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SINGASIA HOLDINGS LIMITED

星亞控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 JULY 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of SingAsia Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

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

* For identification purposes only

HIGHLIGHTS

- The revenue of the Company and its subsidiaries (collectively the “Group”) amounted to approximately S\$12,315,000 for the year ended 31 July 2024, representing a decrease of approximately S\$6,209,000 or 33.5% as compared with the year ended 31 July 2023.
- The loss for the year of the Group was approximately S\$3,270,000 for the year ended 31 July 2024 as compared to the profit of approximately S\$565,000 for the year ended 31 July 2023.
- The Board does not recommend the payment of a final dividend for the year ended 31 July 2024.

ANNUAL RESULTS

The board (the “Board”) of Directors hereby announces the consolidated results of the Group for the financial year ended 31 July 2024, together with comparative figures for the financial year ended 31 July 2023. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2024

	Note	2024 S\$	2023 S\$
REVENUE	5	12,315,054	18,523,764
Cost of services rendered		(9,299,203)	(14,229,543)
Gross profit		3,015,851	4,294,221
Other income	6	532,187	796,106
Other gains and losses, net	6	107,531	213,433
Allowance for ECLs on trade receivables, contract assets, deposits and other receivables, net		(160,002)	(13,432)
Administrative expenses		(4,424,101)	(4,414,038)
Other operating expenses		(258,207)	(114,132)
(Loss)/profit from operations		(1,186,741)	762,158
Finance costs	7	(198,996)	(100,027)
Impairment loss on investment in an associate		(1,846,792)	–
Share of (loss)/profit of an associate		(37,739)	4,153
(LOSS)/PROFIT BEFORE TAX	8	(3,270,268)	666,284
Income tax expense	9	–	(101,256)
(LOSS)/PROFIT FOR THE YEAR		(3,270,268)	565,028
OTHER COMPREHENSIVE INCOME:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		18,602	(44,033)
Release of exchange reserve from disposals of subsidiaries		–	(11,598)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,251,666)	509,397
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		(3,270,268)	565,028
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		(3,251,666)	509,397
			(Restated)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (<i>Singapore cents</i>)	10	(3.92)	0.75

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2024

	<i>Note</i>	2024 S\$	2023 S\$
NON-CURRENT ASSETS			
Property, plant and equipment		336,369	69,510
Right-of-use assets		755,493	252,058
Investment in an associate		137,269	2,002,176
Deferred tax assets		443,406	443,406
		<u>1,672,537</u>	<u>2,767,150</u>
CURRENT ASSETS			
Trade receivables	11	588,287	2,020,205
Contract assets		402,329	720,941
Prepayments, deposits and other receivables		452,756	406,219
Cash and cash equivalents		4,153,641	1,559,209
		<u>5,597,013</u>	<u>4,706,574</u>
CURRENT LIABILITIES			
Other payables and accruals	12	1,540,797	2,179,480
Lease liabilities		333,735	242,524
Bank and other borrowings		951,860	1,144,869
Bond payables		1,135,002	–
Tax payable		–	101,256
		<u>3,961,394</u>	<u>3,668,129</u>
NET CURRENT ASSETS		<u>1,635,619</u>	<u>1,038,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,308,156</u>	<u>3,805,595</u>
NON-CURRENT LIABILITIES			
Lease liabilities		<u>433,117</u>	<u>22,789</u>
NET ASSETS		<u>2,875,039</u>	<u>3,782,806</u>
CAPITAL AND RESERVES			
Share capital	13	1,861,749	626,240
Reserves		1,013,290	3,156,566
TOTAL EQUITY		<u>2,875,039</u>	<u>3,782,806</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2024

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, Hunghom, Kowloon, Hong Kong. The head office 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. The Group is principally involved in the provision of manpower outsourcing and recruitment services in Singapore.

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 the International Accounting Standards Board (the “IASB”). IFRSs 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 (Cap. 622).

The IASB has issued certain new and amendments to 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 AMENDMENTS TO IFRSs

3.1 Application of new and amendments to IFRSs

The Group has applied the following new and 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 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and 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.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”

The Group has adopted Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. IAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s consolidated financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose consolidated financial statements make on the basis of those consolidated financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its consolidated financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance and the disclosure of the Group’s accounting policies set out in note to the consolidated financial statements.

3.2 New and amendments to 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 for the financial year beginning 1 August 2023. The new and amendments to IFRSs include the following which may be relevant to the Group:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to IAS 1	Non-current Liabilities with Covenants ¹
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ¹
Amendments to IAS 21	Lack of Exchangeability ²
Annual improvement project	Annual Improvements to IFRS Accounting Standards Volume II ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
IFRS 18	Presentation and Disclosure in Financial Statements ⁴
IFRS 19	Subsidiaries without Accountability: Disclosures 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 2024

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

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

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

4. SEGMENT INFORMATION

Information reported internally to the 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, which is 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 located in Singapore, except for the investment in an associate that is located in Hong Kong.

Information about major customers

For the year ended 31 July 2024, revenue of S\$6,806,352 (2023: S\$8,797,342) was derived from the provision of manpower outsourcing services to three (2023: four) 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:

	2024 S\$	2023 S\$
Revenue contributed from manpower outsourcing services		
Customer A	2,146,804	3,148,509
Customer B	3,250,464	1,898,071
Customer C*	–	1,890,617
Customer D	<u>1,409,084</u>	<u>1,860,145</u>

* The revenue contributed by customer C was less than 10% of the total revenue of the Group for the year ended 31 July 2024.

5. REVENUE

	2024 S\$	2023 S\$
Revenue from contract with customers within the scope of IFRS 15		
Manpower outsourcing services	12,256,984	18,418,587
Manpower recruitment services	<u>58,070</u>	<u>105,177</u>
	<u>12,315,054</u>	<u>18,523,764</u>

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

	2024	2023
	S\$	S\$
Timing of revenue recognition		
Manpower outsourcing services – over time	12,256,984	18,418,587
Manpower recruitment services – at a point in time	58,070	105,177
	<u>12,315,054</u>	<u>18,523,764</u>

The duration of performance obligation of all revenue contracts are one year or less. As permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	2024	2023
	S\$	S\$
(a) Other income		
Government grants (<i>Note (i)</i>)	454,183	630,129
Forfeiture income (<i>Note (ii)</i>)	22,625	31,250
Sale of merchandise (<i>Note (iii)</i>)	1,151	4,764
Sundry income	54,228	129,963
	<u>532,187</u>	<u>796,106</u>
(b) Other gains and losses, net		
Gain on disposals of subsidiaries	113,143	213,433
Gain on lease modification	905	–
Write-off of property, plant and equipment	(6,517)	–
	<u>107,531</u>	<u>213,433</u>

Note:

- (i) The government grants recognised during the years ended 31 July 2024 and 2023 mainly represent Jobs Growth Incentive and other wage support programs from the Singapore government. The Group complied all attached conditions and criteria and therefore recognised such grants as other income during the years.
- (ii) Forfeiture income represents the waiver of the non-refundable deposits received from 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.

7. FINANCE COSTS

	2024 S\$	2023 S\$
Interest expense on bond payables	103,424	–
Interest expense on bank and other borrowings	82,676	78,765
Interest expense on lease liabilities	12,896	21,262
	<u>198,996</u>	<u>100,027</u>

8. (LOSS)/PROFIT BEFORE TAX

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

	2024 S\$	2023 S\$
Staff costs		
(a) Directors' remuneration	<u>107,181</u>	<u>457,731</u>
(b) Employee benefits expenses (excluding directors' remuneration):		
– Salaries, bonus and allowances	11,212,608	15,832,014
– Contributions to defined contribution plans	614,423	751,029
– Foreign worker levy	441,814	476,074
– Other short-term benefits	80,821	74,543
	<u>12,349,666</u>	<u>17,133,660</u>
Total staff costs	<u>12,456,847</u>	<u>17,591,391</u>
Depreciation of property, plant and equipment	85,974	48,075
Depreciation of right-of-use assets	268,109	395,070
Gain on disposals of subsidiaries	(113,143)	(213,433)
Expenses relating to short-term lease	52,600	50,700
Auditor's remuneration		
– Audit services	94,805	93,619
– Non-audit services	17,237	–
Gain on lease modification	(905)	–
Write-off of property, plant and equipment	6,517	–
Write-off of other receivables	<u>173,770</u>	<u>–</u>

For the year ended 31 July 2024, cost of services rendered includes salaries and allowances of S\$8,481,140 (2023: S\$13,274,183), contributions to defined contribution plans of S\$407,627 (2023: S\$533,323) and foreign worker levy of S\$398,321 (2023: S\$419,747), all of which are also included in the respective total amounts disclosed separately.

