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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 2021

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 unaudited revenue of the Company and its subsidiaries (collectively the "Group") amounted to approximately S\$2,667,000 for the six months ended 31 January 2021, representing a decrease of approximately S\$8,987,000 or 77.12% as compared with the six months ended 31 January 2020.
- The unaudited loss for the period of the Group was approximately S\$523,000 for the six months ended 31 January 2021, compared with the unaudited loss of the Group of approximately S\$1,650,000 for the six months ended 31 January 2020.
- The Board does not recommend the payment of interim dividend for the six months ended 31 January 2021.

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 2021, together with the unaudited comparative figures for the corresponding periods in 2020, as follows:

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

For the three months and six months ended 31 January 2021

	Notes	Three months ended 31 January		Six months ended 31 January	
		2021 S\$ (Unaudited)	2020 S\$ (Unaudited)	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
REVENUE	5	1,776,879	6,244,544	2,667,373	11,653,668
Cost of services		(1,329,530)	(4,726,155)	(1,953,414)	(8,854,653)
Gross profit		447,349	1,518,389	713,959	2,799,015
Other income	6	217,812	96,868	574,164	138,915
Administrative expenses		(935,642)	(1,633,842)	(1,738,327)	(4,338,906)
Other operating expenses		(5,452)	(92,556)	(21,198)	(180,696)
Finance costs	7	(23,169)	(19,202)	(47,584)	(37,452)
LOSS BEFORE TAX	8	(299,102)	(130,343)	(518,986)	(1,619,124)
Income tax expense	9	(3,540)	(24,306)	(3,540)	(30,693)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(302,642)	(154,649)	(522,526)	(1,649,817)
OTHER COMPREHENSIVE INCOME					
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		459	378	602	257
<i>Items that were reclassified to profit or loss:</i>					
Reclassification adjustment from exchange reserve upon deregistration of subsidiary		—	—	1,122	—
Other comprehensive income for the period		459	378	1,724	257
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(302,183)	(154,271)	(520,802)	(1,649,560)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Basic and diluted (Singapore cents)	10	(0.02)	(0.01)	(0.03)	(0.11)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2021

	<i>Notes</i>	31 January 2021 S\$ (Unaudited)	31 July 2020 S\$ (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	355,671	496,896
Right-of-use assets		402,827	561,838
Deferred tax assets		449,249	449,249
		<hr/>	<hr/>
Total non-current assets		1,207,747	1,507,983
		<hr/>	<hr/>
CURRENT ASSETS			
Trade receivables	13	960,900	1,206,039
Contract assets		191,471	263,362
Prepayments, deposits and other receivables		285,918	319,520
Cash and cash equivalents		4,339,092	4,469,347
		<hr/>	<hr/>
Total current assets		5,777,381	6,258,268
		<hr/>	<hr/>
CURRENT LIABILITIES			
Other payables and accruals	14	1,419,247	1,460,052
Lease liabilities		226,263	340,298
Contract liabilities		19,536	20,536
Bank borrowings		1,289,419	1,357,806
Tax payable		11,200	8,727
		<hr/>	<hr/>
Total current liabilities		2,965,665	3,187,419
		<hr/>	<hr/>
NET CURRENT ASSETS		2,811,716	3,070,849
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Lease liabilities		202,565	241,132
		<hr/>	<hr/>
NET ASSETS		3,816,898	4,337,700
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	15	519,800	519,800
Reserves		3,297,098	3,817,900
		<hr/>	<hr/>
TOTAL EQUITY		3,816,898	4,337,700
		<hr/>	<hr/>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2021

