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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 JULY 2023

The board (the “**Board**”) of directors (the “**Directors**”) of SingAsia Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended 31 July 2023. This announcement, containing the full text of the 2023 annual report of the Company, complies with the relevant requirements of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcement of annual results. Printed version of the 2023 annual report of the Company containing the information required by the GEM Listing Rules will be dispatched to the shareholders of the Company in due course.

By order of the Board
SingAsia Holdings Limited
Xie Feng
Executive Director

Hong Kong, 27 October 2023

As at the date of this announcement, the executive Directors are Mr. Lam Chun Yip and Mr. Xie Feng; and the independent non-executive Directors are Mr. Jong Voon Hoo, Mr. Chai Ming Hui and Mr. Lin Jian Feng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.singasia.com.sg.

* For identification purposes only

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of SingAsia Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report 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 report misleading.

The original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Chun Yip
Mr. Xie Feng

Independent non-executive Directors

Mr. Jong Voon Hoo
Mr. Chai Ming Hui
Mr. Lin Jian Feng

AUDIT COMMITTEE MEMBERS

Mr. Jong Voon Hoo (*Chairman*)
Mr. Chai Ming Hui
Mr. Lin Jian Feng

NOMINATION COMMITTEE MEMBERS

Mr. Lin Jian Feng (*Chairman*)
Mr. Lam Chun Yip
Mr. Xie Feng
Mr. Jong Voon Hoo
Mr. Chai Ming Hui

REMUNERATION COMMITTEE MEMBERS

Mr. Chai Ming Hui (*Chairman*)
Mr. Lam Chun Yip
Mr. Jong Voon Hoo
Mr. Lin Jian Feng

COMPLIANCE OFFICER

Mr. Lam Chun Yip

COMPANY SECRETARY

Ms. Tam Tsz Yan

AUTHORISED REPRESENTATIVES

Mr. Lam Chun Yip
Ms. Tam Tsz Yan

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

REGISTERED OFFICE

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

60 Paya Lebar Road
#12-29, Paya Lebar Square
Singapore 409051

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE (CAP 622)

Unit 1307A, 13/F
Two Harbourfront
22 Tak Fung Street
Hung Hom, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands



CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

COMPANY'S WEBSITE

www.singasia.com.sg

STOCK CODE

8293

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

SingAsia Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is principally engaged in the provision of specialised workforce solutions, helping customers improve growth and performance by providing manpower outsourcing services and manpower recruitment services in Singapore. The Group’s 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, facility management and various industries) across Singapore.

During the financial year ended 31 July 2023, the Group continued to focus on developing business opportunities with existing customers as well as potential customers especially from the hospitality sector. At the same time, the Group continues to review its business strategies to expand the types of workforce solutions when opportunities arise.

For the financial year ended 31 July 2023, revenue of the Group boosted to approximately S\$18,524,000 as compared to approximately S\$9,787,000 for the financial year ended 31 July 2022, representing an increase of approximately 89.3%. The increase in revenue largely attributed to an increase in revenue generated from manpower outsourcing services as the Singapore economy made significant progress towards normalisation during the financial year ended 31 July 2023. In line with the increase in revenue, the gross profit increased by approximately 97.7% from approximately S\$2,172,000 for the financial year ended 31 July 2022 to approximately S\$4,294,000 for the financial year ended 31 July 2023. Profit for the financial year ended 31 July 2023 was approximately S\$565,000 compared to a loss of approximately S\$1,717,000 for the financial year ended 31 July 2022, the turnaround mainly due to the increase in revenue, the higher government grants received and the gain on disposal of subsidiaries.

FINANCIAL REVIEW

Revenue

During the financial year ended 31 July 2023, the Group’s revenue was generated from manpower outsourcing and manpower recruitment services. The Group’s revenue increased by approximately S\$8,737,000 for the year ended 31 July 2023. The following table sets out the revenue of the Group by business segment for the periods as indicated:

	For the year ended 31 July			
	2023		2022	
	S\$’000	%	S\$’000	%
Manpower outsourcing	18,419	99.4	9,670	98.8
Manpower recruitment	105	0.6	117	1.2
	18,524	100.0	9,787	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Manpower outsourcing

The Group's revenue from manpower outsourcing services increased from approximately S\$9,670,000 for the year ended 31 July 2022 to approximately S\$18,419,000 for the year ended 31 July 2023. The following table sets out the revenue from manpower outsourcing services by sector for the periods as indicated:

	For the year ended 31 July			
	2023		2022	
	S\$'000	%	S\$'000	%
Hotel and resort	14,530	78.9	6,388	66.1
F&B	158	0.9	695	7.2
Retail	5	0.0	413	4.2
Others	3,726	20.2	2,174	22.5
	18,419	100.0	9,670	100.0

The revenue from manpower outsourcing services increased in hotel and resort and others sectors. Highest growth was recorded in the hotel and resort and others sectors, from approximately S\$6,388,000 and approximately S\$2,174,000 respectively for the financial year ended 31 July 2022 to approximately S\$14,530,000 and approximately S\$3,726,000 respectively for the financial year ended 31 July 2023. The re-opening of Singapore's borders has generally improved the business of these two sectors, leading to greater demand for our manpower outsourcing services.

Manpower recruitment

The Group's revenue derived from manpower recruitment services slightly decreased by approximately S\$12,000 from approximately S\$117,000 for the year ended 31 July 2022 to approximately S\$105,000 for the year ended 31 July 2023. It was mainly attributable to decrease in demand from our customers for new foreign hires.

Gross profit

The table below sets out a breakdown of gross profit and gross profit margin by revenue type for the periods as indicated:

	For the year ended 31 July			
	2023		2022	
	S\$'000	Gross profit margin%	S\$'000	Gross profit margin%
Manpower outsourcing	4,196	22.8	2,061	21.3
Manpower recruitment	98	93.3	111	94.8
	4,294	23.2	2,172	22.2

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's overall gross profit increased by approximately 97.7% from approximately S\$2,172,000 for the financial year ended 31 July 2022 to approximately S\$4,294,000 for the financial year ended 31 July 2023 which is in line with the increase in revenue.

The Group's overall gross profit margin increased from approximately 22.2% for the financial year ended 31 July 2022 to approximately 23.2% for the financial year ended 31 July 2023. The Group's gross profit margin for manpower outsourcing services slightly increased from approximately 21.3% for the financial year ended 31 July 2022 to approximately 22.8% for the financial year ended 31 July 2023. It was mainly due to the Group offered lower rates to retain and attract workers while charging competitive rates to customers to stay relevant in the market.

The gross profit margin of manpower recruitment services decreased from approximately 94.8% for the year ended 31 July 2022 to approximately 93.3% for the year ended 31 July 2023. 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 2023, manpower recruitment services incurred higher cooperative fees as compared to financial year ended 31 July 2022, resulted in a lower gross profit margin.

Other income and other gains

Other income and other gains increased by approximately S\$635,000, from approximately S\$375,000 for the year ended 31 July 2022 to approximately S\$1,010,000 for the year ended 31 July 2023. The Group's other income increased by approximately S\$422,000 from approximately S\$375,000 for the financial year ended 31 July 2022 to approximately S\$797,000 for the financial year ended 31 July 2023. The Group received government grants under the Jobs Growth Incentive and particularly generated from various wage support programs from the Singapore government. The other gains mainly due to the gain on disposal of subsidiaries which amounted to approximately S\$213,000. On 9 March 2023, the Group disposed an entire equity interest of its wholly owned subsidiary, Hai Tao Health Care Technology Limited which also holds 51% of equity interest of Tak Yan International Health Management Limited ("The Hai Tao Group") at a consideration of HK\$1 (equivalent to approximately less than S\$1), its principal activities of the Hai Tao Group were trading of healthy product through online platforms. The disposal of subsidiaries transaction was completed on 9 March 2023.

Administrative expenses

Administrative expenses increased by approximately S\$497,000, from approximately S\$3,917,000 for the year ended 31 July 2022 to approximately S\$4,414,000 for the year ended 31 July 2023. The increase was mainly due to i) increase in staff costs as the Group regained business which resulted from reopening of borders worldwide; and ii) increase in referral fee paid to existing staff and casual workers for referral of new staff and casual workers to the Group.

Other operating expenses

Other operating expenses decreased by approximately S\$128,000 from approximately S\$242,000 for the year ended 31 July 2022 to approximately S\$114,000 for the year ended 31 July 2023. The decrease was mainly due to the relocation expenses incurred from moving of principal place of business in Singapore for the year ended 31 July 2022.

Profit/(Loss) for the year

The Group recorded a profit for the year ended 31 July 2023, turnaround from a loss of approximately S\$1,717,000 to a profit of approximately S\$565,000. The turnaround was mainly due to the combined effect of the aforesaid factors.

Final dividend

The board (the "Board") of directors (the "Directors") of the Company does not recommend the payment of a final dividend for the year ended 31 July 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and financial resources

As at 31 July 2023, the Group had total assets of approximately S\$7,474,000 (2022: S\$6,614,000) which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately S\$3,691,000 (2022: S\$3,341,000) and S\$3,783,000 (2022: S\$3,273,000), respectively. The current ratio of the Group as at 31 July 2023 was approximately 1.3 times (2022: approximately 1.1 times). The total assets to total equity of the Group as at 31 July 2023 was approximately 2.0 times (2022: approximately 2.0 times).

As at 31 July 2023, the Group had cash and cash equivalents of approximately S\$1,559,000 (31 July 2022: S\$271,000) which were placed with major banks in Singapore. For the year ended 31 July 2023, cash and cash equivalents increased by approximately S\$1,288,000 as compared to the balance at 31 July 2022. The increase is mainly due to cash inflows from the Group's operating activities.

Capital Structure

On 10 December 2021, the Company entered into a sale and purchase agreement with Mr. Cheung Chim Pan (the "Vendor"), an independent third party to the Group. Pursuant to the agreement, the Company agreed to purchase 49% equity shareholding of YESINSPACE Limited at a consideration of HK\$20,100,000, settled by the allotment and issuance of 300,000,000 shares at issue price of HK\$0.067 per new share by the Company.

The completion of the acquisition of 49% equity shareholding of YESINSPACE Limited took place on 30 June 2022. An aggregate of 300,000,000 new ordinary shares of the Company of par value of HK\$0.002 each, representing approximately 16.7% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the new shares, were allotted and issued to the Vendor at the issue price of HK\$0.067 per new share. For further details, please refer to the Company's announcements dated 10 December 2021, 26 January 2022, 13 June 2022 and 30 June 2022.

The Company's share capital comprises of ordinary shares. As at 31 July 2023, the Company's issued share capital was HK\$3,600,000 (equivalent to S\$626,240) and the number of its ordinary shares was 1,800,000,000 of HK\$0.002 each.

A capital reorganisation on the basis that every twenty-five (25) issued and unissued existing shares be consolidation into one (1) consolidated share was approved by the shareholders at the extraordinary general meeting on 6 September 2023 and became effective from 8 September 2023, and the Company's issued number of shares are 72,000,000 of HK\$0.05 each. Please refer to the circular of the Company dated 16 August 2023 for details.

Capital Commitments

As at 31 July 2023, the Group did not have any material capital commitments (2022: 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 2023.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the year ended 31 July 2023, except as disclosed in Notes 19, 35 and 36 to the consolidated financial statements, the Group did not have other material acquisitions or disposals of subsidiaries, associates or joint ventures.

Significant investments held

The Group did not hold any other significant investments during the year ended 31 July 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent liabilities

As at 31 July 2023, the Group did not have any material contingent liabilities (2022: 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 2023 is set out below:

	Adjusted use of proceeds in respect of business objectives from the Listing Date <i>HK\$mil</i>	Utilised in 31 July 2022 <i>HK\$mil</i>	Utilised in 31 July 2023 <i>HK\$mil</i>	Balance available as at 31 July 2023 <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	–	–
	26.1	26.1	–	–

As at 31 July 2022, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the amount utilised up to 31 July 2023 is set out below:

	Allocation of net proceeds <i>HK\$'000</i>	Utilised in 31 July 2022 <i>HK\$'000</i>	Utilised in 31 July 2023 <i>HK\$'000</i>	Balance available as at 31 July 2023 <i>HK\$'000</i>
Repayment of other loans	12,000	12,000	–	–
General working capital	886	886	–	–

Charge on assets

As at 31 July 2023, the Group's factoring facilities were secured over trade receivables of the Group of approximately S\$1,394,000 (31 July 2022: S\$1,448,000) 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 2023, the Group had an aggregate of 113 employees (2022: 129), comprising of 1 executive Director (2022: 3). The gender ratio of the Group's workforce (including senior management) was approximately 58% male to approximately 42% female. The Group shall continue to take into account diversity perspectives including gender diversity in its hiring of employees from time to time.

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.

Outlook

Looking ahead, the Group will continue to deepen its relationships with existing customers and seek new business opportunities with new customers. The Group will continue to implement new business strategies to remain competitive in the market, manage its expenditure and undertake a series of measures to increase our resilience and protect the interest of all our stakeholders. The Group will also proactively seek opportunities to expand our market share and implement new business strategies to remain competitive in the market to enhance value to our shareholders.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. Lam Chun Yip (林振業) (“Mr. Lam”), aged 34, was appointed as executive Director on 10 October 2022. Mr. Lam graduated from The Chinese University of Hong Kong in 2012. He has more than 10 years of experience in system technology, specialising in management, financial research and development and human resource management.

Mr. Lam has designed and developed various type of human resource systems in many multinational organisations. He specialises in deploying technology to promote the innovation of human resources industry, thereby improving company’s operational efficiency and improve the performance of the employees. Prior to joining the Group, Mr. Lam has been a system consultant in a multinational financial institution.

Mr. Xie Feng (謝峰) (“Mr. Xie”), aged 35, was appointed as executive Director on 1 August 2023. He graduated from Central Radio and Television University (currently known as the Open University of China) majoring in administrative management in January 2011. He has extensive experience in corporate management.

Mr. Xie was employed as senior management positions such as the head of human resources and general manager in various large corporations in the People’s Republic of China, mainly responsible for strategic planning, human resource management, and company operations.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jong Voon Hoo (楊文豪) (“Mr. Jong”), aged 51, was appointed as independent non-executive Director on 20 June 2016. Mr. Jong graduated from Nanyang Technological University in June 1996 with a bachelor’s degree in accountancy and is a chartered accountant and member of the Institute of Singapore Chartered Accountants (ISCA). He has more than 20 years of experience in audit, accounting and finance. He has been a lead independent director of Reclaims Global Limited (a company listed on the Singapore Exchange, stock code: NEX) since January 2019, an independent non-executive director of Snack Empire Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1843) since September 2019 and an independent non-executive director of Nam Lee Pressed Metal Industries Limited (a company listed on the Singapore Exchange, stock code: G01) since March 2023. He was an independent director of Sheng Shiong Group Ltd. (a company listed on the Singapore Exchange, stock code: OV8) from June 2011 to December 2021.

Mr. Chai Ming Hui (蔡明輝) (“Mr. Chai”) aged 49, was appointed as the independent non-executive Director on 2 December 2022. Mr. Chai is presently running his own business consulting company Zegen Holdings Pte Ltd, helping various companies to expand their business operations in South East Asia. Prior to this, Mr. Chai worked as a Remisier with Oversea-Chinese Banking Corporation (OCBC) Securities Pte Ltd for 9 years. Mr. Chai is well-versed with listing rules and regulations. Mr. Chai has actively participated in assisting companies in merger and acquisition for more than 6 years and has personally acted as a business consultant for initial public offerings in Hong Kong and Singapore. Mr. Chai was also previously General Manager of IPTE Asia Pacific Pte Ltd, where he was in charge of the business operations for the whole of South East Asia. Mr. Chai also co-founded an Engineering company, Bestell Technology Pte Ltd, that specialises in vision technology and Artificial Intelligence integration.

Mr. Chai obtained an Executive Master Degree in Business Administration from Southern Illinois University Carbondale in 2009 and graduated from the Nanyang Technological University, Singapore in 1999 with an Honors Degree in Mechanical Engineering.

Mr. Lin Jian Feng (林見峰) (“Mr. Lin”) aged 35, was appointed as the independent non-executive Director on 1 March 2023. Mr. Lin obtained a bachelor degree in Business Administration from National Chengchi University in Taiwan. Mr. Lin worked in management role for many years. As an experienced chief executive, Mr. Lin specialises in business development, employee management, performance management and marketing strategy.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

SENIOR MANAGEMENT

Mr. Wong Swee Fatt (黃永發) (“Mr. Wong”), aged 52, was appointed as the director of operations of TCC Hospitality Resources Pte. Ltd. in January 2008. He is responsible for managing, executing and coordinating the operations of manpower resource deployment to the Group’s customers. Mr. Wong completed GCE “N” level in October 1987. Mr. Wong has more than 20 years of experience in hotel management, F&B operations and training in various 5-star hotels.

Mr. Woo Chee Sin (鄺志新) (“Mr. Woo”), aged 53, was appointed as the Group director of people affairs in August 2014. He is responsible for the Group’s human resources matters, company policy making and recruitment. Mr. Woo has more than 15 years of working experience in both public and private sectors. Prior to joining the Group, Mr. Woo has served the public sector for 10 years and was involved in a wide range of responsibilities and activities such as office operation, customer relations and public affairs.

COMPANY SECRETARY

Ms. Tam Tsz Yan (譚芷欣) (“Ms. Tam”) aged 28, was appointed as the company secretary of the Company (the “Company Secretary”) on 6 March 2023. She is not engaged as an employee of the Group, but as an external service provider. She holds a master’s degree in corporate governance. She is currently an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. Ms. Tam has extensive work experience in the company secretarial profession.

COMPLIANCE OFFICER

Mr. Lam Chun Yip is an executive Director and the compliance officer of the Company. His biographical details and professional qualifications are set out on page 11 of this annual report.

CORPORATE GOVERNANCE REPORT

The Board is committed to achieving and maintaining a high standard of corporate governance to cultivate a company culture of accountability and integrity, so as to lead to positive performance and a sustainable business while safeguarding the interest of our stakeholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 15 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the applicable code provisions of the CG Code during the year ended 31 July 2023, except for Code Provision C.2.1 – segregation of the roles of chairman and chief executive.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period from 1 August 2022 to 28 December 2022, Mr. Sim Hak Chor ("Mr. Sim") was the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO"). Mr. Sim resigned as an executive Director, the Chairman and the CEO on 28 December 2022. Following the resignation of Mr. Sim, Mr. Lam Chun Yip ("Mr. Lam"), an executive Director, has been appointed as the Chairman and the CEO on 28 December 2022. Mr. Lam is primarily responsible for providing leadership to the Board, directing the Group's business development strategies and supervising the overall operation of the Group. The Board believes that with the support of the management and the Board, vesting the roles of both the Chairman and the CEO in Mr. Lam, who has extensive experience in system technology, specializing in management, financial R&D and human resources management, can facilitate the execution of the Group's business strategies and enhance operational effectiveness and efficiency. In addition, the Board is also supervised by sufficient independent non-executive Directors. The Board considers that the present structure adequately ensures the balance of power and authority between the Board and the management of the Group, as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation. Accordingly, the Company has not segregated the roles of the Chairman and the CEO as required by Code Provision C.2.1.

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 dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and all of them had confirmed their compliance with the Required Standard of Dealings during the year ended 31 July 2023.

BOARD OF DIRECTORS

The overall management of the Group's business is vested in the Board which assumes the responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs. All Directors should make decisions objectively in the interests of the Group.

The Board formulates overall strategies and sets directions for the Group's activities to develop its business and enhance shareholders' value. The Board is also responsible for performing the corporate governance duties as set out in paragraph A.2.1 of the CG Code which includes the following:

1. to develop and review the Group's policies and practices on corporate governance and make recommendations;
2. to review and monitor the training and continuous professional development of the Directors and senior management;
3. to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

During the year ended 31 July 2023, the Board had reviewed and assessed the Group's corporate governance policies and was satisfied with the effectiveness of these policies.

The Board has established board committees with specific written terms of reference which deal clearly with the committees' authority and duties. Details of the respective committee's terms of reference are available at the websites of the Company and the Stock Exchange.

The day-to-day management, administration and operation of the Group are delegated to the executive Directors and the senior management. Delegated functions and work tasks are periodically reviewed to ensure that they meet the needs of the Group. Approval has to be obtained from the Board prior to any significant transactions being entered into by the abovementioned officers.

Board composition

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

As at the date of this report, the Board comprises five Directors of which two are executive Directors and three are independent non-executive Directors. The composition of the Board is as follows:

Executive Directors:

Mr. Lam Chun Yip
Mr. Xie Feng

Independent non-executive Directors:

Mr. Jong Voon Hoo
Mr. Chai Ming Hui
Mr. Lin Jian Feng

The biographical details of the Directors are set out in the section headed "Directors and Senior Management Profile" on pages 11 to 12 of this annual report of the Company.

There was no financial, business, family or other material relationships among the Directors.

During the year ended 31 July 2023, the Company at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, accounting for at least one-third of the Board, with at least one independent non-executive Director possessing the appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors have brought in a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in the Board meetings, and serving on various Board committees, all independent non-executive Directors have made various contributions to the Company.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers all the independent non-executive Directors to be independent and meet the requirements set out in Rule 5.09 of the GEM Listing Rules.

CORPORATE GOVERNANCE REPORT

Directors' attendance at board meetings

Pursuant to Code Provision C.5.1 of the CG Code, board meetings should be held at least four times a year at approximately quarterly intervals. Such regular board meetings will normally involve active participation, either in person or through other electronic means of communication, of a majority of Directors entitled to be present.

For the year ended 31 July 2023, the Board held eight board meetings. The annual general meeting of the Company was held on 2 December 2022 (the "2022 AGM").

The attendance record of each Director at the board meetings and the 2022 AGM is set out in the table below:

Directors	Number of meetings attended/held <i>(Note)</i>	Attendance at the 2022 AGM
Executive Directors		
Mr. Lam Chun Yip (Appointed on 10 October 2022)	7/7	1/1
Mr. Sim Hak Chor (Resigned on 28 December 2022)	3/3	1/1
Ms. Serene Tan (Resigned on 18 January 2023)	5/5	1/1
Mr. Tang Ho Lun Ronald (Resigned on 16 March 2023)	7/7	1/1
Mr. Xie Feng (Appointed on 1 August 2023)	N/A	N/A
Independent non-executive Directors		
Mr. Jong Voon Hoo	8/8	1/1
Mr. Chai Ming Hui (Appointed on 2 December 2022)	6/6	N/A
Mr. Lin Jian Feng (Appointed on 1 March 2023)	0/3	N/A
Mr. Lim Cheng Hock, Lawrence (Retired on 2 December 2022)	2/2	1/1
Mr. Lim Wee Pin (Retired on 2 December 2022)	2/2	1/1

Note: Attendances of the Directors during the year ended 31 July 2023 were made by reference to the numbers of such meeting(s) held during their respective tenure.

Practice and guidelines of board meetings

Meeting schedules and draft agenda of each meeting are normally made available to the Directors in advance. The Company has arrangements to ensure that the Directors have opportunity to include matters in the agenda for regular board meeting.

Notice of regular board meetings are served to all Directors at least 14 days before the meetings. For all other board or board committee meetings, reasonable notice will be given.

In respect of regular board meetings, and so far as practicable in all other cases, an agenda and accompanying board papers are sent in full to all Directors at least 3 days before the intended date of a board or board committee meeting to enable the Directors to make informed decisions. The Board and each Director have separate and independent access to the senior management whenever necessary.

CORPORATE GOVERNANCE REPORT

All Directors have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable rules and regulations, are followed. Upon reasonable request, the Directors are allowed to seek independent professional advice in appropriate circumstances, at the Company's expense, to assist the Directors to discharge his/her duties to the Company.

Minutes of board meetings and board committee meetings should record in sufficient detail the matters considered and decisions reached. Draft minutes are circulated to Directors for comment within a reasonable time after each meeting and the final versions of minutes are open for Directors' inspection. Minutes of all board meetings and board committee meeting are duly kept by the Company Secretary.

Directors must abstain from voting and not be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Appointment and re-election of Directors

Each of the executive Directors has entered into a service contract with the Company for a fixed term of two or three years commencing from their respective dates of appointment and will continue thereafter until terminated in accordance with the terms of the service contract. Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Each of the independent non-executive Directors is appointed with an initial term of two years subject to termination in certain circumstances as stipulated in the relevant letters of appointment, and will continue thereafter until terminated by not less than three months' notice in writing sent by either party to the other.

Pursuant to the articles of association of the Company (the "Articles of Association"), any Director appointed by the Board to fill casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

In compliance with Code Provision B.2.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and will continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not offer himself for re-election.

Board diversity policy

The Company recognises and embraces the benefits of having a diverse Board as an essential element to improving governance and performance, and to creating a competitive advantage. In designing the Board composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

In recognition of the importance of the gender diversity in the composition of the Board, the Company undertakes to have at least one director of different gender on the Board by 31 December 2024. The Board will endeavour to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation, and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity.

CORPORATE GOVERNANCE REPORT

Directors' training and continuing professional development

Directors are aware of Code Provision C.1.4 of the CG Code regarding continuing professional development programme for Directors. Every Director is kept abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company.

During the year, all Directors have participated in continuous professional development by attending training course/ seminar or reading relevant materials to develop and refresh their knowledge and skills. The Group continuously updated the Directors with the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, as well as providing Director's training to newly appointed Directors, to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefings and professional development to Directors will be arranged whenever necessary. All Directors are also encouraged to attend external training courses at the Company's expense.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

The training record of each Director as at 31 July 2023 is as follows:

Directors	Attending seminar or courses/perusal of materials in relation to business or Directors' duties
Executive Directors	
Mr. Lam Chun Yip (Appointed on 10 October 2022)	YES
Mr. Sim Hak Chor (Resigned on 28 December 2022)	YES
Ms. Serene Tan (Resigned on 18 January 2023)	YES
Mr. Tang Ho Lun Ronald (Resigned on 16 March 2023)	YES
Mr. Xie Feng (Appointed on 1 August 2023)	N/A
Independent non-executive Directors	
Mr. Jong Voon Hoo	YES
Mr. Chai Ming Hui (Appointed on 2 December 2022)	YES
Mr. Lin Jian Feng (Appointed on 1 March 2023)	YES
Mr. Lim Cheng Hock, Lawrence (Retired on 2 December 2022)	YES
Mr. Lim Wee Pin (Retired on 2 December 2022)	YES



CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board is supported by three Board Committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within their respective terms of reference. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange. Each Board committee has been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances, at the Company's expense.

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 D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Jong Voon Hoo, Mr. Chai Ming Hui and Mr. Lin Jian Feng. Mr. Jong Voon Hoo, the Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee include, among others, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; (b) review the Group's financial statements and periodic reports and accounts, and to review significant financial reporting judgements contained therein; and (c) review the Group's financial reporting controls, risk management and internal control systems.

During the year ended 31 July 2023, the Audit Committee held four meetings to, among others, consider and approve the following:

- (i) to review the quarterly, half-year and annual financial statements before submission to the Board, with a focus on compliance with accounting standards, the GEM Listing Rules and other requirements in relation to financial reporting;
- (ii) to review the internal control review report from the external consultant and to discuss the effectiveness of the risk management and internal control systems throughout the Group, including financial, operational and compliance controls; and
- (iii) to review the accounting principles and practices adopted by the Group and other financial reporting matters.

The attendance record of each member of the Audit Committee is as follows:

Audit Committee Members	Number of meetings attended/held
Mr. Jong Voon Hoo (<i>Chairman</i>)	4/4
Mr. Chai Ming Hui (Appointed on 2 December 2022)	4/4
Mr. Lin Jian Feng (Appointed on 1 March 2023)	0/2
Mr. Lim Cheng Hock, Lawrence (Retired on 2 December 2022)	1/1
Mr. Lim Wee Pin (Retired on 2 December 2022)	1/1

The Audit Committee has reviewed the Group's annual results for the year ended 31 July 2023.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the year ended 31 July 2023.

CORPORATE GOVERNANCE REPORT

Remuneration committee

The Group established a remuneration committee (the “Remuneration Committee”) on 20 June 2016 with written terms of reference in compliance with Code Provision E.1.2 of the CG Code. The Remuneration Committee consists of three independent non-executive Directors and an executive Director, namely Mr. Chai Ming Hui, Mr. Lam Chun Yip, Mr. Jong Voon Hoo and Mr. Lin Jian Feng. Mr. Chai Ming Hui serves as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to the Board on the policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration packages of the Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals, objectives resolved by the Directors and market practices from time to time; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

For the year ended 31 July 2023, the Remuneration Committee held three meetings to, among others, consider and approve the remuneration of the Directors and senior management.

The attendance record of each member of the Remuneration Committee is as follows:

Remuneration Committee Members	Number of meetings attended/held
Mr. Chai Ming Hui (Appointed on 2 December 2022) (<i>Chairman</i>)	N/A
Mr. Lam Chun Yip (Appointed on 28 December 2022)	N/A
Mr. Jong Voon Hoo	3/3
Mr. Lin Jian Feng (Appointed on 1 March 2023)	N/A
Mr. Sim Hak Chor (Resigned on 28 December 2022)	3/3
Mr. Lim Cheng Hock, Lawrence (Retired on 2 December 2022)	3/3
Mr. Lim Wee Pin (Retired on 2 December 2022)	3/3

Nomination committee

The Group established a nomination committee (the “Nomination Committee”) on 20 June 2016 with written terms of reference in compliance with Code Provision B.3.1 of the CG Code. The Nomination Committee consists of three independent non-executive Directors and two executive Directors, namely Mr. Lin Jian Feng, Mr. Lam Chun Yip, Mr. Xie Feng, Mr. Jong Voon Hoo and Mr. Chai Ming Hui. Mr. Lin Jian Feng serves as the chairman of the Nomination Committee.

The primary functions of the Nomination Committee include (i) reviewing the structure, size and composition of the Board; (ii) identify individuals suitably qualified to become Board members; and (iii) assess the independence of independent non-executive Directors.

During the year ended 31 July 2023, the Nomination Committee held three meetings to, among others, consider and approve the following:

- (i) to review the structure, size and composition of the Board;
- (ii) to assess the independence of independent non-executive Directors;
- (iii) to recommend to the Board the Directors to retire and be re-elected at the 2022 AGM; and
- (iv) to recommend to the Board on appointment of Directors.

CORPORATE GOVERNANCE REPORT

The attendance record of each member of the Nomination Committee is as follows:

Nomination Committee Members	Number of meetings attended/held
Mr. Lin Jian Feng (Appointed on 1 March 2023) (<i>Chairman</i>)	N/A
Mr. Lam Chun Yip (Appointed on 28 December 2022)	N/A
Mr. Xie Feng (Appointed on 1 August 2023)	N/A
Mr. Jong Voon Hoo	3/3
Mr. Chai Ming Hui (Appointed on 2 December 2022)	N/A
Mr. Sim Hak Chor (Resigned on 28 December 2022)	3/3
Mr. Lim Cheng Hock, Lawrence (Retired on 2 December 2022)	3/3
Mr. Lim Wee Pin (Retired on 2 December 2022)	3/3

NOMINATION POLICY

For nomination of new Director, any Board member or Nomination Committee member is welcome to invite and nominate suitable candidates. After evaluating and undertaking adequate due diligence in respect of any such nominee, the Nomination Committee makes recommendations for the Board's consideration and approval. In the context of re-appointment of retiring Director, the Nomination Committee reviews the candidate's overall contribution and performance and makes recommendations to the Board for its consideration for the proposed candidate to stand for re-election at a general meeting.

The Nomination Committee considers the following factors in assessing the suitability of a proposed candidate:

- (a) character and integrity;
- (b) skills, experience and reputation in the relevant industry and other relevant sectors;
- (c) commitment in respect of available time and relevant interest;
- (d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge; and
- (e) compliance with the criteria of independence as prescribed under the GEM Listing Rules for the appointment of an independent non-executive Director.

These factors are for reference, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of Directors' remuneration for the year ended 31 July 2023 are set out in Note 11 to the consolidated financial statements.

Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of the members of senior management of the Group (excluding the Directors of the Company), whose particulars are contained in the section headed "Directors and Senior Management Profile" of the annual report, for the year ended 31 July 2023 by band is as follows:

Remuneration band (in HK\$)	Number of individuals
Nil to HK\$1,000,000 (equivalent to Nil to S\$173,000)	1

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage, rather than eliminate, risks of failure in operational systems and achievement of the Group's objectives.

The Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle risks. At the first line of defence, business unit heads are responsible for identifying, assessing and monitoring risks associated with business operations and take measures to mitigate risks in day-to-day operations. The finance department, as the second line of defence, defines rule sets and models, oversees and reports risk management matters to the Board. It ensures that risks are within the acceptable range and that the first line of defence is effective. As the final line of defence, an independent consultant assists the Audit Committee to review the first and second lines of defence. The independent consultant will, through a risk-based approach to their work, provide assurance to the Board and Audit Committee. The Audit Committee assists the Board in providing an independent view of the effectiveness of the risk management and internal control systems.

The Group does not have an in-house internal audit function. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and business of the Group, it would be more cost-effective to appoint an independent third-party internal control consultant to, on an annual basis, review and provide recommendations on improving its internal control system in order to manage business risks and to ensure smooth business operations. During the year ended 31 July 2023, the Group engaged an internal control consultant to undertake a review of the internal control system of the Group. The review covered certain operational procedures. The internal control consultant has reported findings and areas of improvement to the Audit Committee and management of the Company. The Board and the Audit Committee are of the view that there are no material internal control defects noted. All recommendations from the internal control consultant will be properly followed up by the Group to ensure that they are implemented within a reasonable time. The Board and Audit Committee will review the need for an internal audit function on an annual basis.

Accordingly, the Board is of the view that the systems of internal control and risk management are effective and there are no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

CORPORATE GOVERNANCE REPORT

Procedures and internal controls for the handling and dissemination of Inside Information

The Group complies with requirements of the Securities & Futures Ordinance (“SFO”) and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

AUDITOR’S REMUNERATION

A statement by the external auditor about their reporting responsibilities on the consolidated financial statements of the Group is set out in the section headed “Independent Auditor’s Report” of this annual report.

The remuneration paid/payable to the Company’s external auditor, McMillan Woods (Hong Kong) CPA Limited, for the year ended 31 July 2023, is set out as follows:

	Fees paid/ payable S\$
Audit services	93,619

The amount of fees charged by the auditor generally depends on the scope and volume of the auditor’s work. There was no non-audit service provided by HLB Hodgson Impey Cheng Limited, the Company’s former external auditor, and McMillan Woods (Hong Kong) CPA Limited for the year ended 31 July 2023.

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

The Group is committed to doing business ethically and in compliance with applicable laws and regulations. The Group has adopted a zero-tolerance approach to bribery and corruption. The Group has set up an anti-corruption policy with reference to the laws and regulations as well as industry standards. The anti-corruption policies prohibit employees from soliciting, receiving or accepting any advantages which may reasonably be interpreted to influence a purchasing or favorable business practice decision offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties. The Group clearly stated its policies and attitude against corruption and the code of conduct is stated in the employee handbook.

Employees attend refresher training in a timely manner on the latest updates on the anti-corruption laws and regulations, as well as up-to-date case sharing. During the year ended 31 July 2023, a total of 6 hours of anti-corruption training were provided to executive Directors to refresh their awareness, while none was provided to general employees. Declaration of interest and whistle-blowing channels are available to employees and customers for them to report any suspected cases. The Board is responsible for launching investigations when necessary, and following up in a highly involved manner. The Group has also commissioned a third-party organisation to review internal controls.

The Group does not condone any form of bribery, extortion, fraud and money laundering. The Group strictly adheres to relevant laws and regulations, such as the Prevention of Corruption Act of Singapore. During the year ended 31 July 2023, there was no confirmed public legal case of or material non-compliance with the laws and regulations related to bribery, extortion, fraud and money laundering, such as the Prevention of Corruption Act of Singapore.

CORPORATE GOVERNANCE REPORT

Please refer to the “Environmental, Social and Governance Report” of the Company in this report for more details.

COMPANY SECRETARY

Mr. Sum Loong (“Mr. Sum”) of Wong Heung Sum & Lawyers, an external service provider, was engaged by the Company as Company Secretary from 19 August 2019 to 1 March 2023. Following the resignation of Mr. Sum, Ms. Tam Tsz Yan (“Ms. Tam”) has been appointed as the Company Secretary since 6 March 2023. She reports to the Chairman and the CEO. All members of the Board have access to her advice and services. Ms. Tam has confirmed that, during the year ended 31 July 2023, she has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

The biographical detail of Ms. Tam is set out in the section headed “Directors and Senior Management Profile” on page 12 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Company communicates with the shareholders and the potential investors of the Company mainly in the following ways:

- (i) the holding of annual general meetings and general meetings of the Company, if any, which may be convened for specific purpose and provide opportunities for shareholders and investors to communicate directly with the Board;
- (ii) the publication of quarterly, half-yearly and annual reports, announcements and/or circulars as required under the GEM Listing Rules and/or press releases of the Company providing updated information on the Group; and
- (iii) the latest information on the Group is available on the respective websites of the Stock Exchange and the Company.

SHAREHOLDERS’ RIGHTS

Right to convene extraordinary general meeting

Pursuant to the Articles of Association, any shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring an extraordinary general meeting to be called by the Board. The written requisition (i) must state the purpose(s) of the extraordinary general meeting, and (ii) must be signed by the requisitioner(s) and deposited at the Company’s principal place of business in Hong Kong for attention of the Board of Directors/Company Secretary, and may consist of several documents in like form, each signed by one or more requisitioner(s). Such requisitions will be verified with the Company’s branch share registrar in Hong Kong and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an extraordinary general meeting by serving sufficient notice to all shareholders. On the contrary, if the requisition has been verified as not in order, the requisitioner(s) will be advised of this outcome and accordingly, the extraordinary general meeting will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene the extraordinary general meeting, the requisitioner(s) or any of them representing more than one-half of the total voting rights of all of them may convene an extraordinary general meeting, but any extraordinary general meeting so convened shall not be held after expiration of two months from the said date of deposit of the requisition. An extraordinary general meeting convened by the requisitioner(s) shall be convened in the same manner, as nearly as possible, as that in any extraordinary general meeting to be convened by the Board.

CORPORATE GOVERNANCE REPORT

Right to put forward proposals at general meeting

There is no provision allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of the Cayman Islands. However, pursuant to the Articles of Association, shareholders who wish to make proposals or move a resolution may convene an extraordinary general meeting in accordance with the “Rights to convene extraordinary general meeting” set out above.

Right to make enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at Unit 1307A, 13/F., Two Harbourfront, 22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong. Shareholders may also make enquiries to the Board at the general meeting of the Company. In addition, shareholders can contact Union Registrars Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 July 2023, there had been no significant change in the Company’s constitutional documents. The Articles of Association are available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Company believes that maintaining effective communication is essential for investors to have a deeper understanding of the Company’s business and its development. To achieve this goal and increase transparency, the Company will continue to adopt proactive measures to foster better investor relations and communications.

We welcome investors to write to the Company or send their enquiries to the Company’s email of enquiry@singasia.com.sg to share their opinions with the Board. The Company’s website, www.singasia.com.sg, also discloses the latest business information of the Group to investors and the public.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

The Group believes that good environmental, social and governance (“ESG”) governance strategies and practices are inseparable from corporate success. The Board of Directors (the “Board”) has overall responsibility for the Group’s ESG sustainability direction, strategy, objectives, performance and reporting. The Board continues to improve the Group’s ESG management system. The Board is responsible for identifying and evaluating material ESG-related risks and opportunities of the Group. In addition, the Board strongly believes that a sound governance structure is critical to the effective management and implementation of ESG-related issues. The Board is responsible for overseeing the Group’s corporate governance and the overall ESG management approach and supervising the data collection, preparation and review of the ESG Report. The Board also has to ensure that ESG risk management as well as internal control systems are effective, appropriate and in place.

Under the authorisation of the Board, the Group has established an ESG Working Group led by the head of various departments who have the functional duty of carrying out sustainable business practices and collecting and monitoring ESG-related data. The oversight of the Board ensures that the management and the ESG Working Group can have all the right tools and resources to oversee the ESG issues. The ESG Working Group regularly evaluates ESG-related risks and develops appropriate approaches to manage such issues. The ESG Working Group regularly reviews the effectiveness of the ESG plan and ESG Reports annually to the Board about the progress of ESG-related goals and targets and the latest development of ESG issues.

The Group strives to be a business that operates in the best interests of the local and global environment. Primarily, our two main focus areas are environmental and social aspects:

Environmental goals:

- Incorporate environmentally-friendly initiatives into business and operations;
- Conserve energy and reduce waste;
- Cut down greenhouse gas (GHG) emissions; and
- Enhance waste management.

Social goals:

- Respect employees’ rights and benefits;
- Advocate for equal opportunities;
- Secure the health and safety of employees;
- Uphold integrity and work ethics; and
- Engage with communities.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

These goals relate to our business in a way that the environmental goals represent an aspect of the efficiency of our operation, and the social goals represent the widely recognized values of workforce management. The progress of ESG target implementation and the ESG performance of the goals and targets should be closely reviewed from time to time. Rectification may be needed if the progress falls short of expectations. Effective communication about the goals and target process with key stakeholders is essential, as this enables them to be engaged in the implementation process and to feel they are part of the change that the Group aspires to achieve.

The Group has faith in the crucial role of ESG performance in creating value for stakeholders. Recognising the importance of stakeholder engagement in the management of ESG matters, the Group has been maintaining close communication with various stakeholder groups to get feedback and to understand their expectations. Above and beyond, the Group commissioned an external consultant to conduct a questionnaire survey on behalf of the Board to identify the material ESG aspects.

The past year remained a challenging year for the entire world. The Group confronted this challenge by adhering closely to measures and guidelines issued by the local authority for supporting the transition to post-Covid normalization. The Group will continue to uphold environmental and social goals to operate the business sustainably, provide a safe and healthy environment for employees and support our local community.

ABOUT THIS REPORT

Reporting Period and Scope

This ESG Report (the "ESG Report") of the Group covers its principal business operations in Singapore for the period from 1 August 2022 to 31 July 2023 (the "Reporting Year"). The Group engages in the provision of manpower outsourcing services and manpower recruitment services in Singapore, which account for all of the revenue of the Group. The Group determines this reporting boundary based on the financial significance and operational influence of our business. This ESG Report describes the management approaches and performances of the Group on ESG-related issues. For details on corporate governance, please refer to the "Corporate Governance Report" section in this annual report.

Reporting Standard

This ESG Report was prepared in accordance with the Environmental, Social, and Governance Reporting Guide (the "Guide") as set out in Appendix 20 of the GEM Listing Rules with contents that comply with the disclosure requirements and principles under the Guide.

This Report shall be uploaded and published both in Chinese and English on the websites of the Company and the Stock Exchange of Hong Kong Limited at www.hkexnews.hk. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

Reporting Principles

In preparing this ESG Report, the Group follows these principles:

Materiality: The Group communicates with our major stakeholder groups on a regular basis to better identify and assess ESG-related issues that matter most from stakeholders' perspectives. Key ESG issues, identified through stakeholder engagement and materiality assessment, are disclosed in this ESG Report.

Quantitative: Appendix 20 of the GEM Listing Rules guides the Group in preparing measurable KPIs for performance review. Quantitative information presented in this ESG Report is accompanied by narrative, explanation and comparison wherever applicable.

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Balance: The Group upholds this reporting principle and strives to disclose both challenges and opportunities of ESG issues that the Group experienced during the Reporting Year so as to present our performances in an objective and unbiased manner.

Consistency: The Group adopts consistent methodologies and retrieves social and environmental KPIs from the Group's internal record system. The scope of reporting and KPIs are consistent with those of the previous report to allow meaningful comparison over time.

Review and Approval

This ESG Report is prepared based on policies, documents, data and records of the Group and has been approved for release by the Board.

STAKEHOLDER ENGAGEMENT

In order to achieve the Group's sustainability goals, it is pivotal for the Group to communicate with stakeholders to show respect for their opinions and treat them with sincerity so as to gain their trust and support. Our key stakeholders include customers, directors, employees and shareholders. The Group places a high value on the expectations and needs of its stakeholders. Through various communication channels, we strive to understand their expectations by collecting beneficial feedback on an ongoing basis, so as to integrate their views in the long-term planning of our business development. The following table summarises the key sustainability concerns of our stakeholders:

Stakeholders	Areas of Concern	Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> • Corporate governance • Financial performances 	<ul style="list-style-type: none"> • Annual general meetings • Annual reports, announcements and other disclosures • Company website
Employees	<ul style="list-style-type: none"> • Occupational health and safety • Employment practices • Career development opportunities 	<ul style="list-style-type: none"> • Training and meetings • Emails and notices • Performance appraisals
Customers	<ul style="list-style-type: none"> • Service quality 	<ul style="list-style-type: none"> • Meetings • Emails • Phone calls

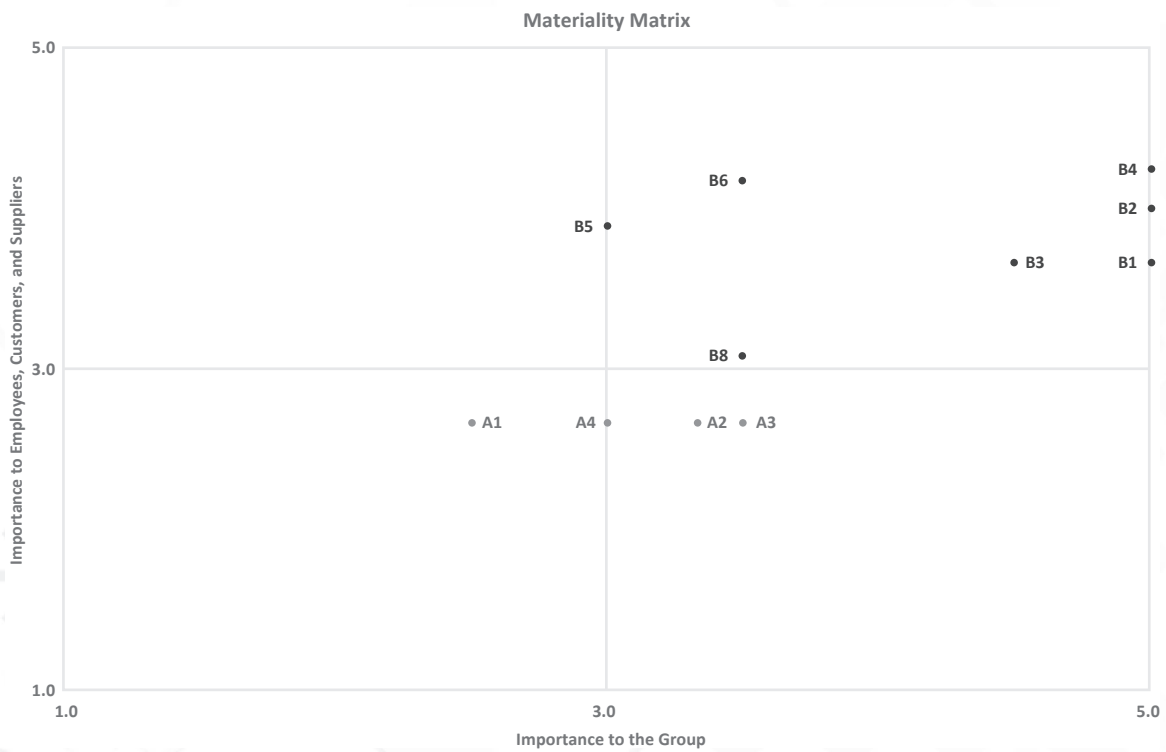
MATERIALITY ASSESSMENT

The Group conducted an online stakeholder engagement survey in the previous reporting year. External stakeholders such as customers and suppliers, as well as internal stakeholders, such as the Group's directors, employees including senior management, management staff and general staff were invited to participate in the survey and to grade the reporting aspects stipulated in the ESG Guide depending on the level of importance they consider these aspects are to the Group or to the stakeholder groups they are representing.

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The importance of each reporting aspect was then determined by compiling the degrees of importance given by all the participants. The importance grade from each stakeholder category was the average among all respondents within that stakeholder category. The overall importance grade across multiple stakeholder categories was then the average of each categorical importance grade.

After conducting a thorough review, the Group has made the decision to follow the results of the materiality assessment conducted in the previous reporting year. The materiality matrix below was prepared to clearly illustrate the result by placing each aspect with regard to its importance grade to the directors of the Group and to all other stakeholders. The aspects located in the top-right quarter of the material matrix were considered by both the directors of the Group and other stakeholders as material.



Legend:

Environmental

- A1 Emissions
- A2 Use of Resources
- A3 The Environment and Natural Resources
- A4 Climate Change

Social

- B1 Employment
- B2 Health and Safety
- B3 Development and Training
- B4 Labour Standards
- B5 Supplier Chain Management
- B6 Product Responsibility
- B7 Anti-corruption
- B8 Community Investment

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B4 Labour Standards were identified as the most material aspect determined in the stakeholder engagement and materiality assessment. A1 Emission was identified as the least material aspect. All environmental aspects and B5 Supply Chain Management were identified as immaterial.

Top 3 Material Topics	The Group's Responses	Relevant Disclosure
Labour Standards	The Group establishes clear policy to ensure compliance with relevant laws and regulations relating to preventing child and forced labour.	B4 Labour Standards
Health and Safety	The Group implements occupational health and safety measures to monitor and continuously improve the safety level.	B2 Health and Safety
Anti-corruption	The Group sets up an anti-corruption policy with reference to the laws and regulations as well as industry standards.	B7 Anti-corruption

(A) ENVIRONMENTAL ASPECTS

As a Singapore-based workforce solutions provider, the Group does not impose material adverse effects and risks on climate-related issues. The nature of our business activities does not result in significant air pollutants and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. Even so, in order to minimize the potential environmental impacts generated from the operations, the Group has been taking various initiatives to maintain our historic performance in terms of emissions, use of resources and green commitment. The Group works diligently to comply with stringent national environmental legislation and regulations. During the Reporting Year, there was no instance of non-compliance incident or reported breach with any environmental protection laws and regulations, such as the Environmental Protection and Management Act of Singapore.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1. EMISSIONS

Greenhouse Gas (GHG) Emissions

Owing to its business nature, the Group does not emit significant amounts of GHG emissions across all. Usage of purchased electricity was the primary source of GHG emissions of the Group. As such, the Group's strategy to control GHG emissions is to control electricity consumption. These measures are further detailed in the "Use of Resources" section. The target of the Group is to maintain consumption at historic level and to materialize the GHG reduction by sourcing electricity with a cleaner energy mix. During the Reporting Year, 36.9 MWh of electricity and 0.3 tonnes of paper were consumed. The following table summarises and compares our total emissions:

GHG emissions¹	2022/23	Unit
Scope 1 emissions – Direct Emissions	0.00	tonnes CO ₂ -e
Scope 2 emissions – Electricity consumption	15.05	tonnes CO ₂ -e
Scope 3 emissions – Paper Disposal	1.57	tonnes CO ₂ -e
Total GHG emissions	16.62	tonnes CO ₂ -e
Intensity (by employee)	0.15	tonnes CO ₂ -e/employee

Air Emissions

There were no material direct GHG emissions (Scope 1) and air pollutant emissions from direct sources, such as motor vehicles and power-generating machinery. The Group will consider procuring environmentally friendly vehicles if applicable in the future.

Waste Management

Waste management remains one of the key considerations of the Group, in spite of the fact that only a small quantity of waste was generated from the office-based business. Waste management hierarchy serves as the Group's guiding principle, such that waste reduction at source is of the highest priority and is followed by the 3R principles (reduce, reuse and recycling). The generation of non-hazardous waste arises mainly from paper consumption for administrative work. Thus, the Group is actively implementing waste reduction measures with the target of migrating fully to a paperless operation environment for file storage and communication. The following table summarises our non-hazardous waste:

Non-hazardous waste	2022/23	Unit
Total non-hazardous waste produced	0.10	tonnes
Intensity (by employee)	0.9	kg/employee

¹ The calculation of the GHG emissions is based on the latest emission factors and the global warming potential.

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The Group procures equipment or supplies with a longer lifespan with an aim to reduce disposal and conserve resources. Employees are also encouraged to print documents in a duplex format and in grey scale and use space efficiency formats to optimise the use of paper. In addition, paper collection boxes are set up near the printers to facilitate employees to reuse single-use paper as far as possible. The office has recycling collection points for glass, aluminium cans, metal and plastics to facilitate waste recovery. All recyclable wastes are handled and treated by a licensed recycling agent. Moreover, clean recycling is indispensable to ensure recyclables are uncontaminated and can be recycled to the fullest. As such, steps to properly clean and meticulously segregate recycled wastepaper and waste plastic materials are taken. Additionally, reusable utensils and crockeries are provided at the office to promote green lifestyle options to employees and visitors.

The Group does not generate a material amount of hazardous waste. Office-based business unavoidably produces a small quantity of used compact fluorescent lamps, batteries, cartridges, toners and electronic waste. These wastes are categorised as toxic industrial waste (hazardous waste) in Singapore and shall follow stringent disposal regulations set out by the National Environment Agency. The wastes generated in our premises are handled by a property management company, and therefore no record is available for the Reporting Year. The downstream waste treatment complies with the environmental laws and regulations in Singapore. All waste is either sent to incineration, recycling or landfills and handled by licensed waste collectors. They are bound by governmental laws, such as the Environmental Public Health Act (EPA), Code of Practice for General Waste Collectors and the Environmental Public Health (Toxic Industrial Waste) Regulations (TIWR).

A2. USE OF RESOURCES

The Group's business operations do not entail extensive consumption of natural resources. To strike a balance between environmental protection and operation necessities, the Group is committed to the responsible use of resources. To this end, the Group has implemented various measures to promote energy efficiency and minimise material usage. In the course of our operations, we did not have significant use of packaging materials and water consumption.

Energy Consumption

Electricity consumption is the main source of the Group's energy consumption and GHG emissions. It is one of the key aspects affecting the Group's ESG performance. The Group targets to control the electricity consumption in the future to a level similar to the historic level. Therefore, various energy-saving measures are implemented to save energy, for instance:

- Use more environmentally friendly and energy-saving electrical appliances;
- Activate energy-saving mode and disable the standby mode for all electrical appliances;
- Encourage employees to turn off computers during lunch or when not in use;
- Close all windows and doors when air-conditioners are in use to better regulate indoor temperature and humidity;
- Disseminate energy-saving messages via emails; and
- Place reminders at prominent locations to remind employees to save energy.

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Although the Group's total energy consumption decreased during the Reporting Year, energy intensity per employee increased which was primarily due to a decrease in the number of employees during the Reporting Year.

Direct and indirect energy consumption	2022/23	Unit
Direct energy consumption	–	GJ
Indirect energy consumption – Electricity ²	36.89	MWh
Total energy consumption	36.89	MWh-e
Intensity (by employee)	0.33	MWh-e/employee

Water Consumption

The water consumption of the Group is not intensive due to the business nature. Although the water control and management of the main office is fully handled by building management and it is not feasible to install an independent water bill, the Group remains highly attentive to any possible water-saving measures. The Group targets to control the water consumption in the future to a level similar to the historic level. The Group encourages our employees to adopt water conservation habits to reduce unnecessary wastage. During the Reporting Year, there were no difficulties in sourcing water that is fit for purpose.

Water consumption in total and intensity	2022/23	Unit
Total water consumption	50.50	m ³
Intensity (by employee)	0.45	m ³ /employee

Packaging Materials

The operations of the Group do not involve any packaging of products, and thus key performance indicator A2.5 regarding packaging material used is not applicable and not reported. The focus of the Group is, on the other hand, to minimize the amount of packaging generated from our procurement of office supplies from various vendors. The Group is keen on procuring office supplies, such as stationery, in bulk so as to minimize the generation of waste from the use of packaging materials. For the remainder that is unavoidable, the durable and recyclable packaging materials are either reused or recycled by licensed recycling agents, whenever applicable.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group's business activities do not have any direct and considerable impacts on the environment and natural resources. Nonetheless, the Group remains committed to the well-being of the environment and strives to save natural resources, by raising awareness of environmental issues among employees through various policies and measures introduced in the office.

² The total amount of electricity consumption in the Reporting Year was based on the electricity bill, which includes lights and electrical appliances only. Centralised air conditioning was included in the rental services. No specific record on electricity consumption generated by air-conditioning was provided by the landlord or the property management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A4. CLIMATE CHANGE

The Group regularly reviews the risks that arise from climate change in the context of the Group's business nature and the locations of our premises. The Board is of the view that the Group's business operations are not subject to significant climate-related risks and issues.

Extreme weather events, such as heavy rains, resulted from climate change may disrupt business operations in the short term. To further mitigate the potential impact, the Group has established guidelines to prevent employees from being injured or life-threatened by extreme weather events. Before the arrival of extreme weather events, when situation requires, strong adhesive tape will be put on the appropriate windows to minimize potential impacts arising from extreme weather events.

