were recorded due to impairment of trade receivables and foreign exchange loss.

Looking forward, the Group expects the business environment to continue to be challenging and competitive due to overall lower market demand. We will constantly review our business strategy to seek opportunities to deepen and broaden our customer base. We will also continue to manage the Group's expenditure, particularly staff costs through upgrading and equipping our employees with multiple skill sets and through leveraging on technology to reduce labour intensity.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately S$20,833,000 for the year ended 31 July 2016 to approximately S$18,655,000 for the year ended 31 July 2017, representing a decrease of approximately 10.5%. The biggest decrease was recorded in revenue from manpower outsourcing services. The following table sets forth a breakdown of our revenue for the periods indicated:

	For the year ended 31 July			
	2017		2016	
	S$'000	***%***	*S$'000*	*%*
Manpower outsourcing	**17,110**	**91.7**	19,357	92.9
Manpower recruitment	**795**	**4.3**	985	4.7
Manpower training	**750**	**4.0**	491	2.4
	18,655	**100**	20,833	100

Manpower outsourcing

Revenue from manpower outsourcing services is mainly derived from the hotel and resort, F&B, and retail sectors. Revenue derived from manpower outsourcing services decreased by approximately S$2,247,000 for the year ended 31 July 2017. The following table sets forth the revenue from manpower outsourcing services by sector for the periods indicated:

	For the year ended 31 July			
	2017		2016	
	S$'000	***%***	*S$'000*	*%*
Hotel and resort	**14,649**	**85.6**	14,709	76.0
F&B	**1,963**	**11.5**	3,316	17.1
Retail	**435**	**2.5**	1,214	6.3
Others	**63**	**0.4**	118	0.6
	17,110	**100**	19,357	100

Customers from the hotel and resort sector remain as the biggest contributors for manpower outsourcing services. During the current financial year, we faced decrease in sales from some existing customers due to price competition and refurbishment work at a few major hotel customers. However, the market penetration strategy we adopted paid off and we were able to increase the number of customers in the hotel and resort sector from 33 in the year ended 31 July 2016 to 42 in the year ended 31 July 2017. Sales from new customers were able to partially offset the lower demand from some existing customers. In addition, revenue generated from the single largest customer in the hotel and resort sector increased by approximately S$257,000 in the year ended 31 July 2017. As a result, the Group was able to successfully maintain its manpower outsourcing revenue generated from customers in the hotel and resort sector.

Revenue from manpower outsourcing services generated from the F&B and retail sectors decreased by approximately S$2,132,000 in total, accounting for approximately 95% of the total decrease in manpower outsourcing revenue. The F&B and retail sectors had been lackluster due to tough market conditions, a general weak consumer sentiment as well as stiff competition from internet retailers and food delivery service providers. As companies in these sectors face higher business costs, they look to technology to automate processes and raise productivity, reducing their reliance on manual workforce. Consequently, there was lower demand for our services from customers in the F&B and retail sectors.

Manpower recruitment

Revenue from manpower recruitment services amounted to approximately S$795,000 for the year ended 31 July 2017, representing a decrease of approximately S$190,000 or 19.3% as compared with the year ended 31 July 2016. The decrease was mainly attributable to decrease in demand from our customers for new recruits due to tighter foreign employment restrictions.

Manpower training

Revenue from manpower training services increased from approximately S$491,000 for the year ended 31 July 2016 to approximately S$750,000 for the year ended 31 July 2017, representing a growth of approximately 52.7%. The increase in revenue from manpower training services is attributable to more projects being secured and accordingly a higher number of training candidates. The Group secured 22 training projects in the year ended 31 July 2017, compared to 15 projects in the year ended 31 July 2016.

Gross Profit

In line with the decrease in revenue, the Group's gross profit decreased by approximately S$1,040,000 from approximately S$6,924,000 for the year ended 31 July 2016 to approximately S$5,884,000 for the year ended 31 July 2017. The overall gross profit margin decreased slightly from 33.2% for the year ended 31 July 2016 to 31.5% for the year ended 31 July 2017. 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			
	2017		2016	
	S$'000	***Gross profit margin %***	*S$'000*	*Gross profit margin %*
Manpower outsourcing	**4,664**	**27.3%**	5,887	30.4%
Manpower recruitment	**633**	**79.6%**	752	76.3%
Manpower training	**587**	**78.3%**	285	58.0%
	5,884	**31.5%**	6,924	33.2%

The gross profit margin of manpower outsourcing services decreased from 30.4% for the year ended 31 July 2016 to 27.3% for the year ended 31 July 2017 as we offered competitive prices to penetrate the market and retain market share.

The gross profit margin of manpower recruitment services increased from 76.3% for the year ended 31 July 2016 to 79.6% for the year ended 31 July 2017 because we paid lower cooperative fees to our overseas partner agencies.