	Share capital S\$	Share premium S\$	Merger reserve S\$	Other reserve S\$	Exchange reserve S\$	Accumulated losses S\$	Total equity S\$
2021							
At 1 August 2020 (audited)	519,800	14,228,837	(2,379,552)	(4,958)	(1,258)	(8,025,169)	4,337,700
Loss for the period	—	—	—	—	—	(522,526)	(522,526)
Other comprehensive income for the period:							
— Exchange differences on translation of foreign operations	—	—	—	—	602	—	602
— Reclassification adjustment from exchange reserve upon deregistration of subsidiary	—	—	—	—	1,122	—	1,122
Total comprehensive income/(loss) for the period	—	—	—	—	1,724	(522,526)	(520,802)
Deregistration of a subsidiary	—	—	—	4,958	—	(4,958)	—
At 31 January 2021 (unaudited)	<u>519,800</u>	<u>14,228,837</u>	<u>(2,379,552)</u>	<u>—</u>	<u>466</u>	<u>(8,552,653)</u>	<u>3,816,898</u>
2020							
At 1 August 2019 (audited)	433,000	12,079,017	(2,379,552)	(4,958)	(1,263)	(7,089,761)	3,036,483
Loss for the period	—	—	—	—	—	(1,649,817)	(1,649,817)
Other comprehensive income for the period:							
— Exchange differences on translation of foreign operations	—	—	—	—	257	—	257
Total comprehensive income/(loss) for the period	—	—	—	—	257	(1,649,817)	(1,649,560)
Issue of ordinary shares	86,800	2,170,000	—	—	—	—	2,256,800
Transaction costs attributable to issue of ordinary shares	—	(20,180)	—	—	—	—	(20,180)
At 31 January 2020 (unaudited)	<u>519,800</u>	<u>14,228,837</u>	<u>(2,379,552)</u>	<u>(4,958)</u>	<u>(1,006)</u>	<u>(8,739,578)</u>	<u>3,623,543</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2021

	Six months ended	
	31 January	
	2021	2020
<i>Notes</i>	S\$	S\$
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss before tax	(518,986)	(1,619,124)
Adjustments for:		
Depreciation of property, plant and equipment	141,225	188,226
Depreciation of right-of-use assets	159,011	156,417
Finance costs	47,584	37,452
Write off of property, plant and equipment	—	1,876
Unrealised foreign exchange gain	—	(11,694)
Net reversal of allowance for expected credit losses in respect of trade receivables, contract assets, deposits and other receivables	(8,258)	(5,533)
Loss on deregistration of subsidiary	1,122	—
Interest income	—	(50,935)
	<hr/>	<hr/>
Operating cash flows before changes in working capital	(178,302)	(1,303,315)
Decrease/(increase) in trade receivables	250,393	(28,774)
Decrease in prepayments, deposits and other receivables	33,601	406,227
Decrease/(increase) in contract assets	74,895	(165,308)
Increase in trade payables	—	6,400
(Decrease)/increase in other payables and accruals	(40,805)	238,963
(Decrease)/increase in contract liabilities	(1,000)	15,400
	<hr/>	<hr/>
Cash generated from/(used in) operations	138,782	(830,407)
Income tax paid	(1,066)	(14,340)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	137,716	(844,747)

		Six months ended	
		31 January	
		2021	2020
	<i>Notes</i>	S\$	<i>S\$</i>
		(Unaudited)	(Unaudited)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	12	—	(329,400)
Interest received		—	2
		<hr/>	<hr/>
Net cash used in investing activities		—	(329,398)
		<hr/>	<hr/>
FINANCING ACTIVITIES			
Repayment of other loans		—	(2,079,600)
Proceeds from bank borrowings		1,722,148	2,194,662
Repayment of bank borrowings		(1,790,536)	(1,528,989)
Net proceeds from issuance of ordinary shares		—	2,236,621
Repayment of lease liabilities		(159,975)	(157,815)
Interest paid		(40,210)	(5,201)
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities		(268,573)	659,678
		<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(130,857)	(514,467)
Cash and cash equivalents at beginning of period		4,469,347	1,967,918
Effect of foreign exchange rate changes		602	910
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
		4,339,092	1,454,361
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 January 2021

1. CORPORATE INFORMATION

SingAsia Holdings Limited (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 registered in Hong Kong is Rooms 911–912, 9/F, Wing On Centre, 111 Connaught Road, Central, Hong Kong. The head office and principal place of business of the Group is 211 New Bridge Road, #03–01 Lucky Chinatown, Singapore 059432.

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

- manpower outsourcing
- manpower recruitment
- manpower training

2. BASIS OF PREPARATION

These unaudited condensed 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 unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of the GEM Listing Rules.

These unaudited condensed consolidated financial statements have been prepared under the historical cost convention. These unaudited condensed consolidated financial statements are presented in Singapore dollars (“S\$”), which is the functional currency of the Company, except when otherwise indicated. The unaudited condensed financial statements should be read in conjunction with the audited consolidated financial statement for the year ended 31 July 2020.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these unaudited condensed consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are accounting for in accordance with IFRS 16 (since 1 August 2019) or IAS 17 (before application of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 input are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 July 2020, except for the adoption of the new/revised IFRSs that are relevant to the Group and effective from the current accounting period.

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

During the six months ended 31 January 2021, the Group has adopted all the new and revised IFRSs issued by the International Accounting Standards Board (the “IASB”), which are effective for the Group’s financial period beginning on or after 1 August 2020. The adoption of these new and revised IFRSs did not have any significant effect on the unaudited condensed consolidated financial statements.

4. SEGMENT INFORMATION

Information reported internally to the chief operating decision maker (“CODM”) for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is principally engaged in provision of manpower outsourcing, recruitment and training service in Singapore.

Accordingly, the Group does not present separate segment information. No analysis of the Group’s results by type of works nor assets and liabilities is regularly provided to the CODM for review. In addition, all of the Group’s revenue is generated in Singapore and the Group’s assets and liabilities are mainly located in Singapore. Accordingly, no business or geographical segment information is presented.

5. REVENUE

	Three months ended 31 January 2021 S\$ (Unaudited)		Six months ended 31 January 2021 S\$ (Unaudited)	
	2020 S\$ (Unaudited)	2020 S\$ (Unaudited)	2020 S\$ (Unaudited)	2020 S\$ (Unaudited)
Revenue from contract with customers				
Manpower outsourcing	6,083,011	1,770,689	11,404,181	2,643,363
Manpower recruitment	107,914	6,190	192,868	24,010
Manpower training	53,619	—	56,619	—
	<u>6,244,544</u>	<u>1,776,879</u>	<u>11,653,668</u>	<u>2,667,373</u>

6. OTHER INCOME

	Three months ended		Six months ended	
	31 January		31 January	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Government grants	210,576	3,360	560,493	3,360
Sundry income	4,305	16,055	5,109	33,451
Foreign exchange gain, net	—	—	—	10,377
Forfeiture income	1,575	17,025	1,825	27,000
Sale of merchandise	1,356	9,493	6,737	13,792
Interest income	—	50,935	—	50,935
	<u>217,812</u>	<u>96,868</u>	<u>574,164</u>	<u>138,915</u>

Note: The government grants mainly represent the cash grant received under Jobs Support Scheme which was introduced by the Singapore Government to help businesses to retain their local employees and provide cash flow support due to the impact of COVID-19 pandemic. There were no unfulfilled condition related to the amount of the government grant.

7. FINANCE COSTS

	Three months ended		Six months ended	
	31 January		31 January	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest expense on:				
— bank borrowings	19,768	5,201	40,210	5,201
— other loans	—	2,499	—	20,749
— lease liabilities	3,401	11,502	7,374	11,502
	<u>23,169</u>	<u>19,202</u>	<u>47,584</u>	<u>37,452</u>