In terms of legal risks, the Group expects that the laws and regulations related to climate change will be more stringent, for example, local governments may adopt more aggressive policies and measures to limit greenhouse gas emissions. Therefore, the Group might be exposed to legal risks and may need to bear higher operating costs to comply with regulatory changes. In response to possible legal risks, the Group continuously monitors any changes in laws or regulations and consults compliance advisors to reduce legal risks. The Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing greenhouse gas emissions.

(B) SOCIAL ASPECTS

As a corporate citizen of the community, the Group attaches great importance to contributing to the society. The Group endeavours to establish a harmonious environment with employees, customers, and the community and strives to fulfil our social responsibilities. The Group also has faith that good well-being and career development of employees leads to high service quality. We are committed to delivering quality service to our customers, as well as to meaningful engagements with the community.

B1. EMPLOYMENT

The Group treasures our employees as valuable assets. We have confidence in that building a congruent workplace with mutual respect will create a strong sense of belonging to our employees. We value all employees' dedication and commitment to the Group and treat them equally. The Group complies fully with the Employment Act in Singapore. Key provisions in the Employment Act include those related to minimum working age, working hours, paid sick leave, paid holidays and overtime compensation. During the Reporting Year, there was no case of material non-compliance regarding compensation and dismissal, recruitment and promotion, equal opportunities, diversity, as well as discrimination.

Recruitment and Promotion

The principles of equality and fairness are emphasised in the employment and recruitment policy of the Group. A standardised and documented recruitment process including job applications, selection of candidates, interviews, approval and job offers governs all job vacancies. Candidates are evaluated based on their experiences and abilities, and against our business needs, regardless of gender, marital status, pregnancy, disability, age, family status, race, sexual orientation, religion or nationality. The Group prohibits all forms of discrimination and adheres to the Employment of Foreign Manpower Act in Singapore when the Group recruits, employs and retains foreign manpower in Singapore.

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Every employee partakes in annual appraisal for performance management and career development planning. The Group has planned career ladders which provide the employees with long-term employment and job growth. Employees are encouraged to utilise internal mobility opportunities in which they can be promoted or transferred to other positions in accordance with the appraisal results and the Group's business needs. In addition, relevant training is provided to eligible employees to meet business needs and their personal career aspirations.

Job Advertisement

The Group understands that accurate job advertisements are extremely vital for us to recruit suitable candidates for clients and for our own business operations. Prior to recruitment, the Group communicates closely with clients to thoroughly understand their needs and expectations and carefully reviews all advertising material to ensure contents are entirely correct, precise and non-discriminatory. Various recruitment channels such as job centres, social media platforms, internal promotion, and employee referrals are utilised to enlarge exposure to various potential candidates. More importantly, the Group follows the laws and regulations on recruitment advertisement.

Wages and Dismissal

Our employees are fairly compensated based on their contributions to the business. The Group continuously enhances the remuneration and benefits package to attract, retain and motivate employees. In recognition of the contributions of employees, the Group annually benchmarks salaries against prevailing industry standards to sustain a competitive remuneration package. On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as the individual employee's performance. The Group does not take dismissal lightly, and in the event of dismissal is necessary, the Group always complies with the relevant employment laws and regulations.

Benefits and Welfare

Employees' working hours, rest periods, benefits and welfare including medical insurance, overtime work compensation, retirement benefits through Central Provident Fund for employees who are Singaporean Permanent Residents, and statutory leave entitlement are covered in the Group's benefits and welfare policy and are in compliance with relevant employment and labour laws and regulations.

For the benefit of the employees' physiological and mental health, the Group encourages employees to maintain work-life balance and take adequate rest. Employees of the Group are entitled to various statutory holidays and paid leave which is in full compliance with the Employment Act of Singapore.

The Group also endeavours to be a family-friendly employer and hence has implemented some family-oriented employment practices to improve employees' work-life balance and sense of belonging. For example, the Group practices a five-day workweek. Supplementing that are special leaves such as examination leave, marriage leave and compassionate leave. Furthermore, the Group cares and recognises the dedication of working mothers, and provides working mothers in Singapore with parental leave and childcare leave. Eligible adoptive mothers are entitled to adoption leave to bond with and care for their adopted infants.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Equal Opportunity

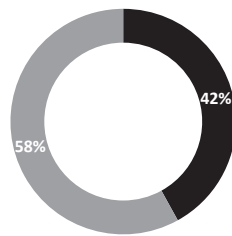
The Group is dedicated to fostering a working environment that promotes equal opportunities and upholds the principles of non-discrimination. The Group committed to providing equal opportunities in all aspects of employment, irrespective of an individual’s sex, race, ethnic origin, religion, marital status, or disabilities.

Unlawful discrimination and harassment in the workplace are strictly prohibited. We have implemented policies and procedures to ensure that all employees are aware of their rights and responsibilities in relation to non-discrimination. We provide regular training and education programs to promote awareness and understanding of the importance of equal opportunities and to prevent any form of discrimination based on race, gender, nationality, disability, or any other protected characteristic. The Group encourages our employees to report any instances of discrimination or harassment they may experience or witness to our People Affairs Department.

Team Structure

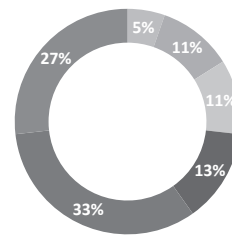
The Group employs 113 employees as of the end of the Reporting Year, with 47 employees being female and 66 employees being male. The following charts further illustrate the total workforce:

Number of Employee By Gender



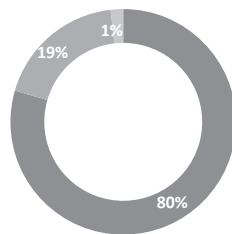
■ Female ■ Male

Number of Employee By Age Group



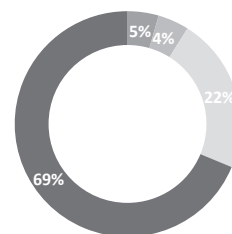
■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ ≥65

Number of Employee By Employment Type



■ Full-time Deployment Staff
 ■ Support Staff
 ■ Executive Director

Number of Employee By Employment Category



■ Senior Management ■ Middle Management
 ■ Supervisor ■ General Staff

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During the Reporting Year, the employee turnover rate was illustrated in the table below.

		Number of resigned employees	Annual turnover rate per total workforce
Total number of employees		47	42%
By gender	Female	18	38%
	Male	29	44%
By employment type	Full-time deployment staff	45	51%
	Support staff	2	10%
	Executive director	0	0%
By employee category	Senior management	0	0%
	Middle management	0	0%
	Supervisor	2	8%
	General staff	45	58%
By age group	18–24 years old	0	0%
	25–34 years old	5	42%
	35–44 years old	4	33%
	45–54 years old	7	47%
	55–64 years old	13	35%
	65 years old or above	18	60%
By geographical region	Singapore	47	42%

During the Reporting Year, the Group was not aware of any material non-compliance with laws and regulations in respect of employment, such as the Employment Act of Singapore.

B2. HEALTH AND SAFETY

The Group prioritises the health and safety of our employees in all phases of our operation and administration. The Group's employee handbook specifies health and safety procedures and policies. All employees have to undergo safety target setting and they are regularly assessed to mitigate safety hazards. Ergonomic office equipment, such as height-adjustable chairs with adjustable armrests and tilting backrests, is provided to all employees so as to enhance occupational health. Adequate lighting is installed and ventilation systems are regularly maintained and cleaned.

All full-time employees are entitled to a medical plan which covers outpatient clinical visits as well as dental check-ups. On top of providing suitable office equipment and medical plans, the Group also shares physical and mental health tips or reminders to employees via emails, online communication platforms and phone messages to take care of employees' well-being. Employees who fall ill are encouraged to stay at home and take rest.

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In the event of work injury, the Group would handle it in accordance with the provisions of the law, offering immediate support to the injured and launching investigations to examine the root cause of accidents. Safety incidents, if any, will be reported to the top management. Corrective action plans and best practice sharing are conducted to avoid reoccurrence of such incidents.

The Group provides Work Injury Compensation, which compensates the employees for occupational diseases and accidents arising out of or in the course of employment. During the past three years, including the Reporting Year, the Group did not record any accidents that resulted in death or serious physical injury and did not identify any material non-compliance with laws and regulations relevant to the health and safety of employees, such as the Work Safety and Health Act and Work Injury Compensation Act of Singapore.

	2020/21	2021/22	2022/23
Number of work-related fatalities	0	0	0
Rate of work-related fatalities	0%	0%	0%
Lost days due to work injury	30	0	0

B3. DEVELOPMENT AND TRAINING

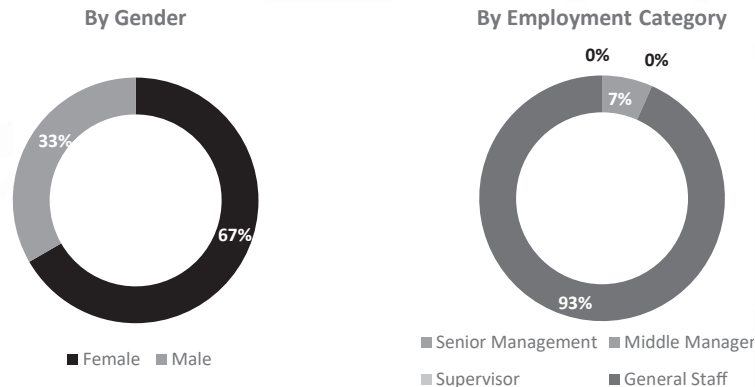
The Group believes that training is essential to improve employees' work quality. Eligible employees are entitled to a full subsidy from the Group to acquire job-related knowledge and skills corresponding to their job scope from time to time to enable them to cope with the rapidly changing market and accommodate the market's needs. The Group aims to enhance the quality and skill-set of all staff by providing relevant skill-based training through carefully selected qualified trainers. In the Reporting Year, employees received a total of 66 training hours. The percentage of employees trained was 13% and the average employee training hours was 0.6 hour.

Internal training courses cover new listing rule requirements and team discussions on specific topics related to industry trends or job skills. Newcomers are required to read through newcomers handbooks to get familiar with the Group's policy and undergo on-the-job training guided by experienced employees. External training covers professional training, regulatory updates and listing rules, and ESG reporting. Employees in pursuit of professional and/or certification examinations are granted examination and study leave. The Group may also sponsor the examination fee if employees pass the examination. The Group encourages employees to take part in accredited examinations and join professional bodies through these measures.



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The training distribution and average training hours are illustrated in the following charts:



B4. LABOUR STANDARDS

The Group specifically forbids forced labour and child labour and takes its prevention very seriously. During the recruitment process, the People Affairs Department of the Group will check identity card and age-related documents of employees and candidates to verify that the minimum statutory working age is met. Additionally, all employees receive a copy of the employee handbook which clearly states the policies, employment guidelines, remuneration package and Code of Conduct of the Group.

The Group strives to create a fair, respectful and free workplace for employees. With an emphasis on work-life balance, the Group neither encourages nor forces employees to work overtime. The Group keeps a record of attendance and leave to ensure working time and rest days of all employees comply with the laws and regulations. In the event of any discovery of forced labour or child labour, the Group will invite relevant agencies to assist in investigation and rectification. In the Reporting Year, there was no material non-compliance with the relevant laws and regulations or incident about child and forced labour, such as the Employment (Children and Young Persons) Regulations and the Constitution of the Republic of Singapore.

B5. SUPPLY CHAIN MANAGEMENT

Due to the nature of our business, the Group does not have any major suppliers. The Group's service providers mainly provide information technology and communication services, legal and professional services as well as office supplies. Service providers are selected based on their pricing, reliability, experience and reputation. The Group regularly evaluates the quality and pricing of services received. The Group will include the relevant disclosures regarding our supply chain management practices when necessary in the future.

B6. PRODUCT RESPONSIBILITY

Complaint Management

The Group considers customer feedback as a valuable means for refining our service because customer satisfaction is linked to the quality of our services. We take customer feedback seriously and have in place procedures to ensure that feedback and complaints from customers are handled in a timely and appropriate manner.

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Customer enquiries and complaints, if any, are handled Operations Department. A dedicated service hotline and email are provided to customers to provide comments and feedback related to our services. Our management and Executive Directors are highly involved in day-to-day business operations and can handle customers' complaints on a timely basis. In the Reporting Year, there was no complaint and no labour dispute and claim regarding service quality. The Group is also pleased to report that the customers are satisfied with its professionalism and the quality of services.

Intellectual Property Rights

The Group respects intellectual property rights. We do not use any outdated or unauthorised software. The Group uses anti-virus software to prevent data leakage and unauthorised access. Employees are required to seek permission from management before installing software on their laptops and desktops. All employees are expected to protect intellectual property rights and avoid any infringement.

Consumer Data Protection

The protection of data privacy is vital in the business we operate. To guide employees to handle personal data and standardise the use, collection, and disclosure of the data, the Group has established a data privacy protection policy which stipulates procedures that abide by the Personal Data Protection Act ("PDPA") to take special care of sensitive and personal information. Personal information includes but is not limited to names, phone numbers, addresses, identification/passport numbers, photos, educational qualifications, employment history, salary information, details of the next-of-kin, spouse and work-related health issues. The Group takes feasible steps to safeguard the personal data from unauthorised or accidental access, processing, erasure, loss or use by third parties. Data must be collected in a lawful way and directly for recruitment purposes only. All storage and transmission of personal data must be encrypted and protected with up-to-date antivirus protection. The data shall only be retained for a designated period and specified purposes. The Group discloses personal data, both internally and externally on a need-to-know basis.

Personal data policy and practices are known to the public regarding the types of personal data, the Group holds and how the data can be used appropriately. The data can be updated and corrected by the data holders at any time in writing upon request. The Group must be able to provide information on how the personal information has been used in the past 12 months upon request.

The Group designates a Data Protection Officer (DPO) in Singapore and displays his/her business contact information to the data holders for enquiries. The DPO receives regular data handling training and is scheduled to receive the latest updates and requirements on data handling and protection. Only delegated personnel who are well-trained can access personal data. Any illegal and improper actions of individuals are not acceptable in the Group. All suspected and confirmed cases must be reported to the law enforcement agencies. Individuals will be dismissed from the Group if found guilty of any wrongdoings. Meanwhile, the Group must notify the clients if their data is being disclosed, collected or used without authorisation.

In the Reporting Year, there were no material non-compliance with the laws and regulations relating to advertising, data privacy and intellectual property rights matters relating to products and services provided, such as the Personal Data Protection Act and Intellectual Property (Amendment) Act.

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B7. ANTI-CORRUPTION

The Group is committed to doing business ethically and in compliance with applicable laws and regulations. We adopt a zero-tolerance approach to bribery and corruption. The Group has set up an anti-corruption policy with reference to the laws and regulations as well as industry standards. The anti-corruption policies prohibit employees from soliciting, receiving or accepting any advantages which may reasonably be interpreted to influence a purchasing or favorable business practice decision offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties. The Group clearly stated its policies and attitude against corruption and the code of conduct is stated in the employee handbook.

Employees attend refresher training in a timely manner on the latest updates on the anti-corruption laws and regulations, as well as up-to-date case sharing. In the Reporting Year, a total of 6 hours of anti-corruption training were provided to Executive Directors to refresh their awareness, while none was provided to general employees. Declaration of interest and whistle-blowing channels are available to employees and customers for them to report any suspected cases. The Board of Directors is responsible for launching investigations when necessary, and following up in a highly involved manner. The Group has also commissioned a third-party organisation to review internal controls.

The Group does not condone any form of bribery, extortion, fraud and money laundering. We strictly adhere to relevant laws and regulations, such as the Prevention of Corruption Act of Singapore. In the Reporting Year, there was no confirmed public legal case of or material non-compliance with the laws and regulations related to bribery, extortion, fraud and money laundering, such as the Prevention Of Corruption Act of Singapore.

B8. COMMUNITY INVESTMENT

The Group is keen on supporting the community in which we operate. In order to give back to society, the Group explores collaboration with reputable organizations to support community programmes and encourages employees to participate in community services. The Group implements community investment with the following approaches:

- **Labour Needs**

The Group endeavours to recruit more local residents as workers to not only meet the business needs of the Group's business but also to support the local labour market.

- **Community Activities**

The Group encourages employees to take part in various community activities such as community health initiatives, sports, cultural activities, volunteer work, education and donations.

The Group understands the significance of community investment and pledges to continue such community activities in the future. Due to the pandemic, community activities were limited during the Reporting Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

LOOKING FORWARD

The Group will continue to conduct a sustainable business that earns profits while being socially responsible and conserving our planet's resources. The Group will continuously publish its ESG Report on a regular basis, so as to continuously track and regularly review our ESG performance and progress. The Group also values feedback from stakeholders to enhance our performance.

SUMMARY OF KEY PERFORMANCE INDICATORS

Environmental Aspects ³	2022/23	Unit
Aspect A1: Emissions		
A1.2 Greenhouse gas emissions in total and intensity		
Scope 1 emissions	0.00	tonnes CO ₂ -e
Scope 2 emissions	15.05	tonnes CO ₂ -e
Scope 3 emissions	1.57	tonnes CO ₂ -e
Total greenhouse gas emissions	16.62	tonnes CO ₂ -e
Intensity (by employee)	0.15	tonnes CO ₂ -e/employee
A1.4 Non-hazardous waste		
Total non-hazardous waste produced	0.10	tonnes
Intensity (by employee)	0.9	kg/employee
Aspect A2: Use of Resources		
A2.1 Direct and/or indirect energy consumption by type		
Direct energy consumption	–	GJ
Indirect energy consumption	36.89	MWh
Total energy consumption	36.89	MWh-e
Intensity (by employee)	0.33	MWh-e/employee
A2.2 Water consumption in total and intensity		
Total water consumption	50.5	m ³
Intensity (by employee)	0.45	m ³ /employee

³ The environmental KPIs are calculated in accordance with the "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Aspects⁴

2022/23 Unit

Aspect B1: Employment

B1.1 Total workforce

Total number of employees		112	employee
By gender	Female	47	employee
	Male	65	employee
By employment type	Full-time staff	89	employee
	Support staff	21	employee
	Executive director	2	employee
By age group	18–24 years old	6	employee
	25–34 years old	12	employee
	35–44 years old	12	employee
	45–54 years old	15	employee
	55–64 years old	37	employee
	65 years old or above	30	employee
By employee category	Senior management	5	employee
	Middle management	5	employee
	Supervisor	25	employee
	General staff	77	employee
By geographical region	Singapore	112	employee

B1.2 Employee turnover rate

Total employee turnover rate		42%	%
By gender	Female	38%	%
	Male	45%	%
By employment type	Full-time staff	51%	%
	Support staff	10%	%
	Executive director	0%	%
By age group	18–24 years old	0%	%
	25–34 years old	42%	%
	35–44 years old	33%	%
	45–54 years old	47%	%
	55–64 years old	35%	%
	65 years old or above	60%	%
By employee category	Senior management	0%	%
	Middle management	0%	%
	Supervisor	8%	%
	General staff	58%	%
By geographical region	Singapore	42%	%

⁴ The social KPIs are calculated in accordance with the “How to Prepare an ESG Report? – Appendix 3: Reporting Guidance on Social KPIs” issued by the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Aspects		2022/23	Unit	
Aspect B2: Health and Safety				
B2.1	Number of work-related fatalities	0	no.	
	Rate of work-related fatalities	0%	%	
B2.2	Lost days due to work injury	0	day	
Aspect B3: Development and Training				
B3.1	Percentage of trained employees			
	Percentage of total employees trained		13% %	
	By gender	Female	67%	%
		Male	33%	%
	By employee category	Senior management	0%	%
		Middle management	7%	%
		Supervisor	0%	%
General staff		93%	%	
B3.2	Average training hours completed			
	Average training hours per employee		0.6 hour/employee	
	By gender	Female	1.1	hour/employee
		Male	0.2	hour/employee
	By employee category	Senior management	0	hour/employee
		Middle management	3.2	hour/employee
		Supervisor	0	hour/employee
General staff		0.6	hour/employee	
Aspect B7: Anti-corruption				
B7.1	Number of concluded legal cases regarding corruption	0	case	
B7.3	Anti-corruption training			
	Number of anti-corruption training session		2 no.	
	Total number of training hours related to anti-corruption		6 hour	
	Percentage of employee with anti-corruption training	Executive director	100%	%
		General employee	0%	%



REPORT OF THE DIRECTORS

The Board is pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 July 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the activities of its principal subsidiaries and an associate are set out in Note 18 and 19 to the consolidated financial statements respectively. The business of the Group comprises the provision of manpower outsourcing and recruitment services and service apartment and hostel operation and services. There was no significant change to the Group's principal activities during the year ended 31 July 2023.