The gross profit margin of manpower training services increased from 58.0% for the year ended 31 July 2016 to 78.3% for the year ended 31 July 2017 following less reliance on external agents with the establishment of our new subsidiary in the Republic of Korea.

Administrative Expenses

Administrative expenses increased from approximately S$5,071,000 in the year ended 31 July 2016 to approximately S$6,539,000 in the year ended 31 July 2017. Increases in depreciation of property, plant and equipment, staff costs, office rental and professional fees accounted for the majority of the increase.

Depreciation of property, plant and equipment increased by approximately S$125,000 due to higher capital expenditure since July 2016, especially for acquisition of computers and equipment.

Staff costs increased by approximately S$825,000 primarily due to (i) an increase in staff costs paid to Directors; (ii) an increase in staff strength and salaries with the expansion of our manpower outsourcing service operation teams; (iii) an increase in staff strength for new subsidiaries established and acquired during the financial year, and (iv) a decrease in the amount of government credit schemes such as Wage Credit Scheme, Special Employment Credit and Temporary Employment Credit.

Office rental increased by approximately S$95,000 mainly due to new tenancy agreements for office premises of certain subsidiaries.

Professional fees increased by approximately S$361,000 primarily due to additional legal and professional fees to comply with relevant rules and regulations after listing. Such professional fees include payments made for compliance advisory, company secretarial, share registrar and financial documentation services.

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 by approximately S$255,000 for the year ended 31 July 2017. The increase was mainly attributable to (i) provision for impairment of trade receivables amounting to approximately S$121,000 recorded in the year ended 31 July 2017, and (ii) foreign exchange loss of approximately S$104,000 arising from bank balances and expenses denominated in Hong Kong dollars.

Income Tax Credit

The Group recorded a tax credit of approximately S$279,000 for the year ended 31 July 2017 because of the recognition of deferred tax assets which arose from the excess of tax values over net book values of the plant and equipment offset by de-recognition of deferred tax assets arising from unutilised tax losses from prior periods in certain subsidiaries of the Group.

Loss for the Year

The Group recorded a loss for the year of approximately S$619,000 for the year ended 31 July 2017 compared to a loss for the year of approximately S$1,297,000 for the year ended 31 July 2016. If the one-off listing expenses incurred in the year ended 31 July 2016 of approximately S$3,296,000 were excluded, the Group would have recorded a profit for the year ended 31 July 2016 of approximately S$1,999,000, representing a decrease of approximately S$2,618,000. This was due to the combined effect of lower revenue and gross profit exacerbated by higher administrative expenses and other operating expenses.

Liquidity and Financial Resources

As at 31 July 2017, the Group had total assets of approximately S$12,153,000 (2016: S$13,262,000) which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately S$1,910,000 (2016: S$2,395,000) and S$10,243,000 (2016: S$10,867,000) respectively. The current ratio of the Group as at 31 July 2017 was approximately 5.1 times (2016: approximately 4.9 times).

As at 31 July 2017, the Group had cash and cash equivalents of approximately S$6,088,000 (2016: S$8,287,000) 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 retain some proceeds from the Share Offer in Hong Kong dollars which contributed to an unrealised foreign exchange loss of approximately S$104,000 as Hong Kong dollars weakened against Singapore dollars.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus, the Group did not have any plans for material investments or capital assets as of 31 July 2017.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 19 September 2016, the Company acquired 80% of TCC Korea Inc, a private limited liability company incorporated in Republic of Korea which is engaged in the provision of manpower recruitment and training services, for a cash consideration of S$87,840.

On 23 November 2016, the Company acquired the remaining 20% of TCC Korea Inc for a cash consideration of S$21,888. Following the completion of this transaction, TCC Korea Inc became a wholly-owned subsidiary of the Company.

Save as disclosed above, 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 2017.

Contingent Liabilities

As at 31 July 2017, the Group did not have any material contingent liabilities (2016: 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 ("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 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 2017 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 July 2017	**Actual utilised amount up to 31 July 2017**
	HK$mil	*HK$mil*
Expansion and strengthening of existing manpower outsourcing services	3.9	2.9
Acquisitions of strategic partners	0.4	0.6
Enhancing our information technology software to support our Group's business infrastructure	1.7	2.2
Repayment of loans	3.4	1.7
Working capital and general corporate use	2.2	2.2
	11.6	9.6

The remaining net proceeds as at 31 July 2017 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 2017, the Group had an aggregate of 235 employees (2016: 211), comprising of 4 executive Directors (2016: 2), 99 support staff (2016: 90) and 132 full-time deployment staff (2016: 119).

Our 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.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 July 2017 and no interim dividend was paid during the year ended 31 July 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 July 2017, 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 stipulates 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 and the chief executive officer of our 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 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 July 2017.

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 Code Provision 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 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 this announcement with senior management and the external auditor of the Company.

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, 17 October 2017

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. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo.