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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 2022

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 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\$4,256,000 for the six months ended 31 January 2022, representing an increase of approximately S\$1,589,000 or 59.6% as compared with the six months ended 31 January 2021.
- The unaudited loss for the period of the Group was approximately S\$939,000 for the six months ended 31 January 2022, compared with the unaudited loss of the Group of approximately S\$523,000 for the six months ended 31 January 2021.
- The Board does not recommend the payment of interim dividend for the six months ended 31 January 2022.

INTERIM RESULTS

The board (the "Board") of Directors hereby announces the unaudited condensed consolidated results of the Group for the three months and six months ended 31 January 2022, together with the unaudited comparative figures for the corresponding periods in 2021, as follows:

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

For the three months and six months ended 31 January 2022

		Three months ended 31 January		Six months ended 31 January	
	Notes	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
REVENUE	5	2,434,614	1,776,879	4,256,349	2,667,373
Cost of services		<u>(1,887,670)</u>	<u>(1,329,530)</u>	<u>(3,283,499)</u>	<u>(1,953,414)</u>
Gross profit		546,944	447,349	972,850	713,959
Other income	6	44,348	217,812	66,720	574,164
(Allowance for)/reversal of expected credit loss in respect of trade receivables, contract assets, deposit and other receivables, net		(1,159)	(714)	(420)	8,258
Administrative expenses		(1,067,185)	(935,642)	(1,879,826)	(1,738,327)
Other operating expenses		(48,112)	(4,738)	(62,820)	(29,456)
Finance costs	7	<u>(17,514)</u>	<u>(23,169)</u>	<u>(35,419)</u>	<u>(47,584)</u>
LOSS BEFORE TAX	8	(542,678)	(299,102)	(938,915)	(518,986)
Income tax credit/(expense)	9	<u>278</u>	<u>(3,540)</u>	<u>278</u>	<u>(3,540)</u>
LOSS FOR THE PERIOD		<u>(542,400)</u>	<u>(302,642)</u>	<u>(938,637)</u>	<u>(522,526)</u>

	Three months ended		Six months ended	
	31 January		31 January	
	2022	2021	2022	2021
Notes	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE (LOSS)/ INCOME				
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(8)	459	(1)	602
<i>Items that were reclassified to profit or loss:</i>				
Reclassification adjustment from exchange reserve upon deregistration of subsidiary	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,122</u>
Other comprehensive (loss)/income for the period	<u>(8)</u>	<u>459</u>	<u>(1)</u>	<u>1,724</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(542,408)</u>	<u>(302,183)</u>	<u>(938,638)</u>	<u>(520,802)</u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the Company	(541,355)	(302,642)	(937,592)	(522,526)
Non-controlling interests	(1,045)	—	(1,045)	—
	<u>(542,400)</u>	<u>(302,642)</u>	<u>(938,637)</u>	<u>(522,526)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the Company	(541,363)	(302,183)	(937,593)	(520,802)
Non-controlling interests	(1,045)	—	(1,045)	—
	<u>(542,408)</u>	<u>(302,183)</u>	<u>(938,638)</u>	<u>(520,802)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Basic and diluted (Singapore cents)	<u>(0.04)</u>	<u>(0.02)</u>	<u>(0.06)</u>	<u>(0.03)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2022

		31 January 2022 S\$ (Unaudited)	31 July 2021 S\$ (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	12	160,474	233,166
Right-of-use assets		488,605	377,214
Deferred tax assets		443,406	443,406
		<u>1,092,485</u>	<u>1,053,786</u>
Total non-current assets			
CURRENT ASSETS			
Trade receivables	13	1,403,704	774,309
Contract assets		228,680	109,145
Prepayments, deposits and other receivables		1,334,275	368,480
Tax recoverable		—	9,827
Cash and cash equivalents		1,534,907	3,392,299
		<u>4,501,566</u>	<u>4,654,060</u>
Total current assets			
CURRENT LIABILITIES			
Other payables and accruals	14	2,209,177	1,282,978
Contract liabilities		10,536	19,536
Lease liabilities		343,003	334,870
Bank borrowings		793,759	1,002,122
Tax payable		119	119
		<u>3,356,594</u>	<u>2,639,625</u>
Total current liabilities			
NET CURRENT ASSETS		<u>1,144,972</u>	<u>2,014,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,237,457</u>	<u>3,068,221</u>
NON-CURRENT LIABILITIES			
Lease liabilities		180,419	73,392
		<u>180,419</u>	<u>73,392</u>
NET ASSETS		<u>2,057,038</u>	<u>2,994,829</u>