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in the section headed "Management Discussion and Analysis" set out on pages 5 to 10 of this annual report. This discussion forms part of this Directors' report.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 July 2023 and the Group's financial position as at that date are set out in the consolidated financial statements on pages 57 to 59 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 July 2023.

SUMMARY FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 126 of this annual report. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 July 2023 are set out in Note 28 to the consolidated financial statements.

A capital reorganisation on the basis that every twenty-five (25) issued and unissued existing shares be consolidated into one (1) consolidated share was approved by the shareholders at the extraordinary general meeting on 6 September 2023 and became effective from 8 September 2023, and the Company's issued number of shares are 72,000,000 of HK\$0.05 each. Please refer to the circular of the Company dated 16 August 2023 for details.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders unless otherwise required by the Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 July 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 July 2023 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire shares in, or debentures of, the Company or any other body corporate.

PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Details of movements in the Group's property, plant and equipment and right-of-use assets during the year ended 31 July 2023 are set out in Notes 16 and 17 to the consolidated financial statements respectively.

BANK AND OTHER BORROWINGS

As at 31 July 2023, the Group's bank and other borrowings comprised of factoring loans and working capital loans as set out in Note 26 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 60.

DISTRIBUTABLE RESERVES

The Company did not have reserves available for distribution as at 31 July 2023 and 2022.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH LAWS AND REGULATIONS

Detailed discussion of the Group's environmental policies and performance are in the Environmental, Social and Governance Report as set out on pages 25 to 43 of this annual report. As far as the Directors are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During the year ended 31 July 2023, there were no material and significant disputes between the Group and its employees, customers and suppliers.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 July 2023, sales to the Group's five largest customers accounted for 65.0% of the total sales and sales to the largest customer included therein amounted to 17.0% of the total sales. Due to the nature of the business, the Group has no major suppliers as 99.9% of the direct costs were mainly comprised of labour and related costs.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers during the year ended 31 July 2023.

REPORT OF THE DIRECTORS

EVENT AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 8 August 2023, 16 August 2023, 1 September 2023 and 6 September 2023 (the “Announcements”) and the circular of the Company dated 16 August 2023 (the “Circular”). Unless otherwise defined herein, capitalized terms used in this section shall have the same meanings as those defined in the Announcements and the Circular.

On 6 September 2023, an ordinary resolution was passed by the Shareholders at the extraordinary general meeting of the Company to approve the share consolidation (the “Share Consolidation”) on the basis of every twenty-five (25) issued and unissued existing ordinary shares of par value of HK\$0.002 each in the share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$0.05 each (the “Consolidated Share”). Immediately after the Share Consolidation becoming effective on 8 September 2023, 72,000,000 Consolidated Shares would be in issue which are fully paid or credited as fully paid. The authorised share capital of the Company would remain at HK\$50,000,000 but would be divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.05 each. Please refer to the circular of the Company dated 16 August 2023 for details.

Save as disclosed above, there was no significant event after the year ended 31 July 2023 and up to the date of this report.

DIRECTORS

The Directors who held office during the year ended 31 July 2023 and up to this report were:

Executive Directors:

Mr. Lam Chun Yip (Appointed on 10 October 2022)
 Mr. Sim Hak Chor (Resigned on 28 December 2022)
 Ms. Serene Tan (Resigned on 18 January 2023)
 Mr. Tang Ho Lun Ronald (Resigned on 16 March 2023)
 Mr. Xie Feng (Appointed on 1 August 2023)

Independent non-executive Directors:

Mr. Jong Voon Hoo
 Mr. Chai Ming Hui (Appointed on 2 December 2022)
 Mr. Lin Jian Feng (Appointed on 1 March 2023)
 Mr. Lim Cheng Hock, Lawrence (Retired on 2 December 2022)
 Mr. Lim Wee Pin (Retired on 2 December 2022)

One-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and re-election at an annual general meeting of the Company in accordance with the Articles of Association, providing that every Director shall be retired at least once every three years.

Mr. Xie Feng, Mr. Jong Voon Hoo, Mr. Chai Ming Hui and Mr. Lin Jian Feng are subject to re-election at the forthcoming annual general meeting of the Company. Mr. Jong Voon Hoo will not offer himself for re-election at the AGM while all other retiring Directors, being eligible, have offered themselves for re-election.

The Company has received annual confirmations of independence from Mr. Jong Voon Hoo, Mr. Chai Ming Hui and Mr. Lin Jian Feng, and as at the date of this report still considers them to be independent.

REPORT OF THE DIRECTORS

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 11 to 12 of this annual report.

DIRECTORS' SERVICE CONTRACTS

All executive Directors currently in office have entered into service contracts with the Company for an initial term of two or three years commencing from the appointment date and shall continue unless terminated in accordance with the terms of the service contracts.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of two years commencing from the date of appointment, which may be terminated by either party giving no less than three month's written notice served by either party on the other.

The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles of Association and the GEM Listing Rules.

In compliance with Code Provision B.2.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the Articles of Association, at each general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Saved as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other remunerations are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration of the Directors and five highest paid individuals are set out in Note 11 (for the Directors) and Note 12 (for the five highest paid individuals) to the consolidated financial statements.

EMOLUMENT POLICY

The Remuneration Committee has set up for reviewing the Group's remuneration policy and structure for all remuneration of the Directors and senior management of the Group. The remuneration policy of the Group is based on qualifications and contributions to the Group, having regard to the Group's operating results, economic situation, market condition and comparable market practices.

REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and/or administration of the whole or any substantial part of the Group's business were entered into or existed during the year ended 31 July 2023.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling Shareholders of the Company or 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 2023.

PERMITTED INDEMNITY PROVISION

The Articles provides that the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty by any of the Directors.

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No 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 year ended 31 July 2023.

As at 31 July 2023, no contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholder of the Company (as defined in the GEM Listing Rules) or any of its subsidiaries.

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 2023, none of the Directors and the Chief Executives had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of 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 required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 July 2023, 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 held, capacity and nature of interest			Approximate percentage of the issued share capital
	Directly beneficially owned	Through controlled corporation	Total	
Irregular Consulting Limited	228,665,000 (Note)	–	228,665,000	12.70%
Wee Yu-Chih	–	228,665,000 (Note)	228,665,000	12.70%

Note: Irregular Consulting Limited is beneficially wholly-owned by Wee Yu-Chih. Under the SFO, Wee Yu-Chih is deemed to be interested in all the shares of the Company held by Irregular Consulting Limited.

Save as disclosed above, as at 31 July 2023, the Directors were 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.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 13 to 24 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the best knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.



REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) at its extraordinary general meeting on 14 June 2018. Under the Share Option Scheme, the Directors may grant options to any eligible employee, executive or officer including Directors of the Company and its subsidiaries, to subscribe for shares in the Company. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (if any) shall not in aggregate exceed 10% of the total number of shares of the Company in issue as at 14 June 2018, the date of approval of the adoption of the Share Option Scheme. Unless approved by the shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of shares of the Company in issue. Options granted must be taken up within 21 days of the date of offer, upon payment of HK\$1 as consideration per grant. The Board may at its absolute discretion impose any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved by the eligible participant before the option can be exercised. The period during which an option may be exercised will be determined by the Directors at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. The exercise price is determined by the Board, and shall be at least the highest of (a) the closing price of the shares on the Stock Exchange’s daily quotation sheets on the date an offer is made; (b) the average of the closing prices of the shares on the Stock Exchange for the five business days immediately preceding the date an offer is made; and (c) the nominal value of a share. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme and there was no outstanding share option as at the date of this report.

CONNECTED TRANSACTIONS

Saved as disclosed in Note 30 to the consolidated financial statements, no other connected transactions were entered by the Group under the GEM Listing Rules. None of these transactions constitute a discloseable connected transaction or continuing connected transaction as defined under Chapter 20 of the GEM Listing Rules.

AUDITOR

With effect from 19 September 2023, HLB Hodgson Impey Cheng Limited (“HLB”) resigned as the auditor of the Company, and McMillan Woods (Hong Kong) CPA Limited (“McMillan Woods”) was appointed as the auditor of the Company with immediate effect from 19 September 2023 to fill the casual vacancy occasioned by the resignation of HLB. Saved as aforesaid, there has been no change in auditors of the Company in the three years preceding the date of this annual report. The consolidated financial statements of the Group for the year ended 31 July 2023 were audited by McMillan Woods, who will retire at the forthcoming annual general meeting and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of McMillan Woods as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Xie Feng
Executive Director

Hong Kong
27 October 2023

INDEPENDENT AUDITOR'S REPORT



To the shareholders of SingAsia Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of SingAsia Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 57 to 125, which comprise the consolidated statement of financial position as at 31 July 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 July 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

Key audit matter

How our audit addressed the key audit matter

Assessment of expected credit losses for trade receivables

Refer to Notes 5(a), 20 and 33(a) to the consolidated financial statements and the accounting policies in Note 4 to the consolidated financial statements.

As at 31 July 2023, trade receivables of the Group amounted to S\$2,020,205 after allowance for expected credit losses of trade receivables of S\$54,156. The Group's trade receivable balance was significant as it represented 27% of the total assets of the Group.

The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. Management applied judgement in assessing the expected credit losses. Trade receivables relating to customers that are individually significant are assessed individually for provision for impairment allowance based on the background and reputation of the customer, its historical settlement records and past experience. Expected credit losses are also estimated by grouping the remaining trade receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, considering the nature of the customers and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the trade receivables. The Group has performed historical analysis and identified key economic variables impacting credit risk and expected credit losses.

We focused on this area due to the magnitude of the trade receivables and the estimation and judgement involved in determining the expected credit losses allowance of the trade receivables.

Our procedures in relation to the management's impairment assessment of trade receivables included:

- Obtaining an understanding and evaluating the Group's credit policies and the internal control related to the assessment of expected credit losses for trade receivables;
- Checking, on a sample basis, the ageing profile of the trade receivables as at 31 July 2023 to the underlying financial records and post year-end settlements to bank receipts;
- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management and understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers;
- Assessing the appropriateness of the expected credit losses ("ECL") provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses;
- With the assistance of auditor's expert, assessing the reasonableness of the Group's ECL models by examining the model input used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward looking information including the economic variables and assumptions used in each of the economic scenarios and their probability weightings and assessing whether there was an indication of management bias when recognising loss allowances; and
- Assessing the appropriateness and adequacy of the disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

How our audit addressed the key audit matter

Recoverability of the carrying amount of the investment in an associate

Refer to Notes 4.5, 5(d) and 19 to the consolidated financial statements

As at 31 July 2023, the Group had an investment in an associate with a carrying amount of approximately S\$2,002,176. Management performed an assessment at the end of reporting period whether there were any indications of impairment for the investment in the associate. Should any indications of impairment exist, an impairment assessment will be conducted accordingly.

The recoverable amount of the investment in an associate is determined by a valuation performed by an independent professional valuer engaged by the Company, using the value-in-use method under income approach. Management has concluded that there was no impairment loss concerning the investment in the associate at 31 July 2023.

This area is significant to our audit because of its significance to the consolidated statement of financial position and the assessment over the impairment of an associate is a judgemental process which requires significant management judgement and significant assumptions in determining the recoverable amount. The selection of the valuation model, adoption of key assumption and data input which involves estimation uncertainties and may impact the results of the impairment assessments.

We obtained an understanding of the Group's policies and procedures to identify impairment indicators of investment in an associate, and performed the following procedures in relation to management's impairment assessments:

- Evaluated the internal and external sources of information to identify impairment indications, if any;
- Obtained an understanding of the management's internal control and assessment process for impairment of investment in an associate and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud;
- Engaged an auditor's expert to assist us in evaluating the assumptions and methodologies used by the Group, specially regarding the discount rate and the growth rate beyond a forecast period adopted in value-in-use calculation. We assess the forecast of both future revenue and operating results by comparing them with the historical performance and the business development plan of the associate; and
- Evaluated the disclosures regarding the impairment on investment in an associate in the consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 July 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 25 October 2022.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

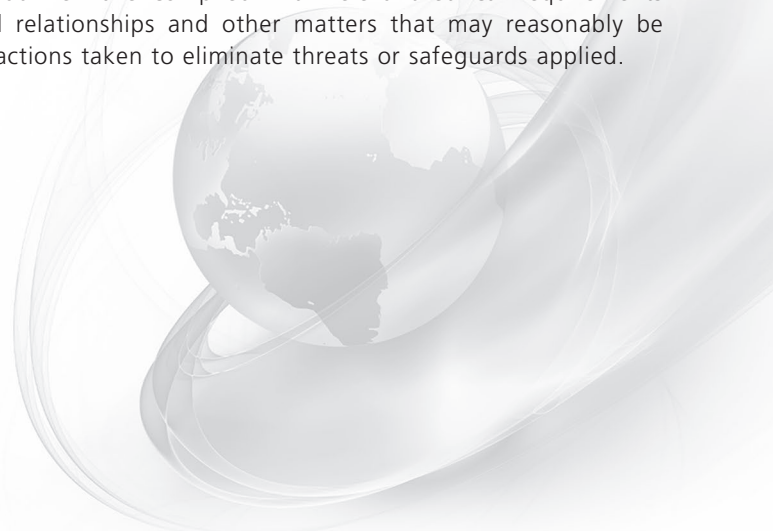
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Lo Ka Ki

Audit Engagement Director

Practising Certificate Number: P06633

24/F, Siu On Centre
188 Lockhart Road
Wanchai, Hong Kong

Hong Kong, 27 October 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 July 2023

	Notes	2023 S\$	2022 S\$
REVENUE	7	18,523,764	9,786,667
Cost of services rendered		(14,229,543)	(7,614,989)
Gross profit		4,294,221	2,171,678
Other income and other gains	8	1,009,539	374,984
Allowance for expected credit losses in respect of trade receivables, contract assets, deposits and other receivables, net	33(a)	(13,432)	(48,572)
Administrative expenses		(4,414,038)	(3,917,460)
Other operating expenses		(114,132)	(242,128)
Profit/(loss) from operations		762,158	(1,661,498)
Finance costs	9	(100,027)	(73,992)
Share of profits of an associate	19	4,153	1,209
PROFIT/(LOSS) BEFORE TAX	10	666,284	(1,734,281)
Income tax (expense)/credit	13	(101,256)	16,789
PROFIT/(LOSS) FOR THE YEAR		565,028	(1,717,492)
OTHER COMPREHENSIVE INCOME:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(44,033)	(21,379)
Release of exchange reserve from disposal of subsidiaries		(11,598)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		509,397	(1,738,871)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		565,028	(1,716,447)
Non-controlling interests		–	(1,045)
		565,028	(1,717,492)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		509,397	(1,737,826)
Non-controlling interests		–	(1,045)
		509,397	(1,738,871)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			(Restated)
Basic and diluted (<i>Singapore cents</i>)	15	0.78	(2.81)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2023

	<i>Notes</i>	2023 <i>S\$</i>	2022 <i>S\$</i>
NON-CURRENT ASSETS			
Property, plant and equipment	16	69,510	84,892
Right-of-use assets	17	252,058	647,128
Investment in an associate	19	2,002,176	2,056,057
Deferred tax assets	27	443,406	443,406
		2,767,150	3,231,483
CURRENT ASSETS			
Trade receivables	20	2,020,205	2,339,922
Contract assets	21	720,941	482,482
Prepayments, deposits and other receivables	22	406,219	272,565
Tax recoverable		–	16,512
Cash and cash equivalents	23	1,559,209	271,146
		4,706,574	3,382,627
CURRENT LIABILITIES			
Other payables and accruals	24	2,179,480	1,693,836
Contract liabilities	21	–	10,536
Lease liabilities	25	242,524	393,160
Bank and other borrowings	26	1,144,869	978,324
Tax payable		101,256	–
		3,668,129	3,075,856
NET CURRENT ASSETS		1,038,445	306,771
TOTAL ASSETS LESS CURRENT LIABILITIES		3,805,595	3,538,254

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2023

	<i>Notes</i>	2023 S\$	2022 S\$
NON-CURRENT LIABILITY			
Lease liabilities	25	22,789	265,043
NET ASSETS		3,782,806	3,273,211
CAPITAL AND RESERVES			
Share capital	28	626,240	626,240
Reserves	29	3,156,566	2,647,169
Equity attributable to owners of the Company		3,782,806	3,273,409
Non-controlling interests		–	(198)
TOTAL EQUITY		3,782,806	3,273,211

The consolidated financial statements were approved and authorised for issued by the Board of Directors on 27 October 2023 and signed on its behalf by:

Lam Chun Yip
Executive Director

Xie Feng
Executive Director



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 July 2023

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Exchange reserve	Accumulated losses		
	S\$ (Notes 28)	S\$ (Note 29)	S\$ (Note 29)	S\$ (Note 29)	S\$		
At 31 July 2021 and 1 August 2021	519,800	14,228,837	(2,379,552)	47	(9,374,303)	–	2,994,829
Loss for the year	–	–	–	–	(1,716,447)	(1,045)	(1,717,492)
Other comprehensive income for the year:							
Exchange differences arising on translation of foreign operations	–	–	–	(21,379)	–	–	(21,379)
Total comprehensive income for the year	–	–	–	(21,379)	(1,716,447)	(1,045)	(1,738,871)
Non-controlling interests arising from acquisition of subsidiaries (Note 35)	–	–	–	–	–	847	847
Issue of new shares upon acquisition of an associate (Note 28)	106,440	1,969,140	–	–	–	–	2,075,580
Transaction costs attributable to issue of new shares upon acquisition of an associate	–	(59,174)	–	–	–	–	(59,174)
	106,440	1,909,966	–	–	–	847	2,017,253
At 31 July 2022 and 1 August 2022	626,240	16,138,803	(2,379,552)	(21,332)	(11,090,750)	(198)	3,273,211
Profit for the year	–	–	–	–	565,028	–	565,028
Other comprehensive income for the year:							
Exchange differences arising on translation of foreign operations	–	–	–	(44,033)	–	–	(44,033)
Exchange difference arising on disposal of subsidiaries (Note 36(a))	–	–	–	(11,598)	–	–	(11,598)
Total comprehensive income for the year	–	–	–	(55,631)	565,028	–	509,397
Disposal of subsidiaries (Note 36(a))	–	–	–	–	–	198	198
At 31 July 2023	626,240	16,138,803	(2,379,552)	(76,963)	(10,525,722)	–	3,782,806