8. LOSS BEFORE TAX

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

	Three months ended		Six months ended	
	31 January		31 January	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of services	1,329,530	4,726,155	1,953,414	8,854,653
Depreciation of property, plant and equipment	68,945	252,178	141,225	344,643
Depreciation of right-of-use assets	79,505	—	159,011	—
Net reversal of allowance for expected credit losses in respect of trade receivables, contract assets, deposits and other receivables	(714)	(254)	(8,258)	(5,533)
Write off of property, plant and equipment	—	—	—	1,876
Employee benefit expenses (excluding directors' remuneration):				
— Salaries and bonuses	1,499,070	4,715,843	2,295,658	8,875,605
— Contributions to defined contribution plans	175,395	515,687	264,556	959,096
— Foreign Worker Levy	63,420	331,916	114,089	640,933
— Other short-term benefits	—	24,530	—	54,616
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the six months ended 31 January 2021, cost of services includes S\$1,671,000 (2020: S\$7,418,538) related to salaries and bonuses, S\$185,974 (2020: S\$813,265) related to contributions to defined contribution plans and S\$86,014 (2020: S\$568,479) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

For the three months ended 31 January 2021, cost of services includes S\$1,139,644 (2020: S\$3,955,804) related to salaries and bonuses, S\$137,719 (2020: S\$439,810) related to contributions to defined contribution plans and S\$50,045 (2020: S\$295,843) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

9. INCOME TAX EXPENSE

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.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Singapore Corporate Income Tax has been provided at the rate of 17% (2020: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

	Three months ended		Six months ended	
	31 January		31 January	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax:				
Charge for the period	—	8,308	—	14,695
Under provision in respect of prior years	<u>3,540</u>	<u>15,998</u>	<u>3,540</u>	<u>15,998</u>
Total tax expense for the period	<u><u>3,540</u></u>	<u><u>24,306</u></u>	<u><u>3,540</u></u>	<u><u>30,693</u></u>

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended		Six months ended	
	31 January		31 January	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (S\$)	(302,642)	(154,649)	(522,526)	(1,649,817)
Weighted average number of shares in issue	<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>1,500,000,000</u>
Basic and diluted loss per share (Singapore cents)	<u><u>(0.02)</u></u>	<u><u>(0.01)</u></u>	<u><u>(0.03)</u></u>	<u><u>(0.11)</u></u>

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 2021 and 2020.

11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2021 (2020: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 January 2021, the Group acquired assets with aggregate cost of S\$nil (2020: S\$329,400).

13. TRADE RECEIVABLES

	As at 31 January 2021 S\$ (Unaudited)	As at 31 July 2020 S\$ (Audited)
Third parties	964,660	1,217,924
Less: Allowance for expected credit losses	<u>(3,760)</u>	<u>(11,885)</u>
	<u>960,900</u>	<u>1,206,039</u>

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

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

	As at 31 January 2021 S\$ (Unaudited)	As at 31 July 2020 S\$ (Audited)
Less than 30 days	807,094	753,259
31 to 60 days	66,606	41,120
61 to 90 days	16,877	45,092
More than 90 days	<u>74,083</u>	<u>378,453</u>
	<u>964,660</u>	<u>1,217,924</u>

14. OTHER PAYABLES AND ACCRUALS

	As at 31 January 2021 S\$ (Unaudited)	As at 31 July 2020 S\$ (Audited)
GST payables	106,781	148,110
Accrued casual labour costs	284,812	180,302
Accrued general staff costs	358,794	465,609
Accrued administrative and other operating expenses	448,600	431,516
Interest payable	3,310	2,339
Other payables	216,950	232,176
	<u>1,419,247</u>	<u>1,460,052</u>

15. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$</i>	<i>Equivalent to S\$</i>
Authorised ordinary shares of HK\$0.002 each:			
At 1 August 2019, 31 July 2020, 1 August 2020 and 31 January 2021	<u>25,000,000,000</u>	<u>50,000,000</u>	
Issued and fully paid:			
At 1 August 2019	1,250,000,000	2,500,000	433,000
Issue of ordinary shares (<i>note</i>)	<u>250,000,000</u>	<u>500,000</u>	<u>86,800</u>
At 31 July 2020, 1 August 2020 and 31 January 2021	<u>1,500,000,000</u>	<u>3,000,000</u>	<u>519,800</u>

On 23 and 24 September 2019, the Company entered into respectively a conditional subscription agreement and a supplemental agreement with Eden Publishing Pte. Ltd. (the "Subscriber"), pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue, 250,000,000 subscription shares at the subscription price of HK\$0.052 per subscription share (the "Subscription").