9. INCOME TAX EXPENSE

	2024 S\$	2023 S\$
Current tax		
Charge for the year	<u> -</u>	<u>101,256</u>

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 Hong Kong Profits Tax 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 subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Hong Kong Profits Tax regime will continue to be taxed at a flat 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 2024 and 2023.

No provision for Singapore Corporate Income Tax has been provided in the financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit.

10. (LOSS)/EARNINGS PER SHARE

(a) Basic

	2024 S\$	2023 S\$
(Loss)/earnings		
(Loss)/earnings for the purpose of calculating (loss)/earnings per share	<u>(3,270,268)</u>	<u>565,028</u>
		(Restated)
Number of shares		
Weighted average number of shares for the purpose of calculating basic (loss)/earnings per share	<u>83,482,944</u>	<u>75,275,526</u>
		(Restated)
Basic (loss)/earnings per share (<i>Singapore cents</i>)	<u>(3.92)</u>	<u>0.75</u>

The weighted average number of shares in 2023 have been retrospectively adjusted for share consolidation and rights issue where were completed on 8 September 2023 and 11 July 2024 respectively.

(b) Diluted

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 July 2024 and 2023.

11. TRADE RECEIVABLES

	2024 S\$	2023 S\$
Trade receivables	748,637	2,074,361
Less: Allowance for ECL	<u>(160,350)</u>	<u>(54,156)</u>
	<u>588,287</u>	<u>2,020,205</u>

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

Trade receivables are denominated in S\$.

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

As at 31 July 2024, trade receivables of S\$437,317 (2023: S\$1,394,449) that are subject to a factoring arrangement of the Group. Under this arrangement, SingAsia Resources Pte. Ltd. (“SAR”) and TCC Education and Consulting Services Pte. Ltd. (“TCCHR”) have transferred the relevant trade receivables to the factor in exchange for cash and which is prevented from selling or pledging. However, SAR and TCCHR have retained late payment risk and credit risk. The Group therefore continues to recognise the transferred trade receivables in their entirety in the consolidated statement of financial position. The amount repayable under the factoring arrangement is presented as secured factoring loan. The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

Management considers that in substance the factor collects the amounts of trade receivable on the Group’s behalf and retains the cash in settlement of the separate financing transaction. The Group therefore presents the cash inflows received from the bank as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.

An ageing 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:

	2024 S\$	2023 S\$
Less than 30 days	557,680	1,988,744
31 to 60 days	146,815	25,017
61 to 90 days	–	11,356
91 to 180 days	23,719	49,244
Over 365 days	<u>20,423</u>	<u>–</u>
	<u>748,637</u>	<u>2,074,361</u>

12. OTHER PAYABLES AND ACCRUALS

	2024	2023
	S\$	S\$
GST payables	195,773	317,185
Accrued casual labour costs	270,982	627,709
Accrued general staff costs	161,607	210,410
Accrued administrative and other operating expenses	373,337	482,032
Other payables	539,098	542,144
	<u>1,540,797</u>	<u>2,179,480</u>

The carrying amounts of other payables and accruals are denominated in S\$ and HK\$ as follows:

	2024	2023
	S\$	S\$
S\$	1,140,648	1,712,335
HK\$	400,149	467,145
	<u>1,540,797</u>	<u>2,179,480</u>

13. SHARE CAPITAL

	<i>Number of shares</i>	<i>Par value HK\$</i>	<i>HK\$</i>	<i>Equivalent to S\$</i>
Authorised:				
Ordinary share				
As at 1 August 2022, 31 July 2023 and 1 August 2023	25,000,000,000	0.002	50,000,000	
Share consolidation (<i>Note a</i>)	(24,000,000,000)		-	
	<u>1,000,000,000</u>	0.05	<u>50,000,000</u>	
Issued and fully paid:				
Ordinary share				
At 1 August 2022, 31 July 2023 and 1 August 2023	1,800,000,000	0.002	3,600,000	626,240
Share consolidation (<i>Note a</i>)	(1,728,000,000)		-	-
Issue of new shares upon rights issue (<i>Note b</i>)	143,040,093	0.05	7,152,005	1,235,509
	<u>215,040,093</u>	0.05	<u>10,752,005</u>	<u>1,861,749</u>

Note:

- (a) Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting held on 6 September 2023, the share consolidation of every twenty-five (25) existing shares with a par value of HK\$0.002 each in the issued and unissued share capital of the Company into one (1) consolidated share with a par value of HK\$0.05 became effective on 8 September 2023.

