

SINGASIA HOLDINGS LIMITED

星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

**LISTING BY
WAY OF
SHARE OFFER**

Stock Code : 8293

Sole Sponsor and Joint Lead Manager



Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

Joint Lead Manager



Sinomax Securities Limited

* For identification purpose only

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

SINGASIA HOLDINGS LIMITED

星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Total number of Offer Shares : 62,500,000 Shares comprising 50,000,000
under the Share Offer New Shares and 12,500,000 Sale Shares
Number of Public Offer Shares : 6,250,000 Shares (subject to reallocation)
Number of Placing Shares : 56,250,000 Shares (subject to reallocation)
Offer Price : HK\$1.0 per Offer Share, plus brokerage of
1%, SFC transaction levy of 0.0027% and
Stock Exchange trading fee of 0.005%
(payable in full on application in Hong Kong
dollars)
Nominal value : HK\$0.01 per Share
Stock code : 8293

Sole Sponsor and Joint Lead Manager



Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

Joint Lead Manager



Sinomax Securities Limited

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, 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 prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any of the other documents referred to above.

The Offer Price is currently fixed at HK\$1.0 per Offer Share unless otherwise announced. Investors applying for Offer Shares must pay, on application, the Offer Price of HK\$1.0 for each Offer Share together with brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%.

Prior to making an investment decision, prospective investors should carefully consider all the information set out in this prospectus, including the risk factors set out in the section headed "Risk factors" in this prospectus. Pursuant to the termination provisions contained in the Public Offer Underwriting Agreement, the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) have the right in certain circumstances, in their absolute determination, to terminate the obligations of the Sole Sponsor, the Joint Lead Managers and the Public Offer Underwriters pursuant to the Public Offer Underwriting Agreement at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Further details of the terms of the termination provisions are set out in the section headed "Underwriting — Public Offer underwriting arrangements — Grounds for termination" in this prospectus. It is important that you refer to the said sections for further details.

* For identification purpose only

5 July 2016

CHARACTERISTICS OF GEM

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. Accordingly, prospective investors should note that they need to have access to the Stock Exchange’s website at www.hkexnews.hk in order to obtain up-to-date information on GEM-listed issuers.

EXPECTED TIMETABLE

If there is any change in the following expected timetable, our Company will issue an announcement on our Company's website at www.singasia.com.sg and the website of the Stock Exchange at www.hkexnews.hk.

2016
Date⁽¹⁾

Public Offer commences and **WHITE** and **YELLOW**

Application Forms available from 9:00 a.m. on Tuesday,
5 July 2016

Application lists open⁽²⁾ 11:45 a.m. on Friday,
8 July 2016

Latest time for lodging **WHITE** and **YELLOW**

Application Forms and giving **electronic application**
instructions to HKSCC⁽³⁾ 12:00 noon on Friday,
8 July 2016

Application lists close⁽²⁾ 12:00 noon on Friday,
8 July 2016

Announcement of the level of indication

of interest in the Placing, the level of applications
in the Public Offer and the basis of allotment of
the Public Offer Shares to be published on our Company's website
at www.singasia.com.sg and the website of the Stock
Exchange at www.hkexnews.hk on Thursday, 14 July 2016

Hong Kong Identity Card/passport/Hong Kong

business registration numbers of successful applicants
(where applicable) will be made available through
a variety of channels as described in the section headed
"How to apply for Public Offer Shares — 10. Publication
of results" in this prospectus on Thursday, 14 July 2016

Results of allocations in the Public Offer will be

available at www.unioniporesults.com.hk
with a "search by ID" function on Thursday, 14 July 2016

Despatch of share certificates in respect of wholly
or partially successful applications pursuant to

the Public Offer⁽⁵⁾ on or before Thursday, 14 July 2016

Despatch of refund cheques in respect of

wholly or partially unsuccessful applications
pursuant to the Public Offer^(4 and 5) on or before Thursday, 14 July 2016

Listing Date Friday, 15 July 2016

EXPECTED TIMETABLE

Notes:

1. All times and dates refer to Hong Kong local time and date. Details of the structure of the Share Offer, including its conditions and grounds for termination are set out in the section headed “Structure and conditions of the Share Offer” in this prospectus.
2. If there is a “black” rainstorm warning signal or a tropical cyclone warning signal number eight or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 8 July 2016, the application lists will not open and close on that day. Further information is set out in the section headed “How to apply for Public Offer Shares — 9. Effect of bad weather on the opening of the application lists” in this prospectus.
3. Applicants who apply by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed “How to apply for Public Offer Shares — 5. Applying by giving **electronic application instructions** to HKSCC via CCASS” in this prospectus.
4. Refund by cheque(s) will be made out to you, or if you are joint applicants, to the first-named applicant on your Application Form in respect of wholly or partially unsuccessful applications pursuant to the Public Offer. Part of your Hong Kong Identity Card number/passport number, or, if you are joint applicants, part of the Hong Kong Identity Card number/passport number of the first-named applicant provided by you may be printed on your refund cheque, if any. Such data may also be transferred to a third party for refund purposes. Your banker may require verification of your Hong Kong Identity Card number/passport number before encashment of your refund cheque, if any. Inaccurate completion of your Hong Kong Identity Card number/passport number may lead to a delay in encashment of, or may invalidate, your refund cheque.
5. Applicants who apply on **WHITE** Application Forms for 1,000,000 Shares or more under the Public Offer and have provided all required information may collect refund cheques and (where applicable) share certificates in person from the Hong Kong Branch Share Registrar from 9:00 a.m. to 1:00 p.m. on Thursday, 14 July 2016 at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong. Identification and (where applicable) authorisation documents acceptable to the Hong Kong Branch Share Registrar must be produced at the time of collection.

Applicants who apply on **YELLOW** Application Forms for 1,000,000 Shares or more under the Public Offer and have provided all required information may collect their refund cheques (if any) but may not elect to collect their share certificates, which will be deposited into CCASS for credit to their designated CCASS Participants’ stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedure for collection of refund cheques for applicants who apply on **YELLOW** Application Forms is the same as that for **WHITE** Application Form applicants.

Uncollected share certificates and refund cheques (if any) will be despatched by ordinary post (at the applicants’ own risk) to the addresses specified in the relevant Application Forms. Further information is set out in the section headed “How to apply for Public Offer Shares — 12. Refund of Application Monies” in this prospectus.

Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. (Hong Kong time) on the Listing Date provided that (i) the Share Offer has become unconditional; and (ii) the right of termination as described in the section headed “Underwriting — Public Offer underwriting arrangements — Grounds for termination” in this prospectus has not been exercised and has lapsed. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares offered by this prospectus. This prospectus may not be used for the purpose of and does not constitute an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company, the Selling Shareholder, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made or contained in this prospectus must not be relied on by you as having been authorised by our Company, the Selling Shareholder, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or affiliates or any other persons or parties involved in the Share Offer.

| | Page |
|--------------------------------------------------------------------|------|
| Characteristics of GEM | i |
| Expected timetable | ii |
| Contents | iv |
| Summary | 1 |
| Definitions | 13 |
| Glossary | 22 |
| Forward-looking statements | 23 |
| Risk factors | 25 |
| Information about this prospectus and the Share Offer | 35 |
| Directors and parties involved in the Share Offer | 39 |
| Corporate information | 42 |
| Industry overview | 44 |
| Regulatory overview | 65 |
| History, Reorganisation and Group structure | 78 |
| Business | 93 |

CONTENTS

| | <i>Page</i> |
|---------------------------------------------------------------------------------------------------------------------------|-------------|
| Connected transactions | 140 |
| Future plans and use of proceeds | 142 |
| Directors, senior management and staff | 154 |
| Relationship with our Controlling Shareholders, non-competition undertaking and non-disposal undertaking | 172 |
| Substantial Shareholder | 178 |
| Share capital | 179 |
| Financial information | 182 |
| Underwriting | 223 |
| Structure and conditions of the Share Offer | 233 |
| How to Apply for Public Offer Shares | 238 |
| Appendices | |
| I. — Accountants' report | I-1 |
| II. — Unaudited pro forma financial information | II-1 |
| III. — Summary of the constitution of our Company and Cayman Islands company law | III-1 |
| IV. — Statutory and general information | IV-1 |
| V. — Documents delivered to the Registrar of Companies and available for inspection | V-1 |

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As the following is only a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks involved in investing in the Offer Shares are set out in the section headed “Risk factors” in this prospectus (pages 25 to 34). You should read that section carefully before making any decision to invest in the Offer Shares. Various expressions used in this summary are defined in the sections headed “Definitions” and “Glossary” in this prospectus (pages 13 to 22).

BUSINESS OVERVIEW

We are a Singapore-based workforce solutions provider. We provide manpower outsourcing services, manpower recruitment services and manpower training services. Our workforce solutions meet customers’ needs for a reliable and efficient workforce in the hotel and resort, retail, F&B and other sectors (including educational institutions, event organisers and various industries) across Singapore.

We began our manpower deployment operations in 2004. We specialise in on-demand, manpower outsourcing services with the objective of providing customers in the hotel and resort sector with flexible workforce solutions to enhance the performance of their business. In 2007, we expanded by offering manpower recruitment services.

Leveraging on our experience and reputation in the industry, TCCECS was established on 20 December 2011 to provide manpower training services to overseas candidates who are pursuing employments in the hotel and resort, F&B and retail sectors in order to enhance their skill and knowledge.

With our rapid growth, we help businesses to become more productive by providing them with a reliable contingent labour workforce. We target at corporations of different sizes ranging from small and medium sized enterprises to multinational corporations.

Over the years, we have built a solid track record of providing reliable and timely workforce solutions for the hotel and resort sector in Singapore, and have a good reputation among our customers. Our total turnover for the two years ended 31 July 2015 and for the six months ended 31 January 2016 were approximately S\$14.0 million, S\$19.3 million and S\$12.2 million, respectively.

Our Group did not apply for listing on the Singapore Exchange Limited or any other exchange.

SUMMARY

Manpower outsourcing services

Our Group's manpower outsourcing services involve workforce outsourcing where our Group recruits, engages and remunerates employees or freelance contractors who are deployed to provide services for our customers. We provide manpower outsourcing services to customers on just-in-time nature, and charges customers a high margin. These customers are service oriented and require timely provision of voluminous pool of workforce. We allow customers to free up management time and energy and focus on their core activities, and gain access to the quality service staff without the human resources department having to face with operational complexity and regulatory requirements.

Our Group provides the manpower outsourcing services to help our customers increase their staffing levels to meet business demands in a timely and cost effective manner. This would improve the efficiency of their human resources departments or personnel by delegating the routine human resources administrative functions to us. We would source and engage suitable candidates that match the job requirements and deploy them to our customers' designated locations.

Our manpower deployed to customers comprises full-time staff, part-time staff and freelance contractors. During the Track Record Period, over 65% of the manpower deployed to the customers were freelance contractors. An employment contract will be entered into between our Group and our staff, under which our Group and the staff shall maintain an employer-employee relationship until the expiry or early termination of the employment contract. During the term of our staff's employment, our Group handles administrative work in relation to their employment such as preparing employment contracts, conducting payroll calculation and processing and administering all employee's contractual benefits. For our freelance contractors, our Group calculates work hours that they have accrued and remunerates them accordingly typically within an agreed period of time. Please refer to the section headed "Business — Description of our business — Manpower outsourcing business" on pages 97 to 112 of this prospectus for further details.

Manpower recruitment services

During the Track Record Period, most of our customers using our manpower recruitment services are in the hotel and resort, F&B and retail sectors. The manpower recruitment services involve transferring various functions handled by our customers' internal human resources and manpower procurement departments to our Group on a long term or ad-hoc basis. Our manpower recruitment service aims to deliver improved manpower quality, faster hiring, reduced turnover rate, lower cost of recruitment and greater flexibility.

We provide manpower recruitment services including executive search and foreign manpower procurement services to our customers. Executive search services involve screening and procuring recruitment of permanent employees for our customers in the hotel and resort, F&B and retail sectors. We leverage on our workforce database system and our dedicated service delivery team to work as an integrated partner of our customers in providing end-to-end manpower acquisition services from sourcing candidates to procuring employment. For the foreign manpower procurement services, we have partnerships with overseas agencies in China, Korea and Taiwan to recruit candidates from these countries to

SUMMARY

meet our customers' business needs in their day-to-day operations. Please refer to the section headed "Business — Description of our business — Manpower recruitment services" on pages 112 to 116 of this prospectus for further details.

Manpower training services

We provide training services for foreign candidates who are pursuing employments in the hotel and resort, F&B and retail sectors in Singapore. Please refer to the section headed "Business — Description of our business — Manpower training services" on pages 116 to 117 of this prospectus for further details.

Customers

Our customers are widely spread across the hotel and resort, F&B and retail sectors in Singapore. We had 43, 309 and 196 customers for the two years ended 31 July 2015 and for the six months ended 31 January 2016 respectively. We put more operational resources and efforts focusing on the F&B and retail sectors, and secured a number of new customers from such sectors during the year ended 31 July 2015. The new customers that we secured in the hotel and resort sector were not many in number but they were quite sizable while the new customers that we secured in the F&B and retail sectors were many in number but they were small in size. As a result, we recorded a relatively significant increase in number of customers during the year ended 31 July 2015. Our Directors believe that the increase in the number of customers was due to improvement in our Group's service efficiency and reputation in the market.

Our largest customer, Customer A, accounted for approximately 41.7%, 38.2% and 29.1% of our total revenue during the Track Record Period. None of our top five customers are our suppliers or our connected persons. During the Track Record Period, we did not have any material disagreement nor dispute with any of our customers. Please refer to the section headed "Business — Customers" on pages 118 to 123 of this prospectus for further details.

Suppliers

Due to the nature of our business, we have no major suppliers. During the Track Record Period, our direct costs mainly comprised labour and related costs.

We engaged an independent software vendor for regular enhancements and upgrades of our JMS software. Since 2010, we have engaged the JMS Vendor to assist our in-house IT team in designing, programming and implementing the JMS software. Please refer to the section headed "Business — Suppliers" on page 123 of this prospectus for further details.

Staff

As at the Latest Practicable Date, there were 229 full-time staff, 53 part-time staff and 1,708 freelance contractors in our Group. Approximately 24.0% were foreign workers and we are subject to regulations and policies related to restriction on foreign manpower which has been introduced in Singapore since 2010.

Competitive landscape

The market for manpower outsourcing service agencies for the hospitality, F&B and retail sectors in Singapore has grown rapidly since 2010, fuelled by the completion of the integrated resorts and several high-end hotels, as well as the restriction on foreign manpower. According to the Ipsos Report, the hospitality and retail sectors contribute to approximately 11% of total employment in Singapore. As of the second quarter of 2015, the hospitality sector employed 35,400, while retail and F&B employed 161,800 and 200,900 workers respectively. In 2014, the total revenue market size for outsourced manpower in the hospitality industry was estimated at approximately S\$45.9 million and our Group had approximately 29% of the market share. There are 721 businesses that identify themselves as employment or recruitment agencies in Singapore. Most of these do not compete with our Group as they mostly specialise in other fields. According to the Ipsos Report, there are four key players who directly compete with our Group in the hospitality, F&B and retail sectors. We have been in the industry since 2004. Opportunities in this industry remain positive as revenue market size for manpower outsourcing services in the hotel banquet sector in Singapore is expected to grow at 5.1% from approximately S\$45.9 million to approximately S\$68.0 million per annum from 2014 to 2019. Regarding the part-time recruitment in the retail industry, it is estimated that the market will grow from S\$93.1 million in 2014 to S\$123.7 million in 2019. Please refer to the section headed “Industry overview” on pages 44 to 64 of this prospectus for further details.

Competitive strengths

Our Group believes that the following competitive strengths have set our Group apart from our competitors:

- We are reputable as an established workforce solutions provider in the hotel and resort, retail and F&B sectors
- We have a stable and long term relationship with our customers
- We have a strong and experienced management team with proven track record

Please refer to the section headed “Business — Competitive strengths” on pages 94 to 96 of this prospectus for further details.

Business strategies

Our corporate objective is to achieve sustainable growth in our business and financial performance so as to create long-term value for our shareholders. We intend to achieve this by implementing the following corporate strategies:

- Expand and strengthen our market position for manpower outsourcing services in the hotel and resort, retail and F&B sectors
- Enhance our JMS software to support our Group’s business infrastructure
- Growth through acquisitions which enhance our organic growth

SUMMARY

Please refer to the section headed “Business — Business objectives and strategies” on pages 96 to 97 of this prospectus for further details.

USE OF PROCEEDS

Based on the Offer Price of HK\$1.0 per Offer Share, the net proceeds of the Share Offer after deduction of underwriting fees and estimated expenses payable by us in connection with the Share Offer upon Listing, are estimated to be approximately HK\$29.9 million. Our Company currently intends to use the net proceeds from the Share Offer as follows:

| Approximate amount of net proceeds/ utilised by the six months ending | Intended applications |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| HK\$12.3 million or 41.1%/31 July 2018 | Expansion and strengthening of existing manpower outsourcing services |
| HK\$5.7 million or 19.1%/31 July 2018 | Growth through acquisitions of strategic partners |
| HK\$5.5 million or 18.4%/31 July 2018 | Enhancing IT software to support our Group’s business infrastructure |
| HK\$3.9 million or 13.0%/31 July 2018 | Repayment of loans |
| HK\$2.5 million or 8.4%/31 July 2018 | Working capital |

Please refer to the section headed “Future plans and use of proceeds” on pages 142 to 153 of this prospectus for further details.

SUMMARY OF FINANCIAL INFORMATION

The tables below summarise our combined financial information for the two years ended 31 July 2015 and six months ended 31 January 2016 respectively, and should be read in conjunction with our financial information included in the Accountants’ Report set forth in Appendix I to this prospectus, including the notes thereto.

Highlight of statements of comprehensive income

| | For the year ended 31 July | | For the six months ended 31 January | |
|---------------------------------------------------------|---------------------------------------|-------------|------------------------------------------------|-------------|
| | 2014 | 2015 | 2015 | 2016 |
| | <i>S\$</i> | <i>S\$</i> | <i>S\$</i> | <i>S\$</i> |
| Revenue | 13,952,804 | 19,320,989 | 10,195,213 | 12,249,116 |
| Gross profit | 4,403,765 | 6,635,367 | 3,522,221 | 4,006,379 |
| Profit before tax | 2,351,987 | 2,237,320 | 1,389,020 | 177,798 |
| Profit after taxation and total comprehensive income | 2,248,841 | 2,111,116 | 1,293,589 | 347,595 |

SUMMARY

Highlight of statements of financial position

| | As at 31 July | | As at 31 January |
|-------------------------|---------------|-----------|---------------------|
| | 2014 | 2015 | 2016 |
| | S\$ | S\$ | S\$ |
| Non-current assets | 254,910 | 1,411,123 | 1,697,665 |
| Current assets | 5,443,416 | 5,200,738 | 6,627,426 |
| Current liabilities | 2,363,293 | 3,421,173 | 4,859,834 |
| Net current assets | 3,080,123 | 1,779,565 | 1,767,592 |
| Non-current liabilities | 343,813 | 107,436 | 34,410 |
| Net assets | 2,991,220 | 3,083,252 | 3,430,847 |

Highlight of cashflow statement

| | For the year ended 31 July | | For the six months ended 31 January | |
|--------------------------------------------------------|-------------------------------|-------------|----------------------------------------|-----------|
| | 2014 | 2015 | 2015 | 2016 |
| | S\$ | S\$ | S\$ | S\$ |
| Net cash flow from operating activities | 2,165,599 | 2,128,389 | 641,617 | 487,424 |
| Net cash flow (used in)/from investing activities | (645,756) | 1,192,442 | 433,594 | (342,654) |
| Net cash flow (used in)/from financing activities | (1,136,782) | (2,956,834) | 263,824 | 408,145 |
| Cash and cash equivalents at the beginning of the year | 283,971 | 667,032 | 667,032 | 1,031,029 |
| Cash and cash equivalent at the end of the year | 667,032 | 1,031,029 | 2,006,067 | 1,583,944 |

Revenue

The following table sets forth the revenue of our Group by business segment for the periods indicated:

| | For the year ended 31 July | | | | For the six months ended 31 January | | | |
|----------------------|----------------------------|--------|---------------|--------|-------------------------------------|--------|---------------|--------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | S\$'000 | % | S\$'000 | % | S\$'000 | % | S\$'000 | % |
| Revenue | | | | | | | | |
| Manpower outsourcing | 13,395 | 96.0% | 17,927 | 92.8% | 9,305 | 91.2% | 11,038 | 90.1% |
| Manpower recruitment | — | — | 975 | 5.0% | 505 | 5.0% | 515 | 4.2% |
| Manpower training | <u>558</u> | 4.0% | <u>419</u> | 2.2% | <u>385</u> | 3.8% | <u>696</u> | 5.7% |
| Total | <u>13,953</u> | 100.0% | <u>19,321</u> | 100.0% | <u>10,195</u> | 100.0% | <u>12,249</u> | 100.0% |

SUMMARY

We derive our revenue mainly from the manpower outsourcing services and manpower recruitment services for our clients in the hotel and resort, retail and F&B sectors in Singapore. The increase in our revenue for the year ended 31 July 2015 as compared to the year ended 31 July 2014 was mainly due to increase in revenue from our manpower outsourcing services and manpower recruitment services. Our revenue derived from manpower outsourcing services increased to approximately S\$17.9 million for the year ended 31 July 2015. This was mainly due to (i) an increase in services provided to our top five existing customers from hotel and resort sector; and (ii) more revenue was generated from our new customers in F&B and retail sectors during the year. Our revenue derived from manpower outsourcing services increased to approximately S\$11.0 million for the six months ended 31 January 2016, which was mainly attributable to continuous increase in demand for our services from our new and existing customers. We have also recommenced and generated revenue from manpower recruitment services during the year ended 31 July 2015. Our revenue generated from manpower recruitment services slightly increased from approximately S\$505,000 for the six months ended 31 January 2015 to approximately S\$515,000 for the six months ended 31 January 2016, due to high demand from our customers for new recruits. For further details, please refer to the section headed “Financial information — Period to period comparison of results of operations” on pages 195 to 201 of this prospectus.

The following table sets forth the revenue per hour generated by full-time staff, part-time staff and freelance contractors for the period indicated:

| | For the year ended 31 July | | For the six months ended 31 January | |
|-----------------------|-------------------------------|---------------------|----------------------------------------|---------------------|
| | 2014 | 2015 | 2015 | 2016 |
| | <i>S\$ per hour</i> | <i>S\$ per hour</i> | <i>S\$ per hour</i> | <i>S\$ per hour</i> |
| Full-time staff | 13.0 | 14.4 | 13.5 | 13.9 |
| Part-time staff | 12.1 | 13.0 | 12.0 | 12.8 |
| Freelance contractors | 12.4 | 13.3 | 12.0 | 13.4 |
| Overall | 12.4 | 13.4 | 12.2 | 13.5 |

During the Track Record Period, our revenue per hour generated by full-time staff, part-time staff and freelance contractors did not fluctuate and was in upward trend.

Key financial ratios

| | As at 31 July | | As at |
|------------------------------|---------------|-------|--------------------|
| | 2014 | 2015 | 31 January 2016 |
| Current ratio ⁽¹⁾ | 2.3 | 1.5 | 1.4 |
| Gearing ratio ⁽²⁾ | 27.7% | 31.8% | 13.0% |

SUMMARY

| | For the year ended 31 July | | For the six months ended 31 January | |
|---------------------------------------------------------|-------------------------------|------|----------------------------------------|------|
| (%) | 2014 | 2015 | 2015 | 2016 |
| Gross profit margin ⁽³⁾ | 31.6 | 34.3 | 34.5 | 32.7 |
| Profit before interest and tax margin ⁽⁴⁾ | 17.4 | 12.0 | 13.6 | 1.7 |
| Net profit margin ⁽⁵⁾ | 16.1 | 10.9 | 12.7 | 2.8 |

| | For the year ended 31 July | |
|---------------------------------------|----------------------------|------|
| (%) | 2014 | 2015 |
| Return on total assets ⁽⁶⁾ | 39.5 | 31.9 |
| Return on equity ⁽⁷⁾ | 75.2 | 68.5 |

Notes:

- (1) Current ratio is calculated by dividing current assets by current liabilities as at the respective year/period end.
- (2) Gearing ratio is calculated based on the interest-bearing liabilities divided by the total equity as at the respective year/period end.
- (3) Gross profit margin is calculated by dividing gross profit by the revenue for the financial year/period.
- (4) Profit before interest and tax margin is calculated by dividing profit before interest and tax by the revenue for the year/period.
- (5) Net profit margin is calculated by dividing profit after taxation and comprehensive income for the year by the revenue for the year/period.
- (6) Return on total assets is calculated by dividing profit for the year by the total assets as at the respective year/period end.
- (7) Return on equity is calculated by dividing profit for the year by the total equity as at the respective year/period end.

Gross profit margin and net profit margin

The table below sets forth a breakdown of gross profit and gross profit margin by business segment for the periods indicated:

| | For the year ended 31 July | | | | For the six months ended 31 January | | | |
|----------------------|----------------------------|-----------------|---------------------|-----------------|-------------------------------------|-----------------|---------------------|-----------------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | <i>Gross profit</i> | | <i>Gross profit</i> | | <i>Gross profit</i> | | <i>Gross profit</i> | |
| | <i>S\$'000</i> | <i>margin %</i> | <i>S\$'000</i> | <i>margin %</i> | <i>S\$'000</i> | <i>margin %</i> | <i>S\$'000</i> | <i>margin %</i> |
| Gross Profit | | | | | | | | |
| Manpower outsourcing | 4,212 | 31.4% | 5,719 | 31.9% | 2,992 | 32.2% | 3,345 | 30.3% |
| Manpower recruitment | — | — | 803 | 82.4% | 432 | 85.6% | 381 | 74.0% |
| Manpower training | 192 | 34.4% | 113 | 27.0% | 98 | 25.5% | 280 | 40.3% |
| Total | <u>4,404</u> | 31.6% | <u>6,635</u> | 34.3% | <u>3,522</u> | 34.5% | <u>4,006</u> | 32.7% |

SUMMARY

Our overall gross profit margin increased from approximately 31.6% for the year ended 31 July 2014 to approximately 34.3% for the year ended 31 July 2015 mainly due to improvement in gross profit margin from manpower outsourcing services and contribution from manpower recruitment services which has a higher margin and recommenced operation during the year ended 31 July 2015. The gross profit margin of manpower outsourcing services was approximately 31.4% and 31.9% for the two years ended 31 July 2015. The improvement was mainly due to higher increase in prices charged to customers compared to increase in labour costs. The gross profit margin for manpower recruitment services is the highest amongst others at 82.4% for the year ended 31 July 2015, therefore pushing up the overall gross profit margin for our Group. The gross profit margin of manpower recruitment services fluctuates as it depends on the cooperative fee we charge to customers. Our cooperative fee varies with the location of the agents from which the candidates are provided to us for employment to meet our customers' business needs. Hence, it has higher gross profit margin. The gross profit margin of manpower training was decreased from approximately 34.4% to 27.0% for the two years ended 31 July 2015 due to higher cost of training courses in 2015.

Our overall gross profit margin decreased from approximately 34.5% for the six months ended 31 January 2015 to approximately 32.7% for the six months ended 31 January 2016, which was mainly attributable to our increase in labour cost for manpower outsourcing services and higher cooperative fee paid to our partner in recruitment. The gross profit margin of manpower outsourcing services slightly decreased from approximately 32.2% for the six months ended 31 January 2015 to approximately 30.3% for the six months ended 31 January 2016. This was because of a slight increase in labour cost. The gross profit margin of manpower recruitment services decreased from approximately 85.6% for the six months ended 31 January 2015 to approximately 74.0% for the six months ended 31 January 2016. This was because manpower recruitment service incurred higher cooperative fee during the period. The gross profit margin of manpower training services increased from approximately 25.5% for the six months ended 31 January 2015 to approximately 40.3% for the six months ended 31 January 2016, which was mainly due to projects with better charge rates for training courses during the period.

Our net profit margin decreased from approximately 16.1% for the year ended 31 July 2014 to approximately 10.9% for the year ended 31 July 2015, due to increase in gross profit margin from approximately 31.6% to 34.3%, which was offset by the increase in other costs. Our net profit margin decreased from approximately 12.7% for the six months ended 31 January 2015 to 2.8% for the six months ended 31 January 2016, mainly due to the listing expenses of approximately S\$1.3 million incurred. Please refer to the section headed "Financial information — Period to period comparison of results of operations" on pages 195 to 201 of this prospectus for further details.

LISTING EXPENSES

The total estimated expenses in relation to the Listing are approximately HK\$21.1 million, of which approximately HK\$20.1 million and HK\$1.0 million is directly attributable to the issue of New Shares to be borne by our Group and placing of Sale Shares to be borne by the Selling Shareholder, respectively. Out of the estimated listing expenses of approximately HK\$20.1 million to be borne by us, approximately HK\$14.0 million and HK\$6.1 million are expected to be charged to the profit or loss account and reserve account of our Group for the year ending 31 July 2016 respectively.

SUMMARY

During the Track Record Period, we have incurred approximately HK\$7.1 million of Listing-related expenses in the profit or loss account for six months ended 31 January 2016. The recognition of the listing expenses is expected to materially affect our financial results for the year ending 31 July 2016. The estimated listing-related expenses of our Group are subject to adjustments based on the actual amount of expenses incurred/to be incurred by our Company upon the completion of the Listing. Please refer to the section headed “Financial information — Other operating expenses” on pages 193 to 194 of this prospectus for further details.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

We have continued to focus on strengthening our market position for our manpower outsourcing services and manpower recruitment services for the hotel and resort, F&B and retail sectors. Based on our financial information for the nine months ended 30 April 2016, our total revenue increased by approximately 24.5%, as compared to that for the nine months ended 30 April 2015. The increase was primarily due to increase in revenue derived from manpower outsourcing services during the period. As far as we are aware, our industry remained relatively stable after the Track Record Period. Up to the date of this prospectus, there was no material adverse change in the general economic and market conditions that had affected or would affect our business operations or financial condition materially and adversely.

Material adverse change

Please refer to the listing expenses as set out under the paragraph headed “Impact of listing expenses on the financial performance of our Group for the year ending 31 July 2016” under the section headed “Financial information” on page 183 of this prospectus for further details.

Save as disclosed above and in the paragraph headed “Financial information — Listing expenses” in this prospectus, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 31 January 2016, being the date to which our latest audited financial statements were prepared and there is no event since 31 January 2016 which would materially affect the information shown in our combined financial statements included in the Accountants’ Report set forth in Appendix I to this prospectus.

SHARE OFFER STATISTICS

**Based on the
Offer Price of
HK\$1.0**

| | |
|------------------------------------------------------------|-------------------------------------------------------|
| Market capitalisation | HK\$250,000,000 |
| Pro forma adjusted net tangible assets per Share | 3.06 (Singapore cents), or 16.83 (Hong Kong cents) |

Note: The conversion of S\$ into HK\$ is based on the approximate exchange rate of S\$1.00 to HK\$5.50.

Please refer to Appendix II to this prospectus for detailed calculation basis.

SUMMARY

DIVIDENDS

For each of the two years ended 31 July 2015 and for the six months ended 31 January 2016, our Group declared dividends of S\$0.5 million, approximately S\$2.8 million and nil, respectively, out of the distributable profit and all these dividends had been paid as at the Latest Practicable Date. The declaration and payment of future dividends will be subject to the discretion of the Board and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which the Board deems relevant. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following the Listing. We do not have any predetermined dividend payout ratio. Please refer to the section headed “Financial information — Dividends” on pages 220 to 221 of this prospectus for further details.

RISK FACTORS

The material risks relating to our Group relate to (i) our listing expenses which will materially affect our financial results for the year ending 31 July 2016; (ii) the loss of or substantial decline in revenue from a major customer; (iii) our JMS software, computer and network systems may not perform as anticipated and are vulnerable to damage and interruption; and (iv) loss of key management and inability to attract and retain management staff competent employees and our manpower. The material risks relating to our industry are (i) fall in demand for our workforce solutions in the hotel and resort, retail and F&B sectors; (ii) rapid changes in the workforce solutions industry; (iii) changes in the regulatory environment; and (iv) fluctuations in general economic conditions. Please refer to the section headed “Risk factors” on pages 25 to 34 of this prospectus for further details.

REGULATORY OVERVIEW

As at the Latest Practicable Date, our business operations are subject to specific legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore, in particular, those in relation to the employment of foreign workers in Singapore, workplace safety and health safety measures and environmental laws and regulations. For further details of abovementioned legislation and regulations, please refer to the section headed “Regulatory overview” on pages 65 to 77 of this prospectus.

CONTROLLING SHAREHOLDERS

Immediately following the completion of the Share Offer and the Capitalisation Issue, Centrex Treasure (owned as to approximately 94.89% by Mr. Sim) will hold 187,500,000 Shares, representing 75% of the enlarged issued share capital of our Company.

Save as disclosed above, there is no other person who will, immediately following the completion of the Share Offer, be directly or indirectly interested in 30% or more of the Shares then in issue or have a direct or indirect equity interest in any member of our Group representing 30% or more of the equity in such member of the Group. Please refer to the

SUMMARY

section headed “Relationship with our Controlling Shareholders, Non-competition Undertaking and Non-disposal Undertaking” on pages 172 to 177 of this prospectus for further details.

REASONS FOR LISTING IN HONG KONG

Our Group has been contemplating the growth and expansion of our business and accordingly, a listing has been considered. Our Company is applying for listing in Hong Kong because it has a high level of internationalisation, maturity in the global financial market, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, our Company believes that there will be higher liquidity and valuation, and greater exposure to a broader analyst and investment community, which would facilitate our future fund raising should such need arise. Our Directors believe that the Listing would help to raise our Group’s brand awareness and publicity on an international level, making our Company’s services known to new potential local and international customers, including hotel operators based in Hong Kong or Macau looking to expand in Singapore. In addition, our Directors also believe that customers may prefer to do business with a listed company given its reputation, listing status, public financial disclosures and general regulatory supervision by relevant regulatory bodies.

We are of the view that our Listing in Hong Kong will help us attract more staff and freelance contractors from the neighboring countries like the PRC and Taiwan to join us. With the proceeds from our Listing, we will be able to expand and strengthen our existing manpower outsourcing services by marketing additional outsourcing services to existing customers and also approaching new customers with our additional sales and operations staff. We will also be able to grow through acquisition or alliance with strategic partners to expand our scope of services. Furthermore, with the additional funds, we are able to expedite the enhancements to our IT software to better support our operation demands and increase efficiency in our business processes and maintain a competitive edge over our competitors. For further details on our future plans, please refer to the section headed “Future plans and use of proceeds” on pages 142 to 153 of this prospectus. To the best of our Directors’ knowledge, information and belief, there is no impediment for our Company to list on the Singapore Exchange Securities Trading Limited although no application has been made or attempted to be made since our Company had decided on listing in Hong Kong from the onset.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

| | |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acceptance Date” | the last day for lodging applications under the Public Offer |
| “Application Form(s)” | WHITE and YELLOW application form(s), or where the context so requires, any of them, used in the Public Offer |
| “Articles” or “Articles of Association” | the articles of association of our Company, conditionally adopted on 20 June 2016 and as amended from time to time, a summary of which is contained in Appendix III to this prospectus |
| “associate(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Board of Directors” or “Board” | our board of Directors |
| “Business Day” | a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours |
| “BVI” | the British Virgin Islands |
| “Capitalisation Issue” | the issue of 199,990,000 Shares (of which 12,500,000 Shares are Sale Shares) to Centrex Treasure to be made upon capitalisation of the sum of HK\$1,999,900 standing to the credit of the share premium account of our Company as referred to in the paragraph headed “A. Further Information about our Company — 3. Written resolutions of the sole Shareholder passed on 20 June 2016” in Appendix IV to this prospectus |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “CCASS Broker Participant(s)” | a person admitted to participate in CCASS as a broker participant |
| “CCASS Clearing Participant(s)” | a person admitted to participate in CCASS as a direct clearing participant or general clearing participant |

DEFINITIONS

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| “CCASS Custodian Participant” | a person admitted to participate in CCASS as a custodian participant |
| “CCASS Investor Participant” | a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation |
| “CCASS Participant” | a CCASS Broker Participant or a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant |
| “Centrex Treasure” | Centrex Treasure Holdings Limited, a company incorporated in the BVI on 22 May 2015 with limited liability which is beneficially owned as to approximately 94.89% by Mr. Sim, and one of our Controlling Shareholders |
| “close associate(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Companies Law” | the Companies Law (as revised) of the Cayman Islands as amended, supplemented and/or otherwise modified from time to time |
| “Companies Ordinance” | Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Companies (Winding Up and Miscellaneous Provisions) Ordinance” | Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Company” | SingAsia Holdings Limited (星亞控股有限公司*), a company incorporated in the Cayman Islands on 12 November 2015 with limited liability |
| “connected persons” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Controlling Shareholder(s)” | has the meaning ascribed thereto under the GEM Listing Rules. As at the Latest Practicable Date, the Controlling Shareholders of our Company for the purpose of the GEM Listing Rules are Mr. Sim and Centrex Treasure |

* For identification purpose only

DEFINITIONS

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| “Deed of Indemnity” | the deed of indemnity dated 20 June 2016 entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries) as further detailed in the section headed “Other information — Estate duty, tax and other indemnities” in Appendix IV to this prospectus |
| “Deed of Non-competition” | the deed of non-competition undertaking dated 20 June 2016 entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries) as further detailed in the section headed “Relationship with our Controlling Shareholders, Non-competition Undertaking and Non-disposal Undertaking” of this prospectus |
| “Director(s)” | the director(s) of our Company |
| “Executive Director(s)” | the executive Director(s) |
| “GEM” | the Growth Enterprise Market operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time |
| “Group”, “our Group”, “we”, “our” or “us” | our Company and its subsidiaries or, where the context otherwise requires, in respect of the period before our Company becoming the holding company of our present subsidiaries, the present subsidiaries of our Company and the businesses carried on by them or their predecessors (as the case may be) |
| “HK\$” or “HK dollars” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HKASs” | Hong Kong Accounting Standards |
| “HKFRSs” | Hong Kong Financial Reporting Standards issued by the HKICPA |
| “HKICPA” | Hong Kong Institute of Certified Public Accountants |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “HKSCC Nominees” | HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Branch Share Registrar” | Union Registrars Limited, the Hong Kong branch share registrar and transfer office of our Company |

DEFINITIONS

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| “Independent Non-Executive Director(s)” | our independent non-executive Director(s) |
| “Independent Third Party(ies)” | party(ies) which is/are independent of and not connected with any of our Directors, Substantial Shareholders or chief executive of our Company or any of our subsidiaries or any of their respective associates and is not otherwise a connected person of the Company |
| “Ipsos” | Ipsos Singapore Pte. Limited, a global market research and consulting agency |
| “Ipsos Report” | the industry report prepared by Ipsos and commissioned by our Company, the contents of which are quoted in this prospectus |
| “Joint Bookrunners” or “Joint Lead Managers” | Vinco Capital and Sinomax Securities |
| “Latest Practicable Date” | 27 June 2016, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information referred to in this prospectus |
| “Listing” | the listing of the Shares on GEM |
| “Listing Committee” | the listing committee of the Stock Exchange |
| “Listing Date” | the date on which dealings in the Shares first commence on GEM |
| “Listing Division” | the listing department of the Stock Exchange |
| “Main Board” | the main board of the Stock Exchange |
| “Memorandum” or “Memorandum of Association” | the memorandum of association of our Company adopted on 20 June 2016, as amended from time to time |
| “MOM” | Ministry of Manpower of Singapore |
| “Mr. Ng” | Mr. Ng Meng Choon, Frey, a member of the senior management of our Group and interested in 1.44% of the entire issued share capital of Centrex Treasure |
| “Mr. Sim” | Mr. Sim Hak Chor, a founder, an Executive Director and the chairman of our Board, a Controlling Shareholder and interested in 94.89% of the issued share capital of Centrex Treasure |

DEFINITIONS

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| “Mr. Wong” | Mr. Wong Swee Fatt, a member of the senior management of our Group and interested in 0.77% of the issued share capital of Centrex Treasure |
| “Mr. Woo” | Mr. Woo Chee Sin, a member of the senior management of our Group and interested in 0.77% of the issued share capital of Centrex Treasure |
| “Ms. Tan” | Ms. Serene Tan, an Executive Director and interested in 1.74% of the issued share capital of Centrex Treasure |
| “NEA” | National Environment Agency of Singapore |
| “New Shares” | 50,000,000 new Shares being offered by our Company for subscription at the Offer Price under the Share Offer |
| “NTA” | the net tangible assets |
| “NTUC” | National Trades Union Congress |
| “Offer Price” | HK\$1.0 per Offer Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed for and issued, or purchased and sold, pursuant to the Share Offer |
| “Offer Shares” | the Public Offer Shares and the Placing Shares |
| “per cent.” or “%” | per centum or percentage |
| “Placing” | the conditional placing of the Placing Shares for and on behalf of our Company and the Selling Shareholder, subject to reallocation as further described under the section headed “Structure and conditions of the Share Offer” in this prospectus |
| “Placing Shares” | 56,250,000 Shares, comprising 43,750,000 New Shares and 12,500,000 Sale Shares offered at the Offer Price pursuant to the Placing |
| “Placing Underwriters” | together, the underwriters of the Placing |

DEFINITIONS

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| “Placing Underwriting Agreement” | the conditional underwriting agreement dated 4 July 2016 relating to the Placing and entered into by, among others, our Company, our Executive Directors, our Controlling Shareholders, the Selling Shareholder, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Placing Underwriters, as further described in the section headed “Underwriting — Placing” of this prospectus |
| “PRC” or “China” | the People’s Republic of China which, for the purposes of this prospectus and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Public Offer” | the offer by our Company of the Public Offer Shares for subscription to the public in Hong Kong as described in “Structure and conditions of the Share Offer” at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% of the Offer Price) and on and subject to the terms and conditions stated herein and in the Application Forms relating thereto |
| “Public Offer Shares” | 6,250,000 Shares initially offered by our Company for subscription pursuant to the Public Offer (subject to reallocation as described in the section headed “Structure and conditions of the Share Offer”) |
| “Public Offer Underwriters” | together, the underwriters of the Public Offer |
| “Public Offer Underwriting Agreement” | the conditional underwriting agreement dated 4 July 2016 relating to the Public Offer and entered into, among others, our Company, our Executive Directors, our Controlling Shareholders, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Public Offer Underwriters, as further described in the section headed “Underwriting — Public Offer underwriting arrangements” of this prospectus |
| “Regulation S” | Regulation S under the U.S. Securities Act |
| “Reorganisation” | the pre-listing reorganisation of our Group, further details of which are described under the section headed “History, reorganisation and Group structure” in this prospectus and the section headed “A. Further information about our Company” in Appendix IV to this prospectus |
| “S\$” | Singapore dollars, the lawful currency of Singapore |

DEFINITIONS

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|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Sale Shares” | 12,500,000 Shares to be allotted and issued to the Selling Shareholder under the Capitalisation Issue, being offered for sale by the Selling Shareholder at the Offer Price under the Placing |
| “SAR” | SingAsia Resources Pte. Ltd., a company incorporated in Singapore with limited liability on 28 August 2014 and our wholly-owned subsidiary |
| “Selling Shareholder” | Centrex Treasure, further particulars of which are set out in the section headed “D. Other information — 8. Selling Shareholder” in Appendix IV to this prospectus |
| “SFC” | the Securities and Futures Commission in Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of our Company |
| “Share Offer” | the Public Offer and the Placing |
| “Shareholder(s)” | holder(s) of the issued Share(s) |
| “Singapore” | Republic of Singapore |
| “SingAsia Investments” | SingAsia Investments Limited, a company incorporated in the BVI on 3 November 2015 with limited liability and our wholly-owned subsidiary |
| “Sinomax Securities” | Sinomax Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activities under the SFO, being one of the Joint Lead Managers and Joint Bookrunners |
| “SPRING Singapore” | SPRING Singapore, an agency under the Ministry of Trade and Industry of Singapore, responsible for helping Singapore enterprises grow and building trust in Singapore products and services |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the meaning ascribed thereto under the Companies Ordinance |
| “Substantial Shareholders” | has the meaning ascribed thereto under the GEM Listing Rules |

DEFINITIONS

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|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time |
| “TCCECS” | TCC Education and Consulting Services Pte. Ltd., a company incorporated in Singapore with limited liability on 20 December 2011 and our wholly-owned subsidiary |
| “TCCHR” | TCC Hospitality Resources Pte. Ltd., a company incorporated in Singapore with limited liability on 10 March 2004 and our wholly-owned subsidiary |
| “TCCM” | TCC Manpower Pte. Ltd., a company incorporated in Singapore with limited liability on 31 July 2007 and our wholly-owned subsidiary |
| “TCCMS” | TCC Maintenance Services Pte. Ltd., a company incorporated in Singapore with limited liability on 1 August 2005 and our wholly-owned subsidiary |
| “TCCS” | TCC Solutions Pte. Ltd., a company incorporated in Singapore with limited liability on 6 January 2005 and our wholly-owned subsidiary |
| “Track Record Period” | the two years ended 31 July 2015 and the six months ended 31 January 2016 |
| “Underwriters” | together, the Public Offer Underwriters and the Placing Underwriters |
| “Underwriting Agreements” | together, the Public Offer Underwriting Agreement and the Placing Agreement |
| “US” or “United States” | the United States of America |
| “US\$” | United States dollar, the lawful currency of the United States |
| “Vinc Capital” or “Sole Sponsor” | Grand Vinc Capital Limited, a wholly-owned subsidiary of Vinc Financial Group Limited (stock code: 8340), a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the sole sponsor to the Listing and one of the Joint Lead Managers and Joint Bookrunners |
| “WHITE Application Form(s)” | the application form(s) for the Public Offer Shares for use by the public who require(s) such Public Offer Shares to be issued in the applicant’s or applicants’ own name(s) |

DEFINITIONS

“**YELLOW** Application Form(s)” the application form(s) for the Public Offer Shares for use by the public who require(s) such Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS

Unless otherwise stated, the conversion of S\$ into HK\$ in this prospectus is based on the approximate exchange rate of S\$1.00 to HK\$5.50.

