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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 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 Listed Company Announcements" page of the GEM website at [www.hkgem.com](http://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](http://www.singasia.com.sg).*

\* For identification purposes only

## **HIGHLIGHTS**

- The revenue of the Company and its subsidiaries (collectively the “Group”) amounted to approximately S\$5,764,000 for the year ended 31 July 2021, representing a decrease of approximately S\$10,096,000 or 63.7% as compared with the year ended 31 July 2020.
- The loss for the year of the Group was approximately S\$1,344,000 for the year ended 31 July 2021, representing an increase in net loss of approximately S\$409,000 as compared to the loss for the year ended 31 July 2020.
- The Board does not recommend the payment of a final dividend for the year ended 31 July 2021.

## **ANNUAL RESULTS**

The board (the “Board”) of Directors hereby announces the audited consolidated results of the Group for the financial year ended 31 July 2021 together with comparative figures for the financial year ended 31 July 2020.

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

YEAR ENDED 31 JULY 2021

	<i>Note</i>	<b>2021</b> <b>S\$</b>	2020 <i>S\$</i>
<b>REVENUE</b>	5	<b>5,763,711</b>	15,859,749
Cost of services		<b><u>(4,286,297)</u></b>	<u>(11,704,389)</u>
Gross profit		<b>1,477,414</b>	4,155,360
Other income	6	<b>1,035,695</b>	2,568,530
Reversal of/(allowance for) expected credit loss in respect of trade receivables, contract assets, deposits and other receivables, net		<b>6,547</b>	(45,303)
Impairment loss on goodwill		—	(886,341)
Administrative expenses		<b>(3,657,234)</b>	(6,322,302)
Other operating expenses		<b>(117,694)</b>	(394,094)
Finance costs		<b><u>(89,228)</u></b>	<u>(51,683)</u>
<b>LOSS BEFORE TAX</b>	7	<b>(1,344,500)</b>	(975,833)
Income tax credit	8	<b><u>324</u></b>	<u>40,425</u>
<b>LOSS FOR THE YEAR</b>		<b><u><u>(1,344,176)</u></u></b>	<u><u>(935,408)</u></u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		<b><u>1,305</u></b>	<u>5</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b><u><u>(1,342,871)</u></u></b>	<u><u>(935,403)</u></u>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic and diluted (Singapore cents)	9	<b><u><u>(0.09)</u></u></b>	<u><u>(0.06)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 JULY 2021*

	<i>Notes</i>	<b>2021</b> <b>S\$</b>	2020 S\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>233,166</b>	496,896
Right-of-use assets		<b>377,214</b>	561,838
Deferred tax assets		<b>443,406</b>	449,249
		<hr/>	<hr/>
Total non-current assets		<b>1,053,786</b>	1,507,983
<b>CURRENT ASSETS</b>			
Trade receivables	<i>10</i>	<b>774,309</b>	1,206,039
Contract assets		<b>109,145</b>	263,362
Prepayments, deposits and other receivables		<b>368,480</b>	319,520
Tax recoverable		<b>9,827</b>	—
Cash and cash equivalents		<b>3,392,299</b>	4,469,347
		<hr/>	<hr/>
Total current assets		<b>4,654,060</b>	6,258,268
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	<i>11</i>	<b>1,282,978</b>	1,460,052
Contract liabilities		<b>19,536</b>	20,536
Lease liabilities		<b>334,870</b>	340,298
Bank borrowings		<b>1,002,122</b>	1,357,806
Tax payable		<b>119</b>	8,727
		<hr/>	<hr/>
Total current liabilities		<b>2,639,625</b>	3,187,419
<b>NET CURRENT ASSETS</b>		<b>2,014,435</b>	3,070,849
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,068,221</b>	4,578,832
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	<b>2021</b> <b>S\$</b>	2020 S\$
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities		<u>73,392</u>	<u>241,132</u>
<b>NET ASSETS</b>		<u><b>2,994,829</b></u>	<u>4,337,700</u>
<b>CAPITAL AND RESERVES</b>			
Equity attributable to owners of the Company			
Share capital	<i>12</i>	<b>519,800</b>	519,800
Reserves		<u><b>2,475,029</b></u>	<u>3,817,900</u>
<b>TOTAL EQUITY</b>		<u><b>2,994,829</b></u>	<u>4,337,700</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*YEAR ENDED 31 JULY 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 address 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

The consolidated financial statements are presented in Singapore dollar ("S\$"), which is the functional currency of the Company. As the directors of the Company consider that S\$ is the functional currency of the primary economic environment in which most of the Group's transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in S\$ unless otherwise stated.

### **2. BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable IFRSs, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board and the applicable disclosure requirements of the Hong Kong Companies Ordinance. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

## Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis.

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 consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "*Share-based Payment*", leasing transactions that are accounted for in accordance with IFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "*Inventories*" or value in use in IAS 36 "*Impairment of Assets*".

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 inputs 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.

### 3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

#### Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the Amendments to Reference to the Conceptual Framework in IFRS Standards and the following amendments to IFRS issued by International Accounting Standards Board (“IASB”) for the first time in the current year.

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS39 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IFRS 16	Covid-19 Related Rent Concessions

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or the disclosures set out in these consolidated financial statements.

#### Amendments to IFRSs issued but not yet effective

The Group has not early adopted the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRSs 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to IFRS 16	COVID-19 — Related Rent Concessions Beyond 30 June 2021 <sup>5</sup>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>4</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current <sup>1</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020 <sup>2</sup>



- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2023
- <sup>2</sup> Effective for annual periods beginning on or after 1 June 2022
- <sup>3</sup> Effective for annual periods beginning on or after a date to be determined
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>5</sup> Effective for annual periods beginning on or after 1 April 2021

The directors anticipate that the application of all the new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### **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 the Singapore.

Accordingly, the Group does not present separately 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.

##### **Geographical information**

The Group principally operates in Singapore, also the place of domicile. All revenue are derived from Singapore based on the location of services delivered and the Group’s property, plant and equipment are all located in Singapore.

##### **Information about major customers**

For the year ended 31 July 2021, revenue of S\$2,595,703 (2020: S\$3,270,616) was derived from the provision of manpower services to one of the customer who contributed over 10% to the Group’s total revenue.

## 5. REVENUE

	2021 S\$	2020 S\$
<b>Revenue from contract with customers</b>		
Manpower outsourcing	<b>5,707,854</b>	15,587,582
Manpower recruitment	<b>55,857</b>	200,013
Manpower training	<u>—</u>	<u>72,154</u>
	<b><u>5,763,711</u></b>	<b><u>15,859,749</u></b>

All revenue contracts are for period of one year or less. As permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## 6. OTHER INCOME

	2021 S\$	2020 S\$
Government grants ( <i>note</i> )	<b>999,701</b>	2,443,949
Sundry income	<b>21,505</b>	77,791
Forfeiture income	<b>5,700</b>	32,400
Sale of merchandise	<b>8,789</b>	14,386
Interest income	<u>—</u>	<u>4</u>
	<b><u>1,035,695</u></b>	<b><u>2,568,530</u></b>

*note:* The government grants mainly represent the cash grant received under Job Support Scheme amount of S\$967,155 (2020: S\$2,346,463) which 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 conditions related to the amount of government grants.

## 7. LOSS BEFORE TAX

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

	2021	2020
	S\$	S\$
Employee benefits expenses (excluding directors' remuneration):		
— Salaries and bonuses	<b>5,078,001</b>	11,806,790
— Contributions to defined contribution plans	<b>602,361</b>	1,313,426
— Foreign worker levy	<b>240,851</b>	655,088
— Other short-term benefits	<b>—</b>	93,825
	<hr/>	<hr/>
Total employee benefits expenses (excluding directors' remuneration)	<b><u>5,921,213</u></b>	<b><u>13,869,129</u></b>
Depreciation of property, plant and equipment	<b>271,877</b>	358,837
Depreciation of right-of-use assets	<b>352,581</b>	318,023
Expenses relating to short-term lease	<b>59,232</b>	74,040
Auditors' remuneration		
HLB Hodgson Impey Cheng Limited		
— Audit services	<b>113,165</b>	120,702
Written off of property, plant and equipment	<b>—</b>	1,876
Impairment loss on goodwill	<b>—</b>	886,341
Gain on deregistration of subsidiaries	<b><u>4,566</u></b>	<b><u>—</u></b>

For the year ended 31 July 2021, cost of services includes S\$3,666,270 (2020: S\$9,544,650) related to salaries and bonuses, S\$417,357 (2020: S\$1,052,320) related to contributions to defined contribution plans and S\$189,991 (2020: S\$585,699) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

## 8. 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 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%.

The Group considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong for the years ended 31 July 2021 and 2020.