Details of the share consolidation were disclosed in the circular of the Company dated 16 August 2023 and announcements of the Company dated 8 August 2023, 16 August 2023, 1 September 2023 and 6 September 2023.

- (b) On 30 January 2024, the board of directors proposed the implementation of a rights issue on the basis of two rights shares for every one existing ordinary share at a subscription price of HK\$0.1 per rights share to raise approximately HK\$14,400,000, before deduction of expenses, by issuing 144,000,000 rights shares to the qualifying shareholders. The rights issue was completed on 11 July 2024, when 143,040,093 rights shares were issued. The net proceeds of the rights issue were HK\$13,586,166 (equivalent to S\$2,343,899), after deduction of issuance expenses of HK\$735,843 (equivalent to S\$127,117).

Details of the rights issue are set out in the Company's announcements dated 30 January 2024, 29 February 2024, 28 March 2024, 21 June 2024 and 10 July 2024, the Company's circular dated 30 April 2024 and the Company's prospectus dated 4 June 2024.

14. 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 2024 and 2023:

(a) **Transactions with related parties**

	2024	2023
	S\$	S\$
Manpower outsourcing services income from (<i>Note</i>):		
– Dim Sum Place Pte Limited (“Dim Sum”)	<u>55,800</u>	<u>23,740</u>

Note: The Group has ongoing manpower outsourcing service agreement with Dim Sum. Mr. Sim Hak Chor, who is a director of certain subsidiaries of the Group, is able to exercise control over Dim Sum.

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

	2024	2023
	S\$	S\$
Salaries, bonus and allowances	1,478,125	1,151,630
Contributions to defined contribution plans	<u>68,805</u>	<u>62,073</u>
	<u>1,546,930</u>	<u>1,213,703</u>

(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.

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 year ended 31 July 2024, 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 year ended 31 July 2024, revenue of the Group dropped to approximately S\$12,315,000 as compared to approximately S\$18,524,000 for the year ended 31 July 2023, representing a decrease of approximately 33.5%. This drop in revenue is primarily due to reduced demand for manpower outsourcing services. In line with the decrease in revenue, the gross profit dropped by approximately 29.8% from approximately S\$4,294,000 for the year ended 31 July 2023 to approximately S\$3,016,000 for the year ended 31 July 2024. The Group recorded a net loss for the year ended 31 July 2024 was approximately S\$3,270,000 compared to a profit of approximately S\$565,000 for the year ended 31 July 2023, the turnaround was mainly due to a decline in the revenue and an increase in impairment loss on investment in an associate.

FINANCIAL REVIEW

Revenue

During the year ended 31 July 2024, the Group’s revenue was generated from manpower outsourcing and manpower recruitment services. The Group’s revenue decreased by approximately S\$6,209,000 for the year ended 31 July 2024. The following table sets out the revenue of the Group by business segment for the years as indicated:

	For the year ended 31 July			
	2024		2023	
	S\$’000	%	S\$’000	%
Manpower outsourcing	12,257	99.5	18,419	99.4
Manpower recruitment	58	0.5	105	0.6
	<u>12,315</u>	<u>100.0</u>	<u>18,524</u>	<u>100.0</u>

Manpower outsourcing

The Group's revenue from manpower outsourcing services decreased from approximately S\$18,419,000 for the year ended 31 July 2023 to approximately S\$12,257,000 for the year ended 31 July 2024. The following table sets out the revenue from manpower outsourcing services by sector for the periods as indicated:

	For the year ended 31 July			
	2024		2023	
	S\$'000	%	S\$'000	%
Hotel and resort	9,445	77.1	14,530	78.9
F&B	226	1.8	158	0.9
Retail	–	–	5	0.0
Others	2,586	21.1	3,726	20.2
	12,257	100.0	18,419	100.0

Revenue from manpower outsourcing services declined in hotel and resort and others sectors. A notable decrease was recorded in the hotel and resort and others sectors, from approximately S\$14,530,000 and approximately S\$3,726,000 respectively for the year ended 31 July 2023 to approximately S\$9,445,000 and approximately S\$2,586,000 respectively for the year ended 31 July 2024. This represents a drop of approximately 35.0% in the hotel and resort sector and approximately 30.6% in the others sector. The decline in revenue can be attributed to a decrease in demand for manpower outsourcing services.