Such conversions shall not be construed as representations that amounts in HK\$ will be or may have been converted into S\$ at such rates or any other exchange rates, or vice versa.

Any discrepancies in any table between the total shown and the sum of the amount (including the percentage) listed are due to rounding.

GLOSSARY

This glossary of technical terms contains explanations and definitions of certain terms used in this prospectus in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

| | |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “F&B” | Food & Beverage |
| “Freelance contractors” | Freelance contractors are workers that we engage for deployment and do not have any employee benefits. The freelance contractors are not subject to employment laws and regulations in Singapore and do not commit to any minimum number of work hours per week |
| “Full-time staff” | Staff employed by us on a full-time basis. They are required to work for at least 44 hours per week and are remunerated monthly and have full employee benefits such as annual leave and medical leave and benefits |
| “JMS” | Cloud-based Job Management System |
| “Part-time staff” | Part-time staff are employed by us on a part-time basis. Part-time staff work for at least 18 hours per week and are allowed to work for more than 44 hours per week |

FORWARD-LOOKING STATEMENTS

We have included in this prospectus forward-looking statements that are not historical facts, but relate to our intentions, beliefs, expectations or predictions for future event. These forward-looking statements are contained principally in the sections headed “Summary”, “Risk factors”, “Industry overview”, “Business”, and “Financial information”, which are, by their nature, subject to risks and uncertainties.

In some cases, we use the words “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “might”, “ought”, “plan”, “potential”, “predict”, “project”, “propose”, “seek”, “should”, “will”, “would” and similar expressions or statements to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business strategies and plan of operation;
- our capital expenditure plans;
- the amount and nature of, potential for and future development of our business;
- our operations and business prospects, including new locations of expansion;
- our dividend policy;
- our overall financial condition;
- our planned projects;
- the regulatory environment of our industry in general;
- general industry outlook and future development in our industry;
- general economic trends in Singapore; and
- other statements in this prospectus that are not historical fact.

Our Directors confirm that these forward-looking statements are made after due and careful consideration based on honestly held opinions.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect the current views of our Company with respect to future events and are not a guarantee of future performance.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under the section headed “Risk factors” in this prospectus.

These forward-looking statements are based on current plans and estimates, and speak only as of the date they are made. Our Company undertakes no obligations to update or revise any forward-looking statement in light of new information, future events or

FORWARD-LOOKING STATEMENTS

otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. Our Company cautions you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Due to these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to these cautionary statements.

RISK FACTORS

Potential investors of the Offer Shares should carefully consider all of the information set out in this prospectus and, in particular, the following risks and special considerations associated with an investment in our Company before making any investment decisions in relation to our Company. If any of the possible events as described below materialises, our Group's business, financial position and prospects could be materially and adversely affected and the market price of the Offer Shares could fall significantly.

This prospectus contains certain forward-looking statements relating to our Group's plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results may differ materially from those as discussed in this prospectus. Factors that could contribute to such differences are set out below as well as in other parts of this prospectus.

RISKS RELATING TO OUR GROUP

Approximately HK\$21.1 million of listing expenses will be recognised upon Listing and will materially affect our financial results for the year ending 31 July 2016

Our Directors are of the view that there would be a negative impact on the financial results, including the net profit of our Group, for the year ending 31 July 2016 due to the non-recurring listing expenses. Based on the Offer Price of HK\$1.0, the total estimated expenses in relation to the Listing are approximately HK\$21.1 million, of which approximately HK\$20.1 million and approximately HK\$1.0 million are directly attributable to the issue of New Shares to be borne by our Group and placing of Sale Shares to be borne by the Selling Shareholder, respectively. Out of the estimated listing expenses of approximately HK\$20.1 million to be borne by us, approximately HK\$14.0 million and approximately HK\$6.1 million are expected to be charged to the profit or loss account and reserve account of our Group for the year ending 31 July 2016 respectively. Such listing expenses had not been incurred during the Track Record Period and will be recognised upon Listing. The amount of listing expenses is a current estimate for reference only and the final amount to be recognised to the profit or loss account of our Group for the financial year ending 31 July 2016 is subject to changes in variables and our assumptions. Prospective investors should note that the financial performance of our Group for the financial year ending 31 July 2016 would be significantly affected by the estimated listing expenses mentioned above, and may or may not be comparable to the financial performance of our Group in the past.

The framework agreements do not provide any obligation and/or commitment on the part of our customers to use our manpower outsourcing services, and as the loss of or substantial decline in revenue from any major customer could have a material adverse effect on our business, financial conditions and results of our operations

We have entered into framework manpower outsourcing service agreements with most of our major customers. The terms of these framework manpower outsourcing service agreements range from 1 to 5 years, some of which are renewable at our customers' discretion and most of which can be terminated by our customers with one month's written

RISK FACTORS

notice. The revenue from our manpower outsourcing services is mainly dependent on the number of staff deployed under the services. Since the framework manpower outsourcing service agreements do not provide any obligation and/or commitment on the part of our customers to utilise our outsourced manpower and they may be terminated by our customers within a short period of time, the revenue from our manpower outsourcing services is uncertain.

41.7%, 38.2% and 29.1% of our revenue were contributed by Customer A during the two years ended 31 July 2015 and the six months ended 31 January 2016. A significant decrease in demand or termination of our services agreement by Customer A would adversely affect our revenue

Customer A is principally engaged in gaming and integrated resorts operator in Singapore and is a subsidiary of a Singapore listed Company. Customer A accounted for approximately 41.7% of our total revenue for the financial year ended 31 July 2014, approximately 38.2% for our total revenue for the financial year ended 31 July 2015 and approximately 29.1% for the six months ended 31 January 2016. Our current service contract commenced from 1 August 2014 for 3 years with an option for Customer A to renew the contract for another 2 years until 31 July 2019. Reduction in the demand for or termination of our services by Customer A may cause material fluctuations or declines in our Group's revenue or liquidity position and have a material adverse effect on our Group's business, financial condition and results of operations.

Our JMS software, computer and network systems may not perform as anticipated and are vulnerable to damage and interruption

The efficient operation of our business is dependent on our JMS software, which is directly related to the stability and performance of our manpower outsourcing services and assists us in managing a huge database.

The manpower database contains approximately 59,000 registered manpower supply. The JMS software will provide a selected list of manpower supply based on our customer's requirement. The manpower database is stored in our cloud server that is hosted by a cloud service provider. Our software may experience functional problems. The failure of our JMS software to perform could disrupt our business and could result in decreased revenue and increased overhead costs, causing our business and results of operations to suffer materially. Our JMS software, computer and network systems are vulnerable to damage or interruption from power outages, computer and telecommunications failures, hacker attacks, computer viruses, security breaches, and errors in usage by our employees. As at the Latest Practicable Date, there was no insurance policy to protect the JMS software. Failure of our software and computer systems to perform may require significant additional capital and management resources to resolve, causing material harm to our business. Any unexpected problems in the JMS software may have material adverse effects on our business and operations as well as reputation.

RISK FACTORS

Moreover, if the network becomes unstable, it may cause poor connectivity in the JMS software application and affect the operating performance of the JMS software. The above problems may reduce the level of satisfaction of our customers and result in negative customer relations.

We are dependent on attracting and retaining key management personnel, competent employees and our manpower for our business

The performance of our Group and the implementation of our Group's business plans are mainly influenced by the performance of our Executive Directors and our senior management, Mr. Woo, Mr. Ng and Mr. Wong. Our Executive Directors and our senior management have been our Group's key personnel to maintain close relationship with our Group's existing customers and to extend our Group's customer network. The loss of service of any of our Executive Directors or our senior management without immediate and adequate replacement may result in a material adverse effect on the operations and financial position of our Group.

The labour turnover rate in the hotel and resort, F&B and retail sectors is high, and qualified individuals of the requisite caliber and number needed to fill these positions may be in short supply. Our inability to recruit, train and maintain a sufficient number of qualified individuals may delay or affect the speed of our strategic execution and planned growth. Delayed expansion, significant increases in labour turnover rates or significant increases in labour costs could have a material adverse effect on our business, financial condition and results of operations.

Improper disclosure of, or access to, our confidential and/or proprietary information of our staff and freelance contractors could materially affect our business

Our business involves the use, storage and transmission of information about our recruitment candidates and our outsourcing staff and freelance contractors.

Pursuant to the Personal Data Act, we are obligated to keep all such data confidential. If any personal data provided by the recruitment candidates, our staff and freelance contractors is leaked to or obtained by third parties resulting in breach of confidentiality by us, they may take legal action against us for damages and/or compensation for their losses.

Our Group's manpower outsourcing services are subject to seasonal fluctuations

During the Track Record Period, our manpower outsourcing services tend to generate relatively higher sales during the period from September to December due to relatively higher number of wedding banquets, festive celebrations and major international events (for example, the Formula One Singapore Grand Prix) hosted during that period. For further details, please refer to the paragraph headed "Business — Seasonality" in this prospectus. Our results of operations may fluctuate from period to period and a comparison of different periods may not be meaningful. Our results for a given fiscal period are not necessarily indicative of results to be expected for any other fiscal period.

RISK FACTORS

Our business plan may not be implemented successfully which may adversely affect our prospects

Our Group's future plans as described in the section headed "Future plans and use of proceeds" in this prospectus is based on current intentions and assumptions. The future execution may be subject to capital investment and human resources constraints. Furthermore, our expansion plan may also be hindered by other factors beyond our control, such as the general market conditions, the government policies relevant to our industry, our ability to maintain our existing competitive advantages and the new market entrants. There is no assurance that our business plan can be successfully implemented. Should there be any material adverse change in our operating environment which results in our failure to implement any part of our business plan, our prospects may be adversely affected.

Our Group's manpower costs are subject on market conditions which may adversely affect our profitability

Our Group provides manpower related services to our customers. The major cost of our business is directly related to the manpower that we hire to provide our services to our customers. The increase in manpower cost due to different factors such as delay or inefficiency in manpower deployment, unsatisfactory services that requires replacement and higher manpower cost due to tight labour market. All these factors that affect our company's direct manpower cost could have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

We may face a fall in demand for our workforce solutions in the hotel and resort, retail and F&B sectors

Our Group is a provider of workforce solutions to the hotel and resort, retail and F&B sectors. There is no assurance that the demand for our services from such sectors will be maintained or continue to grow. Any economic downturn in Singapore will directly affect such sectors and may reduce the demand of labour force and possibly cause downward pressure on the pricing of our services. The fall in demands of our customers may affect our Group's business, financial condition and results of our operations.

We have to keep up with rapid changes in the workforce solutions industry, in particular for the hotel and resort, retail and F&B sectors

The manpower outsourcing business is highly competitive and rapidly changing in Singapore. The hotel and resort, retail and F&B sectors are experiencing rapid changes in both the labour market and the relevant regulations. For further details, please refer to the "Industry overview" section in this prospectus. There is no guarantee that we can provide staff with suitable expertise to our customers for their demanded services. In order to maintain the competitiveness in labour market, it is essential for us to enhance business

RISK FACTORS

expansion, adapt to the changes in the labour market and provide more training to our manpower. Therefore, extra costs may be required to maintain the competitiveness and develop the manpower outsourcing business.

If we are unable to adapt to the rapid changes in the workforce solutions industry and offer timely services to our customers with skilled manpower, the demand for our services may be adversely affected.

Our workforce solutions are subject to extensive government regulations or the imposition of additional regulations

We are required to obtain an employment agency licence from the MOM for the manpower recruitment services in Singapore and a cleaning business licence from the NEA for our cleaning manpower outsourcing services in Singapore. Costs of operation may increase significantly if the Singapore government imposes any further licences or other requirements or changes laws or regulations related to our business operations. We have no guarantee that there will not be any changes in the regulatory environment in the hotel and resort, retail and F&B sectors. Further details of licensing requirements are set out in the section headed “Regulatory overview” in this prospectus.

We are subject to labour and immigration laws, regulations and policies that govern the employment of foreign workers

We employ a significant number of foreign workers and are subject to the applicable laws, regulations and policies of Singapore governing the employment of foreign workers. As at the Latest Practicable Date, we employed/engaged 477 foreign staff/freelance contractors, which accounted for approximately 24.0% of the total number of full-time staff, part-time staff and freelance contractors of our Group.

We are vulnerable to any changes in the applicable laws, regulations or policies of Singapore or those of the foreign workers’ countries of origin, which may result in labour shortages and/or increase in our operating costs. The availability of foreign workers in Singapore is regulated by the MOM through policy instruments such as the imposition of levies and quotas, known as dependency ratio ceilings, being the percentage of foreign workers permitted in a company’s total workforce. Any increase in such levies and any changes in the supply and/or quota of foreign workers that we are permitted to hire may result in an increase in our costs of hiring workers. We may also be restricted to hire fewer foreign workers in Singapore and could potentially face difficulties in identifying alternative sources of workers with comparable or lower costs. In addition, we may be subject to penalties for any non-compliance with the relevant foreign employment laws and regulations in Singapore, which may adversely affect our business, financial conditions and operations. Further details of the relevant foreign employment laws and regulations in Singapore are set out in the section headed “Regulatory overview” in this prospectus.

RISK FACTORS

We are also vulnerable to any changes in the availability and costs of hiring workers from other countries. In the event that there is a shortage of workers to meet our operational requirements or an increase in the cost of hiring such workers due to any of the foregoing, our Group's business, financial condition and results of operations may be adversely affected.

The working capital mismatch in our operation may result in insufficient cash flow if there is a fall in our internally generated funds and banking facilities and debt financing from banks

Generally, our credit periods granted to our customers are 30 days. However, due to the time taken for the checking of the invoices and processing of the payment, our customers settled their invoices practically around 60 days during the Track Record Period. In our business operation cycle, the time taken to receive sales proceeds is longer than the time to pay our staff and freelance contractors. In general, we have a working capital mismatch in our operation.

We finance our business operation through our internally generated funds and banking facilities and debt financing from banks. It is our general policy to factor some of our sales invoices with banks for working capital needs. However, there is no guarantee that the amount of our internally generated funds as well as banking facilities and debt financing from banks will be sufficient to cover the working capital mismatch in our operation in the future. Any economic downturn in Singapore will affect the demand for our services and may result in a fall in revenue and therefore internally generated funds of our Group. The amount of our Group's banking facilities and debt financing from banks may also be reduced if our credit rating is lower due to any adverse changes to our Group's business, financial condition and results of our operation. The working capital mismatch in our operation may result in insufficient cash flow of our Group and hence may adversely affect our business operation.

Growing usage of technology and automation in hospitality and retail sectors may reduce the demand for our manpower outsourcing services

Singapore government's plan towards productivity improvement through innovation pushes businesses in hospitality and retail sectors to invest in technology and automation to reduce reliance on human labour, and therefore the demand for our manpower outsourcing services. This may cause material fluctuations or declines in our revenue or liquidity position and may have a material adverse effect on our business, financial condition and results of operations.

Low barriers of entry could increase competition in our industry that may affect our financial performance

Our business does not involve highly skilled manpower workforce and therefore has relatively low barriers of entry for new entrants, particularly those targeting the hotel and resort, retail and F&B sectors. It is also relatively easy for customers to switch to our competitors as the services differentiation is low. The overall manpower outsourcing sector

RISK FACTORS

in Singapore is highly fragmented. If we fail to compete effectively or maintain our competitiveness in the market, our business, financial condition and results of operations will be adversely affected.

RISKS RELATING TO THE SHARE OFFER

Investors may experience difficulties in enforcing their shareholders' rights as the laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located

Our Company is incorporated in the Cayman Islands and our affairs are governed by the Articles, the Companies Law and common law applicable in the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights that are provided under the laws of Hong Kong or such other jurisdictions. A summary of the Cayman Islands company law on protection of minorities is set out in the paragraph headed "Protection of minorities and shareholders' suits" in Appendix III to this prospectus.

Historical dividends are not indicative of our Group's future dividends

Our Group declared a dividend of approximately S\$0.5 million during the year ended 31 July 2014, approximately S\$2.8 million during the year ended 31 July 2015 and nil for the six months ended 31 January 2016 to the shareholders of our Group. The value of dividends declared and paid in previous years should not be relied on by potential investors as a guide to the future dividend policy of our Group or as a reference or basis to determine the amount of dividends payable in the future. There is no assurance that dividends will be declared or paid in the future, at a similar level or at all. The payment and the amount of any dividends will be at the discretion of our Directors and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions (if any) and other factors which our Directors deem relevant. We do not have any predetermined dividend payout ratio.

In any event, there is no assurance that our Company will receive sufficient distribution from our subsidiaries to support any future profit distribution to our Shareholders, or that the amounts of any dividends declared by our Company in the future, if any, will be of a level comparable to dividends declared and paid by us in the past, or by other listed companies in the same industry as our Group.

No assurance of liquidity and possible price and trading volume volatility of our Shares

Prior to the Listing, there has been no public market for the Shares. The Offer Price is the result of negotiations between our Company (for ourselves and on behalf of the Selling Shareholder) and the Joint Lead Managers (for themselves and on behalf of the Underwriters), and may differ from the market price for the Shares after the Listing. However, there is no assurance that the Listing will result in the development of an active and liquid public trading market for the Shares. The pricing and trading volume of the

RISK FACTORS

Shares may be volatile. The market price of the Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond control of our Group:

1. variations in the results of our Group's operations;
2. changes in securities analysts' analysis of our Group's financial performance;
3. announcement by our Group of significant acquisitions, dispositions, strategic alliances or joint ventures;
4. addition or departure of key management personnel;
5. fluctuations in market prices and trading volume of the Shares;
6. involvement in litigation; and
7. general economic and stock market conditions in Singapore and Hong Kong.

These broad market and industry fluctuations may adversely affect the market price of the Shares.

Termination of the Underwriting Agreements

Prospective investors of the Offer Shares should note that the Underwriters are entitled to terminate their obligations under the Underwriting Agreements by the Joint Lead Managers (for themselves and on behalf of the Underwriters) by giving written notice to our Company upon the occurrence of any of the events stated in the paragraph headed "Grounds for termination" under the "Underwriting" section of this prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, epidemic, terrorism, strike or lock-out.

Additional equity fund raising may lead to dilution of Shareholders' interests and decrease in market price of the Shares and additional debt financing may restrict future dividend declaration and/or fund raising exercises of our Group

We may find opportunities to grow through acquisitions that cannot currently be anticipated. Secondary issue(s) of securities after the Share Offer may be necessary to raise the required capital to capture these growth opportunities. If additional funds are raised by issuing new equity securities in the future to new and/or existing Shareholders after the Listing, such new Shares may be priced at a discount to the then prevailing market price. If existing Shareholders are not offered an opportunity to participate, their shareholding interest in our Company will be diluted. Also, if our Company fails to utilise the additional funds to generate the expected earnings, our financial results may be adversely affected and in turn exert pressure on the market price of the Shares. If additional funds are raised

RISK FACTORS

through debt financing, any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

Future sale of Shares or major divestment of Shares by our Controlling Shareholders may cause the market price of the Shares to fall

The sale of a significant number of Shares in the public market after the Share Offer, or the perception that these sales may occur, could adversely affect the market price of the Shares. Except as otherwise described in the sections headed “Relationship with our Controlling Shareholders and non-competition undertaking and non-disposal undertaking” and “Underwriting” in this prospectus and the restrictions set out by the GEM Listing Rules, there are no restrictions imposed on our Controlling Shareholders or Substantial Shareholders to dispose of their shareholdings. Any major disposal of Shares by any of our Controlling Shareholders or Substantial Shareholders may cause the market price of the Shares to fall. In addition, these disposals may make it more difficult for our Group to issue new Shares, thereby limiting our Group’s ability to raise capital.

Investors should not place any reliance on any information contained in press articles or other media regarding our Group and the Share Offer

There may have been press and media coverage regarding our Group and the Share Offer, which may contain references to certain events, or information such as financial information, financial projections, and other information about us that do not appear in this prospectus. Potential investors should only rely on the information contained in this prospectus, and any formal announcements made by us in Hong Kong when making any investment decision regarding our Shares. Accordingly, prospective investors are cautioned against making their investment decisions in reliance on any other information, reports, or publications other than this prospectus.

RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS

Statistics and facts from governmental source in this prospectus have not been independently verified

This prospectus includes certain statistics and facts that have been extracted from official sources and publications. Our Company believes that the sources of these statistics and facts are appropriate and we have taken reasonable care in extracting and reproducing such statistics and facts. Our Company has no reason to believe that such statistics and facts are false or misleading or that any fact has been omitted that would render such statistics and facts false or misleading. These statistics and facts from these sources have not been independently verified by our Company, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, any of their respective directors or any other party involved in the Share Offer and therefore, our Company makes no representation as to the accuracy or completeness of these statistics and facts, as such these statistics and facts should not be unduly relied upon.

RISK FACTORS

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “may”, “ought to”, “should” or “will” or similar terms. Those statements include, among other things, the discussion of our Group’s growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Group’s control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed “Forward-looking statements” in this prospectus for further details.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the GEM Listing Rules for the purpose of giving information with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus 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 prospectus misleading.

INFORMATION ON THE SHARE OFFER

The Offer Shares are offered solely on the basis of the information contained and the representations made in this prospectus and the Application Forms, on the terms and subject to the conditions set out herein. No person in connection with the Share Offer is authorised to give any information, or to make any representation not contained in this prospectus and the Application Forms, and any information or representation not contained herein must not be relied upon as having been authorised by our Company, our Directors, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners the Underwriters, and any of their respective directors, agents, employees or advisers or any other party involved in the Share Offer.

SELLING SHAREHOLDER

The Share Offer consists of 12,500,000 Sale Shares being sold by the Selling Shareholder. We estimate that the net proceeds to the Selling Shareholder from the Sale Shares (after deduction of proportional underwriting fees and estimated expenses payable by the Selling Shareholder in relation to the Share Offer) will be approximately HK\$11.5 million. We will not receive any of the proceeds from the sale of the Sale Shares.

Details of the Selling Shareholder are set out in the section headed “D. Other information — 8. Selling Shareholder” in Appendix IV to this prospectus.

OFFER SHARES ARE FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Public Offer, which forms part of the Share Offer, which is sponsored by the Sole Sponsor and jointly managed and bookrun by the Joint Lead Managers and the Joint Bookrunners. The Public Offer is fully underwritten by the Public Offer Underwriters subject to the terms and conditions of the Public Offer Underwriting Agreement. The Placing will be fully underwritten by the Placing Underwriters under the terms and conditions of the Placing Underwriting Agreement. For details of the Underwriters and the underwriting arrangement, please refer to the section headed “Underwriting” in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF SHARES

Each person acquiring the Offer Shares will be required to confirm or by his/her/its acquisition of the Offer Shares will be deemed to confirm that he/she/it is aware of the restrictions on the offer of the Offer Shares described in this prospectus.

Save as mentioned above, no action has been taken in any jurisdiction other than Hong Kong to permit the offering of the Offer Shares or the general distribution of this prospectus. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in relation to the Share Offer in any jurisdiction or, in any circumstance in which such an offer or invitation is not authorised, or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under any applicable laws, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities as an exemption therefrom.

Prospective investors for the Offer Shares should consult their financial advisers and take legal advice as appropriate, to inform themselves of, and to observe the applicable laws, rules and regulations of any relevant jurisdictions.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Further details of the structure and conditions of the Share Offer including its grounds for termination are set out in the section headed “Structure and conditions of the Share Offer” in this prospectus.

APPLICATION FOR LISTING ON GEM

Application has been made to the Listing Division for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the Shares offered under this prospectus to be listed on GEM has been refused before the expiration of three weeks from the date of the closing of the application lists or such longer period not exceeding six weeks as may, within the said three weeks, be notified to our Company for permission by or on behalf of the Listing Division, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at all times after the Listing, our Company must maintain the “minimum prescribed percentage” of 25% or such applicable percentage of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

No part of the Shares or the loan capital of our Company is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek listing of, or permission to deal in, any part of the Shares or loan capital on any other stock exchange. Only securities registered on the branch register of members of our Company kept in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

PROFESSIONAL TAX ADVICE RECOMMENDED

If investors are unsure about the taxation implications of the subscription for, purchase, holding, disposal of or dealing in, or exercise of any rights in relation to, the Offer Shares, they should consult an expert. It is emphasised that none of our Company, our Directors, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, any of their respective directors, officers, employees, agents, representatives or any other persons or parties involved in the Share Offer accept responsibility for any tax effects on or liabilities of any persons resulting from the subscription for, purchase, holding, disposal of or dealing in, or the exercise of any rights in relation to, the Offer Shares.

REGISTRATION AND STAMP DUTY

Our fully-paid Shares are freely transferable. The Shares may be registered on the principal register of members of our Company in the Cayman Islands or on the branch register of members of our Company in Hong Kong. Dealings in the Shares registered on the principal register of members of our Company in the Cayman Islands will not be subject to Cayman Islands stamp duty unless our Company holds an interest in land in the Cayman Islands.

Our Company's principal register of members will be maintained in the Cayman Islands by our Company's principal share registrar, Estera Trust (Cayman) Limited, and our Company's branch register of members will be maintained in Hong Kong by our Hong Kong Branch Share Registrar, Union Registrars Limited.

Only Shares registered on the branch register of members of our Company maintained in Hong Kong may be traded on GEM, unless the Stock Exchange otherwise agrees. Dealings in the Shares registered on the branch register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless our Company determines otherwise, dividends payable in HK\$ in respect of the Shares will be paid by cheque sent at the Shareholder's risk to the registered address of each Shareholder or, in the case of joint holders, the first-named holder.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or, under contingent situation, any other date as determined by HKSCC. Settlement of transactions between participants of the Stock

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS. If investors are unsure about the details of CCASS settlement arrangement and how such arrangements will affect their rights and interests, they should seek the advice of their stockbrokers or other professional advisers.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 15 July 2016. Shares will be traded in board lots of 5,000 each. The stock code for the Shares is 8293.

Our Company will not issue any temporary documents of title.

LANGUAGE

If there is any inconsistency between this prospectus and the Application Forms and the Chinese translation of this prospectus and the Application Forms, the English version of the same shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.

ROUNDING

Any discrepancies in any table between totals and sums of individual amounts listed in any table are due to rounding.

EXCHANGE RATE CONVERSION

Unless otherwise stated, the conversion of Singapore dollars into HK dollars in this prospectus is based on the approximate exchange rate of S\$1 to HK\$5.50.

Such conversions shall not be construed as representations that amounts in HK dollars will be or may have been converted into Singapore dollars at such rates or any other exchange rates, or vice versa, or at all.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

DIRECTORS

| Name | Address | Nationality |
|--------------------------------------------|------------------------------------------------------------|--------------------|
| <i>Executive Directors</i> | | |
| Mr. Sim Hak Chor (沈學助) | 17 Kee Choe Avenue Singapore 348959 | Singaporean |
| Ms. Serene Tan (陳雪玲) | 533 Ang Mo Kio Avenue 2 Singapore 567922 | Singaporean |
| <i>Independent Non-Executive Directors</i> | | |
| Mr. Tan Eng Ann (陳勇安) | 300 Beach Road #30-07 The Concourse Singapore 199555 | Singaporean |
| Mr. Lim Cheng Hock, Lawrence (林清福) | 31 Moonstone Lane #03-05 Singapore 328496 | Singaporean |
| Mr. Jong Voon Hoo (楊文豪) | 7 Marymount Terrace #14-04 Singapore 573963 | Singaporean |

For further information regarding our Directors, please refer to the section headed “Directors, senior management and staff” in this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor

Grand Vinco Capital Limited
Units 4909–4910, 49/F, The Center
99 Queen's Road Central
Hong Kong

**Joint Lead Managers and
Joint Bookrunners**

Grand Vinco Capital Limited
Units 4909–4910, 49/F, The Center
99 Queen's Road Central
Hong Kong

Sinomax Securities Limited
Unit 1601, Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

**Public Offer Underwriters and
Placing Underwriters**

Grand Vinco Capital Limited
Units 4909–4910, 49/F, The Center
99 Queen's Road Central
Hong Kong

Sinomax Securities Limited
Unit 1601, Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

Legal advisers to our Company

As to Hong Kong laws
Michael Li & Co.
Solicitors, Hong Kong
19th Floor, Prosperity Tower
39 Queen's Road Central
Central
Hong Kong

As to Singapore laws
Dentons Rodyk & Davidson LLP
80 Raffles Place
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CORPORATE INFORMATION

| | |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registered office | Clifton House 75 Fort Street PO Box 1350 Grand Cayman KY1-1108 Cayman Islands |
| Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance | 19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong |
| Headquarters and principal place of business | 27 New Bridge Road Singapore 059391 |
| Company website | www.singasia.com.sg <i>(Note: contents contained in the website do not form part of this prospectus)</i> |
| Compliance officer | Mr. Sim Hak Chor 17 Kee Choe Avenue Singapore 348959 |
| Company secretary | Mr. Li Chi Chung, Solicitor, Hong Kong 19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong |
| Authorised representatives (for the purpose of the GEM Listing Rules) | Mr. Sim Hak Chor 17 Kee Choe Avenue Singapore 348959 Mr. Li Chi Chung, Solicitor, Hong Kong 19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong |
| Members of the audit committee | Mr. Tan Eng Ann <i>(Chairman)</i> Mr. Lim Cheng Hock, Lawrence Mr. Jong Voon Hoo |

CORPORATE INFORMATION

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| Members of the remuneration committee | Mr. Lim Cheng Hock, Lawrence (Chairman) Mr. Tan Eng Ann Mr. Jong Voon Hoo Mr. Sim Hak Chor |
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| 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 Standard Chartered Bank (Singapore) Limited 6 Battery Road Level #03-00 Singapore 049909 |

INDUSTRY OVERVIEW

Investors should note that Ipsos has been engaged by our Company to prepare the Ipsos Report to provide an overview of the manpower outsourcing services industry in Singapore and an analysis of market demand, which will be used in whole or in part in this prospectus.

The information and statistics set out in this section have been extracted from the Ipsos Report and other publicly available sources. Our Group, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Underwriters believe that the sources of the information and statistics are appropriate sources for such information and statistics and have taken reasonable care in extracting and reproducing such information. While our Group, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Underwriters have exercised reasonable care in extracting and reproducing such information and statistics, our Group cannot ensure the accuracy of such information and statistics and such information and statistics may not be consistent with other information. Our Group, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Underwriters have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading. The information and statistics used in this section have not been independently verified by our Group, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, the Underwriters and other parties involved in the Share Offer or their respective directors and advisers and no representation is given as to the accuracy of such information and statistics. You should not place undue reliance on any of such information and statistics contained in this section.

So far as our Directors are aware of, there is no adverse change in the market information since the date of the Ipsos Report which may qualify, contradict or have an impact on the information in this section.

REPORT COMMISSIONED FROM IPSOS

We commissioned Ipsos, an Independent Third Party, to conduct an industry analysis of the manpower outsourcing services industry in Singapore and produce the Ipsos Report. A fee of approximately S\$55,000 (excluding any disbursements) is payable to Ipsos for the preparation of the Ipsos Report. We believe that the fees are reasonable for the preparation of an industry report by an independent third-party consultant. The information and statistics set forth in this section have been extracted from the Ipsos Report. The sources cited in this section are in the form provided in the Ipsos Report, unless otherwise noted.

With 87 dedicated offices worldwide, Ipsos is a global research firm that helps leading corporations build, compete and grow using fact-based consulting. Since 1994, Ipsos has had a team of professional business consultants leading businesses in different sectors such as agribusiness, automotive, construction, energy, healthcare, industrial and many other sectors. Ipsos Business Consulting (the “IBC”), a leader in fact-based business consulting, is trusted by top businesses, government sectors, and institutions worldwide. IBC support domestic and international organisations or businesses using fact-based market analysis as they endeavor to build, compete, and grow in emerging and developed markets globally. The areas of specialisation include market opportunity assessment, competitive analysis, new product development, distribution channel and value chain analysis, market entry strategy, and partner diligence.

INDUSTRY OVERVIEW

Our Directors confirm that Ipsos, including all of its subsidiaries, divisions and units, are independent of and not connected with us (within the meaning of the GEM Listing Rules) in any way. Ipsos has given its consent for us to quote from the Ipsos Report and to use information contained in the Ipsos Report in this prospectus.

Sources of information in the Ipsos Report

The information contained in the Ipsos Report is derived by means of fact-based analysis and information sourcing which include:

- Conducting both primary and secondary research obtained from numerous sources within the global and Singapore manpower outsourcing service industry
- Primary research involved interviewing leading industry participants and secondary research involved reviewing publicly available documents, company reports, independent research reports and Ipsos's proprietary database built up over the past decades
- Forecast data was obtained from historical data analyses plotted against macroeconomic data as well as specific industry-related drivers, such as, amongst others, economic growth and hospitality and retail demand in Singapore

The following parameters and assumptions were considered when analysing the market in the preparation of the Ipsos Report:

- Available published data for tourist arrivals and spending by the Singapore Tourism Board ("STB")
- Available published data for all population statistics by the Department of Statistics, Singapore ("DOS")
- Available published data for all labour statistics by the MOM
- Available published data on the economy and related industries by the Ministry of Trade and Industry ("MTI")
- All calculations for market sizing incorporates information from published records and estimations based on Ipsos analysis.

Reliability of information in the Ipsos Report

Our Directors are of the view that sources of information used in this section are reliable as the information was extracted from the Ipsos Report. Our Directors believe the Ipsos Report is reliable and not misleading as Ipsos is an independent professional research agency with extensive experience in their profession.

INDUSTRY OVERVIEW

Future forecast in the Ipsos Report

Analyses, projections and data relating to future periods in the Ipsos Report are based on the following bases and assumptions:

- General growth of the economy in accordance to published data from MTI
- Forecast of tourist arrivals, expenditure and hotel occupancies in accordance to data from STB
- Pipeline of upcoming hotels and retail spaces in accordance to published data from URA
- Trends in consumer expenditure and population growth in accordance to published data from DOS
- Growth in wages and supply of part-time manpower in accordance to published data from MOM and Ipsos analysis
- Business budget allocations for manpower in accordance to trade association/industry reports and Ipsos analysis

THE HOSPITALITY AND RETAIL INDUSTRY IN SINGAPORE

Growing demand for consumer goods and services due to wealthy domestic population and strong tourism industry

Singapore's population of 5.4 million is one of the most affluent in Asia, with a median monthly household income at S\$8,666¹ in 2015. GDP growth has been forecasted to reach between 2–4% per annum to 2020, which is typical of developed economies in Asia. This in turn reflects an increase in average household wealth, with wages expected to increase² and implying a steady increase in demand for the retail and dining out sectors.

Singapore is also a major tourist destination within Southeast Asia, with 15.1 million international visitor arrivals, and a forecasted S\$23.6 billion in tourism receipts recorded in 2015³. Hotel room revenues for 2015 came to S\$3.18 billion, posting a 1.2% year-on-year growth from 2014.

¹ Source: Department of Statistics, Key Household Income Trends 2015

² Source: Ministry of Trade and Industry (MTI), Report on Singapore's Economic Growth Potential Up to 2020

³ Source: Singapore Tourism Board (STB) Tourism Sector Performance (3Q2015)

INDUSTRY OVERVIEW

Tourist arrivals dip in 2014/2015 but hoteliers are upbeat on near to mid-term prospects

Over the past 5 years, visitor arrivals have grown at a compounded annual growth rate (CAGR) of 2.7%⁴. Set down below is the number of international visitor arrivals in Singapore from 2011 to 2015, with estimated number for year 2016.



Source: Singapore Tourism Board (STB)

A decrease in tourist arrivals was recorded in 2014 and the first half of 2015. This was mainly attributed to a 24% fall in tourists from China, due to a change in China's tourism laws, regional socio-political unrest and aviation incidents which dampened demand for tour packages in Singapore, Malaysia and Thailand.

Despite the earlier dip, total hotel room revenue and tourist arrivals picked up for the second half of 2015 due to events such as the Formula One night race, and the year-end holiday period⁵.

Banquets and restaurants form a significant proportion of revenue for the expanding hotels sector

The hospitality industry in Singapore has been experiencing good growth over the last decade, especially with the opening of the two integrated resorts in 2009 and 2010. The resorts, Marina Bay Sands (MBS) and Resorts World Sentosa (RWS) added a wide array of attractions and amenities, including over 4,000 rooms, celebrity chef restaurants, meetings, incentives, conventions and events (MICE) spaces and theme parks, and hiring about 22,000 employees⁶.

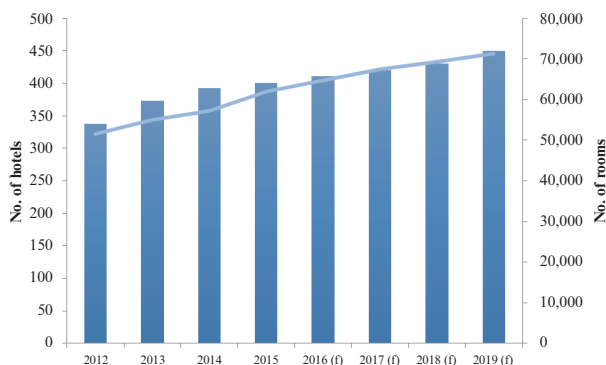
⁴ Source: STB

⁵ Source: Department of Statistics Singapore Business Expectations Survey (3Q2015)

⁶ Source: Ministry of Trade & Industry (MTI) Insights, Integrated Resorts 2012

INDUSTRY OVERVIEW

In anticipation of the growth in visitor arrivals, an estimated 12,168 upcoming rooms or approximately 50 establishments are expected till 2018⁷, representing a growth of 2.9% per year. Set down below is the number of hotels and rooms in Singapore from 2012 to 2015 and forecasted numbers for 2016–2019.



Source: STB, Urban Redevelopment Authority (URA)

Aside from revenue generated from rooms, F&B were the second largest source of income for hotels. Banquets formed the second highest revenue source, after restaurants, especially for the most top-tier hotels. The most expensive hotels (generally with room rates of above S\$325) derived 39% of total revenue from their F&B departments⁸, of which 40% was from banquets. Compared with the mid-tier hotels, this was due to the prevalence of higher quality food, larger function space and better staffing ratios — which are qualities sought after for banquets such as weddings and corporate events.

Singapore's expanding retail and F&B scene reflects increasing demand despite recent headwinds

Singapore had 22,223 retail establishments by the end of 2013 and 6,860 F&B establishments⁹ by the end of 2014, contributing S\$44.0 billion and S\$8.7 billion in operating receipts¹⁰ respectively.

⁷ Source: Urban Redevelopment Authority (URA)

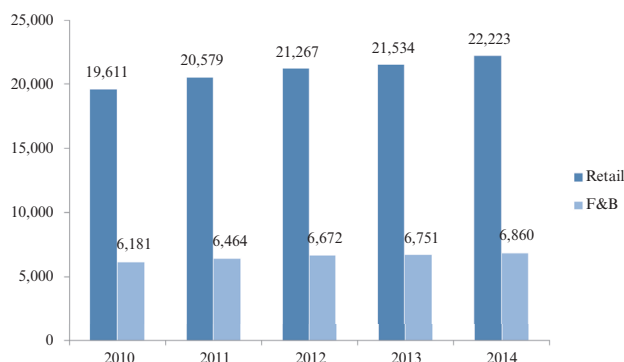
⁸ Source: Singapore Hotel Association, Industry Survey 2014

⁹ Include catering, fast food outlets and restaurants

¹⁰ Source: Department of Statistics, Services Survey Series 2014

INDUSTRY OVERVIEW

The numbers of retail and F&B establishments have been growing steadily at approximately 2% every year from 2010 to 2014. Set down below is the number of retail and F&B outlets in Singapore from 2010 to 2014.

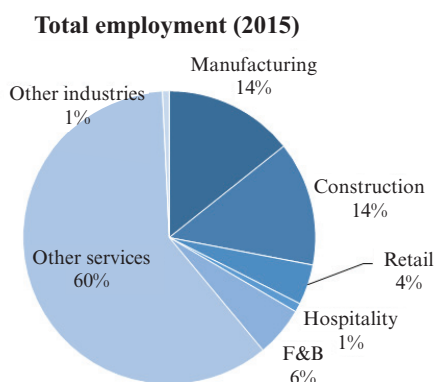


Source: Department of Statistics (DOS), SPRING Singapore

The retail and F&B scene has undergone an expansion in the past few years, led by developments in Orchard Road, the main shopping belt and a major tourist attraction, as well as the Marina Bay area in 2010. More recently, there has also been a sharp growth in the number of suburban malls, which cater largely to local residents. In 2014 alone, 5 new malls have opened around the island, contributing to approximately one million square feet of retail and dining space.

OVERVIEW OF MANPOWER MARKET FOR THE HOSPITALITY AND RETAIL SECTORS

The hospitality, F&B and retail sectors contribute approximately 11% of employment in Singapore. As of 2Q2015, the hospitality sector employed 35,400, while retail and F&B employ 161,800 and 200,900 workers respectively¹¹. Set down below is the breakdown of total employment in Singapore for year 2015.

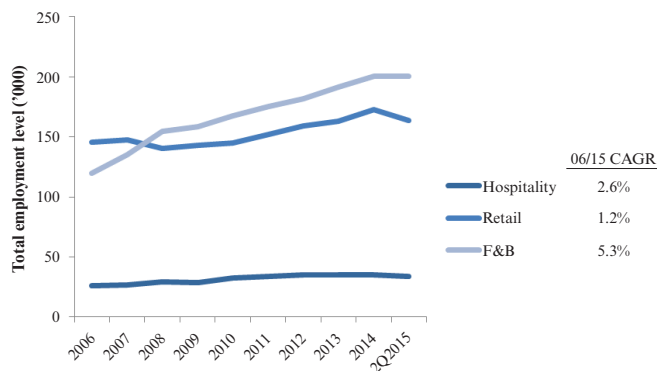


Source: Ministry of Manpower (MOM)

¹¹ Source: Ministry of Manpower, Labour Market 2Q2015. Includes both full-time and part-time workers with CPF contributions

INDUSTRY OVERVIEW

From 2006 to 2015, employment in the F&B sector has been growing the fastest at 5.3% per annum, compared with 2.6% for hospitality and 1.2% for retail. Set down below is the total employment levels for hospitality, retail and F&B sectors in Singapore, 2006–2020.



Source: MOM

Foreign worker quotas contribute largely to labour shortages

Since last year, employment in these sectors has shrunk with stricter foreign labour quotas. Up until 2010, foreign workers have typically filled such jobs in the operational and frontline positions, as locals (Singapore citizens and permanent residents) have tended not to favour career options in this sector. When the MOM issued policy changes from 2010 to restrict establishments' ability to hire foreign workers, hospitality, retail and F&B services have been amongst the worst hit industries. According to MOM, the total foreign workforce in Singapore in 2015, excluding foreign domestic workers and construction sector was 771,200, whereas the total citizen and permanent resident workforce was 2,232,300.

Despite growing usage of automation technologies, establishments still require manpower to sustain the business

The policy changes are in line with the Singapore government's plan toward productivity improvement through innovation, which pushes businesses to invest in technology and automation to reduce reliance on low cost foreign labour. According to local industry reports for example, Crowne Plaza Changi Airport has been using ride-on scrubbers since 2012 to automate the cleaning of corridors and outdoor floors, while Ibis on Bencoolen has implemented a mobile concierge system for guests to access easy self-help solutions. However, there are still many gaps to fill especially in service-oriented roles, such as reception staff, sales assistants and waiters.

Businesses struggle to fill vacant positions as locals avoid the industry

Singapore has one of the lowest unemployment rates in the developed world, which is trending even lower amid fewer redundancies, and job openings outnumbering job seekers. Total job vacancies reached 60,000 in September 2015, with service and sales workers (23% of total vacancies) being the most sought after.

INDUSTRY OVERVIEW

In particular, rank-and-file positions in the services sectors dominated the top 10 occupations with the highest number of vacancies. These include positions for shop sales assistants and cashiers, waiters, cleaners and kitchen staff¹². Set down below is the top 10 job vacancies by industry in Singapore for year 2015.

Top 10 job vacancies by industry, September 2015

| | | | |
|------------------------------------------------------|--------------|------------------------------------------------------|--------------|
| Wholesale & retail trade | 6,150 | Hospitality & food services | 7,420 |
| Shop sales assistant | 1,580 | Waiter | 1,800 |
| Sales supervisor | 540 | Food service counter attendant | 850 |
| Commercial and marketing sales executive | 300 | Cook | 830 |
| Sales and marketing manager | 220 | Kitchen assistant | 480 |
| Sales demonstrator | 180 | Captain waiter | 450 |
| Beautician | 160 | Bartender and barista | 310 |
| Receptionist, customer service and information clerk | 160 | Cleaner in hotels | 300 |
| Material and freight handling worker | 160 | Receptionist, customer service and information clerk | 260 |
| Management executive | 150 | Restaurant manager | 230 |
| Cashier and ticket clerk | 140 | Food/Drink stall assistant | 210 |

Source: MOM

This official data reflects only companies that employed more than 25 employees in 2015, and excludes the bulk of the smaller establishments that make up the retail trade and food services sectors.

When surveyed, the top reasons given for avoiding these industries include low pay, long hours and the physically demanding nature of the job.

Businesses turn to part-time staff to fill positions and remain nimble in the face of market uncertainties

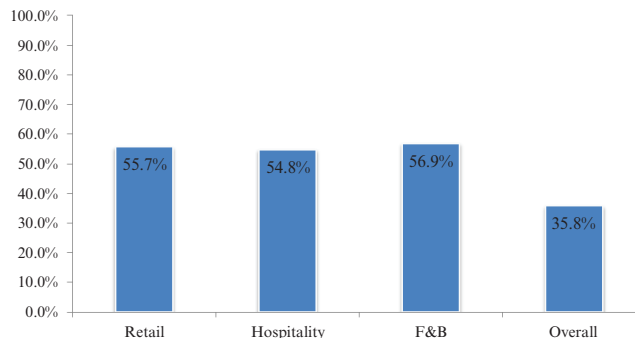
Part-time positions, in these sectors are becoming increasingly important, as businesses struggle to fill positions amidst market challenges. (Part-time work refers to employment of less than 35 hours in a week. Employees are usually paid on a per hour basis, usually for a fixed number of hours for shiftwork). More than half of all establishments in each sector offer formal part-time working arrangements for their employees, compared to just 35.8% of establishments in all sectors¹³. Set down below reflects the percentage of establishments offering part-time positions in Singapore for year 2014.

¹² Source: Ministry of Manpower, Job Vacancies 2015

¹³ Source: MOM, Conditions of Employment 2014

INDUSTRY OVERVIEW

Percentage of establishments that offer part-time positions, 2014



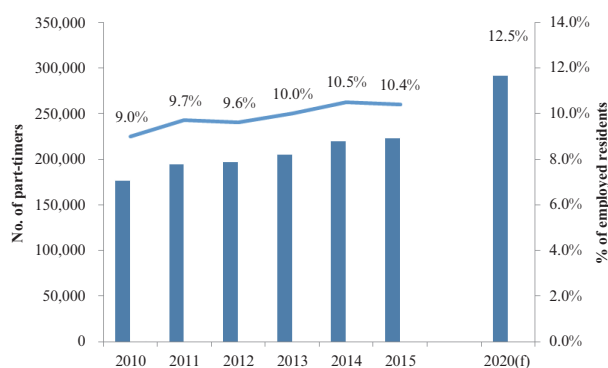
Source: MOM

In order to attract locals, the industries have had to adapt to employee's preferences for part-time work, such as redesigning job schedules to accommodate for shorter hours and shiftwork to better suit the needs of housewives, students and retirees — who form the bulk of local part-time workers. Part-time workers are also preferable, as employers remain cautious about hiring new headcount due to market challenges, such as falling tourist arrivals, increasing domestic competition and the uncertain global economy.

MARKET DRIVERS AND TRENDS

More Singaporeans opting for part-time jobs

The trend of part-time employment has been increasing steadily in the past few years. In 2010, there were 176,700 part-timers in the workforce (9.0% of employed residents). By 2015, the number had grown 3.7% per annum to 223,100, or 10.4% of employed residents¹⁴. Set down below depicts the number of part-timers and percentage of employed residents in Singapore from 2010 to 2015, and forecasted value for 2020.



Source: MOM

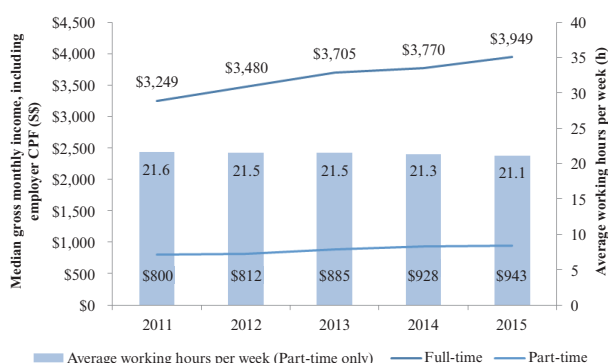
14 Source: MOM, Yearbook of Manpower Statistics 2015

INDUSTRY OVERVIEW

Older and youth workers were more likely to work part-time than those in the prime-working ages of 25–59. The incidence of part-time employment was highest in the hospitality and F&B industries (26.5%).

In the 2015 labour survey of unemployed residents intending to look for jobs within the next 2 years, 44.4% preferred part-time work. The intention was especially pronounced amongst women aged 40 and over and older males aged 60 & above. Youths aged 15 to 24 also registered higher unemployment rate than in 2014, largely reflecting an increase in students searching for part-time or vacation jobs.

Part of the increasing attraction to part-time employment is also due to the steadily increasing wages for part-timers. Wages for part-timers have grown 18% since 2011 despite the number of hours worked decreasing. Set down below depicts the gross monthly income and average working hours per week for Singaporeans from year 2011 to 2015.



Source: MOM

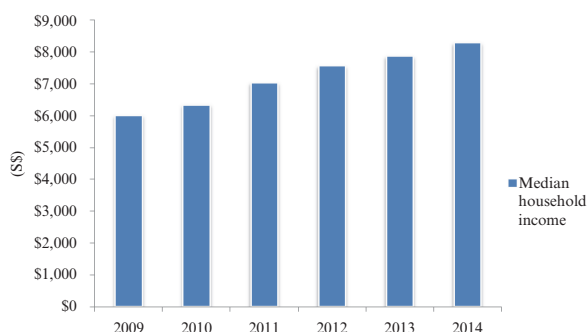
Some companies have also extended benefits to part-timers to include coverage of transport, bonuses and salary increments, while others have designed shift work and flexi-time arrangements to cater to the schedules of homemakers, students and retirees¹⁵.

15 The freelance contractors are not subject to employment laws and regulations in Singapore and do not commit to any minimum number of work hours per week. As studies and published surveys by the MOM in Singapore till date are only concentrated for full-timers and part-timers, there is no official data and formal documentation, study or survey to track wages for freelancers because freelance workers are individuals who operate their own business or trade. Thus the segment of the wages of freelance workers are unable to provide.

INDUSTRY OVERVIEW

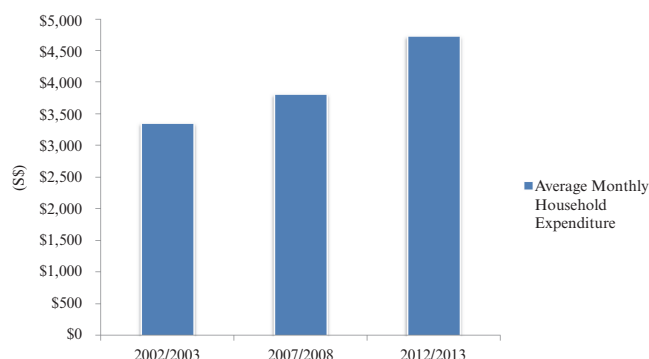
Rising domestic household incomes and expenditures

Singapore resident household incomes and expenditures have generally been rising. Median household incomes have risen 6.7% per annum in nominal growth (or 3.4% in real growth¹⁶) from 2009 to 2014. Set down below depicts the median household income in Singapore from year 2009–2014.



Source: Secondary research

The average monthly household expenditure has increased by 4.4% per annum, from S\$3,809 in 2007/2008, to S\$4,724 in 2012/2013¹⁷. Set down below depicts the average monthly household expenditure in Singapore from year 2002–2013.



Source: Secondary research

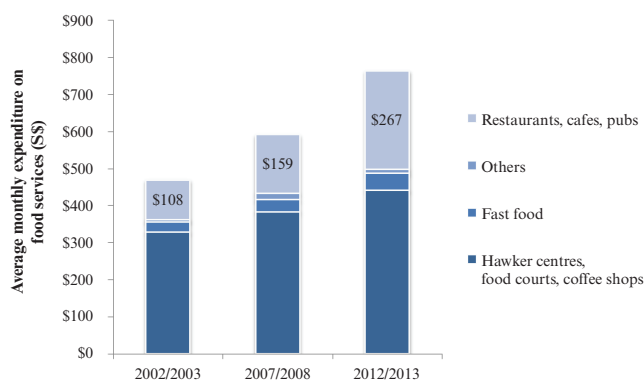
Housing, food and transport accounted for the largest shares of household expenditure, contributing collectively to 65% of monthly spending. While expenditures for all three categories have increased over the past 10 years, the increase in spending partially reflects lifestyle changes and consumption of higher quality products and services. For instance, with the increasing tendency for households to dine out, food serving services accounted for 64% of total food expenditure, up from 62% in 2007/2008 and 58% in 2002/2003. In particular, the share of spending in restaurants, cafes and pubs (which are generally

16 The Consumer Price Index (CPI) is used as a deflator to compute real income changes.

17 The Household Expenditure Survey is conducted only once every 5 years, hence the result from the 2012/2013 survey is the most updated official data.

INDUSTRY OVERVIEW

more expensive than the bulk of spending at hawker centers and food courts), has increased from 22% in 2002/2003 to 35% in 2012/2013. Set down below depicts the average monthly expenditure on food services in Singapore from year 2002–2013.



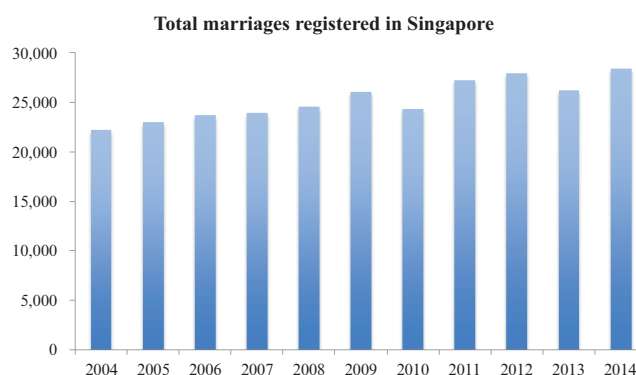
Source: DOS

In order to attract customers into the premises, newer suburban malls, such as JEM and Westgate that were completed in 2013, have been allocating almost half of the tenants for consumer food services. This trend is set to continue, reflecting a strong and growing dining out culture in Singapore especially amongst suburban young families, who are more willing to spend on mid-priced dining options located in these malls. This in turn bucks the trend for increased demand for F&B staff in the suburbs, which tend to attract part-time workers from the pool of housewives and retirees who may prefer to work at a location closer to their homes.

Steady demand for hotel banquets

Due to their prestige and large capacities, hotel banquet halls are still the most popular option for private and corporate events such as weddings, annual company dinners and other gala events.

The number of marriages has been increasing steadily at 3% for the past 10 years. In fact, 2014 saw the highest number of marriages in Singapore since 1961 where a total of 28,407 marriages were registered¹⁸. Traditional customs in Singapore still view marriage as a status symbol; hence despite the rising costs of wedding packages, most couples still opt to hold their wedding banquets at an upscale or luxury hotel. In fact, demand for hotel banquet venues continues to be strong, where it is common for bookings to be made as early as 1–2 years in advance, especially for popular 5-star hotels. Set down below is the total number of marriages registered in Singapore from year 2004–2014.



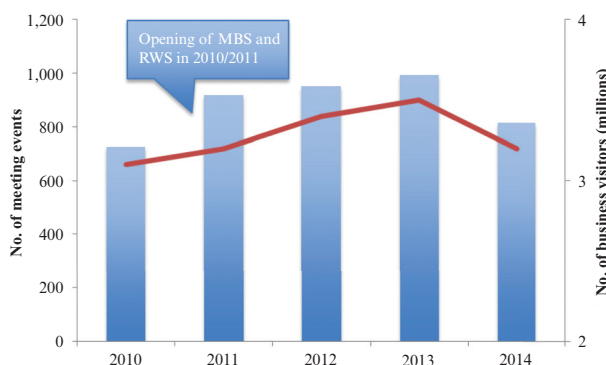
Source: DOS

Corporate events, such as company dinners, business meetings and other MICE events, have also grown at a steady pace, especially with the opening of the two integrated resorts at MBS and RWS.

¹⁸ Source: Department of Statistics, Population 2015

INDUSTRY OVERVIEW

Singapore's favourable geographical location, well-developed infrastructure and confluence of business hubs offered a natural destination of choice for many MICE activities. Singapore hosted 3.2 million business visitors in 2014, with an estimated S\$5.2 billion in tourist receipts (excluding sightseeing, entertainment and gaming expenditure). According to the Union of International Associations (UIA), Singapore has been ranked first in top international meeting cities since 2010, with 850 meeting events held in 2014. The dip from 2013 reflects a global decline, though Singapore retains the number one spot for the most number of meetings as a city. Set down below is the total number of meeting events held and number of business visitors in Singapore from year 2010–2014.



Source: STB, UIA

Strong government-business partnerships to promote tourism in Singapore

As a tourist destination Singapore faces strong competition from around the region, especially for a country that has no natural attractions. The STB has developed multiple approaches to woo tourists from different sectors. Some of the angles used to promote Singapore as a travel destination include:

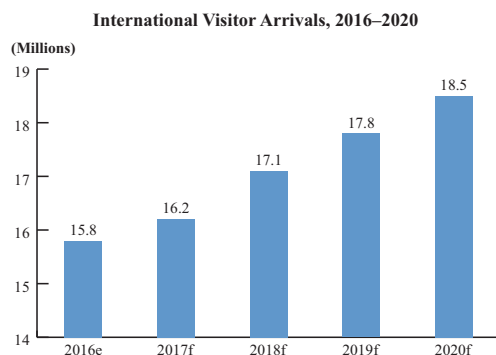
- Positioning Singapore as a leading hub for MICE events
- Promoting medical tourism and developing channels in the areas of private healthcare and specialist outpatient services
- Focusing on enhancing the appeal of Singapore as a destination for leisure holidays, or as a “must-visit” destination in a multi-destination trip favoured by visitors from beyond the Southeast Asia.

By partnering with overseas travel agencies, marketing efforts to the respective target audiences will be more customised and optimised.

Internally, Singapore is also continually developing the leisure infrastructure even with the robust pace of development in recent years with new attractions such as the Gardens by the Bay, Universal Studios, Marine Life Park, several museums and the River Safari. A steady pipeline of new leisure parks is already in place, which includes the second phase of Gardens by the Bay, the Jurong Lake District and the Mandai area. Concurrently, heritage areas such as Chinatown, Kampong Glam and Little India are being refurbished as cultural precincts. These upcoming attractions will help maintain Singapore's relevance as a compelling destination for tourists.

INDUSTRY OVERVIEW

Together with the wide array of events, such as the Formula One night race and the slew of initiatives organised by the STB, it is predicted that tourist arrivals will grow by 4% every year to 2020¹⁹. Set down below is the estimated and forecasted number of tourist arrivals in Singapore from year 2016–2020.



Source: STB

Government push to promote employment in the hospitality sector

In order to fill this increase in manpower for the hospitality sector, the local institutes have been rolling out hospitality-related courses with at least 1,200 graduates in total every year²⁰. In addition to these formal diploma and degree courses, the Singapore government has also been working through agencies such as the Workforce Development Agency (WDA), the Employment and Employability Institute (e2i) and the Hospitality Alliance Singapore (HAS, an alliance of seven different hospitality-related trade associations) to provide training and promote jobs in the hospitality sector. For instance, an inaugural employment fair co-organised by the HAS and 16 employers was held in April 2015 to raise awareness of prospective job opportunities within these the hospitality and F&B sectors.

In order to develop the workforce to adapt to future industry needs, the Singapore government has set up the SkillsFuture national movement. The movement aims to provide training for individuals at all levels (not just fresh graduates) to remain relevant and employable in the evolving job market. Under SkillsFuture, the Sectoral Manpower Plans set out to systematically develop people to find good jobs in specific industries, such as the hospitality, F&B and retail sectors. One of the initiatives is the Earn and Learn Programme, a study-work programme designed for fresh graduates to be recruited by participating employers to undergo on-the-job training and mentorship in preparing them for a well-structured career development pathway in the company.

¹⁹ Source: MTI, STB

²⁰ Source: MOM, Singapore Manpower Yearbook of Statistics 2015

OVERVIEW OF THE MANPOWER OUTSOURCING SERVICE INDUSTRY

The market for manpower outsourcing service agencies for the hospitality, F&B and retail sectors in Singapore is relatively young and has grown particularly quickly since 2010, fuelled by the completion of the integrated resorts and several high-end hotels, as well as the restriction on foreign manpower.

Our Group was the pioneering service provider, having been established in 2004. Since then, there has been an increase in competition as similar agencies joined the market in response to the growth in demand from hotels and resorts for casual workers.

Competitive landscape

There are 721 businesses that identify themselves as employment or recruitment agencies in Singapore. Most of these do not compete with our Group as they mostly specialise in other fields. For example, the bulk of these agencies recruit foreign domestic workers for local households; while the rest are executive head-hunting firms, general staffing agencies or recruiters that serve other industries (e.g. construction, marine services)²¹. There are only a few businesses in Singapore with similar criteria in their business model (i.e. supplying of manpower to the hospitality, retail and F&B industries)²².

Key market players

In 2014, the total revenue market size for manpower outsourcing services in the hospitality industry was estimated at approximately S\$45.9 million.

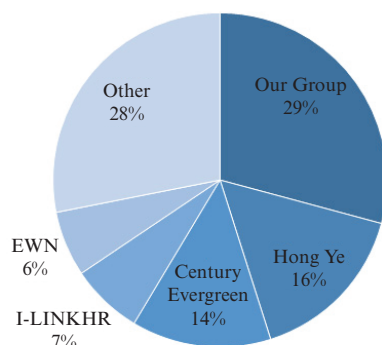
21 Source: Accounting and Corporate Regulatory Authority (ACRA), Ministry of Manpower

22 The information on the competitive landscape and market size was derived from analysis of different points of input. ACRA reports showed the revenues or estimated revenues (where there were no filings) for all players. Other government data and statistics combined with industry estimates showed the proportion of part-time workers in the industry. Primary and secondary research of corporate reports from the vendors as well as hotel operators gave further evidence of the reach of individual companies. Ipsos analysis combined all these points of reference to estimate the market size and market share of the key players.

INDUSTRY OVERVIEW

Key players in this sector in Singapore include Our Group, Hong Ye Group Pte Ltd, I-LINKHR Pte Ltd and Century Evergreen Pte Ltd. These agencies typically develop 1-year service agreement contracts with restaurants and hotels to supply part-time or ad hoc manpower for events such as banquets. Set down below is breakdown of the manpower outsourcing services market by revenue and key players for year 2014.

Revenue market size — Manpower outsourcing services, 2014 (million)



Estimated total market size = S\$45.9 million; Source: Ipsos analysis²³

The examples listed below represent the largest players:

| Rank | Company | Description |
|------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| #1 | Our Group | Set up in 2004 to provide manpower solutions for the hotels, resorts, retail and F&B sectors; bulk of business is in deployment of ad hoc manpower for hotel events |
| #2 | Hong Ye Group | Registered in 2010. Started with ad hoc staffing for cleaners, F&B and events, but also lists permanent jobs for other industries such as finance and education |
| #3 | Century Evergreen | Established in 2001, provides both full-time and part-time/ad hoc manpower for F&B in hotels, country clubs, restaurants |
| #4 | I-LINKHR | Supplies housekeeping and F&B staff to hotels, especially ad hoc banquet servers |
| #5 | EWM Consultancy | Established in 2001 to supply manpower originally to the marine industry, but has since branched out to include housekeeping and F&B manpower to the hospitality industry |

The track record of manpower outsourcing service agencies relies on their reliability in being able to fulfill large numbers of manpower in a timely manner and service quality of staff. Reputable, more established service providers are generally more capable of getting contracts from larger customer establishments.

²³ Revenue market size: estimate at least 10–15 competitors in “Other”, most of which are small one-man operations.

INDUSTRY OVERVIEW

The retail sector relies heavily on part-time workers to fill rank-and-file positions, such as sales associates and cashiers. It is estimated that 57% of such positions are recruited through agencies, while the rest are employed directly by businesses. The revenue market size for part-time manpower recruitment for this sector is estimated at S\$93.1 million in 2014. The sector is dominated by general recruitment agencies such as Recruit Express, Capita Outsourcing, RecruitFirst and BGC consultants.

Competitive advantages

For further details, please refer to the section headed “Business — Competitive strengths” of this prospectus.

Barriers to entry to the market

There are relatively low barriers to entry for the industry. Some of the potential challenges that a new entrant would face include:

Limited supply of manpower

- Singapore is facing a severe labour shortage, especially with restrictions in foreign manpower. Agencies may only seek placements for Singapore citizens, PR’s and students enrolled full-time in an approved institution.

The success of these agencies thus relies on their ability to attract and retain casual workers from this pool, the majority of who are students and young adults below the age of 25.

Pricing pressures from competitors

- In 2015, the standard payment to casual staff was S\$8–S\$10 per hour. Agencies would typically not pay a lower rate to their staff, since the staff are not bound by an exclusivity contract and would have no restrictions in joining a competitor who might offer higher rates.
- Similarly due to the relatively low entry barriers, profit margins are limited as agencies may compete on pricing to win customer contracts.

Market Forecast

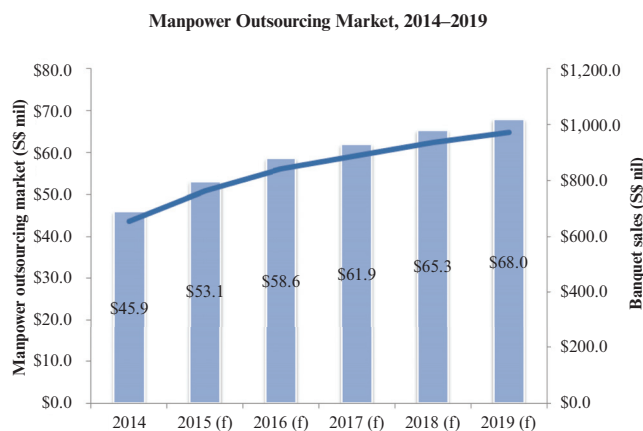
The trend for manpower outsourcing services in the hotel banquet sector is expected to remain positive, driven by:

- The increase in number of hotels, slated to reach 71,329 rooms or approximately 50 additional hotels
- Despite a dip in hotel room rates in 2015 due to the decrease in tourist arrivals, we have assumed that visitor arrivals and hence hotel demand will be in line with STB’s forecast for 4% growth till 2020. Hotel rates are forecasted to grow moderately, with most new hotels being in the mid- to upscale tiers and having banquet facilities.

INDUSTRY OVERVIEW

- Steady demand for hotel banquets commensurate with demand from private events (e.g. marriages) as well as corporate events
- Banquet sales are expected to increase with the growing number of MICE events and increasing affluence of the general population. Banquet prices are also forecasted to increase in line with rising food prices, increased tax and duties for alcoholic beverages and labour costs. Most hotels increase their package prices by 5–10% every year.
- Wage growth for hospitality staff
 - Wages for unskilled labour (e.g. banquet servers) have experienced a huge jump in order to entice locals to fill such positions. For example, the rate for part-time banquet waiters was S\$6.5 to S\$8 per hour in 2012; in 2015, it grew to at least S\$8–S\$10 per hour. However, this huge 20–25% hike is considered to be one-off in response to the change in regulations. Wage increases are expected to grow more moderately as the market adjusts to absorb the increased costs.

With the above criteria in consideration, the revenue market size for manpower outsourcing services in the hotel banquet sector is expected to grow at 5.1% to reach S\$68 million by 2019.



Source: Ipsos analysis

The manpower market for the retail sector will prove to be challenging, with the main driver being estimated wage increases.

- A total of 1,665,000 square meters of retail space has been forecasted for 2019, representing a growth of 13.4% per annum from 2014
- Rentals and occupancies for retail space has seen a decrease in 2014 and 2015 due to a combination of factors including overall business outlook and manpower shortages. Business sentiment is generally positive, however, as the outlook is expected to improve in 2016 and 2017.

INDUSTRY OVERVIEW

- Wage growth for sales staff
- Similar to the wage gains for banquet staff, retailers have had to increase wages from S\$6.5 to S\$9.0 in order to attract locals into the industry. Many of the larger retailers have also extended benefits and bonuses for part-timers. Wage increases are expected to grow at approximately 5% a year.
- Strong demand and growing supply for part-time sales staff
- Positions for retail sales associates were one of the most difficult positions to fill, and had one of the highest numbers of vacancies in 2014. Supply of manpower has been the growth barrier for many retailers, though the number of part-timers in the industry has been growing since 2012 due possibly to the increased wages, convenience of suburban malls and provisions for flexible work schedules.

The demand for recruitment of part-time retail staff through agencies is expected to outpace supply, as the market for this sector is expected to grow at 4.9% to reach S\$123.7 million by 2019.



REGULATIONS AND POLICIES IMPACTING THE INDUSTRY

In 2010, the MOM issued two policy changes that greatly affected business' ability to hire foreign labour, especially low wage workers that require an 'S Pass' or 'Work Permit' to be employed in Singapore. Employment passes for foreign workers are tightly controlled. In 2014 for instance, restaurants were required to have 11 local employees before being eligible to hire 1 worker from China with a work permit, or 6 local employees before a restaurant manager (S-Pass) can be hired. In addition to the quotas, businesses are required to pay a levy ranging from S\$450–S\$800 per worker²⁴, adding to the already rising operational costs and impacting overall profitability.

Especially in the hospitality, retail and F&B sectors, these policies have been a major point of contention with the government as businesses are finding it increasingly difficult to fill the manpower vacuum with locals.

²⁴ Source: Ministry of Manpower, 2015

INDUSTRY OVERVIEW

In order to overcome the labour crunch, companies have been forced to reinvent their processes to improve productivity and efficiency. While technology and automation are increasingly being used for menial back-end tasks (e.g. dish washing, cleaning), staff are still required for most front-end service jobs, such as housekeepers, receptionists, waiters and sales associates.

For larger establishments or chains, businesses have taken to outsourcing the hiring of entire departments to 3rd party vendors, such as the our Group. For example, most hotels now use these deployment agencies for housekeeping and stewarding. Such agencies may also be used for ad hoc events, such as providing temporary staff for banquets and events. Outsourcing is becoming a global trend for hotels as the benefits outweigh the costs in the long run by converting fixed labour costs into a variable expense. Hotels are also able to focus resources on their core business of marketing their rooms and banquets, instead of having to manage the hiring, training and salaries/medical benefits of these staff²⁵.

OUTLOOK

The manpower outsourcing industry can expect further demand as Singapore's economy continues to grow. The growth prospects for the industry can be linked to the growth in new hotels, as well as the expected steady increase in demand for banquets and corporate events. As government regulations are expected to continue to encourage the hiring of locals for the hospitality, F&B and retail industries, manpower outsourcing companies that cater to part-time local workers can expect to flourish.

Our Group has a dominant position in this new and growing industry and can be expected to retain its lead of the market as the industry matures²⁶. There are several factors which suggest that our Group will remain a dominant player. It is the only company at present that has a critical mass of local staff and freelance contractors in its database and is in a position to fulfill the high volume demands of the industry. Our Group can also claim to have an experienced and professional management team that has built up long term relationships with its clients and provides proper training to its staff and freelance contractors before sending them out to work. Our Groups' proprietary software systems also make it easy for new employers to manage their temporary workers as well as making it easy for the temporary workers to stay with our Group and move to different opportunities as they arise.

²⁵ Source: Ipsos analysis

²⁶ The key observations of this report are derived from data and statistics from the latest available government statistics as well as primary research and analysis conducted by Ipsos.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN SINGAPORE

Save for the laws and regulations that are material and specific to our business as disclosed below, as at the Latest Practicable Date, our business is not subject to any particular laws or regulations of Singapore other than those generally applicable to companies incorporated and/or operating in Singapore.

Employment Act

The Employment Act (Chapter 91) of Singapore (the “Employment Act”) sets out the basic terms and conditions at work for employees covered under the Employment Act, such as payment of salary, paid public holidays, sick leave and maternity leave. It is administered by the MOM. Persons who are employed in a managerial or executive position and is in receipt of a salary exceeding S\$4,500 per month, seafarers, domestic workers, statutory board employees or civil servants are not covered by the Employment Act.

Part IV of the Employment Act, which sets out requirements for, among others, rest days, hours of work and other conditions of service, only applies to certain categories of employees covered under the Employment Act, namely workmen who receive salaries not exceeding S\$4,500 a month and employees other than workmen who receive salaries not exceeding S\$2,500 a month (the “Part IV Employees”).

Section 38(8) of the Employment Act provides that a Part IV Employee is not allowed to work for more than 12 hours in any one (1) day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the Employment Act limits the extent of overtime work that a Part IV Employee can perform to 72 hours a month.

A part-time employee is defined in Paragraph 2(1) of the Employment (Part-Time Employees) Regulations (“Part-Time Employees Regulations”) to mean an employee who is required under his contract of service with an employer to work for less than 35 hours a week. Where a part-time employee works beyond his normal hours of work, Paragraph 5(1) of the Part-Time Employees Regulations provides that he shall be paid for such extra work at (a) his hourly basic rate of pay for each hour or part thereof which exceeds his normal hours of work but does not exceed the normal hours of work of a similar full-time employee; and (b) one and a half times his basic hourly rate for each hour or part thereof which exceeds the normal hours of work of a similar full-time employee.

The definition of “employee” under the Employment Act does not extend to freelance contractors who have entered into a contract for service. Accordingly, freelance contractors are not considered to be employees of our Group.

Employers must seek the prior approval of the Commissioner for Labour (the “CL”) for exemption if they require a Part IV Employee or class of Part IV Employees to work for more than 12 hours a day or perform overtime work for more than 72 hours a month. The CL may, after considering the operational needs of the employer and the health and safety of the Part IV Employee or class of Part IV Employees, by order in writing, exempt such Part IV Employee or class of Part IV Employees from the overtime limits subject to such

REGULATORY OVERVIEW

conditions as the CL thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such Part IV Employee or class of Part IV Employees are employed.

An employer who breaches any provision of Part IV of the Employment Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Central Provident Fund Act

The Central Provident Fund Act (Chapter 36) of Singapore (the “CPF Act”) governs the monthly contributions made by every employer and employee into the Central Provident Fund (the “CPF”). The CPF Act is administered by the Central Provident Fund Board, a statutory board operating under the MOM.

Section 7(1) of the CPF Act provides that every employer of an employee shall pay to the CPF monthly in respect of each employee contributions at the rates stipulated in the CPF Act. Pursuant to Section 7(2) of the CPF Act, the employer is allowed to recover certain amounts as stipulated in the CPF Act from the monthly wages of an employee.

Section 9 of the CPF Act 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.

Section 7(3) of the CPF Act provides that any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPF Act 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.

The CPF Act provides that in general if any person fails to pay to CPF within such period as may be prescribed any amount which he is liable under the CPF Act to pay in respect of or on behalf of any employee in any month or fails to comply with any regulations or rules made under the CPF Act, such person shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding six (6) months or both and if such 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.

Employment Agencies Act and Employment Agencies Rules 2011

The Employment Agencies Act (Chapter 92) of Singapore (the “Employment Agencies Act”) provides for the regulation of employment agencies, being any agency or registry represented as being carried on or intended to be carried on for or in connection with the employment of persons in any capacity, and is regulated by the MOM.

Section 6(1) of the Employment Agencies Act provides that no person shall carry on an employment agency unless it holds a licence from the Commissioner for Employment Agencies (the “CEA”) to carry on such an agency (the “Employment Agency Licence”). An applicant can choose between a Comprehensive Licence and a Select Licence. The Comprehensive Licence allows a licensee to place any type of worker with employers, while the Select Licence allows a licensee to place workers earning a monthly salary of more than S\$7,000.

Section 6(2) of the Employment Agencies Act also provides that no person shall perform any work or activity in Singapore:

- (a) for or in connection with the employment of one or more persons in any capacity, whether or not those persons are to be employed within or outside Singapore; and
- (b) on his own behalf or on behalf of an employment agency which is carried on outside Singapore,

unless he is a holder of an Employment Agency Licence.

Section 10(2) of the Employment Agencies Act, prohibits a holder of an Employment Agency Licence from carrying on an employment agency or performing any work or activity referred to in Section 6(2) of the Employment Agencies Act for which an Employment Agency Licence is granted after the validity period specified in such licence.

Any person who contravenes Sections 6(1), 6(2) and 10(2) of the Employment Agencies Act shall be guilty of an offence and shall be liable on conviction:

- (a) to a fine not exceeding S\$80,000 or to imprisonment for a term not exceeding two (2) years or to both; and
- (b) in the case of a second or subsequent conviction, to a fine not exceeding S\$160,000 or to imprisonment for a term not exceeding four (4) years or to both.

Section 11 of the Employment Agencies Act also provides that the CEA may suspend or revoke an Employment Agency Licence if he is satisfied that, amongst others, the licensee is contravening or has contravened any of the provisions of the Employment Agencies Act or the licensee has ceased to carry on an employment agency or ceased to perform any work or activity referred to in Section 6(2) for which the licensee has been licensed or, if the licensee is a company, goes into liquidation or is wound up or otherwise dissolved.

In addition, a licensee shall, before permitting or authorising any employment agency personnel to perform any specified employment agency work, register such personnel with the MOM pursuant to Section 12A(1) of the Employment Agencies Act and any person who contravenes Section 12A(1) of the Employment Agencies Act shall be guilty of an offence shall be liable on conviction to a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding six (6) months or to both.

Under the Employment Agencies Rules 2011, a licence granted under the Employment Agencies Act shall be valid only in respect of the type of employment specified in the licence, and a separate Employment Agency Licence shall be taken out for each employment agency.

Employment of Foreign Manpower Act and Employment of Foreign Manpower (Work Passes) Regulations 2012

The employment of foreign employees in Singapore is governed by the Employment of Foreign Manpower Act (Chapter 91A) of Singapore (the “EFMA”) and is regulated by the MOM. The EFMA prescribes the responsibilities and obligations of employers of foreign employees in Singapore.

Section 5(1) of the EFMA provides that no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM in accordance with the Employment of Foreign Manpower (Work Passes) Regulations 2012 (the “Work Passes Regulations”), which allows the foreign employee to work for him. Any person who fails to comply with or contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
 - (i) in the case of an individual, with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or
 - (ii) in any other case, be punished with a fine of not less than S\$20,000 and not more than S\$60,000.

The availability of the foreign workers for the services sector is also regulated by the MOM through the following policy instruments:

- (a) approved source countries;
- (b) the imposition of security bonds and levies; and
- (c) dependency ceilings based on the ratio of local to foreign workers.

REGULATORY OVERVIEW

Pursuant to section 25(1) of the EFMA, any employer which (a) makes or causes to make an application for a work pass on the basis of its foreign employee entitlement; and (b) commits, or causes or permits to be committed any act or omission which facilitates, or which results in, the inflation of its foreign employee entitlement, may be subject to a financial penalty not exceeding S\$20,000 as determined by the Controller of Work Passes.

Currently, the maximum number of foreign workers that a company in the services sector can hire is two-thirds of the total number of local full-time employees of the company. For the purposes of determining the foreign employee entitlement of a company only, the Ministry of Manpower regards (i) Singaporeans and Permanent Residents (“PRs”) who earn at least S\$1,000 per month as full-time employees; (ii) Singaporeans and PRs who earn at least S\$500 per month as part-time employees; and (iii) two part-time employees count as one full-time employee. The MOM uses the company’s Central Provident Fund (“CPF”) account to determine the number of the company’s full-time employees. As far as our Group, our Directors and the legal adviser to our Company as to Singapore law are aware, the MOM considers that freelance contractors form part of the local workforce for the purpose of calculating a company’s foreign employee entitlement provided that CPF contributions were made in respect of such freelance contractors and that they earn at least S\$500 per month.

Please refer to the section headed “Directors, senior management and staff — Staff” in the Prospectus for further details.

An employer of foreign workers is also subject to, amongst others, the provisions set out in the Employment Act, the Immigration Act (Chapter 133) of Singapore (the “Immigration Act”) and the regulations issued pursuant to the Immigration Act.

Employment of Foreign Manpower (Levy) Order 2011

Section 11(1) of the EFMA provides that the Minister for Manpower may provide for the imposition of a levy of such amount as may be specified in the order on employers in respect of any foreign employee or class of foreign employees who have been issued with a work permit.

The rate of levy imposed on an employer is prescribed in the Employment of Foreign Manpower (Levy) Order 2011 (“Levy Order”).

For employees in respect of whom levy is payable and who did not work for a full calendar month, the daily levy rate is calculated as follows:

$$\text{Daily levy rate} = (\text{Monthly levy rate} \times 12)/365 \text{ (rounded up to the nearest cent)}$$

Section 5 of the Levy Order provides that the levy payable by an employer in respect of every month or part thereof shall be due and payable on the first day of the following month and shall be paid no later than the 14th day of that following month, during which no penalty under Section 11(4) of the EFMA is payable.

REGULATORY OVERVIEW

The penalty under Section 11(4) of the EFMA for any unpaid levy is calculated as follows:

$$1/50 \times 1/A \times B \times C$$

where A is the number of days constituting that month; B is the amount of unpaid levy; and C is the number of days in that month during which the unpaid levy remains outstanding.

Where the amount determined in accordance with the formula is not more than S\$20, the penalty shall be the lower of S\$20 or 30% of the amount of unpaid levy.

Section 11(5) of the EFMA provides that the total penalty shall not exceed 30% of the amount of levy outstanding.

Environmental Public Health Act

The Environmental Public Health Act (Chapter 95) of Singapore (the “EPHA”) consolidates the laws relating to environmental public health and provides for, among others, the regulation of cleaning standards and productivity in the cleaning industry in Singapore. The EPHA is administered by the National Environment Agency. Part IXA of the EPHA provides that cleaning businesses are required to be licensed with requirements for the training of cleaners and the payment of progressive wages to cleaners.

Under Section 80D of the EPHA, no person shall carry on a cleaning business in Singapore without a cleaning business licence (the “Cleaning Business Licence”) that is granted by the Director-General of Public Health (the “Director-General”) appointed by the Minister for Health. Every Cleaning Business Licence shall be valid for the period stated in the licence unless it is earlier revoked, and may be renewed upon its expiry.

Any person who contravenes Section 80D of the EPHA 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 12 months or to both, and in the case of a continuing offence, to a further fine not exceeding S\$1,000 for every day or part thereof during which the offence continues after conviction.

In addition, Section 80F of the EPHA prescribes that every application for a Cleaning Business Licence shall be accompanied by a progressive wage plan. Please see the subsection entitled “Regulatory overview — Laws and regulations relating to our business in Singapore — Progressive wage requirements for cleaning sector” below for further details on such progressive wage plan.

A Cleaning Business Licence granted to a licensee would contain certain terms and conditions, including:

- (a) the licensee shall keep such records relating to the licensee’s cleaning business, and retain the records for such period, as may be prescribed;

REGULATORY OVERVIEW

- (b) the licensee shall ensure that each cleaner the licensee employs attends such training as may be specified by the Director-General whenever the Director-General requires that cleaner to attend such training, and shall keep training records of each cleaner the licensee employs in such manner, containing such particulars and for such period as may be prescribed;
- (c) for each cleaner the licensee employs, the licensee shall enter into a contract of service in writing; and
- (d) in the case where the licensee has not performed or started performing at least one (1) cleaning contract in respect of the grant of the Cleaning Business Licence, the licensee shall ensure that at all times at least one (1) of the Licensee's officers or employees has not less than the prescribed minimum number of years of practical experience in supervising cleaning work or has been conferred such prescribed qualification or certificate relating to cleaning work.

Paragraph 6 of the Environmental Public Health (General Cleaning Industry) Regulations 2014 provides that an applicant for a Cleaning Business Licence who has more than one (1) cleaner in its employ as at the date of its application must satisfy the Director-General as follows:

- (a) in the case of an application for the grant of a Cleaning Business Licence, at least half of the cleaners in the applicant's employ (but not including the cleaners who, as at the date of the application, are in the applicant's employ for less than three (3) months) have attended:
 - (i) any of the training modules under the Singapore Workforce Skills Qualifications (the "WSQ") System for Environmental Cleaning; or
 - (ii) the Institute of Technical Education (the "ITE") Skills Certificate course in Housekeeping Operations (Healthcare);
- (b) in the case of an application for the renewal of a Cleaning Business Licence, all the cleaners in the applicant's employ (but not including the cleaners who, as at the date of the application, are in the applicant's employ for less than three (3) months) have attended:
 - (i) any of the training modules under the WSQ System for Environmental Cleaning; or
 - (ii) the ITE Skills Certificate course in Housekeeping Operations (Healthcare).

Section 80J(1) of the EPHA, provides that a Cleaning Business Licence may be revoked by the Director-General if he is satisfied that, among others:

- (a) the licensee has ceased to carry on a cleaning business in Singapore;

REGULATORY OVERVIEW

- (b) a circumstance which the Director-General becomes aware of would have required or permitted the Director-General to refuse to grant or renew the licensee's Cleaning Business Licence, had the Director-General been aware of the circumstance immediately before granting or renewing the Cleaning Business Licence;
- (c) any part of the progressive wage plan in respect of the licensee's cleaning business is not in conformity with Section 80G(5) of the EPHA;
- (d) the licensee has failed to comply with any condition of its Cleaning Business Licence that is not waived by the Director-General; or
- (e) it is in the public interest to revoke the Cleaning Business Licence.

Section 80J(2) of the EPHA provides that if the Director-General considers that one or more events referred to in section 80J(1) of the EPHA has/have occurred but is/are not of sufficient gravity to revoke a Cleaning Business Licence, the Director-General may, instead of revoking the Cleaning Business Licence, suspend the Cleaning Business Licence for a period not exceeding six (6) months or impose such other directions or restrictions as he considers appropriate on the licensee's cleaning business in Singapore.

Section 80K(1) of the EPHA also provides that the Director-General may, in lieu of or in addition to revocation or suspension of the licensee's Cleaning Business Licence or imposition of directions or restrictions on the licensee's cleaning business, impose a financial penalty not exceeding S\$5,000.

Progressive wage requirements for cleaning sector

Under Section 80H(1)(d) of the EPHA, every contract of service entered into between a licensee of a Cleaning Business Licence and a cleaner who is a citizen or permanent resident of Singapore (the "Local Cleaner") must:

- (a) provide for payment to that Local Cleaner of a basic wage that is not less than the amount specified in Section 80(H)(2) of the EPHA for the class of Local Cleaners to which that Local Cleaner belongs (the "Specified Amount Requirement"); and
- (b) contain terms not inconsistent with the requirements in Section 80G(5) of the EPHA for the progressive wage plan in respect of that licensee's cleaning business (the "Progressive Wage Plan Requirement")

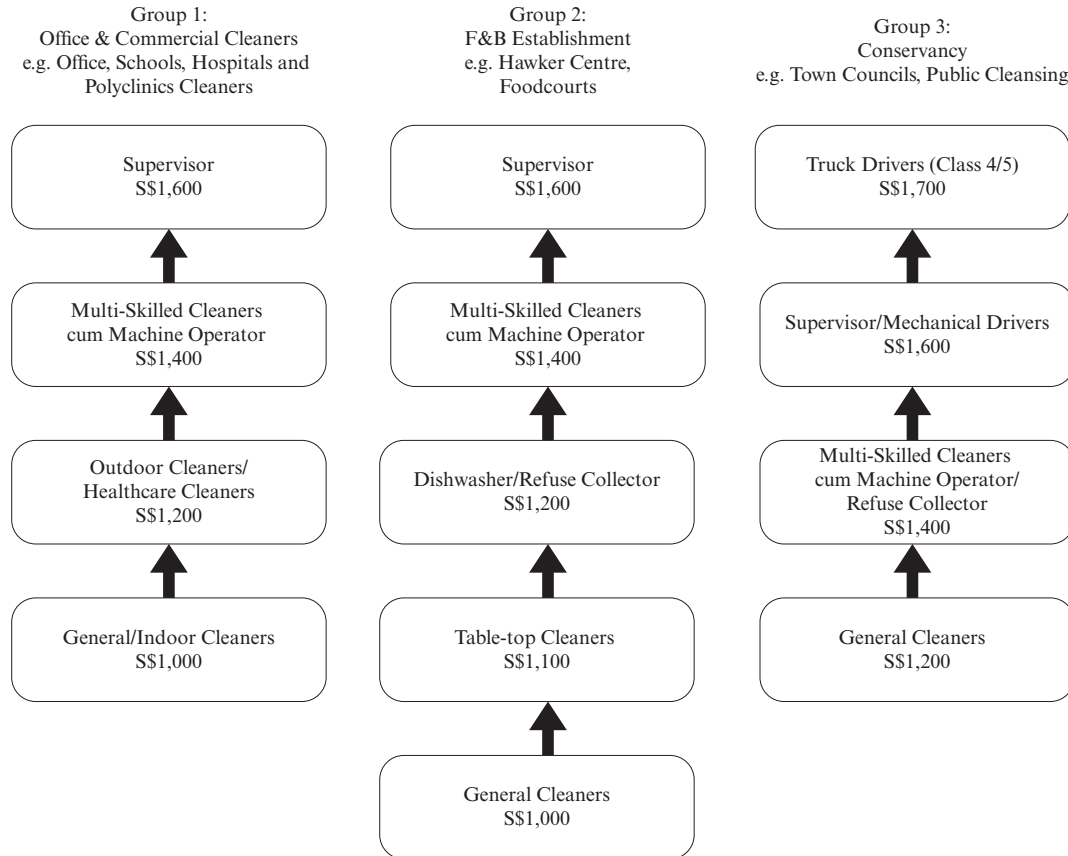
(collectively, the "Progressive Wage Requirements").

In respect of the Specified Amount Requirement, Section 80H(2) of the EPHA prescribes that the Commissioner for Labour appointed under the Employment Act shall, by order, specify the different specified amounts for or in respect of different classes of Local Cleaners (the "Specified Amounts"). In respect of the Progressive Wage Plan Requirement, Section 80G(5) of the EPHA prescribes that every progressive wage plan of a

REGULATORY OVERVIEW

licensee of a Cleaning Business Licence must specify the basic wage payable to every Local Cleaner on an increasing scale depending on seniority, responsibilities, cleaning work experience and training received (the “Progressive Wage Model”).

In this regard, the Commissioner for Labour, as at 25 April 2014, had issued an order setting out the Specified Amounts and Progressive Wage Model applicable to Local Cleaners, as follows:



In addition, where any Local Cleaner is employed under his contract of service with an employer to work less than 35 hours a week, the Commission for Labour had also issued an order that the Specified Amount applicable to such cleaner shall be calculated in accordance with the relevant formula provided by the Tripartite Cluster of Cleaners, as follows:

$$\text{Specified amount in respect of a part-time cleaner} = \frac{12 \text{ months} \times \text{Specified amount in respect of a similar full-time cleaner}}{52 \text{ weeks} \times 44 \text{ hours}} \times \text{Number of hours the part-time cleaner is required to work under his contract of service in a month}$$

The Progressive Wage Requirements applies to cleaners who entered into a cleaning service contract with a licensee of a Cleaning Business Licence after 1 April 2014. Cleaners who had entered into contracts before 1 April 2014 would have been entitled to the Progressive Wage Requirements after 1 September 2015.

REGULATORY OVERVIEW

Section 80J and 80K of the EPHA provides that the Director-General may by order revoke a Cleaning Business Licence if the licensee has failed to comply with any condition of its Cleaning Business Licence and that the Director-General may, in lieu of or in addition to revocation or suspension of such Cleaning Business Licence impose a financial penalty of such amount, not exceeding S\$5,000, as the Director-General sees fit.

Work Injury Compensation Act

The Work Injury Compensation Act (Chapter 354) of Singapore (the “WICA”), regulated by the MOM, applies to all employees (save as stipulated in the WICA) who have entered into or works under a contract of service or apprenticeship with an employer, in respect of injury suffered by them arising out of and in the course of their employment and sets out, among others, the amount of compensation that they are entitled to and the method(s) of calculating such compensation.

The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation in accordance with the WICA. The amount of compensation shall be computed in accordance with the fixed formula as set out in the Third Schedule of the WICA, subject to a maximum and minimum limit.

Personal Data Protection Act

The Personal Data Protection Act (No. 26 of 2012) of Singapore (the “PDPA”) governs the collection, use and disclosure of individuals’ personal data by organisations. The PDPA also established the Personal Data Protection Commission (the “PDPC”) to administer and enforce the PDPA.

An organisation is required to comply with the following obligations prescribed by the PDPA:

- (a) obtain the consent of the individual before collecting, using, or disclosing his personal data, for purposes that a reasonable person would consider appropriate in the circumstances;
- (b) notify the individual of the purpose of collecting his personal data;
- (c) only use personal data for purposes consented by the individual;
- (d) put in place mechanisms for individuals to withdraw their consent;
- (e) take reasonable efforts to ensure that personal data collected is accurate and complete if the personal data is likely to be used to make a decision that affects the individual, or is likely to be disclosed to another organisation;
- (f) when requested, correct any error or omission in an individual’s personal data;

REGULATORY OVERVIEW

- (g) upon an individual's request, provide an individual with his personal data in the organisation's possession and control, as well as information about the ways in which the personal data has been used or disclosed in the past year;
- (h) protect personal data by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;
- (i) cease to retain personal data as long as it is reasonable to assume that:
 - (i) the purpose for which it was collected is no longer being served by retaining it; and
 - (ii) the retention is no longer necessary for business or legal purpose;
- (j) not to transfer any personal data out of Singapore except in accordance with the requirements set out in the PDPA; and
- (k) implement the necessary policies and practices in order to meet its obligations under the PDPA and make information about its policies and practices available on request.

If the PDPC finds that an organisation is not complying with any provision in the PDPA, it may give the organisation all or any of the following directions:

- (a) to stop collecting, using or disclosing personal data in contravention of the PDPA;
- (b) to destroy personal data collected in contravention of the PDPA;
- (c) to comply with any direction of the PDPC to provide access to or correct the personal data; or
- (d) to pay a financial penalty of such amount not exceeding S\$1 million.

In addition to the obligations above, the PDPA also established a Do-Not-Call Registry which allows individuals to register their Singapore telephone numbers in any of the three Do-Not-Call Registers (the "DNC Register") to opt out of receiving marketing phone calls, mobile text messages, and faxes from organisations.

An organisation must put in place work flow to check whether an individual has listed his phone number on the relevant DNC Register. No person shall send a "specified message" addressed to a Singapore telephone number unless it has been confirmed that the number is not listed on the relevant DNC Register. A "specified message" is one that, among others, purports to offer to supply or advertise or promote goods and services. Any person who contravenes this provision shall be guilty of an offence and shall be liable to a fine not exceeding S\$10,000.

Singapore taxation

The discussion is not intended to be and does not constitute legal or tax advice. It is based on the current tax laws and practice in Singapore and is subject to changes in such laws, or in the interpretation thereof. Such changes may be retrospective. No assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws and practice will not occur on a retrospective basis.

The discussion below does not purport to be a comprehensive nor exhaustive description of all of the tax consequences relating to the acquisition, ownership and disposal of the Shares by any person. You, as a prospective subscriber of our Shares, should consult your tax advisors concerning the tax consequences of an investment in our Shares. Neither our Company, our Directors nor any other persons involved in this Listing accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

CORPORATE TAX

Singapore corporate taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore and on foreign income received or deemed received in Singapore (unless otherwise exempted).

A company is regarded as tax resident in Singapore if the control and management of its business is exercised in Singapore.

The prevailing corporate tax rate in Singapore is 17%. In addition, the partial tax exemption scheme applies on the first S\$300,000 of normal chargeable income; specifically 75% of up to the first S\$10,000 of a company's normal chargeable income, and 50% of up to the next S\$290,000 is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at 17%. For the Years of Assessment 2016 and 2017, there is a corporate income tax rebate at 30% of the corporate tax payable, subject to a cap of S\$20,000 per year of assessment.

Dividend distributions

(i) One-Tier Corporate Taxation System

All Singapore tax resident companies are under the One-Tier Corporate Taxation System ("One-Tier System"). Under the One-Tier System, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt (One-Tier) dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

(ii) Withholding taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

GOODS AND SERVICES TAX (THE “GST”)

The sale of our Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply is generally not recoverable and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or satisfies certain GST concessions.

Where our Shares are sold by a GST-registered investor in the course or furtherance of a business carried on by such an investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at a zero rate (i.e. 0%). Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in making this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of our Shares will be subject to GST at the prevailing standard rate (currently 7%). Similar services rendered contractually to an investor belonging outside Singapore should, subject to certain conditions, qualify for zero-rating (i.e. subject to GST at zero rate).

HISTORY AND DEVELOPMENT OF OUR GROUP

BUSINESS HISTORY

Our founder, Mr. Sim started his career in auditing and financial advisory services in June 1995. Having provided auditing and advisory services for various hotels and F&B companies, he foresaw the need of the industry, in particular the human resources issues. Mr. Sim had the vision to provide a comprehensive workforce solutions for the hotel and resort, F&B and retail sectors.

Our Group's business started in 2004 when Mr. Sim established TCCHR to provide workforce solutions for the hotel and resort sector using his own funds. Initially, Mr. Sim sourced and handled the manpower outsourcing services personally in order to instill confidence in our customers and build the reputation of TCCHR in the manpower outsourcing services market for the hotel and resort sector. As demand for TCCHR's services continued to grow, we expanded into F&B and retail sectors. In 2007, to complement our Group's manpower outsourcing services, we offered manpower recruitment services to our customers.

Since 2009, we have participated in various government agencies initiatives to assist locals to be re-employed and increase productivity in the hotel and resort, retail and F&B sectors. We were awarded the "Back2Work with U Programme" from the National Trade Union Congress ("NTUC") Women's Development Secretariat, part of the initiative of NTUC, in November 2011. This programme focuses on job placements and skills acquisition for women to enjoy greater job and income stability, and as such build up their economic resilience.

Through our continuous effort, we were awarded the manpower outsourcing contract for one of the two integrated resorts in Singapore in 2010, further expanding our presence in the local hotel and resort sectors.

In 2010, we were selected by SPRING Singapore (an agency under the Ministry of Trade and Industry of Singapore, responsible for helping Singapore enterprises grow and build trust in Singapore products and services) to spearhead a programme to help alleviate the manpower constraint faced by the F&B and retail sectors by introducing part-time staffing solutions. The programme was to assist Singaporeans to seek employment with flexible arrangements tailored to their needs which synchronise with the Singapore government's initiative to encourage employers to engage more workers and also to increase the productivity of the workforce. Spearheading this programme demonstrated our strength in the manpower outsourcing services industry, particularly in the hotel and resort, F&B and retail sectors.

In 2011, TCCECS was established to focus on arranging training services for candidates who are pursuing employment in the hotel and resort, F&B and retail sectors. Our Group has partnerships with agencies in countries such as Korea and Taiwan to arrange for candidates from these countries to attend training courses or study courses in local education institutions to enhance their knowledge and skills in these sectors.

HISTORY, REORGANISATION AND GROUP STRUCTURE

In 2014, SAR was established as a new brand name to cater the needs of new clients for just-in-time event management services.

To complement our manpower outsourcing services for our customers in the hotel and resort and F&B sectors, in particular, to cater to our customers' manpower needs for restaurants and banquet services held at hotels and resorts, we expanded our business to offer housekeeping services and general maintenance and cleaning services. In 2015, TCCHR and SAR obtained the cleaning business licence from the National Environment Agency of Singapore. Pursuant to the Environmental Public Health (EPH) Amendment Bill, which came into effect on 1 April 2014, and s.80D of the Environmental Public Health Act (Chapter 95) of Singapore, which came into effect on 1 September 2014, no person shall carry on a cleaning business in Singapore without a cleaning business licence from the National Environment Agency of Singapore. This new licensing regime will level the playing field by imposing higher standards of employment across the cleaning industry and lead to more professional and reliable services.

As at the Latest Practicable Date, our Group had a full-time work force of 56 local staff and 173 foreign staff. During the Track Record Period, our Group had an active* freelance contractors database of more than 28,500 workers.

**Note:* Active freelance contractors are those workers who have engaged with our Group at least one time during the Track Record Period.

Key milestones of our Group

The following table sets forth major development milestones of our Group:

| Year | Development milestones |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2004 | TCCHR was founded by Mr. Sim to provide workforce solutions primarily in areas of large scale recruiting and workforce-intensive initiatives in Singapore's hotel and resort sector. |
| 2007 | We extended our services to manpower recruitment by establishing TCCM. |
| 2009 | May Day 2009 Model Partnership Award (Individual) was awarded to staff of TCCHR. |
| 2010 | TCCS was selected by SPRING Singapore to spearhead a programme to help alleviate the manpower constraint faced by the F&B and retail sectors by introducing part-time staffing solutions. |

The Economic and Commercial Counsellor's Office of the Embassy of the PRC in Singapore awarded a certificate to recognise TCCM as a valid and credible employment agency to recruit PRC workers.

HISTORY, REORGANISATION AND GROUP STRUCTURE

- 2011 TCCHR was awarded the “Back2Work with U Programme” from the NTUC Women’s Development Secretariat, part of the initiative of NTUC.
- TCCECS was incorporated to arrange training services for candidates, who are pursuing employment in the hotel and resort, F&B and retail sectors.
- TCCHR, TCCM and TCCS pledged under the Tripartite Alliance for Fair and Progressive Employment Practices.
- 2012 An in-house programme, JMS, which minimises the time taken for workers to sign in and allows duty managers to record staff attendance by scanning their staff cards, was developed.
- 2013 JMS registered staff number exceeded 20,000 at the end of 2013.
- Mobile apps, (i) Hi-TCC which facilitates the job booking process for our staff to check and sign up for available jobs; and (ii) Mobile Attendance System which tracks staff attendance at our customers’ intended location, were developed.
- 2014 TCCM was re-appointed by Singapore National Employers Federation to be job placement agency.
- SAR was established as a new brand name to provide just-in-time event management services.
- JMS registered staff number exceeded 35,000 at the end of 2014.
- 2015 TCCHR and SAR were issued with the cleaning business licence from the National Environment Agency of Singapore.
- JMS registered staff number exceeded 59,000 in November 2015.

HISTORY, REORGANISATION AND GROUP STRUCTURE

CORPORATE HISTORY

As at the Latest Practicable Date, our Group comprised our Company, SingAsia Investments, TCCHR, TCCS, SAR, TCCECS, TCCM and TCCMS.

Set out below are the particulars of all our subsidiaries as at the Latest Practicable Date.

| Name of subsidiaries | Principal business activities | Date of incorporation | Interest attributable to our Group |
|----------------------|---------------------------------------------------------|-----------------------|------------------------------------|
| SingAsia Investments | Investment holding | 3 November 2015 | 100% |
| TCCHR | Provision of manpower outsourcing services | 10 March 2004 | 100% |
| TCCS | Provision of manpower outsourcing services | 6 January 2005 | 100% |
| SAR | Provision of manpower outsourcing and cleaning services | 28 August 2014 | 100% |
| TCCECS | Provision of manpower training and recruitment services | 20 December 2011 | 100% |
| TCCM | Provision of manpower recruitment services | 31 July 2007 | 100% |
| TCCMS | Dormant | 1 August 2005 | 100% |

The following is a brief corporate history of the establishment and major changes in the shareholdings of our Company and our subsidiaries that made material contribution to our Group during the Track Record Period.

Our Company

For the purpose of the Listing, our Company was incorporated on 12 November 2015 in the Cayman Islands under the Companies Law as an exempted company with limited liability with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each.

On 12 November 2015, one nil-paid Share was allotted and issued to the initial subscriber and was subsequently transferred to Centrex Treasure for nil consideration.

HISTORY, REORGANISATION AND GROUP STRUCTURE

On 20 June 2016, Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong transferred the entire issued share capital of SingAsia Investments to our Company for the consideration of S\$4,730,847, which was satisfied by (i) our Company allotting and issuing 9,999 new Shares to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong) credited as fully paid; and (ii) the crediting of the one nil-paid Share, which was registered in the name of Centrex Treasure as fully paid. After the above transaction, SingAsia Investments was wholly-owned by our Company.

On 20 June 2016, the authorised share capital of our Company has been increased from HK\$380,000 divided into 38,000,000 Shares to HK\$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,962,000,000 Shares to rank pari passu in all respects with the existing Shares.

Our Company has become the ultimate holding company of our Group as a result of the Reorganisation, details of which are set out in the paragraph headed “Reorganisation” below.

SingAsia Investments

On 3 November 2015, SingAsia Investments was incorporated in the BVI and one share was allotted and issued to Mr. Sim at a consideration of S\$1.00. On 25 November 2015, as part of the Reorganisation, SingAsia Investments acquired from each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong 126,000 shares, 30,000 shares, 20,000 shares, 12,000 shares and 12,000 shares of SAR for the consideration of S\$120,755.25, S\$28,751.25, S\$19,167.50, S\$11,500.50 and S\$11,500.50 respectively, which was satisfied by SingAsia Investments allotting and issuing 121 new shares, 29 new shares, 19 new shares, 12 new shares and 12 new shares of SingAsia Investments to each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the above transaction, SAR was wholly-owned by SingAsia Investments.

On 25 November 2015, as part of the Reorganisation, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCECS for the consideration of S\$1.00, which was satisfied by SingAsia Investments allotting and issuing 1 new share of SingAsia Investments to Mr. Sim. After the above transaction, TCCECS was wholly-owned by SingAsia Investments.

On 25 November 2015, as part of the Reorganisation, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCHR for the consideration of S\$3,055,701, which was satisfied by SingAsia Investments allotting and issuing 3,055 new shares of SingAsia Investments to Mr. Sim. After the above transaction, TCCHR was wholly-owned by SingAsia Investments.

On 25 November 2015, as part of the Reorganisation, SingAsia Investments acquired from each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong 65,000 shares, 15,000 shares, 10,000 shares, 5,000 shares and 5,000 shares of TCCS for the consideration of S\$348,344.75, S\$80,387.25, S\$53,591.50, S\$26,795.75 and S\$26,795.75 respectively, which was satisfied by SingAsia Investments allotting and issuing 348 new shares, 80 new shares,

HISTORY, REORGANISATION AND GROUP STRUCTURE

54 new shares, 27 new shares and 27 new shares of SingAsia Investments to Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the above transaction, TCCS was wholly-owned by SingAsia Investments.

On 20 June 2016, Mr. Sim subscribed for 1,300 shares of SingAsia Investments at the aggregate subscription price of S\$1,300,000, which was determined with reference to the issue price of the new shares of SingAsia Investments issued on 25 November 2015 as part of the Reorganisation. The subscription price for such shares was satisfied by capitalising the amount due by SingAsia Investments to Mr. Sim in the sum of S\$1,300,000.

On 20 June 2016, Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong transferred the entire issued share capital of SingAsia Investments to our Company for the consideration of S\$4,730,847, which was satisfied by (i) our Company allotting and issuing 9,999 new Shares to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong) credited as fully paid; and (ii) the crediting of one nil-paid Share, which was registered in the name of Centrex Treasure as fully paid. After the above transaction, SingAsia Investments became a wholly-owned subsidiary of our Company.

TCCHR

On 10 March 2004, TCCHR was incorporated in Singapore as a private company limited by shares and was principally engaged in the provision of manpower outsourcing services.

On incorporation, TCCHR had an issued and paid up share capital of S\$100 divided into 100 shares of S\$1.00 each. On 31 August 2004, TCCHR increased its issued and paid up share capital from S\$100 comprising 100 shares to S\$10,000 comprising 10,000 shares. On 1 June 2007, TCCHR increased its issued and paid up share capital from S\$10,000 comprising 10,000 shares to S\$500,000 comprising 500,000 shares.

As at the Latest Practicable Date, TCCHR has an issued and paid up share capital of S\$500,000 comprising 500,000 shares.

The history of the changes of the shareholdings in TCCHR is set out below:

On 10 March 2004, Mr. Sim and Tan Boon Joo were respectively issued 99 shares and 1 share in the capital of TCCHR upon incorporation at the subscription price of S\$99 and S\$1.00 respectively.

On 31 August 2004, 9,900 shares in the capital of TCCHR were allotted and issued to Mr. Sim for S\$9,900.

On 1 June 2007, the following transfers, and allotments and issue of shares in the capital of TCCHR took place:

- (a) one share was transferred from Tan Boon Joo to Mr. Sim for a consideration of S\$1.00;

HISTORY, REORGANISATION AND GROUP STRUCTURE

- (b) 215,000 shares were allotted and issued to Mr. Sim at the subscription price of S\$215,000;
- (c) 200,000 shares were allotted and issued to Guo Lei at the subscription price of S\$200,000;
- (d) 25,000 shares were allotted and issued to Wu Jin at the subscription price of S\$25,000;
- (e) 20,000 shares were allotted and issued to Mr. Wong at the subscription price of S\$20,000; and
- (f) 30,000 shares were allotted and issued to Ms. Tan at the subscription price of S\$30,000.

Pursuant to two declarations of trust both dated 1 June 2007 by each of Mr. Wong and Ms. Tan, the shares that were allotted and issued to Mr. Wong and Ms. Tan were held on trust by each of them for Mr. Sim. These trust arrangements were intended to facilitate the marketing efforts by Mr. Wong and Ms. Tan for the promotion of TCCHR'S business.

On 29 July 2008, 25,000 shares were transferred from Wu Jin to Jin Wei Hua for a consideration of S\$25,000.

On 30 July 2008, 10,000 shares were transferred from Jin Wei Hua to Zhang Ai Mei for a consideration of S\$20,000.

On 25 February 2009, 200,000 shares were transferred from Guo Lei to Jin Wei Hua for a nominal consideration of S\$1.00.

On 23 November 2010, 10,000 shares were transferred from Zhang Ai Mei to Mr. Woo for an aggregate consideration of S\$20,000.

On 9 March 2011, 215,000 shares were transferred from Jin Wei Hua to Mr. Sim for a consideration of S\$300,000.

On 1 August 2013, 10,000 shares were transferred from Mr. Woo to Mr. Sim for a nominal consideration of S\$1.00.

On 20 November 2015, each of Mr. Wong and Ms. Tan terminated the trust that was constituted pursuant to each of their respective declarations of trust and transferred 20,000 and 30,000 shares to Mr. Sim.

On 25 November 2015, as part of the Reorganisation, 500,000 shares were transferred by Mr. Sim to SingAsia Investments for a consideration of S\$3,055,701, which was determined with reference to the net asset value of TCCHR as at 31 July 2015 and was satisfied by SingAsia Investments allotting and issuing 3,055 new shares of SingAsia Investments to Mr. Sim. For further details of such transfer please refer to the section headed "History, Reorganisation and Group structure — Reorganisation" of this prospectus.

HISTORY, REORGANISATION AND GROUP STRUCTURE

TCCS

On 6 January 2005, TCCS was incorporated in Singapore as a private company limited by shares and was principally engaged in the provision of manpower outsourcing services.

On incorporation, TCCS had an issued and paid up share capital of S\$2.00 divided into two shares of S\$1.00 each. On 1 October 2010, TCCS increased its issued and paid up share capital from S\$2.00 comprising two shares to S\$100,000 comprising 100,000 shares.

As at the Latest Practicable Date, TCCS has an issued and paid up share capital of S\$100,000 comprising 100,000 shares.

The history of the changes of the shareholdings in TCCS is set out below:

On 6 January 2005, Mr. Sim was issued with two shares in the capital of TCCS at a subscription price of S\$2.00.

On 1 June 2007, two shares were transferred from Mr. Sim to TCCHR for a consideration of S\$1.00.

On 31 July 2010, two shares were transferred from TCCHR to Tan Boon Tin for a consideration of S\$1.00.

On 1 October 2010, 99,998 shares were issued and allotted to Tan Boon Tin at the subscription price of S\$99,998.

On 30 October 2014, the following transfers were made:

- (a) 65,000 shares were transferred from Tan Boon Tin to Mr. Sim for a consideration of S\$350,295.04;
- (b) 15,000 shares were transferred from Tan Boon Tin to Ms. Tan for a consideration of S\$80,837.32;
- (c) 10,000 shares were transferred from Tan Boon Tin to Mr. Ng for a consideration of S\$53,891.54;
- (d) 5,000 shares were transferred from Tan Boon Tin to Mr. Wong for a consideration of S\$26,954.77; and
- (e) 5,000 shares were transferred from Tan Boon Tin to Mr. Woo for a consideration of S\$26,954.77.

In 2014, seeing the rapid developments in the manpower outsourcing services industry in Singapore, Mr. Sim and the respective parties considered the business of TCCS could provide a synergistic effect to our Group and decided to acquire the shares of TCCS from Tan Boon Tin, an Independent Third Party. Tan Boon Tin did not want to continue the operation of TCCS and agreed to dispose of the shares of TCCS.

HISTORY, REORGANISATION AND GROUP STRUCTURE

On 25 November 2015, as part of the Reorganisation, an aggregate of 100,000 shares were transferred by Mr. Sim, Ms. Tan, Mr. Ng, Mr. Wong and Mr. Woo to SingAsia Investments for an aggregate consideration of S\$535,915, which was determined with reference to the net asset value of TCCS as at 31 July 2015 and was satisfied by SingAsia Investments allotting and issuing 348 new shares, 80 new shares, 54 new shares, 27 new shares and 27 new shares of SingAsia Investments to Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. For further details of such transfer, please refer to the section headed “History, Reorganisation and Group structure — Reorganisation” of this prospectus.

SAR

On 28 August 2014, SAR was incorporated in Singapore as a private company limited by shares and was principally engaged in the provision of manpower outsourcing and cleaning services.

On incorporation, SAR had an issued and paid up share capital of S\$20,000 divided into 20,000 shares. On 30 October 2014, SAR increased its issued and paid up share capital from S\$20,000 comprising 20,000 shares to S\$200,000 comprising 200,000 shares.

As at the Latest Practicable Date, SAR has an issued and paid up share capital of S\$200,000 comprising 200,000 shares.

The history of the changes of the shareholdings in SAR is set out below:

On 28 August 2014, Mr. Sim was issued 20,000 shares in the capital of SAR upon incorporation for a consideration of S\$20,000.

On 30 October 2014, 180,000 shares were allotted and issued as follows:

- (a) 106,000 shares to Mr. Sim at a subscription price of S\$106,000;
- (b) 30,000 shares to Ms. Tan at a subscription price of S\$30,000;
- (c) 20,000 shares to Mr. Ng at a subscription price of S\$20,000;
- (d) 12,000 shares to Mr. Wong at a subscription price of S\$12,000; and
- (e) 12,000 shares to Mr. Woo at a subscription price of S\$12,000.

The above allotment and issue of new shares was due to the capital needs of SAR for its business operation. Each of Ms. Tan, Mr. Ng, Mr. Wong and Mr. Woo agreed to invest in SAR by capital injection in SAR in return for new shares of SAR. For more details of the background of each of Ms. Tan, Mr. Ng, Mr. Wong and Mr. Woo, please refer to the section headed “Directors, senior management and staff” in this prospectus.

On 25 November 2015, as part of the Reorganisation, an aggregate of 200,000 shares were transferred by Mr. Sim, Ms. Tan, Mr. Ng, Mr. Wong and Mr. Woo to SingAsia Investments for an aggregate consideration of S\$191,675, which was determined with

HISTORY, REORGANISATION AND GROUP STRUCTURE

reference to the net asset value of SAR as at 31 July 2015 and was satisfied by SingAsia Investments allotting and issuing 121 new shares, 29 new shares, 19 new shares, 12 new shares and 12 new shares of SingAsia Investments to Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. For further details of such transfer, please refer to the section headed “History, Reorganisation and Group structure — Reorganisation” of this prospectus.

TCCECS

On 20 December 2011, TCCECS was incorporated in Singapore as a private company limited by shares and was principally engaged in the provision of manpower training and recruitment services.

On incorporation and as at the Latest Practicable Date, TCCECS had an issued and paid up share capital of S\$1,000 divided into 1,000 shares, which were wholly-owned by Mr. Sim.