The completion of the Subscription took place on 25 October 2019. An aggregate of 250,000,000 new ordinary shares of the Company of par value of HK\$0.002 each (the "Shares"), representing approximately 16.67% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the Subscription Shares, were allotted and issued to the Subscriber at the Subscription price of HK\$0.052 per Subscription share. The gross proceeds from the Subscription amounted to HK\$13,000,000 (approximately S\$2,257,000) and the net proceeds amounted to approximately HK\$12,886,000 (approximately S\$2,237,000) after deducting transaction costs.

16. RELATED PARTY TRANSACTIONS

	Three months ended		Six months ended	
	31 January		31 January	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(a) Transaction with related parties				
Manpower outsourcing services income from <i>(Note (1))</i> :				
— The Ramen Stall Pte. Ltd ("Ramen Stall")	4,100	—	4,100	—
— The Ramen Stall (NBR) II Pte. Ltd ("Ramen Stall II")	4,000	—	4,000	—
— The Dim Sum Place Pte. Ltd ("Dim Sum Place")	3,600	—	3,600	—
— G7 Sin Ma Live Seafood Restaurant Pte. Ltd ("G7")	9,715	—	9,715	—
	<u>41,415</u>	<u>—</u>	<u>41,415</u>	<u>—</u>

Note:

- (1) The Group has ongoing manpower outsourcing service agreements with Ramen Stall, Ramen Stall II, Dim Sum Place and G7. Mr. Sim Hak Chor became a director and ultimate shareholder of these companies with effect from 31 December 2020. Mr. Sim Hak Chor is the Chairman and executive director of the Group. As a result, these companies became connected person under Chapter 20 of the GEM Listing Rules. These transactions constituted as a connected transaction but was exempt from the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules as de minimis transactions.

(b) Compensation of Key Management Personnel

	Three months ended		Six months ended	
	31 January		31 January	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and bonuses	215,415	284,505	429,728	569,010
Contributions to defined contribution plans	15,300	15,300	30,600	30,600
	<u>230,715</u>	<u>299,805</u>	<u>460,328</u>	<u>599,610</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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

All of the Group's revenue was generated from manpower outsourcing, manpower recruitment and manpower training services. The Group's revenue decreased by approximately S\$8,987,000 or 77.12% from approximately S\$11,654,000 for the six months ended 31 January 2020 to approximately S\$2,667,000 for the six months ended 31 January 2021.

The Group's revenue from all three business segments decreased for the six months ended 31 January 2021. The Group's revenue from manpower outsourcing services decreased significantly from approximately S\$11,404,000 for the six months ended 31 January 2020 to approximately S\$2,643,000 for six months ended 31 January 2021. Our clients for manpower outsourcing services are mostly from the hospitality sector which is one of the industries that is severely affected by the COVID-19 pandemic.

Gross profit

The Group's overall gross profit decreased by approximately S\$2,085,000 from approximately S\$2,799,000 for the six months ended 31 January 2020 to approximately S\$714,000 for the six months ended 31 January 2021, in tandem with decrease in revenue from all three business segments.

Other income

Other income increased from approximately S\$139,000 for the six months ended 31 January 2020 to approximately S\$574,000 for the six months ended 31 January 2021. It was mainly due to cash grant received under the Jobs Support Scheme ("JSS") introduced by the Singapore Government to help businesses to retain their local employees and to provide cash flow support to businesses during this period of economic uncertainty.