Manpower recruitment

The Group's revenue derived from manpower recruitment services decreased by approximately S\$47,000 from approximately S\$105,000 for the year ended 31 July 2023 to approximately S\$58,000 for the year ended 31 July 2024. 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			
	2024		2023	
	S\$'000	Gross profit margin %	S\$'000	Gross profit margin %
Manpower outsourcing	2,970	24.2	4,196	22.8
Manpower recruitment	46	79.3	98	93.3
	3,016	24.5	4,294	23.2

The Group's overall gross profit decreased by approximately 29.8% from approximately S\$4,294,000 for the year ended 31 July 2023 to approximately S\$3,016,000 for the year ended 31 July 2024. This drop in gross profit can be attributed to lower revenue from manpower outsourcing services, as demand diminished in key sectors.

The Group's overall gross profit margin increased from approximately 23.2% for the year ended 31 July 2023 to approximately 24.5% for the year ended 31 July 2024. Specifically, the gross profit margin for manpower outsourcing services improved from approximately 22.8% for the year ended 31 July 2023 to approximately 24.2% for the year ended 31 July 2024. The higher gross profit margin for manpower outsourcing can be attributed to the Group shifted its focus to higher-priced customers, resulting in a slight increase in gross profit margin.

The gross profit margin of manpower recruitment services decreased from approximately 93.3% for the year ended 31 July 2023 to approximately 79.3% for the year ended 31 July 2024. For manpower recruitment services, we pay fees to our cooperative partners with varying cooperative fees. This decline was primarily influenced by reduced demand for these services.

Other income, other gains and losses, net

The Group's other income decreased by approximately S\$264,000 or 33.2% from approximately S\$796,000 for the year ended 31 July 2023 to approximately S\$532,000 for the year ended 31 July 2024. This decline in other income was primarily due to lower government grants under the Jobs Growth Incentive and various wage support programs offered by the Singapore government.

Other gains and losses was primarily attributed to a gain on the disposals of subsidiaries, totaling approximately S\$113,000. On 31 October 2023, the Group disposed its entire equity interest in its indirect wholly-owned subsidiary in SAE Agency Pte Ltd ("SAE"), at a consideration of S\$1,000 to an independent third party with a gain on disposal of approximately S\$100,000. SAE Agency Pte Ltd primarily provided manpower outsourcing and recruitment services. This disposal was completed on 31 October 2023. Additionally, on 12 July 2024, the Group disposed its entire equity interest in its direct wholly-owned subsidiary, Heritage Charm Limited (HCM), which also held a 100% interest in Happy Unicorn International Limited (together with HCM, collectively referred as "HCM Group"), to an independent third party at a consideration of US\$1 (approximately to S\$1), resulting in a gain on disposal of approximately S\$13,000. The HCM Group remained inactive throughout the year, and this transaction was completed on 12 July 2024.

Administrative expenses

Administrative expenses increased by approximately S\$10,000 from approximately S\$4,414,000 for the year ended 31 July 2023 to approximately S\$4,424,000 for the year ended 31 July 2024. This increase was primarily driven by higher costs related to enhancements in administrative processes.

Other operating expenses

Other operating expenses increased by approximately S\$144,000 from approximately S\$114,000 for the year ended 31 July 2023 to approximately S\$258,000 for the year ended 31 July 2024. The increase was mainly due to write off of other receivables.

(Loss)/profit for the year

The Group recorded a loss for the year ended 31 July 2024, which was a turnaround from a profit of approximately S\$565,000 to a loss of approximately S\$3,270,000. This turnaround was mainly due to a decline in the revenue and an increase in impairment loss on investment in an associate.

As at 31 July 2024, the Group recognised the impairment loss on investment in an associate, the principal activities of the associate was providing service apartment and hostel operation in Hong Kong. The recoverable amount of the investment in an associate is determined on the basis of the value in use (“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 and the pre-tax discount rate. 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. In addition, the key assumption of the revenue is based on the rooms’ occupancy rate and the average of the room rate. The management has based on its cash flow forecast to undertake impairment testing of the investment in an associate.