		31 January 2022	31 July 2021
	<i>Notes</i>	S\$ (Unaudited)	S\$ (Audited)
CAPITAL AND RESERVES			
Share capital	15	519,800	519,800
Reserves		<u>1,537,436</u>	<u>2,475,029</u>
Equity attributable to owners of the Company		2,057,236	2,994,829
Non-controlling interests		<u>(198)</u>	<u>—</u>
TOTAL EQUITY		<u><u>2,057,038</u></u>	<u><u>2,994,829</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 January 2022

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Merger reserve	Other reserve	Exchange reserve	Accumulated losses			Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2022									
At 1 August 2021 (audited)	519,800	14,228,837	(2,379,552)	—	47	(9,374,303)	2,994,829	—	2,994,829
Loss for the period	—	—	—	—	—	(937,592)	(937,592)	(1,045)	(938,637)
Other comprehensive income for the period:									
— Exchange differences on translation of foreign operations	—	—	—	—	(1)	—	(1)	—	(1)
Total comprehensive loss for the period	—	—	—	—	(1)	(937,592)	(937,593)	(1,045)	(938,638)
Non-controlling interests arising from the acquisition of a subsidiary	—	—	—	—	—	—	—	847	847
At 31 January 2022 (unaudited)	<u>519,800</u>	<u>14,228,837</u>	<u>(2,379,552)</u>	<u>—</u>	<u>46</u>	<u>(10,311,895)</u>	<u>2,057,236</u>	<u>(198)</u>	<u>2,057,038</u>
2021									
At 1 August 2020 (audited)	519,800	14,228,837	(2,379,552)	(4,958)	(1,258)	(8,025,169)	4,337,700	—	4,337,700
Loss for the period	—	—	—	—	—	(522,526)	(522,526)	—	(522,526)
Other comprehensive income for the period:									
— Exchange differences on translation of foreign operations	—	—	—	—	602	—	602	—	602
— Reclassification adjustment from exchange reserve upon deregistration of subsidiary	—	—	—	—	1,122	—	1,122	—	1,122
Total comprehensive income/(loss) for the period	—	—	—	—	1,724	(522,526)	(520,802)	—	(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>	<u>—</u>	<u>3,816,898</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2022

		Six months ended 31 January	
	Notes	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
OPERATING ACTIVITIES			
Loss before tax		(938,915)	(518,986)
Adjustments for:			
Depreciation of property, plant and equipment		98,959	141,225
Depreciation of right-of-use assets		253,902	159,011
Finance costs	7	35,419	47,584
Net allowance for/(reversal of) expected credit losses in respect of trade receivables, contract assets, deposits and other receivables		420	(8,258)
Loss on deregistration of subsidiary		—	1,122
		<hr/>	<hr/>
Operating cash flows before changes in working capital		(550,215)	(178,302)
(Increase)/decrease in trade receivables		(629,718)	250,393
(Increase)/decrease in prepayments, deposits and other receivables		(965,772)	33,601
(Increase)/decrease in contract assets		(119,650)	74,895
Increase/(decrease) in other payables and accruals		926,199	(40,805)
Decrease in contract liabilities		(9,000)	(1,000)
		<hr/>	<hr/>
Cash (used in)/generated from operations		(1,348,156)	138,782
Income tax received/(paid)		10,105	(1,066)
		<hr/>	<hr/>
Net cash (used in)/generated from operating activities		(1,338,051)	137,716
		<hr/>	<hr/>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	12	(26,267)	—
		<hr/>	<hr/>
Net cash used in investing activities		(26,267)	—
		<hr/>	<hr/>

	Six months ended	
	31 January	
	2022	2021
<i>Notes</i>	S\$	S\$
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	1,082,917	1,722,148
Repayment of bank borrowings	(1,291,280)	(1,790,536)
Repayment of lease liabilities	(257,170)	(159,975)
Interest paid	(28,382)	(40,210)
	<u>(493,915)</u>	<u>(268,573)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(1,858,233)	(130,857)
Cash and cash equivalents at beginning of period	3,392,299	4,469,347
Effect of foreign exchange rate changes	841	602
	<u>1,534,907</u>	<u>4,339,092</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 January 2022

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 of Hong Kong Limited on 15 July 2016. The Company’s registered office address is Windward 3, Regatta Office Park, 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 2021.