On 25 November 2015, as part of the Reorganisation, an aggregate of 1,000 shares was transferred by Mr. Sim to SingAsia Investments for an aggregate consideration of S\$1.00 which was determined with reference to the net liabilities position of TCCECS as at 31 July 2015 and was satisfied by SingAsia Investments allotting and issuing one new share of SingAsia Investments to Mr. Sim. For further details of such transfer, please refer to the section headed “History, Reorganisation and Group structure — Reorganisation” of this prospectus.

TCCM

On 31 July 2007, TCCM was incorporated in Singapore as a private company limited by shares and was principally engaged in the provision of manpower recruitment services.

On incorporation and as at the Latest Practicable Date, TCCM had an issued and paid up share capital of S\$20,000 divided into 20,000 shares.

The history of the changes of the shareholdings in TCCM is set out below:

On 1 August 2013, 20,000 shares were transferred from TCCHR to Mr. Woo for a consideration of S\$1.00.

On 1 August 2014, 20,000 shares were transferred from Mr. Woo to TCCHR for a consideration of S\$1.00.

TCCM was incorporated in 2007 by Mr. Sim and principally engaged in manpower recruitment services, especially for foreign labour recruitment. As our Group’s business on manpower outsourcing services had been expanding for the past years before 2013, so we devote more resources on the expanding manpower outsourcing business and disposed of the entire shares in TCCM to Mr. Woo in August 2013. However, in August 2014, we bought TCCM back from Mr. Woo as (i) Mr. Woo lacked operating funds to run TCCM; (ii) our management saw the increase of demand in use of foreign labour forces in our

HISTORY, REORGANISATION AND GROUP STRUCTURE

outsourcing services sector, especially the demand from Customer A for foreign labour in 2014; and (iii) the new contract awarded by customer A to TCCM for the recruitment of foreign workers in 2014 which our Group saw synergy with our outsourcing services. Since then, our Group recommenced manpower recruitment services through TCCM.

REORGANISATION

To streamline and rationalise the corporate structure and business activities, our Company was incorporated on 12 November 2015 and as a result of the Reorganisation, becoming the investment holding company of our Group. The legal advisers to our Company as to Cayman Islands laws and Singapore laws have confirmed that the change of shareholdings under the Reorganisation would not require any approval or permit from any relevant government authorities in the Cayman Islands or Singapore respectively. Save for the Capitalisation Issue and the Share Offer, no further changes in shareholding of our Company and our subsidiaries will take place after the Reorganisation and at the time of Listing.

In preparation for the Listing, our Group has undergone the Reorganisation and the steps are as follows:

(i) Incorporation of Centrex Treasure, SingAsia Investments and our Company

On 22 May 2015, Centrex Treasure was incorporated in the BVI with limited liability and one share of US\$1.00 was allotted and issued, credited as fully paid, to Mr. Sim.

On 3 November 2015, SingAsia Investments was incorporated in the BVI with limited liability and one share of US\$1.00 was allotted and issued, credited as fully paid, to Mr. Sim.

On 12 November 2015, our Company was incorporated as an exempted company in the Cayman Islands under the Companies Law, with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares, of which one Share was allotted and issued to the first subscriber, as nil-paid Share, which was transferred to Centrex Treasure on 12 November 2015 at nil consideration.

(ii) Acquisition of SAR, TCCECS, TCCHR and TCCS by SingAsia Investments

On 25 November 2015, SingAsia Investments acquired from each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong 126,000 shares, 30,000 shares, 20,000 shares, 12,000 shares and 12,000 shares of SAR for the consideration of S\$120,755.25, S\$28,751.25, S\$19,167.50, S\$11,500.50 and S\$11,500.50 respectively, which was satisfied by SingAsia Investments allotting and issuing 121 new shares, 29 new shares, 19 new shares, 12 new shares and 12 new shares of SingAsia Investments to each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the above transaction, SAR was wholly-owned by SingAsia Investments.

HISTORY, REORGANISATION AND GROUP STRUCTURE

On 25 November 2015, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCECS for the consideration of S\$1.00, which was satisfied by SingAsia Investments allotting and issuing one new share of SingAsia Investments to Mr. Sim. After the above transaction, TCCECS was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCHR for the consideration of S\$3,055,701, which was satisfied by SingAsia Investments allotting and issuing 3,055 new shares of SingAsia Investments to Mr. Sim. After the above transaction, TCCHR was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong 65,000 shares, 15,000 shares, 10,000 shares, 5,000 shares and 5,000 shares of TCCS for the consideration of S\$348,344.75, S\$80,387.25, S\$53,591.50, S\$26,795.75 and S\$26,795.75 respectively, which was satisfied by SingAsia Investments allotting and issuing 348 new shares, 80 new shares, 54 new shares, 27 new shares and 27 new shares of SingAsia Investments to each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the above transaction, TCCS was wholly-owned by SingAsia Investments.

(iii) Capitalisation of loan owed by SingAsia Investments to Mr. Sim

On 20 June 2016, Mr. Sim subscribed for 1,300 shares of SingAsia Investments at the aggregate subscription price of S\$1,300,000, which was determined with reference to issue price of the new shares of SingAsia Investments issued on 25 November 2015 as part of the Reorganisation. The subscription price for such shares was satisfied by capitalising the amount due by SingAsia Investments to Mr. Sim in the sum of S\$1,300,000.

(iv) Acquisition of SingAsia Investments by our Company from Mr. Sim

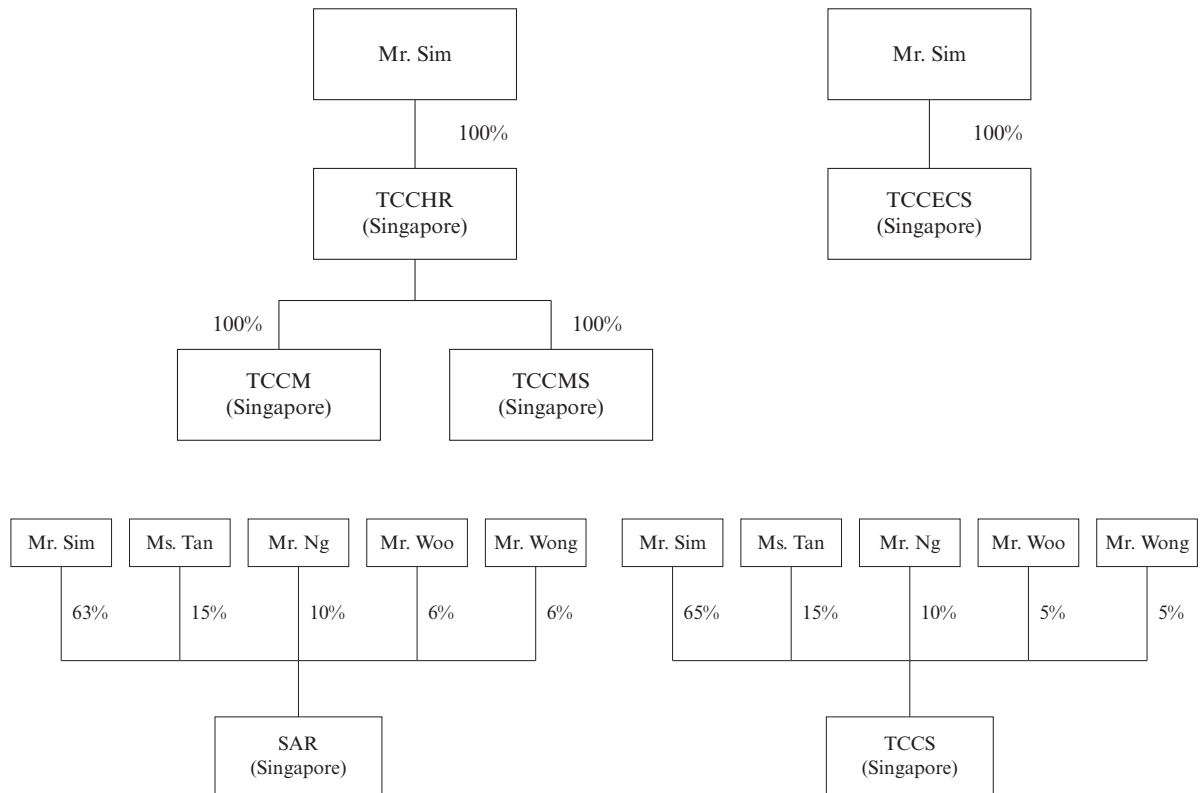
On 20 June 2016, Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong transferred the entire issued share capital of SingAsia Investments to our Company for the consideration of S\$4,730,847, which was satisfied by (i) our Company allotting and issuing 9,999 new Shares to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong) credited as fully paid; and (ii) the crediting of the one nil-paid Share, which was registered in the name of Centrex Treasure, as fully paid. After the above transaction, SingAsia Investments was wholly-owned by our Company.

(v) Increase of authorised share capital of our Company

On 20 June 2016, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,962,000,000 Shares to rank pari passu in all respects with the existing Shares.

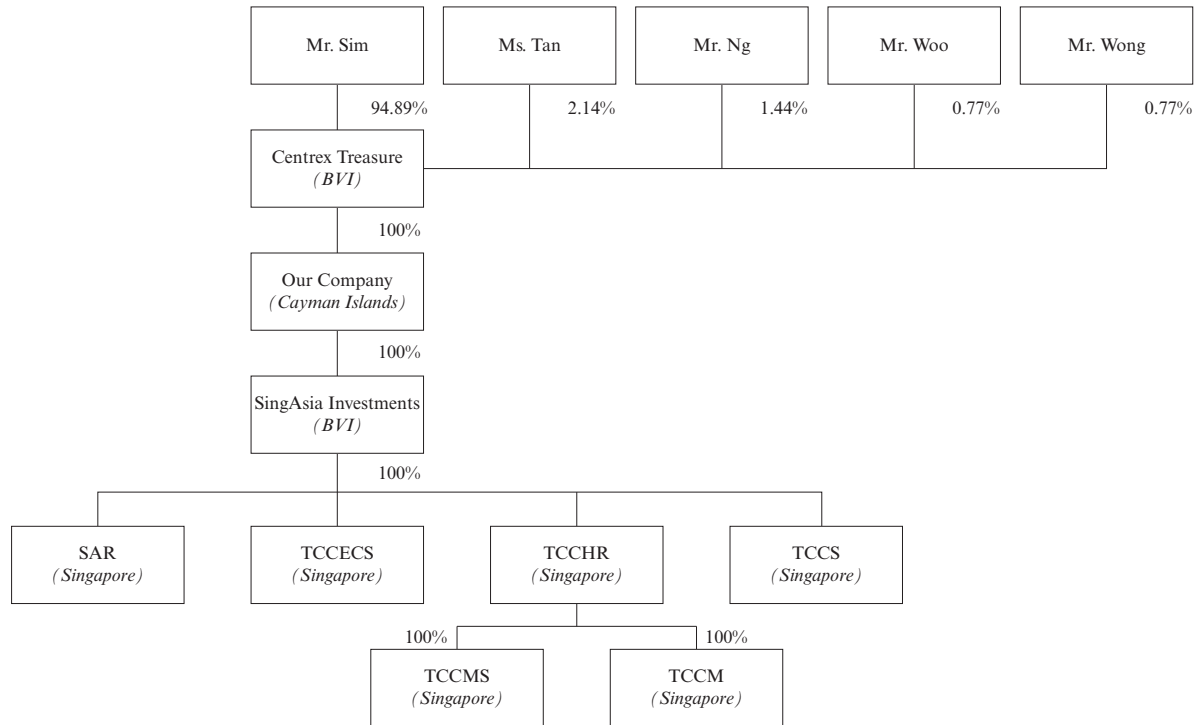
HISTORY, REORGANISATION AND GROUP STRUCTURE

The following chart sets out the corporate structure of our Group immediately prior to the Reorganisation:



HISTORY, REORGANISATION AND GROUP STRUCTURE

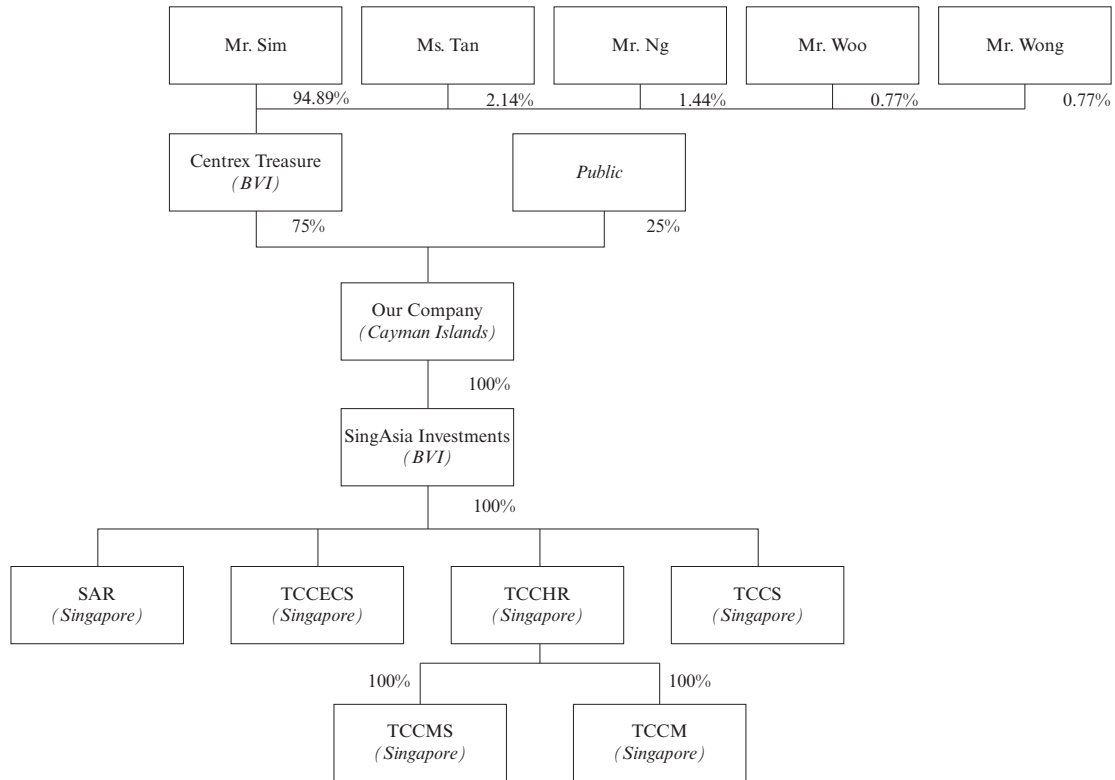
The following chart illustrates the shareholding structure of our Group immediately after the completion of the Reorganisation and prior to completion of the Share Offer and the Capitalisation Issue:



HISTORY, REORGANISATION AND GROUP STRUCTURE

GROUP STRUCTURE

The following chart sets out the shareholding structure and corporate structure of our Group immediately after completion of the Share Offer and the Capitalisation Issue:



OVERVIEW

We are a Singapore-based workforce solutions provider. We provide manpower outsourcing services, manpower recruitment services and manpower training services. Our workforce solutions meet customers' needs for a reliable and efficient workforce in the hotel and resort, retail, F&B and other (including educational institutions, event organisers and various industries) sectors across Singapore. These sectors are always in demand for flexible workforce support to reduce cost and respond to seasonal and fluctuating market conditions.

We began our manpower deployment operations in 2004. We specialise in on-demand, manpower outsourcing services with the objective of providing customers in the hotel and resort sector with flexible workforce solutions to enhance the performance of their business. In 2007, we expanded by offering manpower recruitment services.

Leveraging on our experience and reputation in the industry, TCCECS was established on 20 December 2011 to provide manpower training services to overseas candidates who are pursuing employments in the hotel and resort, F&B and retail sectors in order to enhance their skill and knowledge.

With our rapid growth, we help businesses to become more productive by providing them with a reliable contingent labour workforce. We target at corporations of different sizes ranging from small and medium sized enterprises to multinational corporations.

Over the years, we have built a solid track record of providing reliable and timely workforce solutions for the hotel and resort sector in Singapore, and have a good reputation among our customers. Our total revenue for the two years ended 31 July 2015 and for the six months ended 31 January 2016 were approximately S\$14.0 million, S\$19.3 million and S\$12.2 million, respectively.

OUR BUSINESS MODEL

Manpower outsourcing services

Our Group's manpower outsourcing services involve workforce outsourcing where our Group recruits, engages and remunerates employees or freelance contractors who are deployed to provide services for our customers. For further details, please refer to the section headed "Business — Description of our business — Manpower outsourcing business" in this prospectus.

Manpower recruitment services

Our Group's manpower recruitment services involve transferring various functions handled by our customers' internal human resources and manpower procurement departments to our Group on a long term or ad-hoc basis. Our manpower recruitment services aims to deliver improved manpower quality, faster hiring, reduced turnover rate, lower cost of recruitment and greater flexibility.

We provide manpower recruitment services including executive search and foreign manpower procurement services to our customers. Executive search services involve screening and procuring recruitment of permanent employees for our customers in the hotel and resort, F&B and retail sectors. We leverage on our workforce database system to provide end-to-end manpower services from sourcing candidates to procuring employment. For the foreign manpower procurement services, we have partnerships with overseas agencies in China, Korea and Taiwan to recruit candidates from these countries to meet our customers' business needs in their day-to-day operations.

For further details, please refer to the section headed "Business — Description of our business — Manpower recruitment services" of this prospectus.

Manpower training services

We provide training services for foreign candidates who are pursuing employments in the hotel and resort, F&B and retail sectors in Singapore. We arrange for candidates, referred by our Korean partners to attend training courses in local education institutions or our in-house training courses to enhance their knowledge and skills in these sectors. For further details, please refer to the section headed "Business — Description of our business — Manpower training services" in this prospectus.

COMPETITIVE STRENGTHS

Our Directors believe that our Group's competitive strengths set out below have driven growth in our business and financial performance.

We are reputable as an established workforce solutions provider in the hotel and resort, F&B and retail sectors

We have been in the workforce solutions market in Singapore since 2004. During these years, we have accumulated practical experiences in the provision of manpower outsourcing, manpower recruitment and manpower training services in the hotel and resort, F&B and retail sectors. Our team with well-equipped knowledge in recruitment and deployment strives to provide differentiated solutions to meet customers' business needs amid the rapid changes in the market.

Our Group will assign a team responsible for the sourcing and assessment of manpower to meet our customers' business needs and to enhance the standard and quality of our manpower outsourcing services. We handle employment administrative works such as handling payrolls calculation, employee contractual benefits, and relevant insurance for our employees as required by laws and regulations.

For manpower recruitment services, by leveraging on our own manpower database system, business network, together with advertisements, we have the ability to source candidates with the requisite credentials to meet our customers' needs across sectors.

Our Directors believe that, by leveraging on our experiences in workforce solutions market in Singapore since 2004, we are able to source and identify qualified and suitable individuals for our customers in a timely manner so as to streamline their human resources management processes. In 2014, we were well positioned in the manpower outsource service market within the hospitality industry in Singapore with a market share of approximately 29%.

We have a stable and long term relationship with our customers

We have established strong business relationship with our major customers who are some of the active and major market players in hotel and resort sector in Singapore. We have been serving our top 5 customers for a period ranging from 1 to 11 years. The years of relationship with the top five customers during the Track Record Period are continuous, except for customer H. During the Track Record Period, we maintained stable relationship with our top 5 customers. Our Directors believe that our stable and long term relationship with our major customers will enable us to better understand our customers' needs which strengthens our Group's position as the preferred provider of manpower outsourcing services.

We have a strong and experienced management team with proven track record

We have more than 10 years of experience in the workforce solutions market in Singapore. Our management team has extensive experience in the workforce solutions market which is an important factor in our business going forward. Most integral to the success of our Group is Mr. Sim, the founder of our Group and chairman of our Board and an Executive Director, who has been managing the business of manpower outsourcing services for over 10 years. His experience, coupled with in-depth knowledge and understanding in the workforce solutions market in Singapore enables him to understand the industry trend and our clients' needs. Our senior management team has been working with us for more than 5 years and formed a stable team. We believe that with their knowledge of the industry and its trend, our senior management team can help us achieve success and develop further.

Other than the competitive strengths mentioned above, our Group distinguishes itself against other players by its value-added services, including comprehensive training of staff prior to deployment, and the use of cloud-based database organisation and job management systems.

Our Group's competitive advantages include the following attributes:

- Established track record with strong market recognition as a reliable provider of high quality manpower
- Our Group was one of the first agencies established in Singapore to provide manpower outsourcing services specifically for the hotel and resort and F&B sectors.

- Large database of freelance contractors
 - Our Group has a database of over 28,500 active freelancers that can be mobilised at short notice. This offers customers an increased level of confidence in filling positions.
- Comprehensive training for all new recruits, even for casual contractors
 - Our Group hires experienced staff from the industry to conduct training for all staff and freelance contractors at our Company's premises before deployment.
- Use of the proprietary software such as its JMS and "Mobile Attendance System" ("MAS") to organise and manage staff
 - Developed and released in 2012 and 2013 respectively, JMS and MAS increase productivity by streamlining administrative tasks such as attendance taking, job booking confirmation, invoicing and payroll.
 - These systems allow clients to track and manage the staff and freelance contractors in real-time.

BUSINESS OBJECTIVES AND STRATEGIES

Our objectives

Our corporate objective is to achieve sustainable growth in our business and financial performance so as to create long-term value for our shareholders. We intend to achieve this by implementing the following corporate strategies:

Our strategies

Our customers face a variety of challenges in running their businesses such as competition and business performance pressures. We continue to specialise our sales and services teams for different sectors and create a more seamless experience for our customers to utilise all of our services. With our relatively strong network, we plan to expand our client base locally and extensively. To achieve these objectives, we will focus on the following business strategies.

Expand and strengthen our market position for manpower outsourcing services in Singapore

We have an integrated software system that assists our customers in placing orders for high-volume sourcing efficiently and dedicated customer service teams to deploy workers effectively. We also have a track record of adding significant scalability to recruiting and hiring, and of accessing numerous sources of staffing quickly, and thereby delivering a better outcome for our customer. The hotel and resort sector constantly faces fluctuating market conditions due to the cyclical and seasonal nature of the sector. There is always a shortage of trained workers.

As the Singapore economy grows, we will continue to seize opportunities to expand our market presence for manpower outsourcing services. Leveraging on our experiences and our clientele in the manpower outsourcing services market in the hotel and resort, F&B and retail sectors, we plan to reach out to new customers.

Enhance our JMS software to support our Group's business infrastructure

We recognise that it is important to keep abreast of the latest technological development and to maintain the competitiveness of our JMS software. We plan to further invest in the development of our JMS software to improve the current functionalities and interface enhancements.

We intend to enhance the internal operation interface of our JMS software to better manage the deployment of our workers, improve the efficiency and ease of use by our staff. We also intend to enhance the customer interface and functionalities of our JMS software to further improve efficiency and reduce administrative costs for our customers. We will recruit additional staff to cope with the upgrading of our JMS software.

Our Directors believe that through the continuous upgrading of our JMS software, we will be able to provide better support to our manpower outsourcing services and manpower recruitment services in the long run.

Growth through acquisitions of strategic partners

To complement our existing business, we will actively pursue external opportunities that present compelling growth prospects. We believe that our customers require a full range of human resources solutions services. We are well positioned to offer additional complementary human resources solutions, which allows us to help our customers achieve further optimisation of their workforce. We expect to leverage on our access to possible selective acquisitions of our competitors in the near future. We will carefully evaluate potential acquisition to ensure that they can provide synergies to our business and that they are capable of being successfully integrated into our core business platform.

DESCRIPTION OF OUR BUSINESS

Manpower outsourcing business

Manpower outsourcing services involve workforce outsourcing where outsourcing service providers recruit, engage and remunerate employees or freelance contractors who are designated to provide services at the customers' premises. We allow customers to free up management time and resources to focus on core activities, and to gain access to quality service workers without the human resource department having to face operational complexity and voluminous work load. Our Group has been in the manpower outsourcing business for more than 10 years. As at the Latest Practicable Date, we had 114 on-going contracts for our manpower outsourcing services, of which 43 were in the hotel and resort sector, 61 were in the F&B sector and 10 were in retail and other sectors.

Our Group provides the manpower outsourcing services to assist our customers in their business functions and to help our customers match their service team strength to business demands in a timely and cost effective manner. This would improve the efficiency of their human resources departments or personnel by delegating the routine human resources administrative functions to us. We would source and employ suitable candidates who match the job requirements and deploy them to our customers' intended locations.

For our outsourced employees, we handle employment administrative work such as preparation of employment contracts, calculation of payroll, and handling employee contractual benefits and relevant insurance for employees as required by laws and regulations for our staff. For our freelance contractors, our Group calculates their work hours and remunerates them accordingly.

The manpower outsourcing service agreements entered into between our customers and us usually contain the following provisions:

- (i) scope of our services;
- (ii) duration of the agreement;
- (iii) grounds for termination of the agreement;
- (iv) indemnity clauses;
- (v) basis of our service fees; and
- (vi) payment terms of our service fees.

We mainly provide manpower outsourcing services to hotel and resort, F&B, retail and other sectors. The manpower outsourcing services provided by us are mainly responsible for (i) F&B and stewarding services such as serving drinks and clearing dishes and attending to guests; and (ii) housekeeping and cleaning services for the hotel rooms. These are the main scope of our services for the deployment of the various types of workers to the customers' premises to support their operations. Our contracts with customers normally only specify the charge-out rate for each type of manpower deployed without any obligation on manpower to be deployed by us or the minimum job order to be placed by our customers. Upon the receipt of job orders from our customers, our Group will acknowledge and confirm to our customers on the number of workers that our Group will provide to them. Our Group will assess our manpower resources and confirm the number of workers we can deploy to our customers for their job orders request.

In respect of Customer A, our Group has a contractual obligation to fulfill at least 90% of the job orders confirmed by us to Customer A. Our Group will be subject to payment of liquidated damages if we are unable to fulfill our contractual obligations for 2 consecutive days or 3 consecutive events depending on the nature of services required by Customer A. Our Group has set up a system in place to monitor compliance. Designated operation managers will monitor the job fulfillment report at the end of each day to ensure that the job order of the previous day is fulfilled. They also review the status of fulfillment

of the job orders for the next few days. Recovery plans will be proposed immediately to director of operations for review and approval in event of any shortfall and will be executed in a timely manner to ensure adherence for the subsequent day/job order. Our Directors confirm that there were no instances of non-fulfillment leading to liquidated damages incurred by our Group since the commencement of the contract with Customer A.

Typically, our service agreement is for a fixed duration ranging from one year to five years. Either our customers or us shall be entitled to terminate the agreement by serving one month's written notice. We are also entitled to terminate the agreement with immediate effect if (a) our customer fails to make payment of sums due from them to us for more than 30 days; (b) if our customer commits a material breach of the agreement and such breach, if capable of being remedied, is not remedied within 30 days; or (c) if our customer goes into liquidation or other insolvency proceedings.

Our manpower outsourcing agreements with our customers also typically provide that we are obliged to keep our customers fully indemnified at all times against all legal proceedings and costs in the event that we violate or commit an offence under the Immigration Act (Chapter 133) of Singapore.

The basis of our service fees is usually a specified charge out rate per work hour. It varies for weekday, weekend and public holidays. In some cases, we charge our customers based on a fixed monthly fee per worker. Our customers are usually billed by per order basis and are required to pay the fees to us within 30 days from invoicing.

Our obligations to our customers would typically include ensuring that our staff or freelance contractors have received basic training and techniques in order to make sure that they adhere to the grooming standard of our customers. In providing the services, we would abide by the Immigration Act and ensure that no illegal immigrants are engaged by us.

Our customers' obligations to us would typically be to provide uniforms and duty meals for our staff or freelance contractors. Our customers would be required to comply with the requirements of the Workplace Safety and Health Act. In addition, our customers are obligated not to hire, directly or indirectly, any staff or freelance contractors for a period of six months following the date when the staff or freelance contractor last performed services on our behalf at our customers' premises in order to protect our business.

In addition to the typical provisions highlighted above, we have entered into two other manpower outsourcing agreements (“Other Manpower Outsourcing Agreements”) that contain more extensive termination, indemnity and liability provisions with Customer A and another customer. The salient terms of such agreements are as follows:

- *Termination*

Other termination events in such Other Manpower Outsourcing Agreements include:

- (a) receipt by us of a written notice by such customer, with termination of such Other Manpower Outsourcing Agreement to take effect immediately from such notice;
- (b) us or such customer failing to promptly secure or renew any licence or approval necessary for the performance of such Other Manpower Outsourcing Agreement;
- (c) such customer considering that their relationship with us presents a conflict of interest and such conflict cannot be resolved; or
- (d) such customer considering that we are or may be engaged in any activity or relationship which could jeopardise, among others, such customer’s business, reputation, or the licences that it holds.

- *Liability*

We are liable to pay liquidated damages in the event that:

- (a) the number of workers supplied by us to such customer falls below the threshold stipulated in such Other Manpower Outsourcing Agreement; or
- (b) our workers are found to have misconducted themselves, for example:
 - (i) failing to put on appropriate uniforms during working hours;
 - (ii) sleeping during working hours;
 - (iii) shouting or causing nuisance in public areas during working hours;
 - (iv) using of vulgar, offensive and rude language while in uniform; and
 - (v) engaging in disorderly behaviour and insubordination.

We shall be liable to:

- (a) pay a monetary penalty to such customer if we are found to be in breach of employment laws in Singapore;

- (b) repair any damage caused to the facilities of such customer due to our failure to take necessary precautions to protect the same;
- (c) pay for any loss or damage incurred by such customer in the event that we fail to supply the manpower services by the specified time or in accordance with such Other Manpower Outsourcing Agreement, such loss or damage including but not limited to the cost of obtaining such alternative supply; and
- (d) replace any workers and re-perform the relevant services at no extra cost to such customer in the event that we fail to supply the manpower services in accordance with such Other Manpower Outsourcing Agreement.

- *Indemnities*

We are liable to indemnify such customer:

- (a) and its officers and their customers (to the extent that these customers are indemnified by such customer) (“Company Parties”) against any resulting losses, damages, costs or expenses (“Losses”) incurred by the Company Parties as a result of any claims or actions from third parties arising out of or in relation to our acts or omissions or a breach of any of the terms of such Other Manpower Outsourcing Agreement;
- (b) and its officers against any claims and Losses arising from our breach of any relevant laws and regulations, including the Personal Data Protection Act 2012; and
- (c) for any injury, death or property damage arising from or relating to the performance of our cleaning services.

Manpower for deployment services

We have broadly categorised our manpower for deployment services to 2 types:

(i) *Full-time staff*

These are staff employed by us on a full-time basis. They are required to work at least 44 hours per week and are remunerated monthly and have full employee benefits such as annual leave and medical leave and benefits.

(ii) *Part-time staff/freelance contractors*

Part-time staff are employed by us on a part-time basis. Part-time staff work for at least 18 hours per week and are allowed to work for more than 44 hours per week. The legal adviser to our Company as to Singapore law advised that there is no prohibition under employment laws and regulations in Singapore to part-time employees working more than 44 hours per week provided that a part-time employee who works beyond his normal hours of work is paid for such extra work in accordance with employment laws and regulations in Singapore. They are either remunerated fortnightly or monthly and have pro-rated employee benefits. For our freelance contractors that we engage they are typically remunerated within 1 day to 24 days after deployment and do not have any employee benefits. The freelance contractors are not subject to employment laws and regulations in Singapore. There is no prohibition under such laws to prohibit freelance contractors working more than 44 hours per week. They formed the main source of manpower deployed to our customers.

We have various types of employment/engagement contracts with our workers, namely full-time staff, part-time staff and freelance contractors. Our full-time and part-time staff are required to fulfill a specified number of work hours weekly and will be deployed to work at venues designated by our Group. The salient terms of contracts with our full-time and part-time staff mainly comprise place of work at our client's venue, predetermined salary rate, working hours, entitlement to holidays and leaves, and termination notice.

Our contracts with our freelance contractors do not commit the contractors or our Group to any minimum number of work hours per week. The contracts contain mainly the personal details of the workers and their contact details, together with general terms such as the workers having required to attend a compulsory training provided by our Group before they are eligible for job engagements and also the penalty clause in event that the workers did not turn up for work after they take up the job engagement.

The legal advisers to our Company as to Singapore law confirmed that full-time and part-time staff who have entered into a contract of service with our Group are employees of our Group. They are subject to the relevant employment laws and regulations in Singapore. Please refer to the section headed "Regulatory overview" in this prospectus for further details. All our employees are entitled to benefits accorded to them under the Employment Act and their employment contracts. Our Directors confirmed that all our employees have been remunerated properly according to their employment contracts and relevant laws and regulations in Singapore during the Track Record Period and up to the Latest Practicable Date. The legal advisers to our Company as to Singapore law confirms that freelance contractors are not considered to be employees of our Group. They are not covered under and are not entitled to benefits under the relevant employment laws and regulations in Singapore. Their remuneration and benefits that they are entitled to are typically set out in the contract for service entered into with our Group.

BUSINESS

During the two years ended 31 July 2015 and the six months ended 31 January 2016, we had 11,870, 14,397 and 8,953 manpower deployed to our customers respectively. The numbers are derived by totaling the number of full-time staff, part-time staff and freelance contractors deployed by our Group to provide manpower outsourcing services for each manpower outsourcing job during the respective periods. Our Group's total staff strength and freelance contractors have been increasing over the period, which are in line with the increase in our Group's business. The following table sets out the breakdown of the number of our manpower deployed to our customers by sector for the Track Record Period:

Number of manpower deployed to the sectors

| | For the years ended 31 July | | For the six months ended 31 January |
|------------------|--------------------------------|---------------|-------------------------------------------|
| | 2014 | 2015 | 2016 |
| Hotel and resort | 8,461 | 9,678 | 6,315 |
| Retail and F&B | <u>3,409</u> | <u>4,719</u> | <u>2,638</u> |
| | <u>11,870</u> | <u>14,397</u> | <u>8,953</u> |

The following tables set out the breakdown of the type of manpower deployed to the various sectors:

Type of manpower deployed to the hotel & resort sector

| | For the years ended 31 July | | For the six months ended 31 January |
|-----------------------|--------------------------------|--------------|-------------------------------------------|
| | 2014 | 2015 | 2016 |
| Full-time staff | 102 | 205 | 216 |
| Part-time staff | 250 | 150 | 55 |
| Freelance contractors | <u>8,109</u> | <u>9,323</u> | <u>6,044</u> |
| | <u>8,461</u> | <u>9,678</u> | <u>6,315</u> |

Type of manpower deployed to the retail and F&B sector

| | For the years ended 31 July | | For the six months ended 31 January |
|-----------------------|--------------------------------|--------------|-------------------------------------------|
| | 2014 | 2015 | 2016 |
| Full-time staff | 44 | 52 | 73 |
| Part-time staff | 235 | 192 | 21 |
| Freelance contractors | <u>3,130</u> | <u>4,475</u> | <u>2,544</u> |
| | <u>3,409</u> | <u>4,719</u> | <u>2,638</u> |

Our manpower outsourcing activity is labour-intensive and ad hoc in nature. Our customers will usually give us job orders to provide temporary manpower in a short period of time. These job orders (such as additional restaurant waiters, functions servers and helpers) are short term and usually involve various working places and working time frame. In view of these job natures, it is difficult for us to hire enough full-time or part-time staff, and to retain them. Meanwhile, there are some workforces in the market that can fill up this gap. Our Directors believe that we have built up one of the largest database for such work force in Singapore and can response to our customers' need promptly.

During the Track Record Period, over 65% of our manpower deployed to our customers were freelance contractors. In general, the number of full-time and part-time deployment staff we employ is dependent on amongst others, the contractual obligations to our customers on the manpower to be deployed by us, and availability of freelance contractors. Our full-time or part-time staff are deployed to our customers almost all the time. In most cases, a full-time or part-time staff is repeatedly deployed to the same customer for a period ranging from a few months to a year. Given that most services required by our customers are similar in nature, we would typically transfer a full-time or part-time staff to another customer once the current assignment is completed. Accordingly, the idle time, if any, for our full-time or part-time staff, is negligible during the Track Record Period and up to the Latest Practicable Date.

For our freelance contractors, we only engage them when there is job order demand from our customers. Freelance contractors are only remunerated after they have been deployed to our customers, as such there is no idle time for freelance contractors. With a large pool of freelance contractors in our database, we are able to deploy manpower to our customers in a flexible, timely and cost effective manner.

Our Group consistently recruit, train and maintain a large pool of workers in our database to meet the demands of our customers. The part-time staff and freelance contractors will be notified of any job orders from our customers and they will decide on whether they want to take up the work. The part-time staff and freelance contractors will be deployed to work once they confirm their agreement to take up the particular job and they will work based on the job order requirement from our customer. Therefore, there will not be any idle time. In order to increase the fulfillment rate on our customers' job order, our Group works closely with our customers to understand their business activities and confirmed events a few months in advance so that we can assess whether our workers in our database will be sufficient to meet the customers' requirements. Recruitment efforts will be enhanced if our database is assessed to be insufficient. There are however no legal commitment on our Group's part to meet the numbers required by the customers. Our Group has a database of over 28,500 active freelance contractors registered that can be mobilised at short notice. These active freelance contractors had been engaged by us and deployed to our customers during the Track Record Period and up to the Latest Practicable Date. Our Directors confirms that our Group did not experience difficulties in providing sufficient manpower to our customers on an on demand basis.

BUSINESS

Given that most services required by our customers do not require any special skills or professional qualifications, there is flexibility for us in outsourcing workers to customers in different sectors.

Charges to our customers are determined by the costs incurred to employ a worker or engage a freelance contractor. Costs include wages, allowances, contributions to Central Provident Fund and foreign worker levy for workers and fees for freelance contractors. During the Track Record Period, our Group in general used cost-plus basis to determine the charge-out rate for our manpower outsourcing services.

The following table sets forth the range of charge-out rate for each type of manpower deployed to customers for each of the two years ended 31 July 2015 and six months ended 31 January 2016, respectively:

| | For the year ended 31 July ended | | For the six months |
|---------------------------------------|----------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| | 2014 | 2015 | 31 January 2016 |
| Full-time staff | S\$2,750 <u>per month per worker</u> | S\$2,750 to S\$3,200 <u>per month per worker</u> | S\$2,750 to S\$3,200 <u>per month per worker</u> |
| Part-time staff/freelance contractors | S\$10–S\$13.75 <u>per hour per worker</u> | S\$9.50–S\$16 <u>per hour per worker</u> | S\$9.50–S\$16 <u>per hour per worker</u> |

The following table sets forth our pay-out rate to full-time staff, part-time staff and freelance contractors for each of the two years ended 31 July 2015 and six months ended 31 January 2016, respectively:

| | For the year ended 31 July ended | | For the six months |
|---------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
| | 2014 | 2015 | 31 January 2016 |
| Full-time staff | S\$800–S\$1,450 <u>per month per worker</u> | S\$800–S\$1,450 <u>per month per worker</u> | S\$800–S\$1,550 <u>per month per worker</u> |
| Part-time staff/freelance contractors | S\$7.50–S\$8 <u>per hour per worker</u> | S\$7–S\$10 <u>per hour per worker</u> | S\$7–S\$10 <u>per hour per worker</u> |

The following table sets forth the revenue of our Group attributable to full-time staff, part-time staff and freelance contractors for each of the two years ended 31 July 2015 and six months ended 31 January 2016, respectively:

| | For the year ended 31 July | | | | For the six months ended 31 January 2016 | | | |
|-----------------------|----------------------------|--------|---------------|--------|------------------------------------------|--------|---------------|--------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | S\$'000 | % | S\$'000 | % | S\$'000 | % | S\$'000 | % |
| Full-time staff | 1,952 | 14.6% | 3,606 | 20.1% | 1,463 | 15.7% | 2,836 | 25.7% |
| Part-time staff | 2,732 | 20.4% | 2,583 | 14.4% | 1,575 | 16.9% | 564 | 5.1% |
| Freelance contractors | <u>8,711</u> | 65.0% | <u>11,738</u> | 65.5% | <u>6,267</u> | 67.4% | <u>7,638</u> | 69.2% |
| | <u>13,395</u> | 100.0% | <u>17,927</u> | 100.0% | <u>9,305</u> | 100.0% | <u>11,038</u> | 100.0% |

BUSINESS

The following table sets forth the number of hours of deployment of full-time staff, part-time staff and freelance contractors for each of the two years ended 31 July 2015 and six months ended 31 January 2016, respectively:

| | For the year ended 31 July | | | | For the six months ended 31 January | | | |
|-----------------------|----------------------------|--------|--------------|--------|-------------------------------------|--------|------------|--------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | Hrs'000 | % | Hrs'000 | % | Hrs'000 | % | Hrs'000 | % |
| Full-time staff | 150 | 13.9% | 250 | 18.8% | 108 | 14.2% | 204 | 25.0% |
| Part-time staff | 226 | 20.9% | 199 | 14.9% | 131 | 17.2% | 44 | 5.4% |
| Freelance contractors | <u>704</u> | 65.2% | <u>884</u> | 66.3% | <u>523</u> | 68.6% | <u>569</u> | 69.6% |
| | <u>1,080</u> | 100.0% | <u>1,333</u> | 100.0% | <u>762</u> | 100.0% | <u>817</u> | 100.0% |

Fluctuations between year ended 31 July 2014 and 2015

Consistent with the Group's business model, the bulk of our workers deployed are freelance contractors. Freelance contractors consistently accounted for approximately 65% of total revenue and total hours deployed for both years ended 31 July 2014 and 31 July 2015. For the year ended 31 July 2015, the Group employed more full-time workers for deployment to customers and therefore reduced reliance on part-time workers. As a result, the proportion of revenue attributable to full-time workers increased from about 14% for the year ended 31 July 2014 to approximately 19% for the year ended 31 July 2015. This increase is matched by a corresponding decrease in proportion of revenue attributable to part-time workers.