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

	<b>2021</b>	2020
	<b>S\$</b>	S\$
Current tax:		
Charge for the year	—	8,727
Over-provision in prior years	<u>(6,167)</u>	<u>(2,901)</u>
	<u><b>(6,167)</b></u>	<u>5,826</u>
Deferred tax:		
Charge/(credit) for the year	<u>5,843</u>	<u>(46,251)</u>
Total tax credit for the year	<u><b>(324)</b></u>	<u>(40,425)</u>

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

	<b>2021</b>	2020
Loss attributable to owners of the Company (S\$)	<u><b>(1,344,176)</b></u>	<u>(935,408)</u>
Weighted average number of shares in issue	<u><b>1,500,000,000</b></u>	<u>1,441,939,890</u>
Basic and diluted loss per share (Singapore cents)	<u><b>(0.09)</b></u>	<u>(0.06)</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 years ended 31 July 2021 and 2020.

## 10. TRADE RECEIVABLES

	2021 S\$	2020 S\$
Trade receivables	778,050	1,217,924
Less: Allowance for expected credit losses	<u>(3,741)</u>	<u>(11,885)</u>
	<u><b>774,309</b></u>	<u><b>1,206,039</b></u>

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

As at 31 July 2021, the trade receivables of amount of S\$352,006 (2020: S\$566,746) are secured for the factoring loans of the Group.

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:

	2021 S\$	2020 S\$
Less than 30 days	645,436	753,259
31 to 60 days	26,002	41,120
61 to 90 days	24,917	45,092
More than 90 days	<u>81,695</u>	<u>378,453</u>
	<u><b>778,050</b></u>	<u><b>1,217,924</b></u>

## 11. OTHER PAYABLES AND ACCRUALS

	2021 S\$	2020 S\$
Goods and Services Tax payables	73,485	148,110
Accrued casual labour costs	192,859	180,302
Accrued general staff costs	261,982	465,609
Accrued administrative and other operating expenses	502,114	431,516
Interest payables	4,400	2,339
Other payables ( <i>note i</i> )	<u>248,138</u>	<u>232,176</u>
	<u><b>1,282,978</b></u>	<u><b>1,460,052</b></u>

*note:*

- (i) Included in other payables, there was an amount of S\$35,545 (2020: S\$42,756) related to amounts due to the directors. The amount was interest-free, unsecured and repayable on demand.

## 12. SHARE CAPITAL

	2021			2020		
	<i>Number of shares</i>	<i>HK\$</i>	<i>Equivalent to S\$</i>	<i>Number of shares</i>	<i>HK\$</i>	<i>Equivalent to S\$</i>
<b>Authorised ordinary shares of HK\$0.002 each:</b>						
At 1 August 2019, 31 July 2020, 1 August 2020 and 31 July 2021	<u>25,000,000,000</u>	<u>50,000,000</u>		<u>25,000,000,000</u>	<u>50,000,000</u>	
<b>Issued and fully paid:</b>						
At beginning of the years	<u>1,500,000,000</u>	<u>3,000,000</u>	<u>519,800</u>	1,250,000,000	2,500,000	433,000
Issuance of ordinary shares on 25 October 2019 ( <i>note a</i> )	<u>—</u>	<u>—</u>	<u>—</u>	<u>250,000,000</u>	<u>500,000</u>	<u>86,800</u>
At the end of years	<u><u>1,500,000,000</u></u>	<u><u>3,000,000</u></u>	<u><u>519,800</u></u>	<u><u>1,500,000,000</u></u>	<u><u>3,000,000</u></u>	<u><u>519,800</u></u>

*note a:* 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\$2,256,800) and the net proceeds amounted to approximately HK\$12,886,000 (approximately S\$2,237,000) after deducting transaction costs.

As a result of the Subscription, the total number of issued ordinary shares of the Company increased from 1,250,000,000 ordinary shares to 1,500,000,000 ordinary shares.

### 13. MATERIAL RELATED PARTY TRANSACTION AND CONNECTED TRANSACTION

#### (a) Transactions with related parties and connected party

	2021	2020
	S\$	S\$
Manpower outsourcing services income from <i>(note i)</i> :		
— The Ramen Stall Pte. Ltd. (“Ramen Stall”)	<b>31,792</b>	—
— The Ramen Stall (NBR) II Pte. Ltd. (“Ramen Stall II”)	<b>34,992</b>	—
— The Dim Sum Place Pte. Ltd. (“Dim Sum Place”)	<b>33,292</b>	—
— G7 Sin Ma Live Seafood Restaurant Pte. Ltd. (“G7”)	<b>89,324</b>	—
— The Dim Sum Place (CCP) II Pte. Ltd. (“Dim Sum Place CCP”)	<b>9,416</b>	—
	<u><b>198,816</b></u>	<u>—</u>
Expense relating to advertising service provided by shareholder <i>(note ii)</i>	<u>—</u>	<u>170,877</u>

*note i:* The Group has ongoing manpower outsourcing service agreements with Ramen Stall, Ramen Stall II, Dim Sum Place, G7 and Dim Sum Place CCP. 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.