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 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 2021, 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 2022, 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 2021. The adoption of these new and revised IFRSs did not have any significant effect on the unaudited condensed consolidated financial statements.

4. SEGMENT INFORMATION

Segment Information

The Group is principally engaged in provision of manpower outsourcing, recruitment and training service in Singapore. 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 presents the operating results as a whole since Group’s resources are integrated and no discrete operating segment is available. Accordingly, the operation of the Group constitutes only one single operating segment and no further analysis of this single segment is presented.

Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group’s revenue for the six months ended 31 January 2022 and 2021 are all derived from Singapore. Majority of the Group’s non-current assets are located in Singapore.

Information about major customers

For the six month ended 31 January 2022, revenue of S\$2,379,000 (2021: S\$1,286,000) was derived from the provision of manpower services to one customer who contributed over 10% of the Group’s total revenue.

5. REVENUE

	Three months ended 31 January		Six months ended 31 January	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contract with customers				
Manpower outsourcing	2,429,274	1,770,689	4,237,509	2,643,363
Manpower recruitment	5,340	6,190	18,840	24,010
	<u>2,434,614</u>	<u>1,776,879</u>	<u>4,256,349</u>	<u>2,667,373</u>

6. OTHER INCOME

	Three months ended 31 January		Six months ended 31 January	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Government grants	31,451	210,576	47,872	560,493
Sundry income	9,747	4,305	15,119	5,109
Forfeiture income	3,150	1,575	3,500	1,825
Sale of merchandise	—	1,356	229	6,737
	<u>44,348</u>	<u>217,812</u>	<u>66,720</u>	<u>574,164</u>

7. FINANCE COSTS

	Three months ended 31 January		Six months ended 31 January	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Interest expense on:				
— bank borrowings	13,162	19,768	28,382	40,210
— lease liabilities	4,352	3,401	7,037	7,374
	<u>17,514</u>	<u>23,169</u>	<u>35,419</u>	<u>47,584</u>

8. LOSS BEFORE TAX

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

	Three months ended		Six months ended	
	31 January		31 January	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of services	1,887,670	1,329,530	3,283,499	1,953,414
Depreciation of property, plant and equipment	48,993	68,945	98,959	141,225
Depreciation of right-of-use assets	147,898	79,505	253,902	159,011
Net allowance for/ (reversal of) expected credit losses in respect of trade receivables, contract assets, deposits and other receivables	1,159	714	420	(8,258)
Employee benefit expenses (excluding directors' remuneration):				
— Salaries and bonuses	2,021,679	1,499,070	3,535,389	2,295,658
— Contributions to defined contribution plans	246,146	175,395	434,195	264,556
— Foreign Worker Levy	57,445	63,420	108,402	114,089
— Other short-term benefits	9,589	—	15,859	—

For the six months ended 31 January 2022, cost of services includes S\$2,832,696 (2021: S\$1,671,000) related to salaries and bonuses, S\$353,961 (2021: S\$185,974) related to contributions to defined contribution plans and S\$95,032 (2021: S\$86,014) 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 2022, cost of services includes S\$1,632,761 (2021: S\$1,139,644) related to salaries and bonuses, S\$201,569 (2021: S\$137,719) related to contributions to defined contribution plans and S\$52,262 (2021: S\$50,045) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

9. INCOME TAX (CREDIT)/EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which 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 the both periods. No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong for the six months ended 31 January 2022 and 2021.