Administrative expenses

Administrative expenses decreased by approximately S\$2,601,000, from approximately S\$4,339,000 for the six months ended 31 January 2020 to approximately S\$1,738,000 for the six months ended 31 January 2021. It is mainly due to (i) decrease in administrative expenses of approximately S\$1,363,000 resulted by the closure of Hong Kong office which were incurred during the six months ended 31 January 2020; (ii) decrease in staff costs of approximately S\$1,129,000 as the Singapore operations embarked on cost-savings measures in response to the COVID-19 pandemic and (iii) decrease in incentive and referral fee for approximately S\$109,000 due to lower incentive paid for the six months ended 31 January 2021.

Other operating expenses

Other operating expenses decreased by approximately S\$160,000 for the six months ended 31 January 2021. The decreased was mainly due to lower advertisement expenses.

Loss for the period

Due to the combined effect of the aforesaid factors, the Group recorded an unaudited loss of approximately S\$523,000 for the six months ended 31 January 2021.

Employee information

As at 31 January 2021, the Group had an aggregate of 78 employees (2020: 271), comprising of 2 executive Directors (2020: 2), 39 support staff (2020: 80) and 37 full-time deployment staff (2020: 189).

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.

Liquidity and financial resources

As at 31 January 2021, the Group had cash and cash equivalents of approximately S\$4,339,000 (31 July 2020: approximately S\$4,469,000) which were placed with major banks in Singapore and Hong Kong. For the six months ended 31 January 2021, cash and cash equivalents decreased by approximately S\$130,000 or 2.9% as compared to the balance at 31 July 2020. The decrease is mainly due to the net effect of (i) cash grant received from the Jobs Support Scheme introduced by the Singapore Government; (ii) net cash outflows from the Group's operating activities; and (iii) repayment of bank borrowings.

Use of proceeds from the Share Offer

The Company was successfully listed on GEM on 15 July 2016 (the "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 2021 is set out below:

	Adjusted use of proceeds in respect of business objectives from the Listing Date <i>HK\$mil</i>	Actual utilised amount up to 31 January 2021 <i>HK\$mil</i>
Expansion and strengthening of existing manpower outsourcing services	10.7	10.7
Acquisitions of strategic partners	5.0	5.0
Enhancing our information technology software to support the Group's business infrastructure	4.8	4.8
Repayment of loans	3.4	3.4
Working capital and general corporate use	2.2	2.2
	<u>26.1</u>	<u>26.1</u>

As at 31 January 2021, the Group has fully utilised the proceeds for expansion and strengthening of existing manpower outsourcing services, on acquisitions of strategic partners, for enhancing information technology software, for repayment of loans and for working capital and general corporate use.

Capital Structure

On 23 and 24 September 2019, the Company entered into respectively a conditional subscription agreement and a supplemental agreement with Eden Publishing Pte. Ltd. (the "Subscriber"), pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue, 250,000,000 subscription shares at the subscription price of HK\$0.052 per subscription share (the "Subscription").

The completion of the Subscription took place on 25 October 2019. An aggregate of 250,000,000 new ordinary shares of the Company of par value of HK\$0.002 each (the "Shares"), representing approximately 16.67% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the Subscription Shares, were allotted and issued to the Subscriber at the Subscription price of HK\$0.052 per Subscription share. The gross proceeds from the Subscription amounted to HK\$13,000,000 (approximately S\$2,257,000) and the net proceeds amounted to approximately HK\$12,886,000 (approximately S\$2,237,000) after deducting transaction costs.

As at 31 January 2021, the Group has fully utilised the net proceeds of approximately HK\$12,886,000 for repayment of other loans and for general working capital.

The Company's share capital comprises of ordinary shares. As at 31 January 2021, the Company's issued share capital was HK\$3,000,000 (equivalent to S\$519,800) and the number of its ordinary shares was 1,500,000,000 of HK\$0.002 each.

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 incurred some expenses denominated in Hong Kong dollars and United States dollars for its overseas entities. Currently, the Group does not have a foreign currency hedging policy. However, the Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.

Charges on assets

As at 31 January 2021, the Group's factoring facilities were secured over trade receivables of the Group of approximately S\$535,000 (31 July 2020: approximately S\$567,000) and corporate guarantee by the Company.