Fluctuations between six months ended 31 January 2015 and 31 January 2016

Consistent with our Group's business model and the two years ended 31 July 2015, the bulk of our workers deployed are freelance contractors. Freelance contractors accounted for approximately 67% and 69% of total revenue for the six months ended 31 January 2015 and 31 January 2016, respectively. The hours deployed for both periods were approximately 69% and 70% of the total hours deployed for all workers. In line with our Group's increase in revenue, more reliance were made towards full-time staff with relatively higher level of committed hours compared to part-time staff and freelance contractors. Consequently, the proportion of revenue for the six months ended 31 January 2015 and 31 January 2016 increased from approximately 16% to 26%, respectively. The hours deployed for both periods were approximately 14% and 25% of the total hours deployed for all workers. Due to the increase in reliance of full-time staff, the proportion of part-time staff was reduced from approximately 17% of total hours deployed for all workers for the six months ended 31 January 2015 to approximately 5% for the six months ended 31 January 2016.

Our Directors consider that our Group was able to satisfy our customers' demand for our manpower services through the adjustment of deployment of full-time, part-time staff and freelance contractor in a flexible manner during the Track Record Period.

BUSINESS

The following table sets forth the revenue per hour generated by full-time staff, part-time staff and freelance contractors for the period indicated:

| | For the year ended | | For the six months ended | |
|-----------------------|---------------------------|---------------------|---------------------------------|---------------------|
| | 31 July | | 31 January | |
| | 2014 | 2015 | 2015 | 2016 |
| | <i>S\$ per hour</i> | <i>S\$ per hour</i> | <i>S\$ per hour</i> | <i>S\$ per hour</i> |
| Full-time staff | 13.0 | 14.4 | 13.5 | 13.9 |
| Part-time staff | 12.1 | 13.0 | 12.0 | 12.8 |
| Freelance contractors | 12.4 | 13.3 | 12.0 | 13.4 |
| Overall | 12.4 | 13.4 | 12.2 | 13.5 |

During the Track Record Period, our revenue per hour generated by full-time staff, part-time and freelance contractors did not fluctuate and was in upward trend.

The table below sets out the historical utilisation rate of full-time staff and part-time staff workforce during the Track Record Period:

| | For the year ended | | For the six months ended | |
|-----------------------------------|---------------------------|----------------|---------------------------------|----------------|
| | 31 July | | 31 January | |
| | 2014 | 2015 | 2015 | 2016 |
| | <i>Hrs'000</i> | <i>Hrs'000</i> | <i>Hrs'000</i> | <i>Hrs'000</i> |
| Full-time staff | | | | |
| Hours worked (<i>note 1</i>) | 150 | 250 | 108 | 204 |
| Committed hours (<i>note 2</i>) | 131 | 239 | 91 | 188 |
| Utilisation (<i>note 3</i>) | 115% | 105% | 119% | 109% |
| Part-time staff | | | | |
| Hours worked (<i>note 1</i>) | 226 | 199 | 131 | 44 |
| Committed hours (<i>note 2</i>) | 116 | 125 | 72 | 29 |
| Utilisation (<i>note 3</i>) | 195% | 159% | 182% | 152% |

Notes:

- (1) Hours worked represents the actual hours deployed to customers.
- (2) Committed hours represents the total minimum amount of work hours full-time and part-time staff committed to work under contract period. (All our full-time and part-time staff was active during the Track Record Period)
- (3) The utilisation rate is calculated by the total actual total work hours of our full-time staff and part-time staff divided by total committed hours pursuant to staff contracts.

Based on the above table of historical utilisation rate, our full-time staff and part-time staff were fully utilised during the Track Record Period. During the same period, our full-time staff worked more than their committed hours. Our full-time staff are committed to work for a minimum of 44 hours per week according to contract.

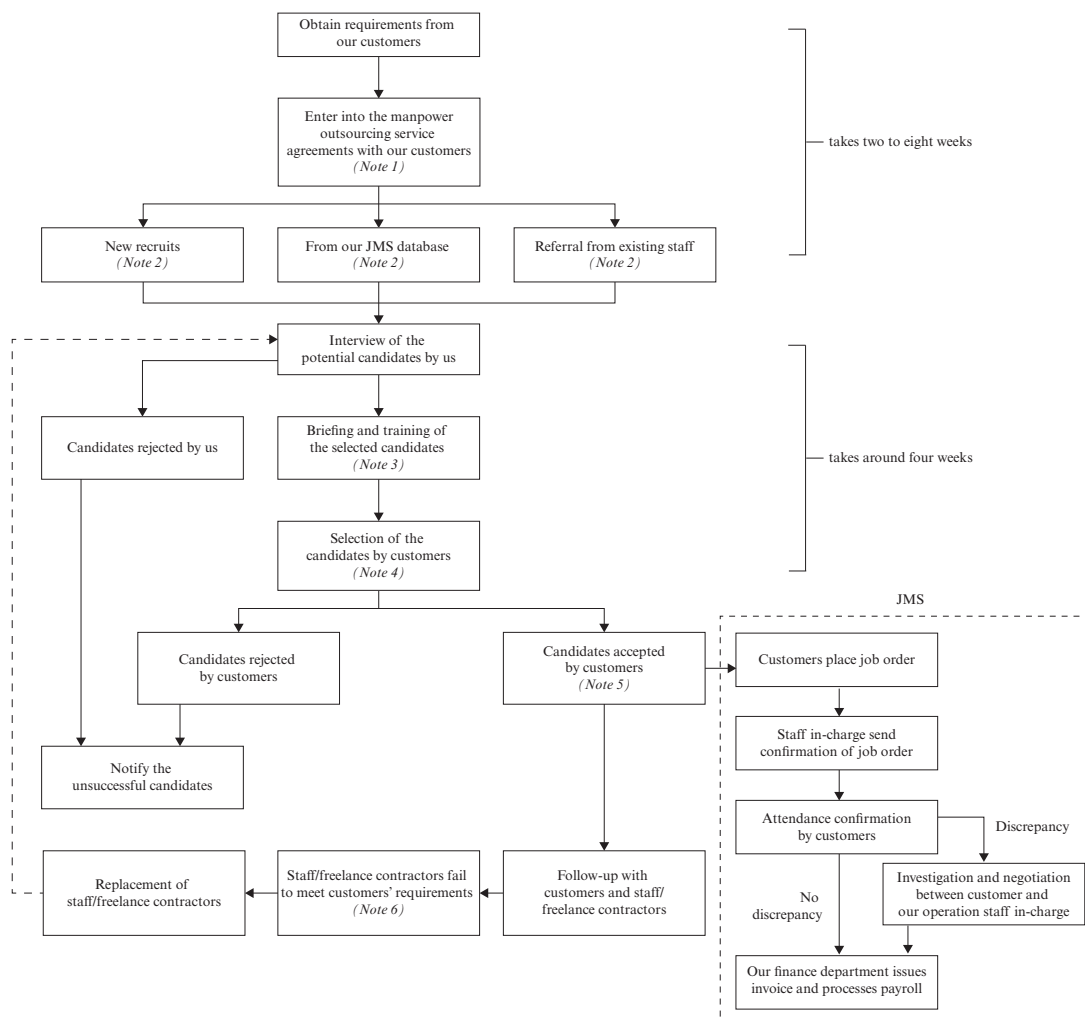
Our historical utilisation rate for our part-time staff ranged from approximately 152% to 195% during the Track Record Period. The reason for the high utilisation rate was mainly attributable to the lower committed hours from 18 hours per week onwards for part-time staff. During the year ended 31 July 2014, more deployment was fulfilled by part-time workers, resulting in a higher utilisation rate.

Our full-time staff and part-time staff working beyond his/her committed hours of work are paid for such extra work in accordance with staff contract and relevant employment laws and regulations in Singapore.

Our freelance contractors are deployed on an on-demand basis and remunerated after deployment to customers. Also, they do not commit to any minimum number of work hours per week. As such, there was no idle time for our freelance contractors during the Track Record Period. Hence, our directors consider that there is no appropriate basis to calculate the utilisation rate for our freelance contractors.

Process

The following flow chart is a general overview of the major steps involved in the provision of our manpower outsourcing services:



Notes:

1. Our operations team is responsible for maintaining relationship with existing customers and soliciting new customers through tenders and incoming enquiries.
2. We will first shortlist candidates found in our database. Then, we will source additional candidates (if required) through external sources such as advertising on recruitment websites, or in the print media, participating in recruitment roadshows and referral from our staff.
3. After the interview with the candidates, for those selected candidates, we will arrange for briefing and training for them. These are conducted in-house by our qualified trainers who have extensive experience in the hospitality industry.
4. Some of our candidates may be subject to further selection by our customers before being accepted.

5. The successful candidates will then be deployed to provide services at our customers' premises.
6. Subsequent to their commencement of services to our customers, we will follow-up with our customers on their service satisfaction level. If any of the staff/freelance contractors fails to meet the customers' requirements, we will replace with another staff/freelance contractor.

Engagement of manpower outsourcing services

Our operations teams will maintain relationship with existing customers and solicit new business through tenders and incoming enquiries. During the Track Record Period, all of our customers, with the exception of Customer A, are through incoming enquiries, or renewal of contracts of existing customers. We obtained the business of Customer A through a tender process. Saved as disclosed, during the Track Record Period, up to the Latest Practicable Date, we did not participate in any other tender for new business. We will identify the requirements of our customers including the type and scope of services required. After considering the availability of our staff and freelance contractors and our capacity for meeting the service requirements, our operation team will prepare the relevant proposal or service quotation for our customers' consideration. Negotiation with our customers on the proposals typically take two to eight weeks. Upon acceptance of the proposal or service quotation by our customers, we will prepare the service agreement for signing. We will assign a designated staff in the operations team to be in-charge of the customer.

Selection of staff or freelance contractors for deployment

After being engaged by our customers, we will first shortlist candidates found in our database. Then, we will source additional candidates (if required) through external sources such as advertising on recruitment websites or in print media, and participating in recruitment roadshows and taking referrals from our existing staff or freelance contractors. First round of interviews will be conducted by our Group internally. After interviews with the potential candidates, we will arrange briefing and training for the selected candidates. These are done in-house by our qualified trainers with extensive experience in the hospitality industry. In some cases, some of our candidates may be subject to further selection by our customers before being deployed by us. The selection of the candidate will typically be completed within four weeks from signing of the service agreements.

Commencement of services and follow up actions

Upon the confirmation of the successful candidates by our customers, the candidates will be engaged by us under employment contract or freelance contract and will then be deployed to provide the services at our customers' premises. Subsequent to commencement of our services, we will follow-up with our customers on their satisfaction level of our services. If any of the staff or freelance contractor fails to meet the customers' requirements, we would replace him/her with another staff or freelance contractor. As we are responsible for the remuneration and other administrative matters related our staff and freelance contractors, our customers will be able to free up management time and resources to focus

on their core activities, while still gaining access to the quality service provided by us through our staff/or freelance contractor without their human resources department having to face operational complexity and voluminous work load.

Our JMS

We developed an integrated software system, JMS, with our software vendors to cater to our needs. JMS is a cloud solution based software that allows our client to place job order on-line, record and confirm attendance of our workers, and handle administration and finance processing. With JMS, we are able to handle the voluminous job orders for our manpower outsourcing services, in particular the allocation of our part-time staff and freelance contractors. It provides real-time access to important information ranging from job orders to attendance confirmations and allows our clients to reduce the time consuming administration and clerical work. It streamlines our own operations seamlessly from processing job order, job confirmation, and customers invoicing, to handling staff salary or freelance contractor payments. Our outsourced workers will be notified and reminded of job shift before commencement, and receive confirmation of their work hours. In addition, they can monitor and track the number of hours worked using the software when required. Our Directors believe that our JMS software has equipped our Group with a flexible and user-friendly human resources and job management system.

Our customers typically provide a forecast of up to three months on their outsourced manpower requirements for our Group to make the necessary preparation and recruitment. Their official job orders are usually placed on-line a week before the required manpower deployment. Information required to be keyed into the system includes job commencement date and end date, time and the number of workers required.

Our operations team can confirm the job placement order shortly after the client has placed the order. If the job order placed falls under the scope of the outsourcing service agreement entered with the respective customer, we will confirm acceptance of the job order and our customers will receive an acknowledgement of our confirmation.

Our relevant manpower pool will be notified of the job once the order is confirmed. Our staff or freelance contractor can book the job on-line through the JMS mobile application. The staff or freelance contractor will receive automatic reminder from the system of the job order one day before the commencement of their work. Our staff or freelance contractor will report to the clients' premises using their staff pass given to them by our Group, with which they will clock in their attendance. This real-time attendance system of the JMS allows efficient sign-in process, eliminates errors and captures the actual time-in and time-out of our workers at the clients' premises.

Our customer will be able to confirm the attendance of our outsourced worker using their mobile devices or computer via internet. This paperless and real-time application allows efficient processing, reduces error and improves productivity for both our customers and ourselves. Our operation team will follow up with the clients should there be any unconfirmed attendance or discrepancies on the attendance record.

Our JMS software will automatically send notifications to each individual staff on their clock-in and clock-out time. Our finance department will be able to invoice our customers and process payroll for our employees and freelance contractors in a timely manner.

Manpower recruitment services

We provide manpower recruitment services to our customers. With our strong network with business partners from various countries such as Korea, China and Taiwan, together with our extensive manpower database, we can recruit suitable candidates that meet our customers' requirements. During the Track Record Period, most of our customers using our manpower recruitment services are in the hotel and resort, F&B, retail and other sectors. Other sectors comprise mainly school, education and various industries with demand for our manpower recruitment services.

TCCM was incorporated in 2007 by Mr. Sim and principally engaged in manpower recruitment services. As our Group's business on manpower outsourcing services had been expanding for the past years before 2013, so we decided to focus more resources on expanding manpower outsourcing business. We therefore disposed the entire shares in TCCM to Mr. Woo in August 2013. However, in August 2014, we bought TCCM back from Mr. Woo as (i) Mr. Woo lacked operating funds to run TCCM and (ii) our management saw the increase of demand in use of foreign labour forces in our outsourcing services sector, especially the demand from our Customer A for foreign labour in 2014; and (iii) the new contract awarded by our Customer A to TCCM for the recruitment of foreign workers in 2014 which our Group saw synergy with our outsourcing services. Since then, our Group recommenced manpower recruitment services.

Our overseas partner agencies are companies in the business of providing job placement and consulting services. As at Latest Practicable Date, we had active partnership agreements with a total of 32 overseas agencies, out of which 7 were from China, 19 were from Korea and 6 were from Taiwan. These overseas agencies with their local knowledge and network in their respective countries provide a pool of qualified and experienced candidates for our customers.

The partnership agreements entered into between these overseas agencies and us usually contain the following provisions:

- (i) our responsibilities;
- (ii) responsibilities of the overseas agencies;
- (iii) duration of the agreement; and
- (iv) basis of our fee.

We would be responsible for job placements for the candidates to establishments in Singapore. This include performing initial screening of candidates, and arrangement of accommodation and medical screening of the candidates. The partner agencies would be

responsible for recruitment of prospective job candidates with reference to our requirements, setting up interviews and assisting the candidates with the work passes application. Our partner agencies are not allowed to deal directly with our customers or refer the candidates selected by us to other companies without our prior consent.

Typically, our partnership agreement is for a fixed duration of 3 years. Our partner agencies would collect fees from the candidate once the candidate is employed in Singapore. The basis of our fees is usually a one-off fixed placement fee per candidate placed out capped at a maximum of 2 months' salary of the candidate.

The executive and staff search service agreements entered into between our customers and us usually contain the following provisions:

- (i) scope of our services;
- (ii) duration of the agreement;
- (iii) basis of our service fees; and
- (iv) payment terms of our service fees.

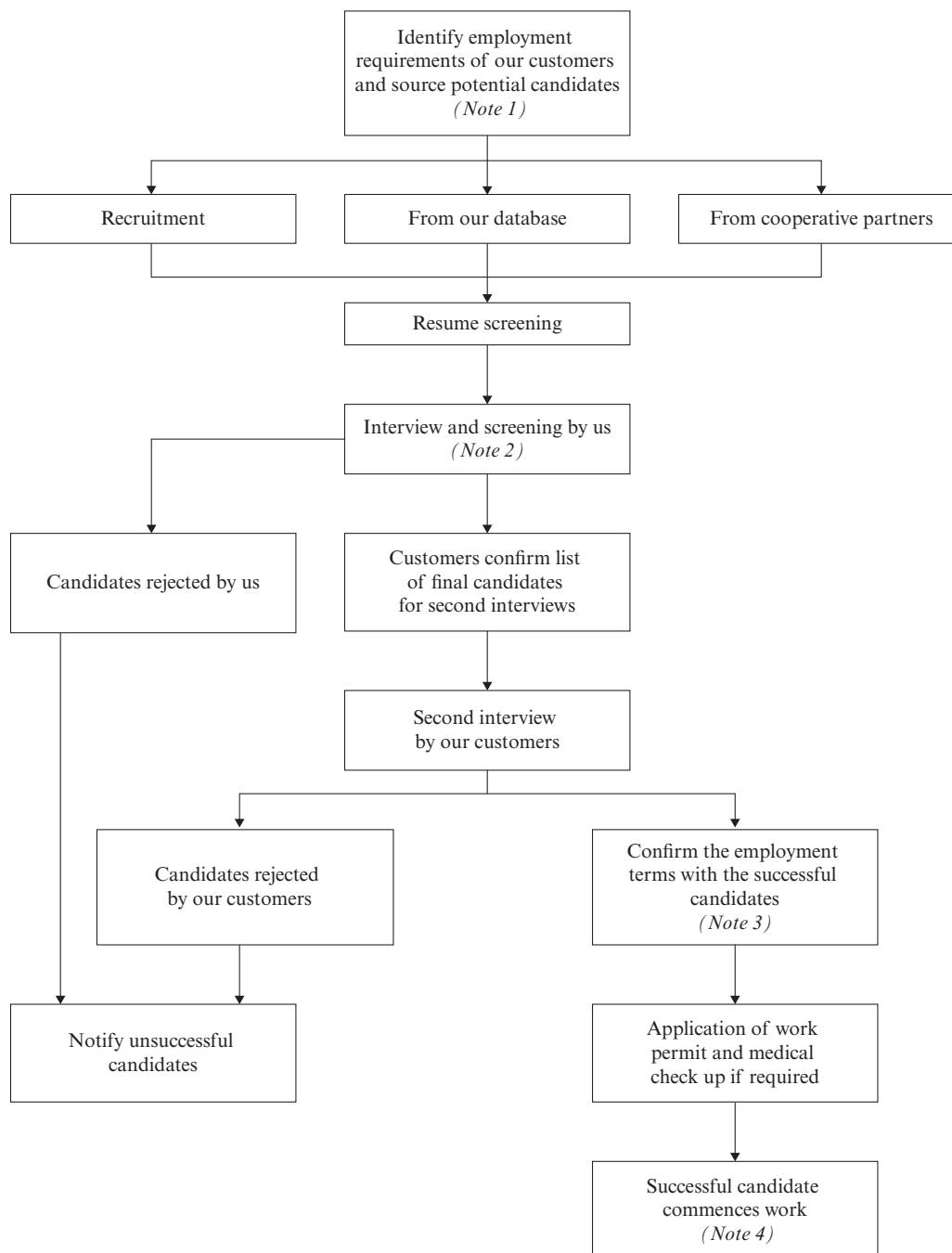
We will source for candidates that match the requirements of our customers. Typically, our service agreement is for a fixed duration of 12 months. The basis of our service fees is usually a one-off fixed placement fee per candidate placed out or a fee based on one to two months salary of the candidate. Depending on the certain conditions, the fees may be borne by the customers or the candidates. Our customers are usually billed within one month after the candidate commences work or the work permit is issued. Our customers are required to pay us the fees within seven days from invoicing.

Our obligations to our customers would typically include ensuring the selected candidates are of reasonable standard of skills, reliability and fit for the role requested by our customers. We would also arrange for the medical check-up and apply the necessary work permits of the selected candidates, if required, on behalf of our customers. In the event that the selected candidate resigns or are found not suitable by our customers within one month from commencement of work, we will typically undertake to find suitable replacement at no extra charge. Our customers' obligations to us would typically include not employing candidate who has been shortlisted by us without our knowledge for a period of 12 months.

For the year ended 31 July 2015 and six months ended 31 January 2016, we had successfully placed out 552 and 305 candidates respectively.

Process

The following flow chart is a general overview of the major steps involved in the provision of our manpower recruitment services:



Notes:

1. Our manpower search team under TCCM is responsible for soliciting new business through incoming enquiries, referrals and active pitching. We will collect and identify the employment requirements of our customers including the job nature, qualification and years of experience.

We will identify and source potential candidates through advertisements, and also shortlist candidates found in our database and source candidates through our cooperative partners.

2. After shortlisting the candidates, we will interview and screen the candidates before referring to our customers. The candidates may be required to be further interviewed by our customers before being accepted.
3. For those successful candidates accepted by our customers, we will confirm the employment terms on behalf of our customers. Before signing of the employment contracts between our customers and the successful candidates, we will arrange for medical check-ups and conduct briefing for the candidates, and we will apply for work permits for the successful candidates from relevant authorities.
4. The successful candidates will report to work at customers' premises. Our manpower search team will follow-up with our customers on their performance.

Engagement of manpower recruitment services

Because we have good reputation in providing manpower outsourcing services, our customers would normally enquire from us if they need to recruit permanent staff for their company. We will collect and identify the employment requirements of our customers including the job nature, qualification, years of experience, salary package and employment benefits. We will then prepare a proposal or placement agreement for our customer's consideration.

Selection of candidates

After acceptance of our placement agreement, we will identify and source potential candidates from our database, or through advertising online and/or the mainstream media, or through our cooperative partners. We will then compile a list of potential candidates who match the job descriptions provided by our customers or the requirements identified by us. Before making referrals to our customers, we will screen the potential candidates and shortlist the suitable candidates by conducting initial interviews and background checks on the potential candidates. We will respond to our customers' requests and refer to them suitable candidates that match their requirement within a reasonable time. Our customers will decide whether the potential candidates would be required to attend a second interview with them.

Commencement of employment and follow up actions

Upon the confirmation of employment of the successful candidate by our customers, we will be responsible for confirming the employment terms with the successful candidates on behalf of our customers in accordance with their instructions. We may also brief our customers on the current market salary and benefits and their current position in the market

in terms of their attractiveness to candidates. If our customers confirm the employment terms and the successful candidates accept the offers, we will arrange for the successful candidates and our customers to sign the employment contracts.

We apply for work permit for the successful candidates on behalf of our customers, arrange medical examinations, and conduct briefing and orientation for the successful candidates. After the work permit application are approved and medical reports are released, the successful candidates will enter into employment contracts with the respective customers. The successful candidates will then report to work at the customers' designated premises. Our manpower search team will follow-up with our customers on their performances.

Manpower training services

Our manpower training services are mainly provided to customers in other sectors which comprise schools, education and various industries. We arrange for the candidates referred by our Korean partners, who are pursuing employments in the hotel and resort, F&B and retail sectors, to attend training courses provided by local education institutions or our in-house training courses to enhance their knowledge and skills in these sectors. Our Korean partners are mainly the education institutions such as universities, high schools and private colleges.

The training courses are categorised as follows:

| Type | Duration | Number of courses a year |
|-----------------------------------|------------------|-------------------------------------|
| Diploma or advance diploma course | 6 to 12 months | 1 to 2 |
| Language course | 1 to 3 months | 10 to 20 |
| Short term visit course | Less than 1 week | 1 to 5 |

We generate revenue from the provision of manpower training services from:

- (i) service or agency fee for arranging the candidates' training materials and courses, medical examinations and their accommodation;
- (ii) referral fee from the local institutions that we refer the candidates to for their courses; and
- (iii) course fee for providing in-house basic English language courses and job preparation courses.

We charge our Korean partners the service or agency and course fees, who in turn charge the candidates. Most of the training courses are conducted by external education institutions. For the two years ended 31 July 2015, we charge our Korean partners approximately S\$75,560 or 13.5% of our manpower training revenue, and approximately

BUSINESS

S\$9,350 or 2.2% of our manpower training revenue respectively for our in-house courses. We did not provide any in-house training courses, during the six months ended 31 January 2016.

Course fees and related service fees are recognised over the period of the course when the courses and related services are provided by the Group. In contracts where the external education institutions provide training courses, agency fee, instead of course fee, is recognised. Agency fees and referral fees are recognised when services are rendered.

CERTIFICATIONS AND AWARDS

The following table sets out the major awards and certifications received by us:

| Year | Awards | Award Authority |
|------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 2009 | May Day 2009 Model Partnership Award (Individual) | NTUC |
| 2010 | Certificate awarded to recognise TCCM as an employment agency eligible to recruit PRC workers | The Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in Singapore |
| 2011 | "Back2Work with U Programme" | NTUC |

SEASONALITY

Our manpower outsourcing services tend to generate relatively higher sales during the period from September to December due to there is a relatively higher number of wedding banquets, festive celebrations and major events (for example, the Formula 1 Singapore Grand Prix) hosted during that period. Our revenue derived from manpower outsourcing services for the periods from September 2013 to December 2013, and from September 2014 to December 2014, accounted for approximately S\$5.0 million or 37.5%, and S\$6.6 million or 37.4% of our total revenue from manpower outsourcing services, respectively.

There is no seasonal trend for the other two revenue segments.

QUALITY CONTROL

The ability to maintain the quality of our services in our manpower outsourcing services, manpower recruitment services and manpower training services, is crucial to our long term growth. We place emphasis on recruiting and retaining skillful, knowledgeable and experienced staff, and also on monitoring quality of services provided to our customers in the hotel and resort, F&B and retail sectors.

BUSINESS

During the recruitment process of our operations staff, we look for candidates who possess experience relevant to the industry and the particular positions. Our staff are adequately trained in areas related to human resources, such as labour relations, human resources management and labour laws in Singapore. In addition, we keep ourselves abreast of the changes in labour related laws and regulations, especially if it affects our customers.

We have established contract management control procedures to ensure the framework agreements entered into between us and our customers are properly authorised and determined by our Directors and by the relevant senior management.

SALES AND MARKETING

For our industry, our sales leads come from word-of-mouth, reputation and established track record rather than advertising and promotion. Our Group does not carry out advertising and promotion activities, but instead focuses on delivering prompt and quality service to our customers.

Our management team always keeps close contact with our customers through emails, telephone calls and meetings. We fully appreciate the maintenance of long term business relationships and place great emphasis on customer satisfaction. We believe our long term trusted relationship with our customers helps us build a reputation within the industry. We have been serving our top five customers for ranging from 1 to 11 years, the years of relationship with the top five customers during the Track Record Period are continuous, except for customer H.

CUSTOMERS

Our customers are widely spread across the hotel and resort, F&B and retail sectors in Singapore. We had 43, 309 and 196 customers for the two years ended 31 July 2015 and the six months ended 31 January 2016 respectively. Our Directors believe that the increase in the number of customers was due to improvement in our Group's service efficiency and manpower reputation in the market. During the Track Record Period, we have recognised revenue from approximately 24, 157 and 103 manpower outsourcing contracts. Revenue from our manpower outsourcing services comprised approximately 96.0%, 92.8% and 90.1% of our total revenue for the two years ended 31 July 2015 and six months ended 31 January 2016. The duration of our manpower outsourcing contracts can span from one specific ad hoc event contract to contracts ranging from one month to five years. Over the years, we have built a solid track record and good reputation for providing reliable and timely manpower outsourcing services in Singapore.

For the two years ended 31 July 2015 and the six months ended 31 January 2016, revenue from our five largest customers amounted to approximately S\$9.1 million, S\$10.5 million and S\$5.7 million, and accounted for approximately 65.1%, 54.1% and 46.7% of our total revenue, respectively. Revenue from our largest customer for the same periods amounted to approximately S\$5.8 million, S\$7.4 million and S\$3.6 million, and accounted for approximately 41.7%, 38.2% and 29.1% of our total revenue, respectively. None of our top five customers are our suppliers or our connected persons. During the Track Record Period, we did not have any material disagreement nor dispute with any of our customers.

BUSINESS

The following table sets forth our five largest customers for each of the two years ended 31 July 2015 and six months ended 31 January 2016, respectively:

For the year ended 31 July 2014

| Background of customers | Years of relationship | Type of service | Payment terms | Revenue contribution | |
|-----------------------------|-----------------------|----------------------|---------------|---------------------------------------|---------------------------------|
| | | | | Approximate aggregate amount (S\$) | % of total revenue of our Group |
| Customer A | 5 | Manpower outsourcing | 30 days | 5,809,148 | 41.7% |
| Customer B | 10 | Manpower outsourcing | 30 days | 1,061,439 | 7.6% |
| Customer C | 4 | Manpower outsourcing | 30 days | 871,205 | 6.3% |
| Customer D | 11 | Manpower outsourcing | 30 days | 710,154 | 5.1% |
| Customer E | 6 | Manpower outsourcing | 30 days | 629,852 | 4.4% |
| Total of top five customers | | | | 9,081,798 | 65.1% |
| All other customers | | | | 4,871,006 | 34.9% |
| Total revenue | | | | 13,952,804 | 100.0% |

BUSINESS

For the year ended 31 July 2015

| Background of customers | Years of relationship | Type of service | Payment terms | Revenue contribution | |
|-----------------------------|-----------------------|----------------------|---------------|---------------------------------------|---------------------------------|
| | | | | Approximate aggregate amount (S\$) | % of total revenue of our Group |
| Customer A | 5 | Manpower outsourcing | 30 days | 7,378,041 | 38.2% |
| Customer E | 6 | Manpower outsourcing | 30 days | 1,267,265 | 6.6% |
| Customer F | 2 | Manpower outsourcing | 30 days | 710,504 | 3.7% |
| Customer G | 3 | Manpower outsourcing | 7 days | 575,385 | 3.0% |
| Customer H | 10* | Manpower outsourcing | 45 days | 520,806 | 2.7% |
| Total of top five customers | | | | 10,452,001 | 54.1% |
| All other customers | | | | 8,868,988 | 45.9% |
| Total revenue | | | | 19,320,989 | 100.0% |

* *Note:* Except for a break from January 2009 to April 2009, we had a continuous relationship with Customer H.

BUSINESS

For the six months ended 31 January 2016

| Background of customers | Years of relationship | Type of service | Payment terms | Revenue contribution | |
|-----------------------------|-----------------------|----------------------|---------------|-----------------------------------|---------------------------------|
| | | | | Approximate aggregate amount (\$) | % of total revenue of our Group |
| Customer A | 5 | Manpower outsourcing | 30 days | 3,568,478 | 29.1% |
| Customer E | 6 | Manpower outsourcing | 30 days | 889,670 | 7.3% |
| Customer F | 2 | Manpower outsourcing | 30 days | 483,045 | 3.9% |
| Customer H | 10* | Manpower outsourcing | 45 days | 402,387 | 3.3% |
| Customer I | 1 | Manpower outsourcing | 30 days | 378,776 | 3.1% |
| Total of top five customers | | | | 5,722,356 | 46.7% |
| All other customers | | | | 6,526,760 | 53.3% |
| Total revenue | | | | 12,249,116 | 100% |

**Note:* Except for a break from January 2009 to April 2009, we had a continuous relationship with Customer H.

Background information of our customers

Customer A, a subsidiary of a Singapore listed company with market capitalisation of S\$9.3 billion as at 31 December 2015, is a private company incorporated in Singapore and it is principally engaged in gaming and integrated resorts. Customer A was incorporated in 2005, and is based in Singapore. The group which Customer A belongs to has an annual turnover of approximately S\$2.4 billion for the year ended 31 December 2015.

Customer B, a subsidiary of a Singapore listed company of market capitalisation of approximately S\$1.0 billion as at 31 December 2015, is a private company incorporated in Singapore and it is principally engaged in the hotel, retail and F&B services. The company was founded in 1965 and is based in Singapore.

Customer C, a subsidiary of a Hong Kong listed company of market capitalisation of approximately HK\$78.9 billion as at 30 June 2015, is a private company in Singapore and it is principally engaged in the hotel, and F&B services. The company was incorporated in 1997 and is based in Singapore.

BUSINESS

Customer D, a private company incorporated in Singapore, is principally engaged in the hotel, retail and F&B services. The company was incorporated in 1989 and is based in Singapore.

Customer E, is a private company incorporated in Singapore and held by a Brunei company. It is principally engaged in the hotel and F&B services. Customer E was incorporated in 1978 and is based in Singapore.

Customer F, a subsidiary of a Hong Kong listed company of market capitalisation of approximately HK\$78.9 billion as at 30 June 2015, is a private company incorporated in Singapore and it is principally engaged in the hotel and F&B services. The company was founded in 2007 and is based in Singapore.

Customer G, a multinational conglomerate incorporated in Singapore, is principally engaged in retail businesses for sports, golf, active lifestyle and fashion products. The company was founded in 1977 and is based in Singapore.

Customer H, a private company incorporated in Singapore, is principally engaged in the hotel, retail and F&B services. The company was founded in 1995 and is based in Singapore.

Customer I, a subsidiary of a Hong Kong and Singapore listed company of market capitalisation of approximately HK\$27.1 billion and S\$4.7 billion as at 31 December 2015 and 23 December 2015 respectively, is a private company incorporated in Singapore and it is principally engaged in hotel, retail and F&B services. The company was founded in 1971 and is based in Singapore.

Outstanding job orders

Due to the nature of our manpower outsourcing business, our customers and us normally only specify the charge-out rate for each type of manpower deployed without any obligation on the volume of manpower to be deployed by us or the minimum job order to be placed by our customers. The following table sets forth the outstanding job orders committed by some of our customers as at the dates indicated below:

| | As at 31 July | | As at 31 January | As at the Latest Practicable Date |
|------------|--------------------|--------------------|--------------------|-----------------------------------|
| | 2014 | 2015 | 2016 | |
| | <i>S\$ million</i> | <i>S\$ million</i> | <i>S\$ million</i> | <i>S\$ million</i> |
| Job orders | 12.2 | 8.4 | 6.4 | 5.0 |

The committed outstanding job orders mainly comprise committed orders by our customers. Majority of the job orders, namely from customer A, will still require the Group's confirmation on the acceptance of the job orders before our Group is committed.

BUSINESS

Our business model allows our customers in the service industries to match their service team strength to business demands in a flexible, timely and cost effective manner. With a large pool of our part-time staff and freelance contractors in our database, we are able to provide such outsourcing services promptly.

SUPPLIERS

Due to the nature of our business, we have no major suppliers. During the Track Record Period, our direct costs were mainly comprised of labour and related costs.

We engaged an independent software vendor for regular enhancements and upgrades of our JMS software. Since 2010, we have engaged JMS software vendor to assist our in-house IT team in designing, programming and implementing the JMS software. For the two years ended 31 July 2015 and six months ended 31 January 2016, we paid approximately S\$77,000, S\$262,000 and S\$137,000 respectively to our JMS software vendor. To the knowledge of our Directors, none of our Directors, or any of their respective associates or any Shareholders, which own more than 5% of the issued share capital of our Company (immediately following completion of the Share Offer and the Capitalisation Issue), was connected with (within the meaning of the GEM Listing Rules) our JMS software vendor during the Track Record Period.

CREDIT MANAGEMENT

During the tender phase, we will consider the credit worthiness of the customer and the key contract terms such as payment terms. For customers that we previously worked with, we will also consider its past payment history. Our Group generally offers a 30 days credit term to customers upon issuance of invoice. During the Track Record Period, there was no allowance for doubtful debts except for a trade receivables written off amounting to S\$7,400 in the year ended 31 July 2015.

WORKPLACE SAFETY AND HEALTH POLICY

Our Group has established policies to provide our staff with a safe and healthy working environment by providing work safety rules for our staff to follow. We will ensure that our clients comply with the requirements of the Workplace Safety and Health Act by expressly stipulating such requirement in the service agreement entered into between our Group and our clients. It is also required under the service agreement that our clients shall ensure that our staff are briefed on the safety aspects involved in performing at the premises of our clients and our staff are taught to observe and comply with existing safety rules and regulations concerning the premises of our clients. For the deployment of manpower for our housekeeping services for hotels, we agreed with the hotels that we should ensure our staff to adhere to the hotels' code of conduct, working procedures and practices so as to ensure the safety of our staff. Our Group conducts internal risk assessment regularly and review them every 6 months in accordance with MOM guidance. During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any significant incidents or accidents in relation to workers' safety or any non-compliance with the applicable laws and regulations relevant to the work safety and health issues.

ENVIRONMENTAL MATTERS

Because of our business nature, no pollutant is produced, emitted or discharged during the course of provision of our manpower outsourcing services. As such, we are not subject to any specific rules and regulation in relation to the environmental protection matters.

INSURANCE

We have a work injury compensation policy for all of our staff and foreign worker medical insurance as stipulated by MOM, both renewed annually. We also provide security bonds for our foreign workers which are required by MOM for new applications of their work permits. All employers of foreign non-Malaysian work permit holders are required to deposit a S\$5,000 security bond with MOM, which must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed. We also have public liability insurance to cover personal injury and property damage relating to our Company's premises in Singapore.

Our Directors confirm that our Group has obtained adequate insurance coverage for the operation of our business, and is in line with the industry norm. Our Directors believe that there is no material risk in connection with our business which is not covered by the abovementioned insurance. As at the Latest Practicable Date and during the Track Record Period, we had not made nor been the subject of any material insurance claims.

EMPLOYEES

As at the Latest Practicable Date, our Group had a total of 98 full-time office support staff (including our Executive Directors), out of which 20 are in the accounts and finance department, 74 are in the operations department, 2 is in marketing and communications department and 2 are in the IT department. There is no research and development department in our Group due to the nature of our business. All our employees are stationed in Singapore. As at the Latest Practicable Date, these office support staff consisted of 55 local employees and 43 foreign employees. For further details, please refer to the section headed "Directors, senior management and staff — Staff" in this prospectus.

Employee training

On-the-job training is provided to our Group's employees. Basic training is also provided to our Group's manpower outsource services employees to ensure they can render quality service to our customers' standards.

Employee relations

Our Directors believe that we have a good relationship with our employees. During the Track Record Period, we did not have any dispute with our employees. Our employees are not members of any labour union. As of the Latest Practicable Date, we had not experienced any significant problems with our employees or disruption to our operation due to labour disputes nor had experienced any material difficulties in recruiting or retaining experienced staff.

Recruitment policies

Our Executive Directors will assess the available human resources on a continuous basis and will determine whether additional employees are required to cope with our business operations and business development.

PROPERTY INTEREST**Our head office**

As at the Latest Practicable Date, we did not own any properties and rented our office premises from an Independent Third Party, the details are as follows:

| Address | Approximate built-in leased area | Rates | Tenure |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27/27A/27B/27C New Bridge Road Singapore 059391 and 29A/29B/29C New Bridge Road Singapore 059392 | 7,165 square feet | Monthly rent of S\$26,500 Monthly rent of S\$28,660 | Period of 1 year commencing from 1 March 2015 to 29 February 2016 Period of 1 year commencing from 1 March 2016 to 28 February 2017 |
| Ground floor of 29 New Bridge Road Singapore 059392 and ground floor of 31 New Bridge Road Singapore 059393 | 1,954 square feet | Monthly rent of S\$10,000 | Period of 2 years commencing from 1 March 2015 to 28 February 2017 |

During the Track Record Period, we had not experienced any difficulty in renewing our leases.



No valuation report for our office premises has been included in this prospectus as it is exempted under section 6 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong) and Rule 8.01A of the GEM Listing Rules is not applicable.