*note ii:* The Group had entered into an advertising service transaction with an independent third party which, upon subscription of shares in the Company on 25 October 2019, subsequently became connected person under Chapter 20 of the GEM Listing Rules. This transaction constituted as a connected transaction but was exempt from the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules due to de minimis, and the transaction was completed on 24 June 2020.

**(b) Compensation of key management personnel**

	<b>2021</b>	2020
	<b>S\$</b>	S\$
Salaries and bonuses	<b>932,041</b>	1,040,212
Contributions to defined contribution plans	<b>70,233</b>	64,865
	<b><u>1,002,274</u></b>	<u>1,105,077</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**

### **BUSINESS REVIEW AND OUTLOOK**

We are a Singapore-based workforce solutions provider. During the financial year ended 31 July 2021, the Group maintained its focus on manpower outsourcing services and manpower recruitment services for clients in the hospitality industry in Singapore. Our clients are from the hotel and resort, retail, food and beverage (“F&B”) and other sector across Singapore. We provide contingent workforce to complement our clients’ changing manpower needs and support their recruitment request.

During the financial year ended 31 July 2021, the Group’s operating results had been adversely affected by the COVID-19 pandemic. The Group’s revenue decreased by approximately S\$10,096,000 from approximately S\$15,860,000 for the year ended 31 July 2020 to approximately S\$5,764,000 for the year ended 31 July 2021. The decrease in revenue was primarily attributable to the effects of the prolonged COVID-19 situation in Singapore. Our Group’s revenue is mostly generated from manpower outsourcing services and our clients for manpower outsourcing services are mostly from the hospitality sector, which is one of the industries most severely affected by the COVID-19 pandemic.

The COVID-19 pandemic has severely disrupted global and domestic economic activities. Hospitality sector has been most severely affected by the COVID-19 pandemic. The number of international visitors to Singapore plummeted following strict travel restrictions. Consumer-facing sectors such as retail and F&B have also been badly affected by the cutbacks in domestic consumption amidst stricter safe management measures.

Despite vaccinations being implemented in many countries, the global and Singapore economies remain fluid. The Group’s financial performance will continue to be affected given the uncertainty over the length and severity of the COVID-19 outbreak. Nevertheless, the Group remains cautiously optimistic about a gradual recovery of the Singapore economy next year.

The Group will continue actively seeking new business opportunities to diversify our income stream and to reduce the expenditure of the Group.

## 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\$10,096,000 from approximately S\$15,860,000 for the year ended 31 July 2020 to approximately S\$5,764,000 for the year ended 31 July 2021. The Group's revenue from all three business segments decreased for the year ended 31 July 2021. The following table sets out the revenue of the Group by business segment for the periods as indicated:

	For the year ended 31 July			
	2021		2020	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Manpower outsourcing	<b>5,708</b>	<b>99.0</b>	15,588	98.3
Manpower recruitment	<b>56</b>	<b>1.0</b>	200	1.2
Manpower training	<b>—</b>	<b>—</b>	72	0.5
	<b><u>5,764</u></b>	<b><u>100.0</u></b>	<b><u>15,860</u></b>	<b><u>100.0</u></b>

### *Manpower outsourcing*

The Group's revenue from manpower outsourcing services decreased from approximately S\$15,588,000 for the year ended 31 July 2020 to approximately S\$5,708,000 for the year ended 31 July 2021. The following table sets out the revenue from manpower outsourcing services by sector for the periods as indicated:

	For the year ended 31 July			
	2021		2020	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Hotel and resort	<b>4,472</b>	<b>78.3</b>	13,921	89.3
F&B	<b>656</b>	<b>11.5</b>	1,039	6.6
Retail	<b>366</b>	<b>6.4</b>	620	4.0
Others	<b>214</b>	<b>3.8</b>	8	0.1
	<b><u>5,708</u></b>	<b><u>100.0</u></b>	<b><u>15,588</u></b>	<b><u>100.0</u></b>

The decrease in revenue from manpower outsourcing services was mainly due to decrease in revenue derived from hotel and resort, F&B and retail sectors, from approximately S\$13,921,000, approximately S\$1,039,000 and approximately S\$620,000

for the year ended 31 July 2020, respectively to approximately S\$4,472,000, approximately S\$656,000 and approximately S\$366,000 for the year ended 31 July 2021, respectively.