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 July 2023

<i>Notes</i>	2023 <i>S\$</i>	2022 <i>S\$</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	666,284	(1,734,281)
Adjustments for:		
Depreciation of property, plant and equipment	48,075	177,730
Depreciation of right-of-use assets	395,070	490,409
Finance costs	100,027	73,992
Written off of property, plant and equipment	–	7,093
Allowance for expected credit losses in respect of trade receivables, contract assets, deposit and other receivables, net	13,432	48,572
Gain on disposal of subsidiaries	(213,433)	–
Share of profits of an associate	(4,153)	(1,209)
Operating profit/(loss) before working capital changes	1,005,302	(937,694)
Decrease/(increase) in trade receivables	309,290	(1,605,601)
Decrease in prepayments, deposits and other receivables	29,113	93,609
Increase in contract assets	(241,464)	(378,768)
Increase in other payables and accruals	530,846	351,684
Decrease in contract liabilities	(10,536)	(9,000)
Cash generated from/(used in) operations	1,622,551	(2,485,770)
Income tax refunded	16,512	9,985
Net cash from/(used in) operating activities	1,639,063	(2,475,785)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(32,693)	(36,549)
Cash outflows from disposal of subsidiaries	(9,076)	–
Net cash used in investing activities	(41,769)	(36,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	718,906	2,017,521
Repayments of bank and other borrowings	(552,361)	(2,041,319)
Repayments of lease liabilities	(414,152)	(529,938)
Interest paid	(75,625)	(54,436)
Net cash used in financing activities	(323,232)	(608,172)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,274,062	(3,120,506)
Cash and cash equivalents at beginning of year	271,146	3,392,299
Effect of foreign exchange rate changes	14,001	(647)
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,559,209	271,146

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

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 (the "Stock Exchange") 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 "Hong Kong Companies Ordinance") on 22 December 2015. The principal place of business registered in Hong Kong is Unit 1307A, 13/F, Two Harbourfront, 22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong. The head office address and principal place of business of the Group in Singapore is 60 Paya Lebar Road, #12-29 Paya Lebar Square, Singapore 409051.

The Company is an investment holding company and the principal activities of its subsidiaries and an associate are detailed in Notes 18 and 19 respectively to the consolidated financial statements.

The consolidated financial statements are presented in Singapore dollar ("S\$"), which is the functional currency of the Company, unless otherwise stated. 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.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB"). IFRS comprise International Financial Reporting Standard ("IFRS"), International Accounting Standards ("IASs") and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange ("GEM Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Application of new and revised IFRSs

The Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 August 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements Project	Annual Improvements to IFRSs 2018-2020

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised IFRSs in issue 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:

- | | |
|---|--|
| • IFRS 17 | Insurance Contracts and the related Amendments ¹ |
| • Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies ¹ |
| • Amendments to IAS 8 | Definition of Accounting Estimates ¹ |
| • Amendments to IAS 12 | Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction ¹ |
| • Amendments to IAS 12 | International Tax Reform – Pillar Two Model Rules ² |
| • Amendments to IAS 1 | Non-current Liabilities with Covenants ³ |
| • Amendments to IAS 1 | Classification of Liabilities as Current or Non-current ³ |
| • Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements ² |
| • Amendments to IFRS 16 | Lease Liability in a Sale and Leaseback ³ |
| • Amendments to IAS 21 | Lack of Exchangeability ⁴ |
| • Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵ |

¹ Effective for annual periods beginning on or after 1 January 2023

² 1 January 2023 (except for IAS 12 Paragraphs 4A and 88A which are immediately effective upon issue of the amendments on 23 May 2023)

³ Effective for annual periods beginning on or after 1 January 2024

⁴ Effective for annual periods beginning on or after 1 January 2025

⁵ Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

4.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 July. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the noncontrolling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Basis of consolidation (Continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

4.2 Separate Financial Statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4.3 Business combination and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Business combination and goodwill (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *"Income Taxes"* and IAS 19 *"Employee Benefits"* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *"Share-based Payment"* at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

4.5 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Associates (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

4.6 Property, plant and equipment

Property, plant and equipment that are held for use in production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost of items of property, plant and equipment, using the straight-line method, over its estimated useful life. The principal annual rates are as follows:

Furniture and fittings	20%
Computers and equipment	20% to 33%
Renovation	20% to 50%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by group entities, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Leases (Continued)

The Group as a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in IFRS 16. In such cases, the Group took advantage of the practical expedient set out in IFRS 16 and recognised the change in consideration as if it were not a lease modification, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets with finite useful lives. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any) recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are not derived from the Group's ordinary course of business are presented as "other income".

Financial assets

(i) Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (Continued)

Financial assets (Continued)

(i) Classification and subsequent measurement of financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Impairment of financial assets and contract assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, deposits and contract assets) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

(a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

(a) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(b) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 365 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(e) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

(e) Measurement and recognition of ECL (Continued)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets, other receivables and deposits where the corresponding adjustment is recognised through a loss allowance account.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including other payables and accruals, lease liabilities and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

4.11 Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 Revenue from contracts with customers (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The Group recognises revenue from the following major source which was recognised over the terms of the services contracts as the work is performed:

(a) Provision of manpower outsourcing services

The service is attributable mainly to Singapore hotel and resort, food and beverage and retail sector in sourcing and employing suitable candidates that match the Company's client job requirement to perform duties under the customers' direct instructions. The customers are usually billed on monthly basis for the service fee calculated based on pre-agreed unit rate per employee. The revenue is recognised on gross basis over time as the customers simultaneously receive and consume the benefits provided by the Group's performance.

(b) Provision of manpower recruitment services

The service is attributable to the Singapore hotel and resort, food and beverage and retail sector involving the assessment and procurement of qualified candidates to meet the business need of the Company's client. The revenue is recognised at point in time when services are rendered.

(c) Sale of merchandise

Revenue from sales of merchandise are recognised when control of the products has transferred, being when the products are delivered and the customers have inspected and accepted the products.

4.12 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the currency of Singapore dollars ("S\$"), which is the Company's functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Foreign currency translation (Continued)

(b) Transaction and balances in each entity's financial statements

Foreign currency transactions are translated into the functional currency of each of the Group's entities using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of reporting period;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average rates;
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;
- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;
- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss;
- On all other partial disposals, which includes partial disposal of associates that do not result in the Group losing significant influence, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss; and
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.13 Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

4.14 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

4.15 Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When shares options are exercised, the amount previously recognised in share option reserve will be transferred to share premium.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

4.16 Share capital

Ordinary shares are classified as equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Employee benefits

(a) *Short-term employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement scheme and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

(b) *Retirement benefit costs*

The obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

(i) *Central Provident Fund*

The Group participates in the Central Provident Fund Scheme ("CPF Scheme"), which is a state-managed retirement benefit scheme operated by Singapore Government. The Group is required to make monthly contributions to CPF in respect of each employee, who is either a citizen or permanent resident of Singapore.

CPF contributions are required for both ordinary wages and additional wages (subject to any ordinary wages ceiling) of employees at the contribution rates prescribed under the Central Provident Fund Act (Cap 36) of Singapore ("CPFA"). Employer must make payment for both employer's and employee's share of the monthly contribution. Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee. The only obligation of the Group with respect to the CPF Scheme is to make the specified contributions. The Group has no further payment obligations once the contributions have been paid.

(ii) *Mandatory Provident Fund*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(c) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.18 Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

4.19 Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the consolidated statement of financial position.

4.20 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

4.21 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.22 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- (a) A person or a close member of that person's family is related to the reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the Group or of the parent of the Group.
- (b) An entity is related to the reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in Note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of the Company have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below)

Significant increase in credit risk

Significant increase in credit risk as explained in Note 4, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An assets move to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowance for ECL on trade receivables, contract asset and other financial assets

Trade receivables, contract assets and other financial assets with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses simplified approach to calculate ECL for the trade receivables and contract assets which are individually insignificant. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The simplify approach is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables, contract assets and other financial assets are disclosed in Note 33(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(b) Useful lives, residual values and depreciation of property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation charge where useful lives or residual values are materially different from those previously estimated. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expenses in the future periods.

As at 31 July 2023, the carrying amount of property, plant and equipment was S\$69,510 (2022: S\$84,892).

(c) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties due to uncertainty on how the Covid-19 pandemic may progress and evolve.

As at 31 July 2023, the carrying amounts of right-of-use assets and property, plant and equipment after to impairment assessment were S\$252,058 (2022: S\$647,128) and S\$69,510 (2022: S\$84,892) respectively.

(d) Impairment assessment of investment in an associate

Investment in an associate is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment in associate exceeds their recoverable amount. The recoverable amount is determined with reference to the value-in-use. The value-in-use calculation requires the management of the associate to estimate the future cash flows expected to arise from the associate and a suitable growth rate and discount rate in order to calculate the present value. Where the actual future cash flows are less than the expected or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 July 2023, the carrying amount of investment in an associate was S\$2,002,176 (2022: S\$2,056,057).

No impairment loss on investment in an associate was considered to be necessary by management of the Group at 31 July 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

6. SEGMENT INFORMATION

Information reported internally to the Group's management 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 and recruitment services in Singapore, a single segment being regarded by the management, the chief operating decision makers of the Group.

Accordingly, the Group does not present separate segment information. No analysis of the Group's results by type of works nor assets and liabilities is regularly provided to the Group's management 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 operating 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 non-current assets are all located in Singapore.

Information about major customers

For the year ended 31 July 2023, revenue of S\$8,797,342 (2022: S\$4,714,755) was derived from the provision of manpower outsourcing services to four (2022: three) major customers who individually contributed over 10% to the Group's total revenue.

Revenue from customers of the corresponding years ended contributing over 10% of the total sales of the Group are as follows:

	2023 S\$	2022 S\$
Revenue contributed from manpower outsourcing services		
Customer A	3,148,509	1,861,155
Customer B	1,898,071	1,812,476
Customer C*	–	1,041,124
Customer D**	1,890,617	–
Customer E**	1,860,145	–

* The revenue contributed by customer C was less than 10% of the total revenue of the Group for the year ended 31 July 2023.

** The revenue individually contributed by customers D and E was less than 10% of the total revenue of the Group for the year ended 31 July 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

7. REVENUE

	2023 S\$	2022 S\$
Revenue from contract with customers within the scope of IFRS 15		
Manpower outsourcing	18,418,587	9,670,237
Manpower recruitment	105,177	116,430
	18,523,764	9,786,667

The Group derives revenue from the transfer of services over time and at a point in time in the following service lines in Singapore:

	2023 S\$	2022 S\$
Timing of revenue recognition		
Manpower outsourcing – over time	18,418,587	9,670,237
Manpower recruitment – at a point in time	105,177	116,430
	18,523,764	9,786,667

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.

Accounting policies for revenue recognition are disclosed in Note 4 to the consolidated financial statements.

8. OTHER INCOME AND OTHER GAINS

	2023 S\$	2022 S\$
(a) Other income		
Government grants (Note (i))	630,129	252,426
Forfeiture income (Note (ii))	31,250	13,375
Sale of merchandise (Note (iii))	4,764	4,149
Sundry income	129,963	105,034
	796,106	374,984
(b) Other gains		
Gain on disposal of subsidiaries	213,433	–
Total other income and other gains	1,009,539	374,984

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

8. OTHER INCOME AND OTHER GAINS (CONTINUED)

Notes:

- (i) The government grants recognised during the year mainly represent Jobs Growth Incentive and other wage support programs from the Singapore government. The Group complied with all attached conditions and therefore such grants were recognised as other income during the year.
- (ii) Forfeiture income represents the waiver of the non-refundable deposits received from contract customers who cancelled their services orders.
- (iii) Sale of merchandise represents revenue from contracts with customers within the scope of IFRS 15. The revenue was derived in Singapore at a point in time.

9. FINANCE COSTS

	2023 S\$	2022 S\$
Interest expense on bank and other borrowings	78,765	54,436
Interest expense on lease liabilities	21,262	19,556
	100,027	73,992

10. PROFIT/(LOSS) BEFORE TAX

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

	2023 S\$	2022 S\$
Staff costs		
(a) Directors' remuneration (<i>Note 11</i>)	457,731	728,676
(b) Employee benefits expenses (excluding directors' remuneration):		
– Salaries and bonuses	15,832,014	8,269,204
– Contributions to defined contribution plans	751,029	809,804
– Foreign worker levy	476,074	248,968
– Other short-term benefits	74,543	28,403
	17,133,660	9,356,379
Total staff costs	17,591,391	10,085,055
Depreciation of property, plant and equipment	48,075	177,730
Depreciation of right-of-use assets	395,070	490,409
Gain on disposal of subsidiaries	(213,433)	–
Expenses relating to short-term lease	50,700	35,154
Auditor's remuneration	93,619	114,140
Write-off of property, plant and equipment	–	7,093

For the year ended 31 July 2023, cost of services includes S\$13,274,183 (2022: S\$6,751,170) related to salaries and bonuses, S\$533,323 (2022: S\$638,420) related to contributions to defined contribution plans and S\$419,747 (2022: S\$219,342) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

11. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

Year ended 31 July 2023

	Fee S\$	Salaries allowance and benefits in kind S\$	Bonus S\$	Contributions to defined contribution plans S\$	Total S\$
Executive directors					
Mr. Sim Hak Chor (Resigned on 28 December 2022)	-	175,000	-	5,100	180,100
Ms. Serene Tan (Resigned on 18 January 2023)	-	150,000	-	6,120	156,120
Mr. Tang Ho Lun Ronald (Resigned on 16 March 2023)	-	31,854	-	1,587	33,441
Mr. Lam Chun Yip (Chairman and Chief executive officer) (Appointed on 10 October 2022)	-	31,826	-	790	32,616
Independent non-executive directors					
Mr. Lim Cheng Hock, Lawrence (Retired on 2 December 2022)	5,227	-	-	-	5,227
Mr. Jong Voon Hoo	25,000	-	-	-	25,000
Mr. Lim Wee Pin (Retired on 2 December 2022)	5,227	-	-	-	5,227
Mr. Chai Ming Hui (Appointed on 2 December 2022)	20,000	-	-	-	20,000
Mr. Lin Jian Feng (Appointed on 1 March 2023)	-	-	-	-	-
	55,454	388,680	-	13,597	457,731

Year ended 31 July 2022

	Fee S\$	Salaries allowance and benefits in kind S\$	Bonus S\$	Contributions to defined contribution plans S\$	Total S\$
Executive directors					
Mr. Sim Hak Chor	-	336,557	8,750	13,728	359,035
Ms. Serene Tan	-	240,398	6,250	13,303	259,951
Mr. Tang Ho Lun Ronald (appointed on 12 August 2021)	-	61,633	-	3,057	64,690
Independent non-executive directors					
Mr. Lim Cheng Hock, Lawrence	15,000	-	-	-	15,000
Mr. Jong Voon Hoo	15,000	-	-	-	15,000
Mr. Lim Wee Pin	15,000	-	-	-	15,000
	45,000	638,588	15,000	30,088	728,676

For the years ended 31 July 2023 and 2022, no emoluments were paid by the Group to any of the directors as an inducement to join the Group or upon joining the Group or as compensation for loss of office. No directors waived any emolument during the year ended 31 July 2023 (2022: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two former directors (2022: two directors), details of whose remuneration are set out in Note 11 to the consolidated financial statements. Details of the remuneration for the year of the remaining three (2022: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2023 S\$	2022 S\$
Salaries	409,630	411,883
Bonuses	22,000	13,943
Contributions to defined contribution plans	37,593	39,092
	469,223	464,918

The emoluments of the above three (2022: three) individuals for the year were within the following bands:

	Number of employees	
	2023	2022
Nil to HK\$1,000,000	3	3

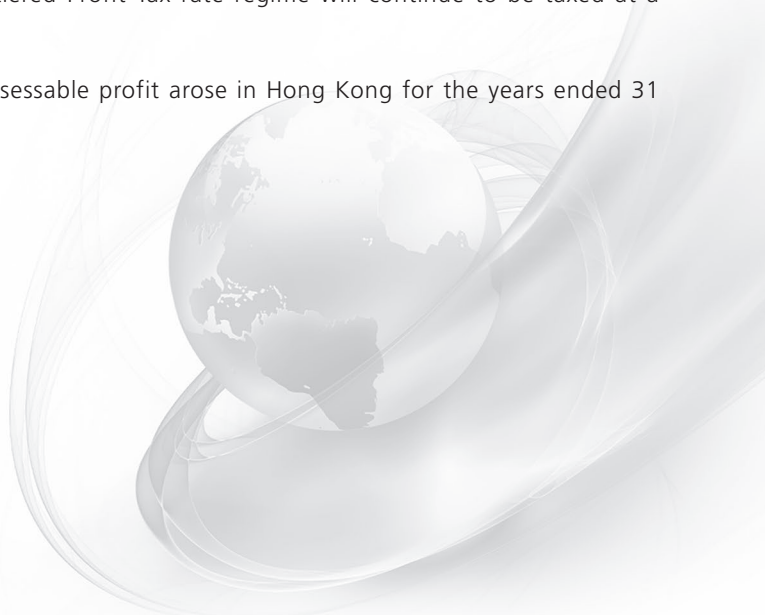
During the years ended 31 July 2023 and 2022, no emoluments were paid by the Group to the above three (2022: three) non-director and non-chief executive highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. INCOME TAX EXPENSE/(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 established in Hong Kong will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%.

No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong for the years ended 31 July 2023 and 2022.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

13. INCOME TAX EXPENSES/(CREDIT) (CONTINUED)

Singapore Corporate Income Tax has been provided at the rate of 17% (2022: 17%) on the chargeable income arising in Singapore during the year after offsetting any tax losses brought forward.

	2023 S\$	2022 S\$
Current tax – Singapore Corporate Income Tax		
Charge for the year	101,256	–
Over-provision in prior years	–	(16,789)
Income tax expense/(credit)	101,256	(16,789)

Reconciliation of tax expense/(credit)

The Group's profit/(loss) before tax is reconciled to the tax expense/(credit) for the year as follows:

	2023 S\$	2022 S\$
Profit/(loss) before tax	666,284	(1,734,281)
Tax calculated at the tax rate applicable to the relevant tax jurisdictions	113,267	(294,828)
Over-provision in prior years	–	(16,789)
Expenses not deductible for tax purposes	37,123	129,060
Income not subject to tax	(7,202)	(4,007)
Tax effect of deductible temporary difference not recognised	(15,459)	33,704
Tax effect of tax losses not recognised	25,346	136,071
Tax concession (<i>Note</i>)	(17,425)	–
Utilisation of tax losses not previously recognised	(34,394)	–
Tax expense/(credit) for the year	101,256	(16,789)

Note: In Singapore, the partial tax exemption scheme allows for (i) 75% tax exemption on the first S\$10,000 of normal chargeable income; and a further 50% tax exemption on the next S\$190,000 of normal chargeable income.