During the year ended 31 July 2024, intensified competition from alternative accommodations and changes in consumer travel preferences adversely affect the hostel industry. More tourists from the PRC are opting to stay in the Greater Bay Area and visit Hong Kong for day trips, which has contributed to performance falling short of expectations. Additionally, the implementation of the Accommodation Tax (HAT) on 1 January 2025 is expected to impose and further burdens on hostel operators. They will be required to comply with quarterly obligations to pay the HAT at a rate of 3% on all accommodation charges. Based on this consideration, the management of the Group assessed the recoverable amount of the investment in an associate amounting to approximately S\$137,000 which was lower than its carrying value as at 31 July 2023. Consequently, an impairment loss on investment in an associate of approximately S\$1,847,000 (2023: Nil) was recognised in the Group’s consolidated statement of profit or loss during the year ended 31 July 2024 due to the adverse changes in the hostel industry.

Final dividend

The board of Directors (the “Board”) does not recommend the payment of a final dividend for the year ended 31 July 2024 (2023: Nil).

Liquidity and financial resources

As at 31 July 2024, the Group had total assets of approximately S\$7,270,000 (2023: S\$7,474,000) which is financed by total liabilities and shareholders’ equity (comprising share capital and reserves) of approximately S\$4,395,000 (2023: S\$3,691,000) and S\$2,875,000 (2023: S\$3,783,000), respectively. The current ratio of the Group as at 31 July 2024 was approximately 1.4 times (2023: approximately 1.3 times). The total assets to total equity of the Group as at 31 July 2024 was approximately 2.5 times (2023: approximately 2.0 times).

As at 31 July 2024, the Group had cash and cash equivalents of approximately S\$4,154,000 (2023: S\$1,559,000) which were placed with major banks in Singapore and Hong Kong. As at 31 July 2024, cash and cash equivalents increased by approximately S\$2,595,000 as compared to the balance at 31 July 2023. The increase was mainly due to cash inflows from the Group, which had conducted fund raising exercise through rights issue and issued an unsecured bonds to an independent third party.

Capital structure

Share consolidation

References are made to the announcements of the Company dated 8 August 2023, 16 August 2023, 1 September 2023 and 6 September 2023 and the circular of the Company dated 16 August 2023. An extraordinary general meeting of the Company was held on 6 September 2023 to approve 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 share consolidation became effective on 8 September 2023.

Rights issue

References are made to the prospectus of the Company dated 4 June 2024 (the “Prospectus”), the announcements of the Company dated 22 May 2024, 21 June 2024 and 10 July 2024 and the circular of the Company dated 30 April 2024. On 30 January 2024, the Company proposed to raise gross proceeds of approximately HK\$14.4 million before expense by way of a rights issue (the “Rights Issue”) of up to 144,000,000 rights shares (the “Rights Shares”) at a subscription price of HK\$0.10 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing share held by the shareholders of the Company. The Rights Issue was approved by the shareholders of the Company at the extraordinary general meeting of the Company on 22 May 2024 and completed on 11 July 2024, and a total of 143,040,093 Rights Share were subscribed by the shareholders of the Company and the placee procured by the underwriter of the Rights Issue.

The Company’s share capital comprises of ordinary shares. As at 31 July 2024, the Company’s issued share capital was HK\$10,752,005 (equivalent to S\$1,861,749) and the number of its ordinary shares was 215,040,093 of HK\$0.05 each.

Capital commitments

As at 31 July 2024, the Group did not have any material capital commitments (2023: 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 2024.

Bonds

On 10 August 2023, the Company issued an unsecured and unconvertible bonds to an independent third party with principal amount of HK\$6,000,000 (equivalent to S\$1,032,720). Bond bears fixed interest rate at 10% per annum and the maturity date of which is one year.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the year ended 31 July 2024, except for the disposals of SAE and HCM Group, the Group did not have other material acquisitions or disposals of subsidiaries, associates or joint ventures.

Share option scheme

The Company adopted a share option scheme (the “Share Option Scheme”) at its extraordinary general meeting on 14 June 2018 which will remain in force for a period of 10 years from the effective date of the Share Option Scheme.

The purpose of the Share Option Scheme is to provide incentives and/or rewards to Eligible Participants for their contributions to, and continuing efforts to promote the interests of the Company.

No share options were granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme and there was no outstanding share option during the year ended 31 July 2024 and up to the date of this announcement.