Revenue derived from manpower outsourcing services decreased due to lower sales to existing customers. Our customers for manpower outsourcing services are mostly from the hospitality sector. As global travel and tourism almost reached a standstill and domestic consumption was affected by numerous safe management measures, our customers cut back on their manpower requirements drastically.

### ***Manpower recruitment***

The Group's revenue derived from manpower recruitment services decreased by approximately S\$144,000 from approximately S\$200,000 for the year ended 31 July 2020 to approximately S\$56,000 for the year ended 31 July 2021. It is mainly attributable to decrease in demand from our customers for new foreign hires due to travel restrictions imposed by countries to control COVID-19 outbreak as well as tighter foreign employment restrictions in Singapore.

### ***Manpower training***

The Group's revenue derived from manpower training services decreased from approximately S\$72,000 for the year ended 31 July 2020 to S\$nil for the year ended 31 July 2021, because no training projects were being secured for the year ended 31 July 2021 resulted by COVID-19 pandemic.

### **Gross profit**

The Group's overall gross profit and gross profit margin was approximately S\$1,477,000 and 25.6% for the year ended 31 July 2021. The table below sets out a breakdown of gross profit and gross profit margin by revenue type for the periods as indicated:

	<b>For the year ended 31 July</b>			
	<b>2021</b>		<b>2020</b>	
	<b><i>S\$'000</i></b>	<b>Gross profit margin %</b>	<b><i>S\$'000</i></b>	<b>Gross profit margin %</b>
Manpower outsourcing	<b>1,434</b>	<b>25.1</b>	3,970	25.5
Manpower recruitment	<b>43</b>	<b>76.8</b>	128	64.0
Manpower training	<b>—</b>	<b>—</b>	57	79.2
	<b><u>1,477</u></b>	<b><u>25.6</u></b>	<b><u>4,155</u></b>	<b><u>26.2</u></b>

The gross profit margin of manpower outsourcing services remained relatively stable at 25.5% for the year ended 31 July 2020 and 25.1% for the year ended 31 July 2021.

The gross profit margin of manpower recruitment services increased from 64.0% for the year ended 31 July 2020 to 76.8% for the year ended 31 July 2021. For manpower recruitment services, we pay fees to our cooperative partners with varying cooperative fees. The gross profit margin for manpower recruitment services is dependent on such cooperative fees paid. During the year ended 31 July 2021, manpower recruitment services incurred lower cooperative fees as compared to financial year ended 31 July 2020, resulting in a higher gross profit margin.

The gross profit of manpower training services was S\$nil for the financial year ended 31 July 2021 due to nil revenue from manpower training services.

### **Other income**

Other income mainly comprised government grants 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. Employers who have made CPF contributions for their local employees will qualify for payouts under the scheme.

### **Administrative expenses**

Administrative expenses decreased by approximately S\$2,665,000, from approximately S\$6,322,000 for the year ended 31 July 2020 to approximately S\$3,657,000 for the year ended 31 July 2021. The decrease was mainly due to (i) decrease in staff costs of approximately S\$1,191,000 as the Singapore operations embarked on cost-savings measures in response to the outbreak of the COVID-19 pandemic; (ii) administrative expenses of approximately S\$1,369,000 following the closure of the Hong Kong office which were incurred during the year ended 31 July 2020 and none during the year ended 31 July 2021; and (iii) decrease in incentive and referral fee of approximately S\$105,000 due to lower incentive paid during the year ended 31 July 2021.

### **Other operating expenses**

Other operating expenses decreased by approximately S\$276,000 from approximately S\$394,000 for the year ended 31 July 2020 to approximately S\$118,000 for the year ended 31 July 2021. The decrease was mainly due to lower advertisement expenses.

### **Loss for the year**

Due to the combined effect of the aforesaid factors, the Group recorded a loss of approximately S\$1,344,000 for the year ended 31 July 2021.

## **Final dividend**

The Board does not recommend the payment of a final dividend for the year ended 31 July 2021 (2020: Nil).