As at the Latest Practicable Date, our Directors (i) were not aware of any investigations, notices, pending litigation, breaches of law or title defects; and (ii) had no plan in relation to construction, renovation, improvement, development or change in use of the leased properties of our Group.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights

- (a) As at the Latest Practicable Date, our Group had applied for registration of the following trademarks which are material to the business of our Group:

| Trademark | Applicant | Classes | Place of registration | Trademark application number | Application date |
|-----------------------------------------------------------------------------------|-----------|--------------------|-----------------------|------------------------------|------------------|
|  | TCCHR | 35, 41 (Note 1) | Hong Kong | 303615444 | 2 December 2015 |
|  | TCCHR | 35, 41 (Note 2) | Singapore | 40201518828U | 29 October 2015 |

Notes:

- (1) Class 35: Recruitment and placement services; employment agencies; employment agency services; personnel management consultancy services; personnel recruitment services; human resource and recruitment services; personnel advisory; employment consultancy services; fixed term employment services; employment contract services; job recruitment; provision of services related to Recruitment Process Outsourcing; all included in Class 35.
- Class 41: Organisation of exhibitions, seminars and conferences; provision of educational courses, lectures and seminars; consultancy services relating to the education, training and development of personnel; education, teaching and training services; education, teaching and training services; education, teaching and training services in the field of human resources and recruitment; education relating to human resource management; instruction and training services relating to the workplace; all included in Class 41.
- (2) Class 35: Recruitment and placement services; employment agencies; employment agency services; personnel management consultancy services; personnel recruitment services; human resource and recruitment services; personnel advisory; employment consultancy services; fixed term employment services; employment contract services; job recruitment; provision of services related to Recruitment Process Outsourcing; organisation of exhibitions for commercial or advertising purposes.
- Class 41: Organisation of exhibitions for cultural or education purposes; organisation of exhibitions, seminars and conferences; provision of educational courses, lectures and seminars; consultancy services relating to the education, training and development of personnel; education, teaching and training services; education, teaching and training services; education, teaching and training services in the field of human resources and recruitment; education relating to human resource management; instruction and training services relating to the workplace.

BUSINESS

- (b) As at the Latest Practicable Date, we had registered the following domain names which are material to the business of our Group:

| Domain name | Registered owner | Registration date | Expiry date |
|---------------------|------------------|-------------------|-------------------|
| singasia.com.sg | TCCHR | 25 November 2010 | 25 November 2016 |
| tcc-gp.com | TCCHR | 28 August 2013 | 28 August 2017 |
| tcchr.com.sg | TCCHR | 14 May 2004 | 14 May 2017 |
| tccsolutions.com.sg | TCCHR | 13 December 2010 | 13 December 2016 |
| hitcc.biz | TCCHR | 7 December 2013 | 6 December 2016 |
| hitcc.mobi | TCCHR | 7 December 2013 | 7 December 2016 |
| tccmanpower.com | TCCM | 17 September 2014 | 17 September 2016 |

MARKET AND COMPETITION

The hospitality and retail sectors contribute approximately 11% of employment in Singapore. A decrease in tourist arrivals was recorded in the first half of 2015 due to a 24% fall in tourists from China. However, there was an increase in tourist arrivals and demand for hospitality in the second half of 2015 due to one-off event such as the Formula One Night race and the year-end holiday period. As of the second quarter of 2015, the hospitality sector employed 35,400 workers, while the retail and F&B sectors employed 161,800 and 200,900 workers respectively. The trend for manpower outsourcing services in the hotel banquet sector is expected to remain positive and it is mainly due to (i) an increase in number of tourist arrivals by 4% every year till 2020; (ii) the increase in number of hotels, slated to reach approximately 71,329 rooms with approximately 50 additional hotels; and (iii) steady demand for hotel banquets commensurate with demand from private events as well as corporate events. Singapore hosted approximately 3.2 million business visitors in 2014, with an estimated approximately S\$5.2 billion in tourist receipts (excluding sightseeing, entertainment and gaming expenditure). According to the Union of International Associations (UIA), Singapore has been ranked first in top international meeting cities since 2010, with approximately 850 meeting events held in 2014. Opportunities in this industry remain positive as revenue market size for manpower outsourcing services in the hotel banquet sector in Singapore is expected to grow at 5.1% from approximately S\$45.9 million to approximately S\$68 million per annum from 2014 to 2019.

There are 721 businesses that identify themselves as employment or recruitment agencies in Singapore. Most of these agencies do not compete with our Group as they specialise in other fields. Having been established in 2004, our Group was the pioneering service provider of workforce solutions. Since then, there has been an increase in competition as similar agencies joined the market in response to the growth in demand from hotels and resorts for casual workers.

Barriers for entry in this industry are not high. Other competitors would typically not pay a lower rate to their freelance contractors, since the freelance contractors are not bound by an exclusivity contract and would have no restriction in joining a competitor who might offer higher rates.

Please refer to the section headed “Industry overview” of this prospectus for further details.

ADEQUACY AND EFFECTIVENESS OF OUR INTERNAL CONTROL SYSTEMS

In preparation for the Listing and to further improve our internal control system, we have engaged an internal control consultant, who is an Independent Third Party, to undertake a review on the internal control system of our Group. The internal control consultant has recommended measures to improve and rectify significant weakness of the internal control systems identified during the review, and the following table summarised the findings, recommended measures and the implementation of these measures. All material issues identified had been rectified:

| Findings | Recommended measures | Measures adopted and implemented by our Group |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial statement close process should be evidenced and enhanced. | <ul style="list-style-type: none">● Reconciliation for all the balance sheet items should be performed since the accounting system allows users to post the journal entries at the general ledger level without updating the sub-ledgers.● The accounting period should be physically closed in the system upon the completion of the month- end financial statement close process.● Financial statement close process checklist should be developed with indication of tasks to be completed, the task owner and the deadline for completion. | <p>All of our Group’s balance sheet items have been reconciliated by our Finance Director, with effect from October 2015.</p> <p>The accounting period has been physically closed in the system upon the completion of the month- end financial statement.</p> <p>Our Finance Director has developed the financial statement close process checklist, with effect from October 2015</p> |

BUSINESS

| Findings | Recommended measures | Measures adopted and implemented by our Group |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Review and approval for debit and credit notes should be evidenced. | <ul style="list-style-type: none"> All debit and credit notes should be reviewed with the written acknowledgement from the customers by the assistant finance manager. The evidence of approval for debit and credit notes should be documented and retained for accountability. All debit and credit notes review and approval process and procedure should be documented in the updated finance policies and procedures for future enforcement. | Our Group has reviewed all debit and credit notes and the relevant approval process and procedure has been documented in the updated finance policies, with effect from 29 October 2015. |
| No background check was performed for new business partners and payments to business partner were not made to their company's bank account. | <ul style="list-style-type: none"> Operation team should perform background check for new business partner by completing an evaluation and document the assessment results of the new business partner. Payments to the business partner should be made to the company's bank accounts instead of an individual's bank account. | <p>Our Group has developed the relevant background check guidelines for new business partner.</p> <p>Our Group ceased to make payment to our business partners' personal bank account with effect from late January 2016.</p> |

| Findings | Recommended measures | Measures adopted and implemented by our Group |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The management of system user access rights of the JMS System should be further enhanced. | <ul style="list-style-type: none">• Periodic review of system access rights should be performed to detect any duplicate system user names, inactive users and users with inadequate system user access rights so that corrective actions can be taken timely.• Management should explore the possibilities of assigning the system user access rights as per the users' roles and responsibilities.• IT policies and procedures should be developed for (i) periodic review of system user access rights, (ii) data security protection measures, (iii) data backup, and (iv) program change management | <p>Access rights review has performed every month.</p> <p>The IT Department has assigned the system user access rights as per the users' roles and responsibilities.</p> <p>Our Group has developed the proposed policies and procedures, with effect from 29 October 2015.</p> |

| Findings | Recommended measures | Measures adopted and implemented by our Group |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Part-time salary rates should be communicated to invoicing team in writing to facilitate the update of pay rate in JMS System. | <ul style="list-style-type: none">● A part-time employee/contractor's payment rates matrix should be consolidated by operations departments and approved by the respective head of department. The approved matrix should be communicated to invoicing and payroll team as a basis of updating system and checking payroll accuracy. | Our Group's matrix will be reviewed every half yearly by Finance Director, with effect from 29 October 2015. |
| Worker's interview assessment results and office asset request form should be enhanced. | <ul style="list-style-type: none">● Worker's interview assessment results should be documented and approved by the authorised officers for each interviewee and be supported by adequate documentation.● Office asset request form should be completed and approved by the authorised officer before an asset can be issued to the employee. | Our worker's interview assessment results and office asset request form have been documented, with effect from 29 October 2015. |

BUSINESS

| Findings | Recommended measures | Measures adopted and implemented by our Group |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employment status of resigned employees and waiver of notice period to be served should be enhanced. | <ul style="list-style-type: none"> The employee status of the resigned employee in the JMS System should be updated timely and accurately. All waivers of short notice should be approved by the department heads and approvals should be documented and retained in the personal files. | Our Group has checked through the past records and updated the employee status in the JMS System on a weekly basis, with effect from 29 October 2015. |

During the Track Record Period, our Group was instructed by one of our business partners to make payment to their personal bank account in Singapore. The business partner is incorporated in Taiwan and engaged in the business of providing job placement and consulting services. We have obtained authorisation letter from the business partner to acknowledge that payments are to be made to such personal bank account in Singapore. The legal adviser to our Company on Singapore law is of the view that the authorisation letter from the business partner, which purports to fully discharge such relevant liabilities upon payment to the authorised personal bank account in Singapore, is legal, valid and enforceable under the laws and regulations of Singapore. We have approximately 1.5 years of business relationship with the business partner and our Directors confirmed that the business partner is an Independent Third Party. We have made payment to the personal bank account of this business partner in the sum of approximately S\$14,000 and S\$13,000 for the year ended 31 July 2015 and six months ended 31 January 2016, respectively. Our Group has ceased all such practices as recommended by the internal control consultant by the end of January 2016.

Our Executive Directors are responsible for formulating and overseeing the implementation of our internal control measures. We will engage legal advisers and a compliance adviser upon Listing to provide us with updates on the changes in the applicable laws and regulations from time to time to see if any change is required to be made to our operation and internal control procedures. Upon Listing, we will also engage internal control advisers to review our internal control systems on a regular basis and a compliance adviser to advise us on matters relating to the GEM Listing Rules.

Our Directors are of the view that the internal control measures are adequate and effective to enhance the internal control of our Group. The Sole Sponsor has reviewed the internal control and follow-up reports prepared by the internal control consultant,

discussed with the internal control consultant on the areas reviewed together with the findings and concurred with our Directors' view that our Company's enhanced internal controls, when fully implemented, to be sufficient and effective.

RISK MANAGEMENT

In the course of conducting our business, we are exposed to various types of risks, including project management risks and regulatory risks, which are further elaborated below. Save for establishing and implementing internal control procedures as mentioned above, our Executive Director, Mr. Sim, is responsible for overseeing and reviewing the implementation of our Group's internal control and risk management measures.

Contracts and customers

We recognise that customers satisfaction with our manpower outsourcing services is vital for our financial performance and business sustainability. In this regard, we maintain good working relationship with a group of customers (mainly hotels and resorts) who regularly require such services. We continually review the possibility to expand our scope of services, including expanding towards housekeeping services. We will dedicate resources to maintain our position as one of the established leading manpower outsourcing services provider in Singapore. Furthermore, with the proceeds we obtain from the Listing, our Group will increase our financial and operational capacities in order to expand in the hospitality industry.

We have also established procedures for assessing and monitoring contract risk. In entering into contracts, our management team will consider and evaluate our customers' background, past payment records and the adequacy of our internal resources and capacity for the duration of the relevant contract before a decision is made. We are mindful of not being over-reliant on any specific customer.

At any point in time, our deployment of manpower for the manpower outsourcing service contracts happens day by day, and costs of engaging freelance contractors are usually incurred within one day to twenty-four days after deployment. Our cash needs are unlikely to exceed our cash inflows as we take on contracts with customer at billing rates higher than our manpower cost rates and we are confident in making a profit. Furthermore, the 30 days credit terms granted to our customers will limit our financial risks and our operation team also monitors the payment pattern of our customers regularly and closely. Our Executive Directors are aware of our Group's contracts and cashflows and monitor the financial health of our Group.

Manpower supplies

Our Group has adopted a policy of maintaining good working relationship with a group of reliable staff and freelance contractors. Having a strong relationship with our staff and freelance contractors coupled with constant sourcing and training new manpower resources will reduce risk in this aspect of contract risk. We also address our customer feedback promptly to ensure that our staff and freelance contractors can meet our customer service contract obligations.

Loss of key personnel

Our Executive Directors will ensure that suitable and sufficient numbers of staff and freelance contractors are properly assigned for our service contract. Our outsourced workers are experienced in handling the work scope of each service contract. We ensure that our outsourced workers are equipped with the work process knowledge and executional ability within the organisation and that the loss of any team member will have limited impact on our relationship with our customers.

Regulatory risk management

Our Group keeps abreast of any changes in government policies, regulations, licensing requirement and permits and safety requirements and we are aware that any non-compliance of the above may impact on our operation and business. We will ensure that all changes in government policies, regulations, licensing requirement and permits and safety requirements are closely monitored and communicated to our staff and freelance contractors for proper implementation and compliance.

Foreign workers

During the Track Record Period, we employed a significant number of foreign workers for our operation. Therefore, in order to make our recruitment of foreign workers more effective and efficient, we had set up an internal procedure for recruitment of foreign workers.

We require a foreign worker candidate to complete an application form to detail his/her personal details, education background, skills level and working experience. We will select the suitable candidates for interview. The selected candidates need to provide documents for verification.

We will proceed with the work pass application to the MOM for the selected candidates. Once the work pass is approved, we will proceed to sign employment contract with the candidates. All work pass holders are also required by the MOM to undergo a medical examination.

Generally, it takes approximately one week for the recruitment process from work pass application to signing of the employment contracts.

We believe that inability to employ foreign workers may materially affect our operation and financial performance. In order to mitigate the impact of foreign workers shortages arising from changes in relevant laws, rules and regulations in Singapore and/or other countries where the foreign workers originated, our management has adopted a policy to hire more locals.

Our Directors confirm that as at the Latest Practicable Date, they are not aware of any impending changes in the relevant laws, rules and regulations that would affect our Group.

CORPORATE GOVERNANCE AND INTERNAL CONTROL MEASURES

To ensure greater transparency to our employees, stakeholders and shareholders, we believe that our corporate governance and internal control are essential for efficient and effective management of our business. Mindful of the importance of corporate ethics, we have established the following corporate governance and internal control measure for the Group.

- Confidentiality policy — this outlines the staff's obligations to maintain confidentiality with respect to information pertaining to our operations
- Operations continuity plan — this outlines the measures to be taken to minimise the impact to business due to operational disruptions
- Conflict of interest — directors and employees are required to declare any conflict of interest
- Delegation of authority — different authority measures are in place to approve hiring of workers, credit terms of customers and service contracts of workers.
- Regulatory listing — list of regulations to monitor compliance and to minimise over-sight
- People affairs management — policy to provide clear guidelines on recruitment, termination and resignation of staff
- Personal data protection policy — this outlines the measures for personal data protection to be in compliance with the Personal Data Protection Act 2012
- Revenue management measures — measures and approval in respect of areas in 1) sales and credit approval and 2) Pricing quotation
- Manpower management measures — this outlines the process of central administration for registration and maintaining integrity of the manpower database
- Information technology policy — this outlines general controls on 1) hardware/software and information control, 2) authority matrix of user access rights and 3) virus protection policy

LITIGATION

During the Track Record Period and as at the Latest Practicable Date, there was no litigation or arbitration proceeding pending or threatened against our Group or any of our Directors which could have a material adverse effect on our Group's financial condition or results of operations.

REGULATORY COMPLIANCE

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, our Group has complied with all applicable rules and regulations for our business activities and operations in all material aspects.

The legal advisers to our Company as to Singapore law has confirmed that during the Track Record Period and up to the Latest Practicable Date, save as disclosed in the section entitled “Business — Non-Compliance”, our Group has complied with all applicable Singapore laws and regulations required for conducting its business, including those pertaining to the employment of its foreign employees and obtaining all necessary permits and licences required in connection therewith, relating to or material to the business.

The following are the necessary permits and licences required in connection therewith, relating to or material to the business:

Licence held by TCCHR

| Type/Purpose of Licence | Issuing/Regulatory Authority | Commencement Date | Expiry Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------|------------------|
| Licence number NEA 150968/2825C/N01 issued under Section 80G of the Environmental Public Health Act (Chapter 95) of Singapore to carry on a cleaning business at the registered address 27 New Bridge Road Singapore 059391 | Director-General of Public Health, National Environment Agency | 10 September 2015 | 9 September 2016 |

Licence held by TCCS

| Type/Purpose of Licence | Issuing/Regulatory Authority | Commencement Date | Expiry Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------|-----------------|
| Licence number NEA 160017/0249N/N01 issued under Section 80G of the Environmental Public Health Act (Chapter 95) of Singapore to carry on a cleaning business at the registered address 27 New Bridge Road Singapore 059391 | Director-General of Public Health, National Environment Agency | 27 January 2016 | 26 January 2017 |

Licence held by SAR

| Type/Purpose of Licence | Issuing/Regulatory Authority | Commencement Date | Expiry Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------|-----------------|
| Licence number NEA 151057/5411W/N01 issued under Section 80G of the Environmental Public Health Act (Chapter 95) of Singapore to carry on a cleaning business at the registered address 31 New Bridge Road Singapore 059393 | Director-General of Public Health, National Environment Agency | 9 November 2015 | 8 November 2016 |

Licences held by TCCM

| Type/Purpose of Licence | Issuing/Regulatory Authority | Commencement Date | Expiry Date |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------|--------------------|
| Comprehensive Licence number 07C4071 issued pursuant to the Employment Agencies Act (Chapter 92) of Singapore and the Employment Agencies Rules 2011 to carry on the employment agency TCC Manpower Pte. Ltd. at 27 New Bridge Road Singapore 059391 | Commissioner for Employment Agencies, MOM | 4 September 2014 | 3 September 2017 |
| Licence number NEA 160209/3941D/N01 issued under Section 80G of the Environmental Public Health Act (Chapter 95) of Singapore to carry on a cleaning business at the registered address 27 New Bridge Road Singapore 059391 | Director-General of Public Health, National Environment Agency | 4 May 2016 | 3 May 2017 |

NON-COMPLIANCE INCIDENT

During the Track Record Period, our Group had one incident of non-compliance, details of which are summarised as follows:

TCCHR had been conducting its cleaning business for the period from 1 September 2014 to 9 September 2015 without a cleaning business licence, which is required under section 80D of the Environmental Public Health Act (Chapter 95 of laws of Singapore) (“EPHA”). Our Singapore legal counsel has advised that pursuant to the EPHA, the maximum penalty that may be imposed upon conviction as a result of the failure of TCCHR to conduct its cleaning business with a cleaning business licence during the Non-Compliant Period (“Non-Compliance Incident”) would be:

- (a) a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) in the case of a continuing offence, to a further fine not exceeding S\$1,000 for every day or part thereof during which the offence continues after conviction.

Further, section 103A of the EPHA states that where an offence under the EPHA committed by a body corporate is proved to have been committed with the consent or connivance of an officer of the body corporate; or to be attributable to any neglect on his part, the officer as well as the body corporate shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

However, there has not been any written notice, summons or other documents received by TCCHR from the Singapore authorities in relation to the above non-compliance. Before the requirement for a cleaning licence came into force in September 2014, Mr. Woo, a member of our senior management and our Group’s director of people affairs, contacted NEA in or around May 2014 to enquire as to whether our Group required a cleaning licence for our manpower outsourcing services for housekeeping and cleaning services for customers. However, due to miscommunication between NEA and Mr. Woo, we did not

apply for the cleaning licence. TCCHR applied for and obtained the cleaning business licence subsequently in August and September 2015 respectively pursuant to the requirements of a new customer. TCCHR did not self-report and/or enquire with NEA then as to whether it required a cleaning business licence as it was of the understanding, pursuant to the miscommunications with NEA in or around May 2014, that it did not require a cleaning business licence for its operations.

Upon being made aware that it was subject to the cleaning business licence requirement over the course of the due diligence process for the Listing in October 2015, TCCHR then promptly self-reported such non-compliance to NEA. On 18 January 2016, further to the self-reporting, an Executive Officer (Compliance) of the Cleaning Industry Regulatory Unit of the Department of Public Cleanliness of NEA has informed TCCHR via email that NEA would not impose any fine nor imprisonment against the Non-Compliance Incident and NEA has confirmed that no enforcement action will be taken against TCCHR in respect of the same. The legal adviser to our Company as to Singapore laws is of the view that the enforcement agency in respect of section 80D of the EPHA is the NEA. During the period from 1 September 2014 to 9 September 2015, the revenue and cashflow generated from cleaning manpower outsourcing services was approximately S\$343,000 and approximately S\$71,000 respectively.

Our Directors confirmed that there had not been any penalty imposed on TCCHR in respect of the above event as at the Latest Practicable Date. Our Singapore legal counsel also advised that the chance of imposing custodial sentence on the officers of TCCHR is remote as our Group only breached the relevant laws and regulations inadvertently and we self-reported the non-compliance.

Further, our Controlling Shareholders have entered into a Deed of Indemnity in favour of our Group whereby they have agreed to jointly and severally indemnify our Group, subject to the terms and conditions of the Deed of Indemnity, in respect of any liabilities which may arise as a result of any litigation, proceeding, claim, investigation involving our Group on or before the Listing Date. Further details of the Deed of Indemnity are set out in the paragraph headed “Estate duty, tax and other indemnities” in the section headed “Other Information” in Appendix IV to this prospectus. Our Directors consider that the non-compliance events disclosed above will not have any material adverse impact on the operations or financial position or business of our Group.

In order to prevent future or other non-compliance, our Group has taken and will take the following measures:

1. prior to the Listing Date, our Directors attended the training sessions conducted by our legal advisers as to Hong Kong law on the on-going obligations and duties of a director of a company whose shares are listed on GEM;

2. we have engaged an external legal adviser in Singapore, Dentons Rodyk & Davidson LLP, who are also the legal advisers to our Company as to Singapore laws for the Share Offer, to:
 - (a) monitor and keep our Group apprised of any updates in the laws and regulations of Singapore (“New Regulations”) applicable to the business of our Group; and
 - (b) advise on compliance by our Group with the New Regulations,such engagement to be on a retainer basis, with each term being three (3) months (“Term”) and such Term to be automatically renewed upon expiry unless otherwise notified in writing by the Company;
3. an audit committee will be established to review the financial reporting and internal control procedures of our Group to ensure compliance of laws, rules, and regulations applicable to our Group; and
4. our Executive Director and our Group director of finance, Ms. Tan, has been assigned to oversee our Group’s compliance with any legal requirements in Singapore relevant to the Group’s business activities. In addition, our Group’s director of people affairs, Mr. Woo will continue to monitor and ensure that all legal requirements are met and will report to Ms. Tan on that area. For all future new legal requirements, our Group will obtain confirmation in writing from the relevant authorities or written advice from our legal advisers.

Our Directors believe that the above measures could effectively ensure a proper internal control system and maintain good corporate governance practices to prevent future non-compliance with the relevant laws and regulations by our Group.

After taking into consideration the above measures, in particular, (i) the Group has assigned an executive Director and a member of our senior management to monitor the changes of government regulations as well as compliance with the government regulations for the license applications for each type of business activity; (ii) advice as to the eligibility, procedures and other aspects of the application from legal advisers to the Group as to Singapore laws on the licenses to be applied will be sought before entering into any new business; and (iii) the review conducted by the internal control consultant on the relevant measure, the Sole Sponsor is of the view that the proposed measures have a mitigating effect on the likelihood of occurrence of similar non-compliance incident as there will be other professionals involved in an advisory capacity whenever required.

CONNECTED TRANSACTIONS

CONNECTED TRANSACTIONS

Prior to the Listing, our Group has entered into certain transactions with its connected person during the Track Record Period. These transactions constituted discontinued connected transactions on the part of our Company. Details of these transactions are as follows:

CONNECTED PERSON

Mr. Sim is our Executive Director and hence is a connected person of our Company.

The Ramen Stall (NBR) II Pte. Ltd. (“Ramen Stall II”) is a company incorporated in Singapore on 30 October 2014 and is principally engaged in restaurants. Prior to 2 September 2015, Ramen Stall II was wholly-owned by Mr. Sim. On 1 September 2015, Mr. Sim disposed of his entire shareholding interests in Ramen Stall II. As Mr. Sim is our Executive Director, Ramen Stall II was a connected person of our Company under the GEM Listing Rules during the Track Record Period and prior to 2 September 2015.

DISCONTINUED CONNECTED TRANSACTIONS

Personal Guarantee

During the Track Record Period, Mr. Sim had provided a personal guarantee in favour of Hong Leong Finance Limited (“HLF”) and Standard Chartered Bank (Singapore) Limited (“SCB”) in Singapore in relation to banking facilities granted by these financial institutions to TCCHR. HLF and SCB had granted TCCHR a maximum aggregate facility amount of S\$500,000 and S\$2,000,000.

In addition, Mr. Sim had provided a personal guarantee in favour of Oversea-Chinese Banking Corporation Limited (“OCBC”) in relation to banking facilities in the amount of S\$200,000 granted by OCBC to TCCS.

We undertake that all the guarantees provided by Mr. Sim in relation to the bank loans and facilities available to our Group will be released upon Listing.

As the above provisions of personal guarantees were made on normal commercial terms and they were not secured by the assets of our Group, the above provisions of personal guarantees constituted connected transactions of our Company but are fully exempted from Shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 20.88 of the GEM Listing Rules.

CONNECTED TRANSACTIONS

Provision of services

During the Track Record Period, TCCHR and Ramen Stall II entered into arrangements since March 2015 pursuant to which TCCHR agreed to provide manpower outsourcing services to Ramen Stall II (the “TCCHR-Ramen Stall II Services”). The TCCHR-Ramen Stall II Services related to the deployment of manpower by TCCHR to Ramen Stall II for F&B and stewarding services and took place as and when Ramen Stall II was in need of manpower from time to time. The fee received by TCCHR for the provision of TCCHR-Ramen Stall II Services amounted to approximately S\$121,000 and S\$44,000 for the year ended 31 July 2015 and the six months ended 31 January 2016 respectively. The above arrangements were determined on an arm’s length basis between TCCHR and Ramen Stall II.

During the Track Record Period, TCCM and Ramen Stall II entered into arrangements pursuant to which TCCM agreed to provide human resources management and planning services and recruitment services since March 2015 to Ramen Stall II (the “TCCM-Ramen Stall II Services”). The fee received by TCCM for provision of TCCM-Ramen Stall II Services amounted to S\$8,100 and S\$3,000 for the year ended 31 July 2015 and the six months ended 31 January 2016 respectively. The above arrangement was determined on an arm’s length basis between TCCM and Ramen Stall II.

Our Directors (including our Independent Non-Executive Directors) have confirmed that the TCCHR-Ramen Stall II Services and the TCCM-Ramen Stall II Services were conducted in the ordinary and usual course of business of our Group on normal commercial terms. As such, our Directors considered that the entering into of the above arrangements were fair and reasonable and in the interests of our Group and Shareholders as a whole.

RELATED PARTY TRANSACTIONS

Save for the discontinued connected transactions disclosed above and certain related party transactions during the Track Record Period which are contained in Note 28 to the Accountants’ Report in Appendix I to this prospectus, we did not enter into any other related party transactions during the Track Record Period.

FUTURE PLANS AND PROSPECTS

Future plans

See the section headed “Business — Business objectives and strategies” in this prospectus for a detailed description of our business strategies and future plans. Our business strategies are:

- expand and strengthen our existing manpower outsourcing services in Singapore;
- enhance our IT software to support our group’s business infrastructure; and
- growth through acquisitions of strategic partners.

IMPLEMENTATION PLANS

In light of the business objectives and future plans of our Group, our Group will seek to attain the milestones contained in the following paragraphs from the Latest Practicable Date to the year ending 31 July 2018. Investors should note that the milestones and their scheduled times for attainment are formulated on the bases and assumptions referred to in the paragraph headed “Bases and key assumptions of the business plan” in this section. These bases and assumptions are inherently subject to many uncertainties, variables and unpredictable factors, in particular the risk factors set out in the section headed “Risk factors” in this prospectus. There can be no assurance that the plans of our Group will materialise in accordance with the expected time frame or that the objectives of our Group will be accomplished at all. Our Directors intend to carry out the following implementation plans.

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 <i>HK\$ '000</i> | For the six months ending 31 January 2017 <i>HK\$ '000</i> | For the six months ending 31 July 2017 <i>HK\$ '000</i> | For the six months ending 31 January 2018 <i>HK\$ '000</i> | For the six months ending 31 July 2018 <i>HK\$ '000</i> | Total <i>HK\$ '000</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|
| Expanding and strengthening our existing manpower outsourcing services | | | | | | |
| Evaluate sales team structure and affirm additional headcounts requirements. Review and adjust the remuneration and benefits of the key staff that is critical to the execution of our business expansion. | | | | | | |
| Expand our manpower outsourcing services operations team. Recruitment of one to two additional sales and operations directors (not being members of the Board). The director should be a degree holder and has about 7 years' relevant experience in hospitality industry. The sales and operations directors will be responsible for planning and implementing sales and marketing targeted toward existing and new customers to increase the demand for the Group's services, oversee the operations of their departments. | — | 250 | 250 | 600 | 600 | 1,700 |
| Expand our manpower outsourcing services operation team. Recruitment of five additional sales managers, two in hotels and resorts, one each in retail, housekeeping and security departments. The manager should be a higher diploma or degree holder, and has about 5 years' relevant experience in hospitality industry. The sales managers will be responsible for marketing our services to new customers through their network, engaging the existing customers to expand our services. They will also be managing the sales administration function, operational performance reporting, streamlining processes and systems wherever possible and advising senior management on maximising business relationships and creating an environment where customer service can flourish. | — | 800 | 800 | 850 | 850 | 3,300 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 <i>HK\$ '000</i> | For the six months ending 31 January 2017 <i>HK\$ '000</i> | For the six months ending 31 July 2017 <i>HK\$ '000</i> | For the six months ending 31 January 2018 <i>HK\$ '000</i> | For the six months ending 31 July 2018 <i>HK\$ '000</i> | Total <i>HK\$ '000</i> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|
| Continue to explore business opportunities in the hotels and resorts, retail and F&B sectors in Singapore by engaging more with our existing customers and discussing on how our services can assist them in improving their operational efficiency and improving their service quality by providing more manpower outsourcing services to other departments of the customer such as kitchen, engineering, concierge, wardrobe/uniform and security departments. | | | | | | |
| Expand our manpower outsourcing service operation team to further explore in business opportunities for hotels and resorts, retail and F&B sectors for manpower outsourcing services in Singapore. Apart from existing hotels in Singapore, efforts will also be focused on getting the contracts closed with all the new hotels that is opening and commencing business in Singapore. New hotels and resorts are expected to be opened in one of Singapore's newly-emerging business and leisure hubs, Jurong Lake District. | | | | | | |
| We have recently secured a new manpower outsourcing services contract with a new budget hotel in Singapore, part of a global hotel chain. | | | | | | |
| Recruit five to seven full-time sales and operations staff, with a diploma holder and at least three years' of relevant working industry in the hospitality industry, to support the manpower outsourcing service operations. The sales and operations staff are to support the managers to implement the sales plans. | — | 300 | 400 | 700 | 700 | 2,100 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 <i>HK\$ '000</i> | For the six months ending 31 January 2017 <i>HK\$ '000</i> | For the six months ending 31 July 2017 <i>HK\$ '000</i> | For the six months ending 31 January 2018 <i>HK\$ '000</i> | For the six months ending 31 July 2018 <i>HK\$ '000</i> | Total <i>HK\$ '000</i> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|
| Expand housekeeping services in hotels and resorts for existing and potential new clients by engaging more with the executive housekeepers of our existing customers and actively looking for new customers through referral by our existing customers. | | | | | | |
| We have recently secured a new housekeeping services contract with a mid-range hotel in Singapore, part of a brand belonging to a global hotel chain. | | | | | | |
| Recruit five to seven full-time sales and operations staff, with a diploma holder and at least three years' of relevant working experience in the hospitality industry, to support the deployment of manpower for our housekeeping services for hotels and resorts. These staff will also be actively approaching their network of housekeepers to increase new housekeeping contracts for the Group. | — | 300 | 400 | 700 | 700 | 2,100 |
| Expand into provision of security services for private properties, commercial properties, shopping malls and hotels and resorts sectors. | | | | | | |
| Recruit five to seven full-time sales and operations staff, with a diploma holder and at least three years' of relevant working experience in the security services industry, to support the supervision of manpower for our security services. These staff will also be actively approaching their network to secure new security services contracts for the Group. | — | 300 | 400 | 750 | 750 | 2,200 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 <i>HK\$ '000</i> | For the six months ending 31 January 2017 <i>HK\$ '000</i> | For the six months ending 31 July 2017 <i>HK\$ '000</i> | For the six months ending 31 January 2018 <i>HK\$ '000</i> | For the six months ending 31 July 2018 <i>HK\$ '000</i> | Total <i>HK\$ '000</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|
| Continue to explore business opportunities in our staff outsourcing business in the hotels and resorts, retail and F&B sectors in Singapore and evaluate the possibility to expand our outsourcing business in other industries. | | | | | | |
| We will also look into our previous collaboration with SPRING Singapore and their new initiatives in areas of alleviating the manpower crunch issues in Singapore. We will explore the possibilities of providing manpower outsourcing services for white collar office workers to our existing customers and also by performing sales calls to business organisations in other industries locally. | | | | | | |
| Increase brand building efforts to create more awareness of our Group by sponsoring corporate and government events such as participating in social and family orientated events organised by the Ministry of Social and Family Development in Singapore. | | | | | | |
| Increase recruitment efforts of outsourcing staff and freelance contractors by advertising in social media platforms and participating in recruitment roadshows | — | 100 | 200 | 300 | 300 | 900 |
| Sub-total: | — | 2,050 | 2,450 | 3,900 | 3,900 | 12,300 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 HK\$ '000 | For the six months ending 31 January 2017 HK\$ '000 | For the six months ending 31 July 2017 HK\$ '000 | For the six months ending 31 January 2018 HK\$ '000 | For the six months ending 31 July 2018 HK\$ '000 | Total HK\$ '000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|--------------------|
| Growth through acquisitions of strategic partners | | | | | | |
| Management to evaluate and identify potential partners for strategic alliance opportunities and complementary to our business. We estimate that there are more than 30 small-sized companies that would meet our requirements for acquisition or partnership. The focus will be potential partners who are based in Singapore and in executive search services and/or with strong network for recruitment of manpower staff from China, Korea or Taiwan. | | | | | | |
| Explore acquisition of controlling stake in potential partners. Targets will have to be profitable in their last financial year and current financial period. Targets to be small-sized companies with management staff strength of less than 10. Target company's expected yearly revenue to be in range of HK\$5 to HK\$10 million. They will need to be in the related business of the Group with focus on manpower recruitment services and executive search services. | | | | | | |
| Perform feasibility study and preliminary due diligence on potential targets and internal evaluation and approval of our Directors. Assess whether the business activities of the potential targets can be combined into the Group to create synergy and economies of scale to reduce staff costs and other operational costs thus increasing overall sales and profitability of the Group. | | | | | | |
| Engage professional parties to conduct further due diligence and provide advice. | — | 200 | 300 | 300 | — | 800 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 <i>HK\$ '000</i> | For the six months ending 31 January 2017 <i>HK\$ '000</i> | For the six months ending 31 July 2017 <i>HK\$ '000</i> | For the six months ending 31 January 2018 <i>HK\$ '000</i> | For the six months ending 31 July 2018 <i>HK\$ '000</i> | Total <i>HK\$ '000</i> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|
| Finalise potential target and complete due diligence work. Commence negotiation for a controlling stake in target company. Target company valuation is expected to be in the low to mid single digit price earnings ratio, considering factors such as the size and plans of the target company, synergies with our Group and industry norms and practices. | | | | | | |
| Execute the merger and acquisition plan of potential target in accordance with the requirements under Chapter 19 of the GEM Listing Rules and applicable laws and regulations. | — | — | — | 4,900 | — | 4,900 |
| Sub-total: | — | 200 | 300 | 5,200 | — | 5,700 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 HK\$ '000 | For the six months ending 31 January 2017 HK\$ '000 | For the six months ending 31 July 2017 HK\$ '000 | For the six months ending 31 January 2018 HK\$ '000 | For the six months ending 31 July 2018 HK\$ '000 | Total HK\$ '000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|--------------------|
| Enhancing our IT software to support our group's business infrastructure | | | | | | |
| We intend to enhance our IT software with the operation demand on our business model. From recruitment via on-line application forms, job booking by staff to attendance and subsequent payment of salaries, all these functions will be streamlined and enhanced to meet operational demands and increase efficiency of our business processes. | | | | | | |
| Evaluate proposed Job Management System (JMS) enhancement by software vendors for our business expansion plans. Evaluate the cost and benefits of proposed JMS enhancement. | | | | | | |
| Reviewing our JMS with software vendor for a two stage enhancements. Stage one for JMS operational interface enhancements. Stage two for JMS client interface enhancements. | | | | | | |
| Commence the development of our stage one application of our JMS software. The stage one application of our JMS software will be enhanced with a staff module interface available in the mobile application platform which will complete with full staff functions on job enquires, job booking, attendance records and payment request. This stage also includes linking of our staffs' bank accounts to digital wallets and allowing our staff to make electronic commerce transactions. This will reduce human errors in processing of salaries or payments and increase efficiency of our business processes. | | | | | | |
| Our staff module enhancements to include staff performance and loyalty incentive scheme. This scheme will allow the staff/freelance contractors to accumulate loyalty points which can be exchangeable for prizes and cash rewards. This will encourage higher retention of our staff/freelance contractors. | — | 600 | 400 | 400 | 200 | 1,600 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 HK\$ '000 | For the six months ending 31 January 2017 HK\$ '000 | For the six months ending 31 July 2017 HK\$ '000 | For the six months ending 31 January 2018 HK\$ '000 | For the six months ending 31 July 2018 HK\$ '000 | Total HK\$ '000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|--------------------|
| Recruit one to two IT personnel to provide support in the development process. | | | | | | |
| To develop new function for staff to maintain bank information on mobile applications and respective authentication. To enhance security functions for One Time Password (OTP) method to be applied to changing of personal sensitive data. Feedback and review on the systems data collection of the user behavior and bug debugger for different user environments. | — | 200 | 200 | 300 | 300 | 1,000 |
| Continue the development of stage two clients' interface which will be available in the mobile application platform. Customers will be able to place job orders, query on staff details, capture attendance of staff and process confirmation of attendance on the mobile application platform. This also includes new scanning logic for staff to allow for automating of checking in and checking out of working timing. This will help our customers increase work-flow efficiency by using our platform, encourage our customers to continue to engage us for our outsourcing services and enhance our customer stickiness. | | | | | | |
| To transform the existing web application into mobile friendly website by using responsive web design. | — | — | 300 | 600 | 500 | 1,400 |
| Continue to carry out improvement work to our JMS software focusing efficiency and security of the system. | | | | | | |
| To review and upgrade cloud database hosting systems and other hardware. To conduct mobile platform security audits | — | — | 300 | 700 | 500 | 1,500 |
| Sub-total: | — | 800 | 1,200 | 2,000 | 1,500 | 5,500 |

FUTURE PLANS AND USE OF PROCEEDS

| | From the Latest Practicable Date to 31 July 2016 <i>HK\$ '000</i> | For the six months ending 31 January 2017 <i>HK\$ '000</i> | For the six months ending 31 July 2017 <i>HK\$ '000</i> | For the six months ending 31 January 2018 <i>HK\$ '000</i> | For the six months ending 31 July 2018 <i>HK\$ '000</i> | Total <i>HK\$ '000</i> |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|
| Repayment of bank borrowings | | | | | | |
| For more details on our bank borrowings, please refer to Note 20 of the Accountants' Report set out in Appendix I to this prospectus. | — | 3,900 | — | — | — | 3,900 |
| Working capital and general corporate use | | | | | | |
| Reserve working capital for business growth and operation needs. | — | 2,500 | — | — | — | 2,500 |
| Total: | <u>—</u> | <u>9,450</u> | <u>3,950</u> | <u>11,100</u> | <u>5,400</u> | <u>29,900</u> |

Bases and key assumptions of the business plans

The business objectives and strategies set out by our Directors are based on the following bases and assumptions:

- Our Group will have sufficient financial resources to meet the planned capital and operating expenditure and business development requirements during the period to which the business objectives relate;
- There will be no material change in existing laws and regulations, or other government policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- There will be no change in the funding requirement for each of the implementation plans described under the paragraph headed “Implementation plan” in this section from the amount as estimated by our Directors;
- There will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- There will be no disasters, natural, political, legal or otherwise, which would materially disrupt the business or operations of our Group;
- Our Group will not be materially affected by the risk factors as set out under the section headed “Risk factors” in this prospectus;
- Our Group will be able to retain key staff in the management and the main operational departments; and

FUTURE PLANS AND USE OF PROCEEDS

Our Group will be able to continue our operations in substantially the same manner as our Group had been operated during the Track Record Period and our Group will also be able to carry out our development plans without disruptions adversely affecting our operations or business objectives in any way.