Significant investments held

Except for the investment in an associate by the Company, the Group did not hold any other significant investments as at 31 July 2024 (2023: Nil).

Contingent liabilities

As at 31 July 2024, the Group did not have any material contingent liabilities (2023: Nil).

Use of proceeds from the share offer, the subscription and the rights issue

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.

As at 31 July 2022, the Group has fully utilised the proceeds from the Share Offer 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 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. As at 31 July 2022, the Group has fully utilised the proceeds from the Subscription for repayment of other loans and for general working capital.

References are made to the Prospectus, the announcements of the Company dated 22 May 2024, 21 June 2024 and 10 July 2024 and the circular of the Company dated 30 April 2024. The net proceeds from the Rights Issue after deducting the expenses were approximately HK\$13.5 million. As at 31 July 2024, the Group had utilised the net proceeds from the Rights Issue as follows:

	Planned allocation of net proceeds <i>HK\$mil</i>	Utilised net proceeds up to 31 July 2024 <i>HK\$mil</i>	Unutilised net proceeds as at 31 July 2024 <i>HK\$mil</i>	Expected timeline for fully utilised of remaining net proceeds
Enhancement of the enterprise resource planning system and other IT infrastructure of the Group	4.05	–	4.05	Before 31 July 2025
Recruitment or hiring of additional staff and/or freelance contractors for the Group’s business in Singapore	4.05	–	4.05	Before 31 July 2025
Establishment of the Group’s market presence and operations in Hong Kong	2.70	(1.50)	1.20	Before 31 July 2025
General working capital	2.70	–	2.70	Before 31 July 2025
	<u>13.50</u>	<u>(1.50)</u>	<u>12.00</u>	

Charge on assets

As at 31 July 2024, the Group’s factoring facilities were secured over trade receivables of the Group of approximately S\$437,000 (2023: S\$1,394,000), personal guarantee by a director of certain subsidiaries of the Company 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 2024, the Group had an aggregate of 86 employees (2023: 113), comprising of 2 executive Director (2023: 1). The gender ratio of the Group's workforce (including senior management) was approximately 66.3% male to approximately 33.7% female. The Group shall continue to take into account diversity perspectives including gender diversity in its hiring of employees from time to time. During the years ended 31 July 2024 and 2023, the Group had no forfeited contributions under the MPF Scheme and the Central Provident Fund in Singapore that might be used by the Group to reduce the existing level of contributions.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at 31 July 2024, 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.

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares of the Company

As at 31 July 2024, 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.

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 2024.

Purchase, sale or redemption of listed securities of the Company

During the year ended 31 July 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Directors' rights to acquire shares or debentures

At no time during the year ended 31 July 2024 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.

Corporate governance code

The Company's corporate government practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix C1 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code during the period under review except the following:

Code Provision 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. Mr. Lam Chun Yip ("Mr. Lam") is the chairman of the Board (the "Chairman") and the chief executive of the Company (the "CEO"), who 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 "Model Code"). The Company had made specific enquiries with all the Directors and all of them had confirmed their compliance with the Model Code during the year ended 31 July 2024.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 July 2024.

Events after the reporting date

There were no significant events after the year ended 31 July 2024 and up to the date of this announcement.

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. Chou Chiu Ho, Mr. Chai Ming Hui and Mr. Lin Jian Feng. Mr. Chou Chiu Ho, 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) reviewing the Group’s financial statements and periodic reports and accounts, and reviewing significant financial reporting judgements contained therein; and (c) reviewing the Group’s financial reporting controls, risk management and internal control systems.

The Audit Committee has reviewed the annual consolidated financial statements of the Group for the year ended 31 July 2024 and is of the view that the preparation of such consolidated financial statements complied with the applicable accounting standards, the GEM Listing Rules and other applicable requirements and that adequate disclosures have been made.

Scope of Work of McMillan Woods (Hong Kong) CPA Limited

The figures in respect of the Group’s draft consolidated statement of financial position as at 31 July 2024 and draft consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 July 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, McMillan Woods (Hong Kong) CPA Limited (“McMillan Woods”) to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by McMillan Woods in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by McMillan Woods on this announcement.

APPRECIATION

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

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

Hong Kong, 31 October 2024

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. Chou Chiu Ho, Mr. Chai Ming Hui and Mr. Lin Jian Feng.