Singapore Corporate Income Tax has been provided at the rate of 17% (2021: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

	Three months ended 31 January		Six months ended 31 January	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax:				
(Over)/Under provision in respect of prior years	<u>(278)</u>	<u>3,540</u>	<u>(278)</u>	<u>3,540</u>
Total tax (credit)/expense for the period	<u>(278)</u>	<u>3,540</u>	<u>(278)</u>	<u>3,540</u>

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 31 January		Six months ended 31 January	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (S\$)	(541,355)	(302,642)	(937,592)	(522,526)
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>(0.04)</u>	<u>(0.02)</u>	<u>(0.06)</u>	<u>(0.03)</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 2022 and 2021.

11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2022 (2021: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 January 2022, the Group acquired assets with aggregate cost of S\$26,267 (2021: S\$nil).

13. TRADE RECEIVABLES

	As at 31 January 2022 S\$ (Unaudited)	As at 31 July 2021 S\$ (Audited)
Third parties	1,407,768	778,050
Less: Allowance for expected credit losses	<u>(4,064)</u>	<u>(3,741)</u>
	<u>1,403,704</u>	<u>774,309</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 2022 S\$ (Unaudited)	As at 31 July 2021 S\$ (Audited)
Less than 30 days	1,253,440	645,436
31 to 60 days	46,040	26,002
61 to 90 days	4,001	24,917
More than 90 days	<u>104,287</u>	<u>81,695</u>
	<u>1,407,768</u>	<u>778,050</u>

14. OTHER PAYABLES AND ACCRUALS

	As at 31 January 2022 S\$ (Unaudited)	As at 31 July 2021 S\$ (Audited)
Goods and Services Tax payables	173,691	73,485
Accrued casual labour costs	246,985	192,859
Accrued general staff costs	228,931	261,982
Accrued administrative and other operating expenses	451,367	502,114
Interest payable	5,455	4,400
Other payables	1,102,748	248,138
	<u>2,209,177</u>	<u>1,282,978</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 2020, 31 July 2021, 1 August 2021 and 31 January 2022	<u>25,000,000,000</u>	<u>50,000,000</u>	
Issued and fully paid:			
At 1 August 2020, 31 July 2021, 1 August 2021 and 31 January 2022	<u>1,500,000,000</u>	<u>3,000,000</u>	<u>519,800</u>

16. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

(a) Transaction with related parties and connected party

	Three months ended		Six months ended	
	31 January		31 January	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Manpower outsourcing services income from (Note (1)):				
— G7 Sin Ma Live Seafood Restaurant Pte. Ltd (“G7”)	—	9,715	606	9,715

Note:

- (1) The Group has ongoing manpower outsourcing service agreements with G7. Mr. Sim Hak Chor became a director and ultimate shareholder of G7 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	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	287,401	215,415	498,496	429,728
Contributions to defined contribution plans	20,223	15,300	35,523	30,600
	307,624	230,715	534,019	460,328

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

The Group's revenue for the six months ended 31 January 2022 was mainly generated from manpower outsourcing and manpower recruitment services. The Group's revenue increased from approximately S\$2,667,000 for the six months ended 31 January 2021 to approximately S\$4,256,000 for the six months ended 31 January 2022. The increase in revenue was mainly from manpower outsourcing services.

The revenue from manpower outsourcing services increased by approximately S\$1,595,000 from approximately S\$2,643,000 for the six months ended 31 January 2021 to approximately S\$4,238,000 for the six months ended 31 January 2022.

The growth in revenue from manpower outsourcing services was mainly attributable to increase in demand for our services from our existing and new customers.

Gross profit

The Group's overall gross profit increased by approximately S\$259,000 from approximately S\$714,000 for the six months ended 31 January 2021 to approximately S\$973,000 for the six months ended 31 January 2022, in tandem with increase in Group's revenue.

Other income

Other income decreased by approximately S\$507,000 from approximately S\$574,000 for the six months ended 31 January 2021 to approximately S\$67,000 for the six months ended 31 January 2022. It was mainly due to no cash grant received under Jobs Support Scheme ("JSS") for the six months ended 31 January 2022 as compared to six months ended 31 January 2021. JSS was introduced by Singapore Government to help businesses to retain local employees and to provide cash flow support to businesses due to the impact of COVID-19 pandemic. Other income recorded for the six months ended 31 January 2022 was mainly pertaining to other government grants.