## **Liquidity and financial resources**

As at 31 July 2021, the Group had total assets of approximately S\$5,708,000 (2020: S\$7,766,000) which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately S\$2,713,000 (2020: S\$3,428,000) and S\$2,995,000 (2020: S\$4,338,000), respectively. The current ratio of the Group as at 31 July 2021 was approximately 1.8 times (2020: approximately 2 times). The total assets to total equity of the Group as at 31 July 2021 was approximately 1.9 times (2020: approximately 1.8 times).

As at 31 July 2021, the Group had cash and cash equivalents of approximately S\$3,392,000 (31 July 2020: S\$4,469,000) which were placed with major banks in Singapore. For the year ended 31 July 2021, cash and cash equivalents decreased by approximately S\$1,077,000 as compared to the balance at 31 July 2020. The decrease is mainly due to the net effect of (i) net cash outflows from the Group's operating activities; (ii) cash grant received from the Jobs Support Scheme introduced by the Singapore Government; and (iii) proceeds from factoring loans.

## **Capital Structure**

The Company's share capital comprises of ordinary shares. As at 31 July 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. There has been no change in the capital structure of the Company during the year ended 31 July 2021.

## **Capital Commitments**

As at 31 July 2021, the Group did not have any material capital commitments (2020: nil).

## **Future plans for material investments or capital assets**

The Company did not have any future plans for significant investments or capital assets as at 31 July 2021.

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

During the year ended 31 July 2021, 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 2021.

## Contingent liabilities

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

## Use of proceeds from the Share Offer and the Subscription

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

An analysis of the amount utilised up to 31 July 2021 is set out below:

	<b>Adjusted use of proceeds in respect of business objectives from the Listing Date</b>	<b>Actual utilised amount up to 31 July 2021</b>	<b>Balance available as at 31 July 2021</b>
	<i>HK\$mil</i>	<i>HK\$mil</i>	<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>	<u>—</u>

As at 31 July 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.

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 "Subscription shares") were allotted and issued to Eden Publishing Pte. Ltd. at the Subscription price of HK\$0.052 per Subscription share (the "Subscription"). The gross proceeds from the Subscription amounted to HK\$13,000,000 (approximately S\$2,257,000) and the net proceeds raised from the Subscription were approximately HK\$12,886,000 (approximately S\$2,237,000) after deducting transaction costs.

An analysis of the amount utilised up to 31 July 2021 is set out below:

	<b>Allocation of net proceeds</b>	<b>Amount utilised up to 31 July 2021</b>	<b>Balance available as at 31 July 2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Repayment of other loans	12,000	12,000	—
General working capital	886	886	—

### **Charge on assets**

As at 31 July 2021, the Group's factoring facilities were secured over trade receivables of the Group of approximately S\$352,000 (31 July 2020: S\$567,000) and corporate guarantee by the Company.

### **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 Group's operating subsidiaries. However, the Group incurred some expenses denominated in Hong Kong dollars and United States dollars. 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.

### **Employee information**

As at 31 July 2021, the Group had an aggregate of 95 employees (2020: 76), comprising of 2 executive Directors (2020: 2), 30 support staff (2020: 40) and 63 full-time deployment staff (2020: 34).

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

## 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 July 2021, the interests and short positions of each Director and chief executive of the Company in the shares, 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 (Chapter 571 of the Laws of Hong Kong) (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 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

#### Long positions in ordinary shares of the Company

Name of Director	Note	Number of shares held, capacity and nature of interest			Total	Percentage of issued share capital
		Directly beneficially owned	Through controlled corporation			
Mr. Sim Hak Chor	1	—	399,990,000	399,990,000	26.67%	

*Note:*

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



## Long positions in ordinary shares of an associated corporation

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

*Note:*

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

Save as disclosed above, as at 31 July 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 5.46 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 July 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 July 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 competes 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 year ended 31 July 2021.

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

During the year ended 31 July 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **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 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 government 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 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**

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 Company, the holding company of the Company, or any of the Company's subsidiaries was a party at any time during or at the end of the period under review.

## **DIVIDENDS**

The Board does not recommend the payment of a final dividend for the year ended 31 July 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 controls 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 Group's annual results for the year ended 31 July 2021.

## **SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 July 2021 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited ("HLB"). The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB on the preliminary announcement.

## **APPRECIATION**

The Board would like to extend its sincere appreciation to our shareholders, customers and business partners for their valuable support to the Group. We would also like to take this opportunity to thank the management team and all staff members for the dedication and commitment they have demonstrated throughout the year.

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

Hong Kong, 25 October 2021

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