14. DIVIDENDS

No dividends have been declared or paid during the year ended 31 July 2023 (2022: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

15. EARNINGS/(LOSS) PER SHARE

(a) Basic

	2023 S\$	2022 S\$
Earnings/(loss) Earnings/(loss) for the purpose of calculating earnings/(loss) per share	565,028	(1,716,447)
Number of share Weighted average number of shares for the purpose of calculating basic earnings/(loss) per share	72,000,000	(Restated) 61,052,054
Basic earnings/(loss) per share (<i>Singapore cents</i>)	0.78	(Restated) (2.81)

The weighted average number of shares for the year ended 31 July 2023 has been adjusted after the share consolidation completed on 8 September 2023 was deemed to be effective throughout the year ended 31 July 2023. The weighted average number of shares for the year ended 31 July 2022 has been adjusted and restated accordingly to reflect the effect of the above share consolidation which was deemed to be effective throughout the year ended 31 July 2022.

(b) Diluted

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 July 2023 and 2022.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

16. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fitting S\$	Computers and equipment S\$	Renovation S\$	Total S\$
Cost				
At 1 August 2021	52,794	2,730,985	247,764	3,031,543
Additions	–	30,189	6,360	36,549
Written off	–	(102,000)	(127,679)	(229,679)
At 31 July 2022 and 1 August 2022	52,794	2,659,174	126,445	2,838,413
Additions	–	32,693	–	32,693
At 31 July 2023	52,794	2,691,867	126,445	2,871,106
Accumulated depreciation				
At 1 August 2021	36,688	2,545,844	215,845	2,798,377
Charge for the year	5,983	146,644	25,103	177,730
Written off	–	(102,000)	(120,586)	(222,586)
At 31 July 2022 and 1 August 2022	42,671	2,590,488	120,362	2,753,521
Charge for the year	5,420	40,536	2,119	48,075
At 31 July 2023	48,091	2,631,024	122,481	2,801,596
Net carrying amounts				
At 31 July 2023	4,703	60,843	3,964	69,510
At 31 July 2022	10,123	68,686	6,083	84,892

During the years ended 31 July 2023 and 31 July 2022, the management of the Company determines that there is no impairment on property, plant and equipment since the recoverable amount of CGU is greater than its carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

17. RIGHT-OF-USE ASSETS

	Office equipment S\$	Leased property S\$	Total S\$
Cost			
At 1 August 2021	25,940	1,021,878	1,047,818
Additions	33,350	726,973	760,323
Disposal upon termination of lease	–	(853,921)	(853,921)
At 31 July 2022, 1 August 2022 and at 31 July 2023	59,290	894,930	954,220
Accumulated depreciation			
At 1 August 2021	10,376	660,228	670,604
Charge for the year	10,190	480,219	490,409
Disposal upon termination of lease	–	(853,921)	(853,921)
At 31 July 2022 and 1 August 2022	20,566	286,526	307,092
Charge for the year	11,858	383,212	395,070
At 31 July 2023	32,424	669,738	702,162
Net carrying amounts			
At 31 July 2023	26,866	225,192	252,058
At 31 July 2022	38,724	608,404	647,128

Lease liabilities of S\$265,313 (2022: S\$658,203) are recognised with related right-of-use assets of S\$252,058 (2022: S\$647,128) as at 31 July 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2023 S\$	2022 S\$
Depreciation expenses on right-of-use assets	395,070	490,409
Interest expense on lease liabilities (included in finance cost)	21,262	19,556
Expenses relating to short-term lease (included in other operating expenses)	50,700	35,154

Details of total cash outflow of leases for the year ended 31 July 2023 is set out in note 36(c).

During the current year, the Group leases properties and office equipment for its operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the years ended 31 July 2023 and 31 July 2022, the management of the Company determines that there is no impairment on the right-of-use assets since the recoverable amount of CGU is greater than its carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

18. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 July 2023 are as follows:

Name	Place of incorporation/ Principal place of business/ kind of legal entity	Issued share capital	Percentage of equity attributable to the Company		Principal activities
			2023 %	2022 %	
Directly held					
SingAsia Investments Limited	British Virgin Islands/ Limited liability company	Ordinary share of S\$5,083,292	100	100	Investment holding
Indirectly held					
TCC Hospitality Resources Pte. Ltd. ("TCCHR")	Singapore/ Limited liability company	Ordinary share of S\$500,000	100	100	Provision of manpower outsourcing services
TCC Manpower Pte. Ltd. ("TCCM")	Singapore/ Limited liability company	Ordinary share of S\$20,000	100	100	Provision of manpower outsourcing and recruitment services
TCC Cleaning & Hospitality Services Pte. Ltd. ("TCCCH") (formerly known as Aegis Cleaning & Maintenance Services Pte. Ltd.)	Singapore/ Limited liability company	Ordinary share of S\$100,000	100	100	Provision of manpower outsourcing and cleaning services
TCC Education and Consulting Services Pte. Ltd. ("TCCECS")	Singapore/ Limited liability company	Ordinary share of S\$1,000	100	100	Provision of manpower recruitment services
SAE Agency Pte. Ltd. ("SAE")	Singapore/ Limited liability company	Ordinary share of S\$100,000	100	100	Provision of manpower outsourcing and recruitment services
SingAsia Resources Pte. Ltd. ("SAR")	Singapore/ Limited liability company	Ordinary share of S\$200,000	100	100	Provision of manpower outsourcing and cleaning services
Aegis Resource Management Pte. Ltd. ("ARM")	Singapore/ Limited liability company	Ordinary share of S\$100,000	100	100	Provision of manpower outsourcing and cleaning services
SingAsia Cleaning Services Pte. Ltd. ("SAC")	Singapore/ Limited liability company	Ordinary share of S\$100,000	100	100	Provision of manpower outsourcing and cleaning services

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group, in the opinion of the directors that the particulars of the Company's principal subsidiaries have been disclosed as above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

19. INVESTMENT IN AN ASSOCIATE

	2023 S\$	2022 S\$
Cost of investment in an associate, unlisted	2,075,580	2,075,580
Share of post-acquisition profit	5,362	1,209
Exchange realignment	(78,766)	(20,732)
	2,002,176	2,056,057

Details of the Group's associate at the end of reporting period are as follows:

Name of entity	Place of incorporation/ principal place of operation	Proportion of ownership interest held by the Group		Principal activities
		2023	2022	
YESINSPACE Limited (the "YESINSPACE") ^{Note}	Hong Kong	49%	49%	Service apartment and hostel operation in Hong Kong

Details of net assets acquired and goodwill from acquisition of YESINSPACE were as follows:

	As at 30 June 2022 (date of acquisition) S\$
Purchase consideration:	
– Consideration ^{Note}	2,075,580
Less: share of fair value of net assets	(32,377)
Goodwill	2,043,203

Note:

SingAsia Holding Limited acquired and completed the acquisition of YESINSPACE on 30 June 2022 and was settled by the issue of 300,000,000 new shares of the Company under the General Mandate. The consideration cost was equivalent to HK\$11,700,000 at the closing price of HK\$0.039 per new share which was equivalently to approximately S\$2,075,580.

The goodwill is attributable to YESINSPACE's market position and profitability in the provision of service apartment and hostel operation services in Hong Kong, which cannot be separately recognised as an intangible asset.

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19. INVESTMENT IN AN ASSOCIATE (CONTINUED)

	As at 30 June 2022 (date of acquisition) S\$
Fair value of net assets acquired:	
Right-of-use assets	2,830,736
Property, plant and equipment	336,713
Trade and other receivables	772,539
Cash and cash equivalents	297,031
Bank borrowings	(1,160,737)
Lease liabilities	(2,783,618)
Other payables and accruals	(226,589)
Net assets acquired	66,075
Ownership interest acquired	49%
Share of fair value of net assets acquired	32,377

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Year ended 31 July 2023

19. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summarised financial information of an associate

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

YESINSPACE

	2023 S\$	2022 S\$
Current assets	768,890	992,451
Non-current assets	2,329,359	3,083,421
Current liabilities	256,619	155,911
Non-current liabilities	2,764,612	3,851,419
Net assets	77,018	68,542
	Period from 1 August 2022 to 31 July 2023 S\$	Period from 30 June 2022 to 31 July 2022 S\$
Revenue	2,033,154	105,696
Profit for the year/period	8,476	2,467
Total comprehensive income for the year/period	8,476	2,467
Dividends received from the associate during the year/period	–	–

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19. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summarised financial information of an associate (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2023 S\$	2022 S\$
Net assets of YESINSPACE	77,018	68,542
Less: non-controlling interest of YESINSPACE	(39,279)	(34,956)
	37,739	33,586
Proportion of the Group's ownership interest in YESINSPACE	49%	49%
The Group's share of net assets of YESINSPACE	37,739	33,586
Goodwill on acquisition	2,043,203	2,043,203
Exchange realignment	(78,766)	(20,732)
Carrying amount of the Group's interest in YESINSPACE	2,002,176	2,056,057

The management assesses whether there is any indication that the investment in an associate may be impaired at each reporting period. The recoverable amount of the investment in an associate is determined based on higher of value-in-use ("VIU") or fair value less cost of disposal. The Group engaged an independent valuer to determine the recoverable amounts of the investment in an associate at 31 July 2023.

As at 31 July 2023, the recoverable amount of the investment in an associate is determined basis on the VIU using discount cash flow method. The VIU calculation used cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rates of 2.5 % per annum and the pre-tax discount rate of 10.36%. The growth rate of 2.5% does not exceed the long-term average growth rate for the market. Other key assumptions for the VIU calculation were budgeted revenue and budgeted operating expenses during the five-year financial budget period, which were determined based on the past performance and management expectation for the service apartments and hostel operation in Hong Kong. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the above CGU vary significantly with its recoverable amount. Pursuant to the valuation report from the valuer, the recoverable amount of the associate at 31 July 2023 exceeded its carrying value and thus there was no impairment.

The associate had no contingent liabilities or capital commitments at 31 July 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

20. TRADE RECEIVABLES

	2023 S\$	2022 S\$
Trade receivables	2,074,361	2,383,651
Less: Allowance for expected credit losses	(54,156)	(43,729)
	2,020,205	2,339,922

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

Included in trade receivables are receivables from contract customers within the scope of IFRS 15.

As at 31 July 2023, the trade receivables of amount of S\$1,394,449 (2022: S\$1,448,064) are secured for the factoring loans of the Group (Note 26).

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:

	2023 S\$	2022 S\$
Less than 30 days	1,988,744	1,924,352
31 to 60 days	25,017	222,914
61 to 90 days	11,356	133,124
More than 90 days	49,244	103,261
	2,074,361	2,383,651

Details of expected credit loss assessment of trade receivables are set out in Note 33(a).



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Year ended 31 July 2023

21. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2023 S\$	2022 S\$
Contract assets:		
Manpower outsourcing services	729,493	488,029
Less: Allowance for expected credit losses	(8,552)	(5,547)
	720,941	482,482
Contract liabilities:		
Manpower training services	–	10,536

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

The Group receives certain portion of contract amounts when signing the contracts with customers on rendering manpower training service. The transaction price allocated to these sales is recognised as a contract liability at the time of initial sales transaction. No revenue was recognised that was included in the contract liabilities balance at the beginning of the year during the year ended 31 July 2022 as all training courses were suspended due to the Covid-19 pandemic. The Group considers the advance payments schemes does not contain significant financing component. The consideration amount is not adjusted for the time value of money effects taking into consideration that the payment terms were not primarily structured for the finance provision to the Group. The contract liabilities will be recognised as revenue when the Group provided manpower training services. The decrease in contract liabilities as at 31 July 2023 was mainly due to the Group suspended the manpower training services in prior year.

The balance of contract assets, contact liabilities are expected be recovered/settled within one year. Details of expected credit loss assessment of the contract assets are set out in Note 33(a).

The following tables shows how much of the revenue recognised related to carried-forward contract liabilities.

	S\$
As at 1 August 2021	19,536
Consideration refunded to customers	(9,000)
As at 31 July 2022 and 1 August 2022	10,536
Consideration recognised as other income	(10,536)
As at 31 July 2023	–

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22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 S\$	2022 S\$
Deposits	162,470	98,911
Other receivables (<i>Note</i>)	219,629	138,745
Prepayments	25,671	40,056
	407,770	277,712
Less: Allowance for expected credit losses	(1,551)	(5,147)
	406,219	272,565

The financial assets included in the net balances relate to receivables for which there was no recent history of default.

Note: As at 31 July 2022, included in other receivables was an amount due from a former executive director of S\$112,450 which was unsecured, interest-free and recoverable on demand.

Details of expected credit loss assessment of the deposits and other receivables are set out in Note 33(a).

23. CASH AND CASH EQUIVALENTS

	2023 S\$	2022 S\$
Cash at bank and on hand	1,559,209	271,146

Cash at banks earns interest at floating rates based on daily bank deposit rates.



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Year ended 31 July 2023

24. OTHER PAYABLES AND ACCRUALS

	2023 S\$	2022 S\$
GST payables	317,185	212,217
Accrued casual labour costs	627,709	529,931
Accrued general staff costs	210,410	229,737
Accrued administrative and other operating expenses	482,032	446,555
Other payables	542,144	275,396
	2,179,480	1,693,836

25. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Within one year	247,957	414,152	242,524	393,160
More than one year, but not exceeding two years	23,708	271,665	22,789	265,043
Less: Future finance charges	271,665 (6,352)	685,817 (27,614)	265,313 N/A	658,203 N/A
Present value of lease obligations	265,313	658,203	265,313	658,203
Less: Amount for settlement within 12 months (shown under current liabilities)			(242,524)	(393,160)
Amount due for settlement after 12 months (shown under non-current liabilities)			22,789	265,043

The weighted average incremental borrowing rate applied to lease liabilities is 4.6% (2022: 4.6%).

All lease payables are denominated in Singapore dollars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

26. BANK AND OTHER BORROWINGS

	2023 S\$	2022 S\$
Secured bank loans	425,962	648,613
Secured factoring loans	582,458	329,711
	1,008,420	978,324
Unsecured other borrowings	136,449	–
	1,144,869	978,324

The secured bank loans and secured factoring loans contain a repayment on demand clause. The analysis of secured and unsecured bank and other borrowings are as follow:–

	2023 S\$	2022 S\$
Within one year	956,440	552,362
Within a period of more than one year but not exceeding two years	188,429	237,533
Within a period of more than two years but not exceeding five years	–	188,429
	1,144,869	978,324
Less:		
Amounts due within one year shown under current liabilities with repayment on demand clause	(956,440)	(552,362)
Amounts due over one year shown under current liabilities with repayment on demand clause	(188,429)	(425,962)
Amounts shown under non-current liabilities	–	–

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 31 July 2023, the secured factoring loans of amount of S\$582,458 (2022: S\$329,711) are payable on demand and secured over certain trade receivables of the Group (Note 20) and corporate guarantee by the Company. The effective interest rate per annum of the factoring loans is 5% (2022: 5%) will be repayable after 90 days from date of invoice in accordance with the agreed repayment schedule.

As at 31 July 2023, the secured bank loans of amount S\$425,962 (2022: S\$648,613) are secured by corporate guarantee by the Company. The effective interest rate of the secured bank loans is 6.5% (2022: 6.5%) per annum with repayment in accordance with the agreed repayment schedule. The interest rate was fixed.

As at 31 July 2023, the unsecured other borrowings of amount S\$136,499 (2022: Nil) are payable within one year. The effective interest rate per annum of the other borrowings is 8% (2022: Nil).

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27. DEFERRED TAX ASSETS

The components of deferred tax assets and the movements during the year is as follows:

	Excess of tax values over net book values of property, plant and equipment S\$	Tax losses S\$	Accruals S\$	Total S\$
At 1 August 2021, 31 July 2022, 1 August 2022 and 31 July 2023	435,564	5,113	2,729	443,406

At the end of the reporting period, the Group has unused tax losses of S\$3,953,378 (2022: S\$4,006,599) available for offset against future profits. A deferred tax asset has been recognised in respect of S\$30,076 (2022: S\$30,076) of such losses. No deferred tax asset has been recognised in respect of the remaining S\$3,923,302 (2022: S\$3,976,523) due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary difference of S\$1,669,423 (2022: \$1,365,706). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

28. SHARE CAPITAL

	Number of shares	HK\$	Equivalent to S\$
Authorised ordinary shares of HK\$0.002 each:			
At 1 August 2021, 31 July 2022, 1 August 2022 and 31 July 2023	25,000,000,000	50,000,000	
Issued and fully paid:			
As at 1 August 2021	1,500,000,000	3,000,000	519,800
Issuance of ordinary shares upon acquisition of an associate (<i>Note a</i>)	300,000,000	600,000	106,440
As at 31 July 2022, 1 August 2022 and 31 July 2023	1,800,000,000	3,600,000	626,240

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28. SHARE CAPITAL (CONTINUED)

Note a: On 10 December 2021, the Company entered into a sale and purchase agreement with Mr. Cheung Chim Pan (the "Vendor"), being an independent third party to the Group. Pursuant to the agreement, the Company agreed to purchase 49% equity shareholding of YESINSPACE LIMITED, settled by issuance of 300,000,000 ordinary shares (the "Consideration Shares") under the General Mandate. The acquisition was completed on 30 June 2022 and share premium of S\$1,969,140 was recognised. On the same day, the Vendor made a written notice to the Company indicating the intent of transfer of the entire Consideration Shares to his nominee, Ms. Huang Weiyan.

As a result of the abovementioned acquisition, the total number of issued ordinary shares of the Company increased from 1,500,000,000 ordinary shares to 1,800,000,000 ordinary shares.

For further details, please refer to the Company's announcements dated 10 December 2021, 26 January 2022, 13 June 2022 and 30 June 2022.

29. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) *Share premium*

Share premium represents the excess of share issue over the par value.

(ii) *Merger reserve*

Merger reserve represents the difference between the underlying net assets of the subsidiaries which was acquired by the Group pursuant to the reorganisation for rationalising the corporate structure in preparation for the initial listing of the Company's shares on GEM of the Stock Exchange in 2016 (the "Reorganisation") and the total par value and share premium amount of the shares issued. Prior to the Reorganisation, merger reserve represented the aggregate issued paid-up capital of the subsidiaries now comprising the Group.

(iii) *Exchange reserve*

Exchange reserve has been set up and is dealt with the accounting policies adopted for foreign currency translation as set out in Note 3 to the consolidated financial statements.