Administrative expenses

Administrative expenses increased by approximately S\$142,000 from approximately S\$1,738,000 for the six months ended 31 January 2021 to approximately S\$1,880,000 for the six months ended 31 January 2022. It was mainly due to increase in incentive and referral fee expenses arising from higher incentive paid to casual workers during the six months ended 31 January 2022.

Operating expenses

Other operating expenses increased by approximately S\$34,000 for the six months ended 31 January 2022. The increase was mainly due to higher advertisement expenses and business development expenses.

Loss for the period

Due to the combined effect of the aforesaid factors, the Group recorded an unaudited loss of approximately S\$939,000 for the six months ended 31 January 2022.

Employee information

As at 31 January 2022, the Group had an aggregate of 104 employees (2021: 78), comprising of 3 executive Directors (2021: 2), 28 support staff (2021: 39) and 73 full-time deployment staff (2021: 37).

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 2022, the Group had cash and cash equivalents of approximately S\$1,535,000 (31 July 2021: approximately S\$3,392,000) which were placed with major banks in Singapore. For the six months ended 31 January 2022, cash and cash equivalents decreased by approximately S\$1,857,000 or 54.7% as compared to the balance at 31 July 2021. The decrease is mainly due to the net effect of (i) net cash outflows from the Group's operating activities; and (ii) 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.

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.

The net proceeds from the Share Offer and Subscription were fully utilised in the financial year ended 31 July 2020.

Capital Structure

For the six months ended 31 January 2022, there has been no change in the capital structure of the Company. The Company's share capital comprises of ordinary shares. As at 31 January 2022, 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 2022, the Group's factoring facilities were secured over trade receivables of the Group of approximately S\$409,000 (31 July 2021: approximately S\$352,000) and corporate guarantee by the Company.

Contingent liabilities

As at 31 January 2022, the Group did not have any significant contingent liabilities (31 July 2021: Nil).

Acquisitions during the period

On 10 September 2021, the Company acquired 100% of the issued share capital of Hai Tao Health Care Technology Limited ("Hai Tao"), a private limited liability company incorporated in Hong Kong which engaged in cross-border e-commerce business, for a consideration of HK\$1.

Hai Tao has now obtained the trademark of its own health brand, Sugaryea in the United States and China, and has substantially completed the preparatory work for the store opening, including conducting feasibility studies and production.

BUSINESS REVIEW AND OUTLOOK

The Group is a Singapore-based workforce solutions provider. We provide manpower outsourcing services, manpower recruitment services and manpower training services. Our workforce solutions meet customers' needs for a reliable and efficient workforce in the hotel and resort, retail, food and beverage ("F&B") and other sectors (including event organisers and various industries) across Singapore.

The Group recorded a loss of approximately S\$939,000 for the six months ended 31 January 2022. The Group's revenue is mostly generated from manpower outsourcing services in which its clients are mostly from the hospitality sector, which is one of the industries most severely affected by the COVID-19 pandemic. In response to the economic downturn brought by the COVID-19 pandemic, the Group has been actively seeking potential investments to remain competitive and stay afloat amid COVID-19 pandemic.

On 10 December 2021, the Company entered into the sales and purchase agreement with Mr. Cheung Chim Pan, an independent third party. Pursuant to which, the Company agreed to purchase 49% of YESINSPACE LIMITED at a consideration of HK\$20,100,000 settled by the allotment and issue of 300,000,000 shares by the Company. For further details, please refer to the Company's announcements dated 10 December 2021 and 26 January 2022.

The high vaccination rate and steady rollout of booster shots in Singapore should facilitate further progressive easing of domestic and border restrictions. Hospitality sector is also expected to improve with the gradual loosening of travel restrictions and expansion of Vaccinated Travel Lanes. Barring the emergence of any new COVID variant, the Group expects continued improvement in the Group's revenue from manpower outsourcing services. The Group will continue to seek new business opportunities to diversify revenue streams and to control the business expenditure of the Group.

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 2022, 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 (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	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 2022, 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 January 2022, 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.	200,000,000	13.33%

Save as disclosed above, as at 31 January 2022, 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 headed “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 as set out in Rules 5.46 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 2022.

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 2022 and has provided advice and comments thereon.

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

Hong Kong, 14 March 2022

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.

** For identification purposes only*