Contingent liabilities

As at 31 January 2021, the Group did not have any significant contingent liabilities (31 July 2020: Nil).

BUSINESS REVIEW AND OUTLOOK

We are a Singapore-based workforce solutions provider. We provide manpower outsourcing services, manpower recruitment services and manpower training services mostly to customers from hospitality sector. The Group's revenue and gross profit have significantly decreased during the six months ended 31 January 2021 resulted by the COVID-19 pandemic. The economic climate remains uncertain and the on-going global travel restrictions will continue to hit the hospitality sector. The Group will continue to seek potential investments and new business opportunities.

On 10 December 2020, the Group has entered into a non-legally binding memorandum of understanding with 杭州述而教育科技有限公司 (Hangzhou Shuer Education Technology*) to discuss possible ways of cooperation. Upon conclusion of the discussion, a formal agreement will be signed between parties, and amongst other terms, the Group will be in charge of providing human resource support and Hangzhou Shuer Education Technology* will be responsible for providing entrepreneurial and leadership coaching for staff, including healthcare professionals.

On 14 December 2020, the Group has entered into a non-legally binding memorandum of understanding with 浙江康烯新材料科技有限公司 (Zhejiang Kangxi New Material Technology Limited*) to discuss possible ways of cooperation. Upon conclusion of the discussion, a formal agreement will be signed between parties, and amongst other terms, the Group will be in charge of providing human resource support and Zhejiang Kangxi New Material Technology Limited* will be responsible for manufacturing and trading graphene infrared mattresses and pillows.

For further details, please refer to the Company's announcements dated 10 December 2020 and 14 December 2020, respectively.

In view of the challenging market conditions, the Group will continue to manage its expenditures and ensure adequate liquidity to sustain operations; review its business strategy and look for more business opportunities to cope with existing market environment in a cautious and prudent manner.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 31 January 2021, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were 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 required standards of dealings by directors referred to in Rule 5.48 to Rule 5.67 of the GEM Listing Rules, were as follows:

Long Positions in Ordinary Shares of the Company

Name of Director	Number of shares held, capacity and nature of interest			Percentage of issued share capital
	Directly beneficially owned	Through controlled corporation	Total	
Mr. Sim Hak Chor (<i>Note</i>)	—	399,990,000	399,990,000	26.67%

Note: 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 (<i>Note</i>)	Mr. Sim Hak Chor	Beneficial owner	4,826	94.89%
Centrex Treasure Holdings Limited (<i>Note</i>)	Ms. Serene Tan	Beneficial owner	109	2.14%

Note: 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 2021, 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 which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were 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 required standards of dealings by directors referred to in Rule 5.48 to Rule 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 January 2021, 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, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Number of shares directly beneficially owned	Percentage of issued share capital
Centrex Treasure Holdings Limited	399,990,000	26.67%
Eden Publishing Pte. Ltd.	250,000,000	16.67%

Save as disclosed above, as at 31 January 2021, the Directors are not aware of any other 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, 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, or to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders of the Company nor any of their respective close associates (as defined under the GEM Listing Rules) that competed or may compete, either directly or indirectly, with the business of the Group, or of any other conflicts of interest which any such person has or may have with the Group during the period under review.

PURCHASE, SALE OR REDEMPTION 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.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings regarding 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 period under review.

CORPORATE GOVERNANCE CODE

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (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 the following:

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

In view of Mr. Sim being the founder of the Group and that 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 Code Provision A.2.1.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for disclosed elsewhere in this interim result, no transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at any time during or at the end of the period under review.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2021.

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 to 5.33 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. Lim Wee Pin. Mr. Lim Wee Pin, 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 system, risk management and internal control systems, to oversee the audit process, to review the Group's financial reports and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 31 January 2021 and has provided advice and comments thereon.

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

Hong Kong, 12 March 2021

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

** For identification purposes only*