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Year ended 31 July 2023

30. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in these consolidated financial statements, the following transactions between the Group and its related parties took place on terms agreed between the parties during the years ended 31 July 2023 and 2022:

(a) Transactions with related parties

	2023 S\$	2022 S\$
Manpower outsourcing services income from (<i>Note i</i>):		
– Dim Sum Place Pte Limited (“Dim Sum”)	23,740	–
– G7 Sin Ma Live Seafood Restaurant Pte. Ltd. (“G7”)	–	5,552
	23,740	5,552

Note i: The Group has ongoing manpower outsourcing service agreements with G7 and Dim Sum. Mr. Sim Hak Chor, an executive director and chairman of the Company who resigned on 28 December 2022, is interested in the aforesaid transactions to the extent that he became a director and ultimate shareholder of this company with effect from 31 December 2020.

(b) Compensation of key management personnel

	2023 S\$	2022 S\$
Salaries and bonuses	1,151,630	1,079,414
Contributions to defined contribution plans	62,073	69,180
	1,213,703	1,148,594

Further details of directors’ remuneration are included in Note 11 to the consolidated financial statements.

(c) Directors’ material interests in transactions, arrangements or contracts

Saved as disclosed in (a) and (b) above, no other significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company and the director’s connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2023 S\$	2022 S\$
Financial assets		
<i>Measured at amortised cost:</i>		
Trade receivables	2,020,205	2,339,922
Deposits and other receivables	380,548	232,509
Cash and cash equivalents	1,559,209	271,146
	3,959,962	2,843,577
Financial liabilities		
<i>Measured at amortised cost:</i>		
Other payables and accruals	1,862,295	1,481,619
Bank and other borrowings	1,144,869	978,324
	3,007,164	2,459,943

32. FAIR VALUE

Management has assessed that the fair value of trade receivables, deposits and other receivables, cash and cash equivalents, other payables and accruals and bank and other borrowings approximate to their carrying amounts.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and interest rate risk, liquidity risk and foreign currency risk.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

The credit risk of the Group mainly arises from bank balances, trade receivables, deposits and other receivables and contract assets. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 31 July 2023 and 2022.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

In respect of the deposits and other receivables, the credit quality has been assessed by general approach with reference to historical information about the counterparties default rate range from 0.28% to 3.41% (2022: 0.05% to 3.45%) and financial position of the counterparties. The Group recognised the allowance for expected credit losses by assessing the credit risk characteristics of other receivables and deposits, discount rate and the likelihood of recovery and considering the prevailing economic conditions.

In respect of the trade receivables and contract assets, the Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience. Majority of the Group's revenue is received from individual customers in relation to manpower outsourcing and recruitment services. The Group's trade receivables and contract assets arise from manpower outsourcing and recruitment services. As at 31 July 2023, the top three debtors accounted for approximately 48.6% (2022: 53.4%) of the Group's trade receivables balance. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these debtors saved for the debtor related to the impaired trade receivables disclosed in the below.

Provision matrix – debtors' ageing

As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment for its customers in relation to its manpower outsourcing and recruitment services because these customers consist of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at 31 July 2023 and 2022 within lifetime ECL. Set out below is the information about the credit risk exposure on the Group's (i) trade receivables and (ii) contract assets using a provision matrix:

As at 31 July 2023

(i) Trade receivables credit risk assessment	Expected loss rate %	Gross carrying amount S\$	Loss allowance S\$
Current (not past due)	1.43	1,988,744	28,348
1–30 days past due	7.42	25,017	1,857
31–60 days past due	2.29	11,356	260
Over 60 days past due	48.11	49,244	23,691
		2,074,361	54,156

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Provision matrix – debtors' ageing (Continued)

As at 31 July 2023 (Continued)

(ii) Contract assets credit risk assessment	Expected loss rate %	Gross carrying amount S\$	Loss allowance S\$
Current (not past due)	1.17	729,493	8,552

As at 31 July 2022

(i) Trade receivables credit risk assessment	Expected loss rate %	Gross carrying amount S\$	Loss allowance S\$
Current (not past due)	1.15	1,924,352	22,105
1–30 days past due	1.57	222,914	3,497
31–60 days past due	2.19	133,124	2,918
Over 60 days past due	14.73	103,261	15,209
		2,383,651	43,729

(ii) Contract assets credit risk assessment	Expected loss rate %	Gross carrying amount S\$	Loss allowance S\$
Current (not past due)	1.14	488,029	5,547

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 2 year past due.

Expected credit loss on trade receivables and contract assets are presented as net allowance for expected credit loss within operating profit. Subsequent recoveries of amounts previously written off are credited to profit/loss.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Internal credit risk grading categories

The Group's internal credit risk grading assessment comprises the following categories:

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Written-off There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 July 2023 and 2022.

	Lifetime ECLs				Total	Allowance ECL	Average loss rate
	12-month ECLs Stage 1	Stage 2 (non-credit impaired)	Stage 3 (credit impaired)	Simplified approach			
	S\$	S\$	S\$	S\$	S\$	S\$	%
As at 31 July 2023							
Trade receivables	–	–	–	2,074,361	2,074,361	54,156	2.6
Contract assets	–	–	–	729,493	729,493	8,552	1.2
Deposits and other receivables	382,099	–	–	–	382,099	1,551	0.4
Cash and cash equivalents	1,559,209	–	–	–	1,559,209	–	–
	1,941,308	–	–	2,803,854	4,745,162	64,259	1.4

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

	Lifetime ECLs			Simplified approach	Total	Allowance ECL	Average loss rate
	12-month ECLs Stage 1	Stage 2 (non-credit impaired)	Stage 3 (credit impaired)				
	S\$	S\$	S\$	S\$	S\$	S\$	%
As at 31 July 2022							
Trade receivables	–	–	–	2,383,651	2,383,651	43,729	1.8
Contract assets	–	–	–	488,029	488,029	5,547	1.1
Deposits and other receivables	237,656	–	–	–	237,656	5,147	2.2
Cash and cash equivalents	271,146	–	–	–	271,146	–	–
	508,802	–	–	2,871,680	3,380,482	54,423	1.6

	Trade receivables Lifetime ECL (not credit-impaired) S\$	Contract assets S\$	Deposits and other receivables S\$	Total S\$
As at 31 July 2021 and 1 August 2021	3,741	116	1,994	5,851
Allowance for expected credit losses during the year, net	39,988	5,431	3,153	48,572
As at 31 July 2022 and 1 August 2022	43,729	5,547	5,147	54,423
Disposal of subsidiaries	–	–	(3,596)	(3,596)
Allowance for expected credit losses during the year, net	10,427	3,005	–	13,432
As at 31 July 2023	54,156	8,552	1,551	64,259

Allowance for expected credit losses of trade receivables, contract assets and deposits and other receivables are presented as net allowance for expected credit losses within operating profit. Subsequent recoveries of amounts previously written off are credited to profit/loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity risk is to ensure, as far as possible, it will always have sufficient liquidity to meet its liabilities when due.

The following tables detail Group's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities which are the earliest dates of the Group can be required to pay. The tables include both interest and principal cash flows.

	Weight average effective interest rate %	On demand or within 1 year S\$	Over 1 year S\$	Total undiscounted cash flow S\$	Carrying amount S\$
As at 31 July 2023					
Other payables and accruals	–	1,862,295	–	1,862,295	1,862,295
Lease liabilities	4.6	247,957	23,708	271,665	265,313
Bank and other borrowings	6.0	1,181,826	–	1,181,826	1,144,869
		3,292,078	23,708	3,315,786	3,272,477

	Weight average effective interest rate %	On demand or within 1 year S\$	Over 1 year S\$	Total undiscounted cash flow S\$	Carrying amount S\$
As at 31 July 2022					
Other payables and accruals	–	1,481,619	–	1,481,619	1,481,619
Lease liabilities	4.6	414,152	271,665	685,817	658,203
Bank borrowings	6.0	1,040,002	–	1,040,002	978,324
		2,935,773	271,665	3,207,438	3,118,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Bank and other borrowings with a repayment on demand clause are included in the “on demand or within one year” time band in the above maturity analysis. As at 31 July 2023, the aggregate carrying amounts of these bank borrowings amounted to S\$1,144,869 (2022: S\$978,324). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank and other borrowings will be repaid in accordance with the scheduled repayment dates set out in the borrowing agreements, details of which are set out in the table below:

Maturity Analysis – Bank and other borrowings with a repayment on demand clause based on scheduled repayments:

Less than	1 year S\$	1 to 2 year S\$	2 to 5 year S\$	Over 5 years S\$	Total undiscounted cash outflow S\$	Carrying amount S\$
As at 31 July 2023	988,110	193,716	–	–	1,181,826	1,144,869
As at 31 July 2022	604,483	258,288	193,716	–	1,056,487	978,324

(c) Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity’s functional currency.

The main operations of the Group were in Singapore and most of the transactions were denominated in Singapore dollar. Foreign exchange risk arises from the foreign currency denominated of commercial transactions, assets and liabilities. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency as the functional currency of each entity of the Group.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(d) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (Note 26) and lease liabilities (Note 25). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 23). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group aims at keeping borrowings at fixed rates. The management will review the proportion of borrowings in fixed rates and ensure they are within reasonable range.

The directors consider the impact of the bank balances that were exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

34. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to owners of the Company.

The Group's objectives for managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to the shareholders, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or procedures for capital management for the years ended 31 July 2023 and 2022.

The capital structure of the Group consists of net debt, which includes other payables and accruals, lease liabilities and bank and other borrowings less cash and cash equivalents, and equity attributable to owners of the Company.

The management of the Group reviews the capital structure from time to time. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of management, the Group will balance its overall capital structure through the payment of dividends, issuance of new shares or obtaining new borrowings.

The gearing ratio at the end of the reporting period was as follow:

	2023 S\$	2022 S\$
Other payables and accruals	2,179,480	1,693,836
Lease liabilities	265,313	658,203
Bank and other borrowings	1,144,869	978,324
Less: Cash and cash equivalents	(1,559,209)	(271,146)
Net debt	2,030,453	3,059,217
Equity	3,782,806	3,273,211
Net debt to equity ratio	53.7%	93.5%

35. ACQUISITION OF ASSETS THROUGH SUBSIDIARIES

On 10 September 2021, the Company acquired 100% equity interest of Hai Tao Healthcare Technology Limited which also holds 51% of equity interest of Tak Yan International Health Management Limited ("The Hai Tao Group") at consideration of HK\$1.0 (the "Acquisition") and the Hai Tao Group had net liabilities of approximately HK\$139,460 (S\$24,489) on acquisition date. There had been no active business for the above companies during the acquisition of the business. The Acquisition did not meet the definition of business under IFRS 3 "Business Combination" on acquisition date and, hence the transaction constituted as an asset acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Disposal of subsidiaries

On 9 March 2023, the Group disposed of its equity interest of Hai Tao Group, the wholly-owned subsidiaries of the Company, at a consideration of HK\$1. Details of the disposal of Hai Tao Group is set out below:

Assets and liabilities at the date of disposal were as follows:

	S\$
Other receivables	11,031
Cash and cash equivalents	9,076
Accruals and other payables	(48,342)
Amount due to a related company	(173,798)
Carrying amount of assumed liabilities disposed of	(202,033)
Release of exchange reserve	(11,598)
Release of non-controlling interests	198
Assumed net liabilities disposed of	(213,433)
Gain on disposal of subsidiaries	
Consideration	—*
Assumed net liabilities	(213,433)
Gain on disposal**	(213,433)
Consideration satisfied by cash	—*
Net cash outflow arising on disposal:	
Cash consideration received	—*
Cash and cash equivalents disposed of	(9,076)
	(9,076)

* Represented amount less than S\$1

** The gain on disposal was included in "Other income and other gains"



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financial activities

	Bank and other borrowings S\$	Lease liabilities S\$	Total S\$
As at 1 August 2021	1,002,122	408,262	1,410,384
Changes from financing cash flows:			
Proceeds from bank borrowings	2,017,521	–	2,017,521
Repayments of bank borrowings	(2,041,319)	–	(2,041,319)
Repayments of lease liabilities	–	(529,938)	(529,938)
Interest paid	(54,436)	–	(54,436)
Total changes from financing cash flows	(78,234)	(529,938)	(608,172)
Other changes:			
New lease entered	–	760,323	760,323
Interest expenses	54,436	19,556	73,992
Total other changes	54,436	779,879	834,315
As at 31 July 2022 and 1 August 2022	978,324	658,203	1,636,527
Changes from financing cash flows:			
Proceeds from bank and other borrowings	718,906	–	718,906
Repayments of bank and other borrowings	(552,361)	–	(552,361)
Repayments of lease liabilities	–	(414,152)	(414,152)
Interest paid	(75,625)	–	(75,625)
Total changes from financing cash flows	90,920	(414,152)	(323,232)
Other changes:			
Accrued interest	(3,140)	–	(3,140)
Interest expenses	78,765	21,262	100,027
Total other changes	75,625	21,262	96,887
As at 31 July 2023	1,144,869	265,313	1,410,182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for lease

Amounts included in the cash flow statements for leases comprise the following:

	2023 S\$	2022 S\$
Within operating cashflow	50,700	35,154
Within financing cashflow	414,152	529,938
	464,852	565,092

These amounts relate to the following:

	2023 S\$	2022 S\$
Lease rental paid	464,852	565,092

(d) Major non-cash transaction

During the year ended 31 July 2022, pursuant to the sale and purchase agreement entered on 10 December 2021, the Company completed the acquisition of 49% equity shareholding of YESINSPACE Limited on 30 June 2022. The acquisition was settled through the issue of 300,000,000 new shares of the Company to the vendor on the same date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	2023 S\$	2022 S\$
NON-CURRENT ASSET			
Investments in subsidiaries		2,950,880	2,950,879
Investment in an associate		2,002,176	2,056,057
		4,953,056	5,006,936
CURRENT ASSETS			
Prepayments, deposits and other receivables		–	18,134
Amounts due from subsidiaries		–	–
		–	18,134
CURRENT LIABILITIES			
Other payables and accruals		520,254	488,034
Amounts due to subsidiaries		3,060,384	2,871,239
		3,580,638	3,359,273
NET CURRENT LIABILITIES		(3,580,638)	(3,341,139)
NET ASSETS		1,372,418	1,665,797
EQUITY			
Share capital	28	626,240	626,240
Reserves	29	746,178	1,039,557
TOTAL EQUITY		1,372,418	1,665,797

The financial statements were approved and authorised for issued by the Board of Directors on 27 October 2023 and signed on its behalf by:

Lam Chun Yip
Executive Director

Xie Feng
Executive Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A Summary of the Company's reserves is as follows:

	Share premium S\$ (Note 29)	Exchange reserve S\$	Accumulated losses S\$	Total S\$
As at 1 August 2021	14,228,837	–	(13,529,397)	699,440
Loss for the year	–	–	(1,549,117)	(1,549,117)
Other comprehensive income for the year:				
Exchange differences arising on translation of an associate	–	(20,732)	–	(20,732)
Total comprehensive income for the year	–	(20,732)	(1,549,117)	(1,569,849)
Issue of new shares upon acquisition of an associate	1,969,140	–	–	1,969,140
Transaction costs attributable to issue of new shares upon acquisition of an associate	(59,174)	–	–	(59,174)
As at 31 July 2022 and 1 August 2022	16,138,803	(20,732)	(15,078,514)	1,039,557
Loss for the year	–	–	(236,860)	(236,860)
Other comprehensive income for the year:				
Exchange differences arising on translation of an associate	–	(56,519)	–	(56,519)
Total comprehensive income for the year	–	(56,519)	(236,860)	(293,379)
As at 31 July 2023	16,138,803	(77,251)	(15,315,374)	746,178

38. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 14 June 2018. The purpose of the Scheme is to enable the Company to grant options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Company.

Participants include full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group or any person who, in the sole discretion of the board of directors or a duly authorised committee, has contributed or may contribute to the Group.

The directors may, at their discretion, invite any participant to take up options. Options may be granted to participants under the Scheme during the period of 10 years commencing on the effective date of the Scheme. An option is deemed to have been granted and accepted by the grantee upon the duplicate letter comprising acceptance of the option duly signed by the grantee and paying HK\$1 by way of consideration for the grant thereof.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

38. SHARE OPTION SCHEME (CONTINUED)

Any grant of options to a connected person (including but not limited to a director or substantial shareholder) or its associates must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the GEM Listing Rules) of the Company or an independent non-executive director or their respective associates and if such grant would result in the total number of shares issued and to be issued upon exercise of the options granted and to be granted (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total issued shares and having an aggregate value, based on the closing price of these securities at the date of each grant, in excess of HK\$5 million, then the proposed grant must be subject to the approval of shareholders taken on a poll in a general meeting. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting.

The subscription price of the share options will be determined by the board and shall not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer for the grant of the relevant option (the "Offer Date"), which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the Offer Date; and (c) the nominal value of a share on the Offer Date.

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time. The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 125,000,000 shares of the Company, being 10% of the total number of shares of the Company in issue as at the date of approval of the Scheme unless shareholders' approval has been obtained. An option may be exercised during a period to be determined by the directors in their absolute discretion and in any event such period shall not be later than 10 years after the date of grant of the option.

The maximum entitlement for any participant is that the total number of shares issued and to be issued upon exercise of the options granted to each participant under the Scheme in any 12-month period shall not exceed 1 percent of the total number of shares in issue of the Company. Any further grant of options in excess of the 1 percent limit shall be subject to certain requirements provided under the GEM Listing Rules.

The summary of the principal terms of the Scheme is disclosed in the Company's circular dated 18 May 2018. No share option has been granted under the Scheme since its adoption.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2023

39. RETIREMENT BENEFIT PLANS

Hong Kong

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2022: HK\$30,000). Contributions to the plan vest immediately.

Singapore

The CPF is a comprehensive social security system that enables working citizens and permanent residents of Singapore to set aside funds for retirement. The Group is required to pay monthly to the CPF in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the Central Provident Fund Act (Cap 36) of Singapore ("CPFA"). Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee. Section 7(3) of the CPFA provides that any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPFA and fails to pay the contributions to the CPF within such time as may be prescribed, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding seven (7) years or to both. Section 9 of the CPFA provides that, where the amount of the contributions which an employer is liable to pay in respect of any month is not paid within the prescribed period for payment, the employer shall be liable to pay interest on the amount for every day the amount remains unpaid commencing from the first day of the month succeeding the month in respect of which the amount is payable and the interest shall be calculated at the rate of 1.5% per month or the sum of S\$5.00, whichever is the greater. The CPFA provides that in general if any person convicted of an offence under the CPFA for which no penalty is provided shall be liable on conviction to pay a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding 6 months or both, and if that person is a repeat offender for the same offence, to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or both.

The total expense recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 31 July 2023 of S\$764,626 (2022: S\$839,892), which represents contributions paid and/or payable to the scheme by the Group.

40. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the extraordinary general meeting held on 6 September 2023, the share consolidation proposal was approved by the shareholders of the Company and became effective on 8 September 2023. Upon the completion the share consolidation, every twenty-five (25) existing shares of par value of HK\$0.002 each in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$0.05 each. Upon the share consolidation became effective, the authorised share capital of the Company was HK\$50,000,000 divided into 1,000,000,000 shares of HK\$0.05 each, of which 72,000,000 shares were in issue and fully paid.