REASONS FOR THE SHARE OFFER AND USE OF PROCEEDS

Our Directors believe that the Listing will enhance our corporate profile and brand image and the net proceeds of the issue of the New Shares under the Share Offer will strengthen our financial position and will enable us to implement our business plans set out in the paragraph headed “Implementation plans” in this section. Furthermore, a public listing status on the Stock Exchange will offer us access to capital markets for corporate finance exercise to assist in future business development, enhance our corporate profile and strengthen our competitiveness.

The net proceeds of the issue of the New Shares under the Share Offer, after deducting the related expenses, are estimated to be approximately HK\$29.9 million. Our Directors presently intend to apply such net proceeds as follows:

- approximately 41.1% of the net proceeds, or approximately HK\$12.3 million, for the expansion of existing manpower outsourcing services in Singapore;
- approximately 19.1% of the net proceeds, or approximately HK\$5.7 million, for the acquisition plans in the near future;
- approximately 18.4% of the net proceeds, or approximately HK\$5.5 million, for the development of IT infrastructure to support our workforce services;
- approximately 13.0% of the net proceeds, or approximately HK\$3.9 million, for the repayment of loans; and
- the balance of approximately 8.4% of the net proceeds, or approximately HK\$2.5 million, for use as general working capital of our Group.

FUTURE PLANS AND USE OF PROCEEDS

In summary, the implementation of our business objectives and strategies from the Latest Practicable Date up to the year ending 31 July 2018 will be funded by the net proceeds of the Share Offer as follows:

| | From the Latest Practicable Date to 31 January 2017 HK\$ (in million) | For the six months ending 31 July 2017 HK\$ (in million) | For the six months ending 31 January 2018 HK\$ (in million) | For the six months ending 31 July 2018 HK\$ (in million) | Total HK\$ (in million) | Approximate percentage of net proceeds |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------|----------------------------------------------|
| Expansion and strengthening of existing manpower outsourcing services | 2.0 | 2.5 | 4.0 | 3.9 | 12.3 | 41.1% |
| Growth through acquisitions of strategic partners | 0.2 | 0.3 | 5.2 | — | 5.7 | 19.1% |
| Enhancing our IT software to support our group's business infrastructure | 0.8 | 1.2 | 2.0 | 1.5 | 5.5 | 18.4% |
| Repayment of loans | 3.9 | — | — | — | 3.9 | 13.0% |
| Working capital and general corporate use | <u>2.5</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>2.5</u> | <u>8.4%</u> |
| Total | <u>9.4</u> | <u>4.0</u> | <u>11.1</u> | <u>5.4</u> | <u>29.9</u> | <u>100%</u> |

We intend to use approximately HK\$5.7 million (approximately 19% of the net proceeds) for the growth through acquisitions of strategic partners. The Company will identify potential merger and acquisition targets in the business of head hunting and business executive search to enhance and strengthen of the Group's business in manpower recruitment segment. We will evaluate suitable external parties with presence and experience in head hunting and executive search business for mergers and acquisitions on cash basis. Depending on discussions with the potential external third parties, their current business and the results of our financial and legal due diligence, we may acquire a controlling stake in their businesses. As at the Latest Practicable Date, we had not yet identified any potential external third party to expand our business portfolio, but we will evaluate based on our selection criteria, including but not limited to, their (i) customer lists, (ii) business contacts, (iii) operating track record with a minimum of five years and with operating profits for at least the latest two financial years, (iv) track record with MOM that complement our Group's manpower recruitment services with network of registered candidates and (v) staff competencies.

We intend to use approximately HK\$3.9 million (approximately 13% of the net proceeds) for repayment of our factoring loans to reduce interest expenses. The factoring loans were short term in nature which generally have a maturity date of three months or less and will roll over with new sales invoice factoring. The factoring loans were utilised for working capital purposes of our Group. The normal interest rate of our factoring loans were approximately 6% as at the Latest Practicable Date. The Directors believe that the repayment of factoring loan by the use of proceeds can effectively lower our bank borrowing level and hence reduce our interest expenses for enhancement of our profitability.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Our Board of Directors consists of two Executive Directors and three Independent Non-Executive Directors. The following table sets forth the information concerning our Directors and senior management:

Directors

| Name | Age | Address | Position | Date of joining/ appointment as Director | Principal responsibilities |
|--------------------------------------------|-----|---------------------------------------------------------------|----------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Executive Directors | | | | | |
| Mr. Sim Hak Chor (沈學助) | 44 | 17 Kee Choe Avenue Singapore 348959 | Chairman and Executive Director | 10 March 2004/ 12 November 2015 | Responsible for overseeing the overall management, strategic planning and business development |
| Ms. Serene Tan (陳雪玲) | 38 | 533 Ang Mo Kio Avenue 2 Singapore 567922 | Executive Director | 1 April 2004/ 12 November 2015 | Responsible for overseeing financial, taxation, accounting and secretarial affairs of our Group |
| Independent Non-Executive Directors | | | | | |
| Mr. Tan Eng Ann (陳勇安) | 48 | 300 Beach Road #30-07 The Concourse Singapore 199555 | Independent Non- Executive Director | 20 June 2016 | Responsible for providing independent judgement on issues of strategy, performance, resources and standard of conduct of our Company |
| Mr. Lim Cheng Hock Lawrence (林清福) | 46 | 31 Moonstone Lane #03-05 Singapore 328496 | Independent Non- Executive Director | 20 June 2016 | Responsible for providing independent judgement on issues of strategy, performance, resources and standard of conduct of our Company |
| Mr. Jong Voon Hoo (楊文豪) | 43 | 7 Marymount Terrace #14-04 Singapore 573963 | Independent Non- Executive Director | 20 June 2016 | Responsible for providing independent judgement on issues of strategy, performance, resources and standard of conduct of our Company |

Senior Management

| Name | Age | Address | Position | Date of joining | Principal responsibilities |
|-------------------------------------|-----|--------------------------------------------------------------------|--------------------|---------------------|-------------------------------------------------------------------------------------------------------|
| Mr. Ng Meng Choon, Frey (黃盟春) | 44 | Apt Blk 617C Punggol Drive #05-811 Singapore 823617 | General manager | 15 November 2010 | Responsible for managing and overseeing the overall operations of our Company's subsidiaries |

DIRECTORS, SENIOR MANAGEMENT AND STAFF

| Name | Age | Address | Position | Date of joining | Principal responsibilities |
|-----------------------------|-----|-------------------------------------------------------------------------|----------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------|
| Mr. Wong Swee Fatt (黃水發) | 44 | Apt Blk 315 Bukit Batok Street 32#07-91 Singapore 650315 | Director of operations | 7 March 2005 | Responsible for managing, executing and coordinating the operations of manpower resources deployment |
| Mr. Woo Chee Sin (鄔志新) | 46 | Apt Blk 110 McNair Road #02-257 Singapore 320110 | Group director of people affairs | 25 February 2008 | Responsible for our Group's human resources matters, company policy making and recruitment |

None of our Directors and senior management are related to each other.

DIRECTORS

Executive Directors

Mr. Sim Hak Chor (沈學助), aged 44, is the founder of our Group, Executive Director and Chairman of our Board. He was re-designated as our Executive Director on 20 June 2016. He is responsible for overseeing the overall management, strategic planning and business development of our Group. He has more than 10 years of experience in the workforce solutions industry.

Mr. Sim started his career in auditing and financial advisory services in June 1995. He joined KPMG LLP, an international accounting firm, in December 1997 after leaving a local Singapore based accounting firm. Having provided auditing and advisory services for various hotels and F&B companies, he foresaw the need of the industry, in particular the human resources issues. Mr. Sim had the vision to provide a comprehensive workforce solutions for the hotel and resort, F&B and retail sectors. He left KPMG LLP as a manager in October 2003 and founded our Group in March 2004.

Mr. Sim has been admitted as a fellow member of the Association of Certified Chartered Accountants (ACCA) in November 2002. In addition, he has been a member of the Institute of Singapore Chartered Accountants (ISCA) (previously Institute of Certified Public Accountants of Singapore) since March 2001.

Mr. Sim was an independent director of Ambow Education Holding Ltd (“Ambow”) from June 2013 to December 2015, a company listed on the New York Stock Exchange. Ambow had been petitioned for liquidation, suspended for trading and delisted from the New York Stock Exchange. Mr. Sim was appointed as an independent director of Ambow after the filing of the petition for liquidation of Ambow. Mr. Sim had assisted Ambow to complete the independent investigation, joint provisional liquidation and shareholders restructuring. He was not involved in any day to day operation of Ambow. Our Company's US legal counsel has confirmed that the above incidents do not affect Mr. Sim's suitability under US law to act as a director of any US entity. Apart from considering our Company's US legal counsel's legal opinion, which has confirmed that the above incidents do not affect

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Mr. Sim's suitability under US law to act as a director of any US entity, the Sole Sponsor has considered the following factors: (i) Mr. Sim was appointed as an independent director of Ambow after the winding up petition has been filed at the Cayman Court in April 2013; (ii) he was appointed as a member of the audit committee of Ambow to assist in the independent investigation and shareholders restructuring; (iii) he was not involved in any circumstances or events which gave rise to the petition for liquidation, trading suspension or delisting of Ambow; and (iv) he was not involved in any day-to-day operation of Ambow during the period of his directorship. In light of the above and having reviewed Mr. Sim's background and experience, the Sole Sponsor is of the view that his past association with Ambow does not cast any doubt on his integrity or competence and that he has the character, experience and integrity commensurate with his position as director of a listed issuer and do not affect his suitability to act as a Director under Rules 5.01 and 5.02 of the GEM Listing Rules. Save for the above, Mr. Sim does not have other current or past directorships in any listed companies in the last three years.

Mr. Sim was the director of the following companies which were incorporated in Singapore and were dissolved pursuant to section 344 of the Companies Act (Chapter 50) of Singapore ("Companies Act"), which provides that the Registrar of Companies in Singapore ("Registrar") has the power to strike a company off the register maintained by the Registrar under the Companies Act if the Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, and the company is able to satisfy the criteria for striking off. It is confirmed by Mr. Sim that all the following dissolutions were voluntary by way of submitting an application to the Registrar because these companies had either never commenced business or operation or ceased to carry on business or operation for more than three months immediately before the relevant application. The relevant details are as follows:

| Name of company | Principal business activity prior to its dissolution | Date of dissolution | Means of dissolution |
|-----------------------------------------------|-------------------------------------------------------------|----------------------------|-----------------------------|
| Hospitality Resources Pte. Ltd. | Dormant | 5 September 2008 | Struck off |
| CSC Manpower Services Pte. Ltd. | Dormant | 5 September 2009 | Struck off |
| Garden Square Assets (Singapore) Pte. Limited | Dormant | 5 April 2011 | Struck off |
| HR Holdings Pte. Ltd. | Dormant | 29 December 2011 | Struck off |
| Global Futures Investment Pte. Limited | Dormant | 29 December 2011 | Struck off |
| TCC Holdings Pte. Ltd. | Dormant | 6 September 2012 | Struck off |
| TCC Hospitality Services Pte. Ltd. | Dormant | 9 October 2012 | Struck off |
| S & S Associates Holdings Pte. Ltd. | Dormant | 7 June 2013 | Struck off |
| CSC Creative Network Pte. Ltd. | Dormant | 7 June 2013 | Struck off |

DIRECTORS, SENIOR MANAGEMENT AND STAFF

| Name of company | Principal business activity prior to its dissolution | Date of dissolution | Means of dissolution |
|--------------------------------------|------------------------------------------------------|---------------------|----------------------|
| Nominee Investment Holding Pte. Ltd. | Dormant | 7 June 2013 | Struck off |
| Floriculture Pte. Ltd. | Dormant | 7 June 2013 | Struck off |
| Legendwin (Singapore) Pte. Ltd. | Dormant | 9 October 2013 | Struck off |
| ENO-JS Pte. Limited | Dormant | 9 October 2013 | Struck off |
| Marcus & Capital Office Pte. Ltd. | Dormant | 13 June 2014 | Struck off |
| HMA Pte. Ltd. | Dormant | 13 June 2014 | Struck off |

Mr. Sim has set up various companies for business purpose, either solely or jointly with other partners, in the past. When the business of our Group has been expanding and profitable, Mr. Sim decided to devote more time on our Group, and discontinue his other business gradually, until all of them become dormant. Mr. Sim found that it would be costly to keep too many companies and also decided to struck them off.

Ms. Serene Tan (陳雪玲), aged 38, is the Group director of finance and Executive Director. She was re-designated as our Executive Director on 20 June 2016. She has been with our Group since August 2004. Being one of the pioneers of our Group, she has been instrumental in building up the Group's finance, accounting and administrative departments of our Group. In her role as the Group director of finance, she is responsible for overseeing the accounting, finance and reporting functions, tax compliance as well as general administration and secretarial affairs of our Group.

Ms. Tan commenced her career with KPMG LLP as an audit assistant in August 1999. She was subsequently promoted to the position of an assistant audit manager in July 2003. During her employment with KPMG LLP, she was responsible for the planning, control and co-ordination of all audit assignments allocated to her. These assignments included banks, fund management, manufacturing and trading companies. She left KPMG LLP in March 2004.

She obtained her bachelor's degree in accountancy from Nanyang Technological University of Singapore in July 1999. She is a member of the Institute of Singapore Chartered Accountants (ISCA) and Singapore Institute of Accredited Tax Professionals (SIATP). Ms. Tan does not have other current or past directorships in any listed companies in the last three years.

Ms. Tan was the director of the following company which was incorporated in Singapore and was dissolved pursuant to section 344 of the Companies Act, which provides that the Registrar has the power to strike a company off the register maintained by the Registrar under the Companies Act if the Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, and the company is able to

DIRECTORS, SENIOR MANAGEMENT AND STAFF

satisfy the criteria for striking off. It is confirmed by Ms. Tan that the following dissolution was voluntary by way of submitting an application to the Registrar because the company had either never commenced business or operation. The relevant details are as follows:

| Name of company | Principal business activity prior to its dissolution | Date of dissolution | Means of dissolution |
|--------------------------------------|-------------------------------------------------------------|----------------------------|-----------------------------|
| Nominee Investment Holding Pte. Ltd. | Dormant | 7 June 2013 | Struck off |

Independent Non-Executive Directors

Mr. Tan Eng Ann (陳勇安), aged 48, was appointed as our Independent Non-Executive Director on 20 June 2016. Mr. Tan obtained his bachelor's degree in accountancy from Nanyang Technological University of Singapore in May 1992. He is a chartered financial analyst of the Association for Investment Management and Research and has been a fellow member of Institute of Singapore Chartered Accountants (ISCA) since January 2010. He has more than 20 years of experience in audit, accounting and finance. He is the chairman of the audit committee and member of the remuneration and the nomination committees of the Board. The following table summarises Mr. Tan's professional experience prior to joining our Group:

| Company name | Principal business activities (during the tenure) | Last position held | Responsibilities | Period of service |
|------------------------------------------------------------------|----------------------------------------------------------|----------------------------|-----------------------------------------------------|-------------------------------|
| A-IT Software Service Pte Ltd (being deployed to Citibank, N.A.) | Citibank: banking | Financial analyst | Analysis of cost centres expenses and forecasts | November 1998 to June 1999 |
| AIB Govett (Asia) Limited | Investment | Marketing manager | Investment marketing | December 1999 to October 2001 |
| Standard Chartered Bank | Banking | Manager | Company research, valuations and financial analysis | September 2001 to July 2002 |
| Technics Oil & Gas Limited | Manufacturing | Finance director | Overall financial management | January 2004 to March 2005 |
| RH International Pte Ltd | Trading | Chief financial controller | Overall finance and corporate development | May 2006 to present |

Mr. Tan is an independent director of Hiap Tong Corporation Ltd., Isoteam Ltd. and GCCP Resources Limited, all of which are listed on the Singapore Exchange. Mr. Tan also served as the executive director of Chiwayland International Limited (formerly known as R

DIRECTORS, SENIOR MANAGEMENT AND STAFF

H Energy Ltd), which is listed on the Singapore Exchange, from May 2007 to August 2014. Save for the above, Mr. Tan does not have any current or past directorships in any listed companies in the last three years.

Mr. Tan was the director of the following companies which were incorporated in Singapore and were dissolved pursuant to section 344 of the Companies Act, which provides that the Registrar has the power to strike a company off the register maintained by the Registrar under the Companies Act if the Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, and the company is able to satisfy the criteria for striking off. It is confirmed by Mr. Tan that all the following dissolutions were voluntary by way of submitting an application to the Registrar because these companies had either never commenced business or operation or ceased to carry on business or operation for more than three months immediately before the relevant application. The relevant details are as follows:

| Name of company | Principal business activity prior to its dissolution | Date of dissolution | Means of dissolution |
|----------------------------|-------------------------------------------------------------|----------------------------|-----------------------------|
| QTC Technologies Pte. Ltd. | Dormant | 8 December 2010 | Struck off |
| Amersun Coating Pte. Ltd. | General wholesale trading | 6 November 2012 | Struck off |

Mr. Tan was also a director of the following company which was incorporated in Hong Kong prior to its dissolution:

| Name of company | Principal business activity prior to its dissolution | Date of dissolution | Means of dissolution (Note) |
|------------------------|-------------------------------------------------------------|----------------------------|----------------------------------------|
| Natural Best Limited | General wholesale trading | 2 November 2012 | Deregistration |

Note: “deregistration”, in the context of Hong Kong law, refers to the process whereby a director or a member of a private company incorporated under the predecessor Companies Ordinance (predecessor Chapter 32 of the Laws of Hong Kong) which has ceased its operation and is not insolvent applies to the Companies Registry of Hong Kong for deregistration pursuant to section 291AA of the predecessor Companies Ordinance. Such application can only be made if (1) all members of the company agree to the deregistration; (2) the company has never commenced business or operation, or has ceased to carry on business or operation for more than three months immediately prior to the application; and (3) the company has no outstanding liabilities.

Mr. Lim Cheng Hock, Lawrence (林清福), aged 46, was appointed as our Independent Non-Executive Director on 20 June 2016. Mr. Lim graduated from National University of Singapore with a Bachelor of Laws degree in July 1994. He has been practising as an advocate and solicitor of the Supreme Court of Singapore since April 1995. Mr. Lim’s areas of practice include company and corporate law, contract, tort and shareholders’ disputes. Mr. Lim is currently the chairman of the remuneration committee and member of the audit and nomination committees of the Board. Regarding Mr. Lim’s professional experience prior to joining our Group, he was an advocate and solicitor of Lim Kiap Khee & Co., a law

DIRECTORS, SENIOR MANAGEMENT AND STAFF

firm in Singapore, which he joined around July 1996, before he joined Chong Chia & Lim LLC, a law firm in Singapore, between July 2002 and June 2006. Since June 2006, Mr. Lim has been a partner of Matthew Chiong Partnership, a law firm in Singapore.

Mr. Lim does not have any current or past directorships in any listed companies in the last three years.

Mr. Lim was the director of the following company which was incorporated in Singapore and was dissolved pursuant to section 344 of the Companies Act, which provides that the Registrar has the power to strike a company off the register maintained by the Registrar under the Companies Act if the Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, and the company is able to satisfy the criteria for striking off. It is confirmed by Mr. Lim that the following dissolution was voluntary by way of submitting an application to the Registrar because the company had either never commenced business or operation. The relevant details are as follows:

| Name of company | Principal business activity prior to its dissolution | Date of dissolution | Means of dissolution |
|-----------------------------|------------------------------------------------------|---------------------|----------------------|
| Joo Seng Swee Kee Pte. Ltd. | Dormant | 12 May 2014 | Struck off |

Mr. Jong Voon Hoo (楊文豪), aged 43, was appointed as our Independent Non-Executive Director on 20 June 2016. He is currently the chairman of the nomination committee and member of the audit and remuneration committees of the Board.

Mr. Jong began his career in July 1996 in Arthur Andersen where he was involved in assurance, business advisory, and transaction advisory services. During his tenure in Arthur Andersen, Mr. Jong was responsible for performing operational and financial audits for a portfolio of clients operating in different industries and developing and implementing plans to enhance the efficiency and efficacy of business and financial processes. Mr. Jong joined Deloitte & Touche in November 2002 as a manager and was further promoted to the position of senior manager in July 2004. Mr. Jong served as chief financial officer of Green Build Technology Ltd (formerly known as Youyue International Limited), a company listed on the Singapore Exchange, where he was responsible for overseeing accounting and finance matters since September 2004 to August 2015. Mr. Jong graduated from Nanyang Technological University in June 1996 with a Bachelor's degree in Accountancy (Hons) and is a chartered accountant and member of the Institute of Singapore Chartered Accountants (ISCA). Mr. Jong is currently a director of Global Invest & Advisory Pte Ltd providing investment advisory services.

Mr. Jong is an independent director of Sheng Siong Group Ltd., which is listed on the Singapore Exchange. Save for the above, Mr. Jong does not have other current or past directorships in any listed companies in the last three years.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

The following table summarises Mr. Jong's professional experience prior to joining our Group:

| Company name | Principal business activities of the company (during the tenure) | Last position held | Responsibilities | Period of service |
|----------------------------------|------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------------------|---------------------------------|
| Arthur Andersen | Audit, consultancy and corporate finance | Manager | Performing operational and financial audits for clients in different industries | July 1996 to June 2002 |
| Deloitte & Touche LLP | Audit, consultancy and corporate finance | Senior manager | Perform and lead audit engagements | November 2002 to September 2004 |
| Green Build Technology Limited | Manufacturing | Chief financial officer | Overseeing finance and accounting function of the Group | September 2004 to August 2015 |
| Global Invest & Advisory Pte Ltd | Business and management consultancy | Director | Business and management consultancy | October 2015 to present |

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules as at the Latest Practicable Date.

SENIOR MANAGEMENT

Mr. Ng Meng Choon, Frey (黃盟春), aged 44, was appointed as the general manager of our Group's subsidiaries, TCCS and SAR in November 2010 and August 2014, respectively. He is responsible for managing and overseeing the overall operations of our Group's subsidiaries. Mr. Ng obtained a diploma in sales and marketing from the Marketing Institute of Singapore in September 2000. The following table summarises Mr. Ng's professional experience prior to joining our Group:

| Company name | Principal business activities of the company (during the tenure) | Last position held | Responsibilities | Period of service |
|-----------------------|------------------------------------------------------------------|--------------------|----------------------------------------------------------|---------------------------|
| Orva Gioielli Pte Ltd | Jewelry wholesaler and retailer of Italian jewelry | General manager | Business development, marketing, and business operations | May 2003 to October 2007 |
| Sincere Watch Ltd | Distributor and retailer of luxury timepieces | Operations manager | Overseeing the retail operations | January 2008 to July 2010 |

Mr. Ng does not have any current or past directorships in any listed companies in the last three years.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Mr. Wong Swee Fatt (黃水發), aged 44, was appointed as the director of operations of TCCHR in January 2008. He is responsible for managing, executing and coordinating the operations of manpower resource deployment to our Group's customers. Mr. Wong completed GCE "N" level in October 1987. The following table summarises Mr. Wong's professional experience prior to joining our Group:

| Company name | Principal business activities of the company (during the tenure) | Last position held | Responsibilities | Period of service |
|------------------------------------|------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| The Westin Stamford & Westin Plaza | Hotel operator | Banquet captain | Supervise and coordinate events and functions. | July 1992 to April 1996 |
| Grand Plaza Parkroyal | Hotel operator | Banquet operations supervisor | Supervise and coordinate events and functions Procurement function for events and functions | February 1998 to April 1999 |
| The Pan Pacific Singapore | Hotel operator | Banquet manager | Overall events and functions coordinator Kitchen and catering food evaluator for quality control purposes Customer service surveyor | June 2000 to March 2005 |

Mr. Wong does not have any current or past directorships in any listed companies in the last three years.

Mr. Woo Chee Sin (鄔志新), aged 46, was appointed as the Group director of people affairs in August 2014. He is responsible for our Group's human resources matters, company policy making and recruitment. His role includes managing, executing and coordinating for all overseas business opportunities for our Group. Mr. Woo obtained a bachelor of arts degree from the National University of Singapore in July 1995 and an Advanced Diploma in Mass Communications from Oklahoma City University in May 1997. The following table summarises Mr. Woo's professional experience prior to joining our Group:

| Company name | Principal business activities of the company (during the tenure) | Last position held | Responsibilities | Period of service |
|-------------------------------------------|------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Lux (Singapore) Pte Ltd | Healthcare products | Assistant branch executive (Aqua branch) | Recruit, train, and monitor sales team sales quota Execute marketing plan and direct selling of company's products | July 1995 to March 1996 |
| Immigration & Checkpoints Authority (ICA) | Singapore Immigration Authority | Immigration & checkpoints executive | Managing of ICA's call center Acting Head of Customer Relations Branch Service quality implementation | September 1996 to February 2008 |

Mr. Woo does not have any current or past directorships in any listed companies in the last three years.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

COMPANY SECRETARY

Mr. Li Chi Chung (李智聰), aged 47, is our company secretary of our Group. He was appointed on 20 June 2016. Mr. Li received a Bachelor of Laws degree from the University of Sheffield in 1990. He is a practicing solicitor and was admitted as a solicitor in Hong Kong in 1993. As at the Latest Practicable Date, Mr. Li's directorships and other positions in other listed companies were as follows:

| Company name | Principal business activities of the company (during the tenure) | Position held | Period of services |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------|
| Quam Limited (stock code: 00952) | Provision of financial services | Independent non-executive director | November 1999 to September 2002 |
| Century Ginwa Retail Holdings Limited (stock code: 00162) | Design, development, manufacture and sale of a wide range of wooden furniture products | Independent non-executive director | September 2000 to November 2001 |
| Eagle Nice (International) Holdings Limited (stock code: 02368) | Manufacturing and trading of sportswear and garments | Independent non-executive director | November 2002 to February 2013 |
| Winfull Group Holdings Limited (stock code: 00183) | Provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading and property development in Hong Kong | Non-executive director | March 2007 to December 2011 |
| Anhui Tianda Oil Pipe Company Ltd. (stock code: 00839) | Manufacturing, sourcing and distribution of specialised seamless pipes | Independent non-executive director | October 2007 to February 2009 |
| China Nonferrous Metals Company Limited (stock code: 08306) | Mining, processing and trading of mineral resources | Company secretary | December 2007 to June 2015 |
| Cheung Wo International Holdings Limited (stock code: 00009) | Film distribution and licensing, film processing, advertising and promotional services, and property investment | Company secretary | March 2008 to March 2010 |

DIRECTORS, SENIOR MANAGEMENT AND STAFF

| Company name | Principal business activities of the company (during the tenure) | Position held | Period of services |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------|
| AVIC Joy Holdings (HK) Limited (stock code: 00260) | Operating compressed natural gas, liquefied petroleum gas and liquefied natural gas refueling stations, manage and operate LED energy management contracts, provide finance lease and loan services & provide land development services in the PRC | Company secretary | September 2009 to June 2015 |
| Infinity Chemical Holdings Company Limited (stock code: 00640) | Manufacturing and sales of adhesives, primers, hardeners and vulcanised shoes adhesive related products used by the footwear manufacturers | Company secretary | March 2011 to December 2011 |
| China City Infrastructure Group Limited (stock code: 02349) | Property development, property investment, hotel business and property management in the PRC | Company secretary | April 2011 to June 2012 |
| Evershine Group Holdings Limited (stock code: 08022) | Provision of travel agent services, advertising and marketing services, fashion garment trading and mobile application business | Company secretary | July 2013 to May 2015 |
| Z-Obee Holdings Limited (stock code: 00948) | Distribution and marketing of mobile handset and mobile handset components, provision of design and production solution services for mobile handset, assembly of mobile handset and surface mounting technology of printed circuit board | Company secretary | January 2014 to April 2014 |

DIRECTORS, SENIOR MANAGEMENT AND STAFF

| Company name | Principal business activities of the company (during the tenure) | Position held | Period of services |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------|
| China Zenith Chemical Group Limited (stock code: 00362) | Manufacturing and sales of polyvinyl-chloride, vinyl acetate, vitamin C, glucose and starch, calcium carbide; generation and supply of heat and power | Company secretary | May 2014 to January 2015 |
| PINE Technology Holdings Ltd (stock code: 01079) | Manufacturing and sales of high-quality computer components and consumer electronic products | Independent non-executive director | June 2000 to present |
| China Financial International Investments Limited (stock code: 00721) | Investments in listed and unlisted companies | Company secretary | November 2004 to present |
| Kenford Group Holdings Limited (stock code: 00464) | Designing, manufacturing and sales of electrical haircare products, electrical healthcare products and other small household electrical appliances | Independent non-executive director | March 2005 to present |
| Kingbo Strike Limited (stock code: 01421) | Provision of electrical engineering services in Singapore | Company secretary | December 2013 to present |
| KPM Holding Limited (stock code: 8027) | Design, fabrication, installation and maintenance of signage and related products in Singapore | Company secretary | June 2015 to present |

Mr. Li does not act as an individual employee of our Company, but as an external service provider in respect of the proposed appointment of Mr. Li as the company secretary of our Company. Pursuant to Code F.1.1 of the Corporate Governance Code, an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, our Company has nominated Mr. Sim as its contact point for Mr. Li.

While our Company is well aware of the importance of the company secretary in supporting the Board on governance matters, our Company, after having considered that Mr. Li's firm, Michael Li & Co., Solicitors has more than fifteen professional staff and one

DIRECTORS, SENIOR MANAGEMENT AND STAFF

qualified company secretary with professional qualifications, both our Company and Mr. Li are of the view that there will be sufficient time, resources and supporting for fulfilment of the company secretary requirements. Mr. Li will allocate and devote sufficient time to our Company (together with the assistance from other staff of Michael Li & Co., Solicitors) for fulfilling the company secretary requirements. With Mr. Li's experience in handling listed companies for so many years, our Directors believe that he can discharge his duties efficiently as a company secretary of our Company.

In view of Mr. Li's experience in legal and company secretarial functions and with stock exchange rules and regulations, our Directors believe that Mr. Li has the appropriate legal and company secretarial expertise for the purposes of Rule 5.14 of the GEM Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company will comply with the Corporate Governance Code in Appendix 15 to the GEM Listing Rules.

Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year and comply with the "comply or explain" principle in our corporate governance report which will be included in our annual reports upon the Listing.

BOARD COMMITTEES

Audit Committee

Our Group established an audit committee on 20 June 2016 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The audit committee consists of three Independent Non-Executive Directors namely Mr. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo. Mr. Tan Eng Ann, our Director with the appropriate professional qualifications, serves as the chairman of the audit committee.

The primary duties of the audit committee are to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

Remuneration Committee

Our Group established a remuneration committee on 20 June 2016 with written terms of reference in compliance with paragraph B.1 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The remuneration committee consists of three Independent Non-Executive Directors and an

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Executive Director, namely Mr. Lim Cheng Hock, Lawrence, Mr. Tan Eng Ann, Mr. Jong Voon Hoo and Mr. Sim. Mr. Lim Cheng Hock, Lawrence serves as the chairman of the remuneration committee.

The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to our Directors on the policy and structure for all remuneration of our 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 package of our Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

Nomination Committee

Our Group also established a nomination committee on 20 June 2016 with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The nomination committee consists of three Independent Non-Executive Directors and an Executive Director, namely Mr. Jong Voon Hoo, Mr. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Sim. Mr. Jong Voon Hoo serves as the chairman of the nomination committee.

The primary function of the nomination committee is to make recommendations to the Board regarding candidates to fill vacancies on the Board.

COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Company has appointed Grand Vinco Capital Limited on 4 July 2016 as its compliance adviser, who will have access to our Company's authorised representatives, Directors and other officers at all times:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (3) where our Company proposes to use the proceeds of the issue of the New Shares under the Share Offer in a manner different from that detailed in this prospectus or where our Group's business activities, developments or results of operation deviate from any forecast, estimate or other information in this prospectus; and
- (4) where the Stock Exchange makes an inquiry regarding unusual movements in the price or trading volume of the Shares.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

The term of the appointment will commence on the Listing Date and end on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

STAFF

There were 229 full-time staff in our Group as at the Latest Practicable Date of whom approximately 24.5% were local employees and approximately 75.5% were foreign employees. There were 1,761 part-time staff/freelance contractors in our Group as at the Latest Practicable Date, of whom 1,457 were Singaporeans or permanent residents and 304 were foreigners. As at the Latest Practicable Date, we employed/engaged 477 foreign staff/freelance contractors mainly from Malaysia, China, Korea, Philippines and Taiwan, which accounted for approximately 24.0% of the total number of full-time staff, part-time staff and freelance contractors of our Group.

To ensure compliance with the relevant requirement during the Track Record Period, our Group has carried out the following internal control procedures for monitoring the foreign employee entitlement;

1. Our Group's human resource department ("HR Department") will provide a summary of our Group's foreign worker quota to our Group's director of people affairs department ("Director of PA Department") on the 3rd working day of each month ("Summary Report").

The Summary Report will indicate any new work permit applied for by any member of our Group and termination or expiry of the employment of any employee or freelance worker.⁽¹⁾

The Summary Report will contain the total number of the full-time and part-time workers who are qualified for CPF contributions, and the total number of foreign workers quota at the above specific point of time.

2. The HR Department will compare the total quota available in the Summary Report with the corresponding existing workforce profile and quota details shown in the MOM online portal and Work Permit Online ("WPOL").
3. The Director of PA Department will review each of the Summary Report to ensure that our Group is in compliance with the relevant rules and regulations with regard to the foreign worker quota.
4. After each of the Summary Report is reviewed by the Director of PA Department and approved by our Group's director of finance and our Executive Director, it will be forwarded to all the senior management of our Group for information and necessary actions, if any.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

5. Any member of our Group should apply to the HR Department for any new work permit application, and such member of our Group should report to the HR department for any termination or expiry of the employment of any employee or freelance workers.
6. Any application for work pass will have to obtain the approval from the Director of PA Department. If there is no quota, no application will be submitted as it will be rejected by the Director of PA Department. The application on the WPOL is only executed by two authorised person of our Group who are the chief executive officer and manager of our Group's people affairs department. After the work pass application is being approved by MOM, the Summary Report will be updated accordingly by the HR Department on the 3rd working day of each month.

Based on the above, the HR Department shall have the most updated information on the availability of the quota and movement of the foreign workers status, so as to ensure compliance with rules and regulations in relation to foreign workers quota.

Note:

- (1) In the case of termination/expiry of the employment of foreign workers with work passes, our Group will submit to MOM via the WPOL accordingly. As for the termination/expiry of the employment/engagement of local employees/freelance workers, no submission is required to be made to MOM as the number of such employees/freelance workers are determined by the Central Provident Fund contributions of our Group, which is separately accessed by MOM.

The legal advisers of our Company as to Singapore laws are of the view that during the Track Record Period and up to the Latest Practicable Date, our Group is in compliance with the relevant laws and regulations in Singapore that pertain to the employment of foreign employees. All our employees are based in Singapore.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

The following table sets forth the number of our full-time staff according to their respective functions of our Group (including our Executive Directors) as at the Latest Practicable Date:

| | Number of local staff | Number of foreign staff | Total number of staff |
|---------------------------------|---------------------------------|----------------------------------|-----------------------------|
| Supporting Staff | | | |
| Accounts and finance department | 9 | 11 | 20 |
| Operations department | 44 | 30 | 74 |
| Marcom department | 1 | 1 | 2 |
| IT department | <u>1</u> | <u>1</u> | <u>2</u> |
| | 55 | 43 | 98 |
| Full-time deployment staff | <u>1</u> | <u>130</u> | <u>131</u> |
| Total | <u>56(</u> <i>Note</i> <u>)</u> | <u>173(</u> <i>Note</i> <u>)</u> | <u>229</u> |

Note: The total number of full-time deployment staff in this table does not represent the total number of local full-time employees for the purposes of determining the foreign employee entitlement. For more details of the calculation of foreign employee entitlement, please refer to the “Regulatory overview” section of this prospectus.

For our manpower outsourcing services, we engage mainly part-time staff and freelance contractors as the main source of manpower deployed to our customers. The following table sets forth the number of part time staff and freelance contractors deployed to our customers as at the Latest Practicable Date:

| | Number of local workers | Number of foreign workers | Total number of workers |
|-----------------------|-------------------------------|---------------------------------|-------------------------------|
| Part-time staff | 53 | — | 53 |
| Freelance contractors | <u>1,404</u> | <u>304</u> | <u>1,708</u> |
| | <u>1,457</u> | <u>304</u> | <u>1,761</u> |

As at the Latest Practicable Date, we have a total of approximately 21 employees focusing on recruitment of full-time staff, part-time staff and sourcing of freelance contractors for our manpower outsourcing services.

We source our freelance contractors through external sources such as advertising on recruitment websites, or in the print media, participating in recruitment roadshows and referral from our staff or existing freelance contractors. Sourcing of freelance contractors are done regularly.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Upon registration with us, freelance contractor details are entered into our database. The freelance contractors will be notified of any job orders and they will decide on whether they want to take up the job or not. The freelance contractors will be engaged and deployed to work once they pass the interviews and confirm their agreement to take up the particular job.

During the Track Record Period and up to the Latest Practicable Date, over 28,500 freelance contractors have been engaged by us and deployed to our customers. As at the Latest Practicable Date, we engaged and deployed 1,708 freelance contractors to customers.

Relationships with our employees

During the Track Record Period, we did not experience any significant problems with employees or other labour related disturbances to our operations and we did not experience any difficulties in the recruitment and retention of experienced staff. We believe we have a good working relationship with our employees.

Employees' remuneration and benefits

Our employees are remunerated according to their job scope and responsibilities. Our local employees are also entitled to discretionary bonus depending on their respective performance. Our foreign workers are employed on contractual basis and are remunerated according to their work skills. Our Group provides insurance coverage for our employees. Please refer to the section headed “Business — Insurance” in this prospectus for further information.

RETIREMENT BENEFIT SCHEME

Our Group participates in the mandatory provident fund for our employees in accordance with the Central Provident Fund (CPF) Act under the laws of Singapore. Our Group has paid the relevant contributions in accordance with the aforesaid laws and regulations.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS, NON-COMPETITION UNDERTAKING AND NON-DISPOSAL UNDERTAKING

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Share Offer and the Capitalisation Issue, each of Centrex Treasure and Mr. Sim is entitled to exercise or control the exercise of 30% or more of voting rights at general meetings of our Company. As such, each of Centrex Treasure and Mr. Sim is regarded as a Controlling Shareholder.

Save as disclosed above, there is no other person who will, immediately following the completion of the Share Offer and the Capitalisation Issue, be directly or indirectly interested in 30% or more of the Shares then in issue or have a direct or indirect equity interest in any member of our Group representing 30% or more of the equity in such entity.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors do not expect there to be any significant transactions between our Group and our Controlling Shareholders upon the Listing. Our Directors believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective associates after the Listing, having taken into consideration of the following factors:

(i) Management independence

As at the Latest Practicable Date, no Executive Director has overlapping roles or responsibilities in any business other than our business nor has any business which competes or is likely to compete, either directly or indirectly, with our business.

Each of our Directors is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her interest to exist. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant meeting of the Board in respect of such transaction and shall not be counted in the quorum.

(ii) Operational independence

Our operations are independent of and not connected with our Controlling Shareholders. Having considered that (i) we have established our own organisational structure comprising individual departments, each with specific areas of responsibilities including IT department, administrative and finance, and operations department; (ii) our Group has not shared our operational resources, such as customers, marketing, sale and general administration resources with our Controlling Shareholders and/or their associates; (iii) our Group has also established a set of internal controls to facilitate the effective operation of its business; (iv) as at the Latest Practicable Date, our Controlling Shareholders had no interest in any of our customer, supplier or other business partners, our Directors consider that our Group can operate

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS, NON-COMPETITION UNDERTAKING AND NON-DISPOSAL UNDERTAKING

independently from our Controlling Shareholders from the operational perspective; (v) as at the Latest Practicable Date, our Group had independent access to suppliers or customers of our Group; and (vi) all of our operating subsidiaries hold the licenses necessary for the operation of our Group's business in their own names.

(iii) Administrative independence

Our Group has its own capabilities and personnel to perform all essential administrative functions, including internal control and auditor monitor, financial and accounting management, invoicing and billing, human resources and information technology.

(iv) Financial independence

During the Track Record Period, Mr. Sim has provided a personal guarantee to secure the repayment obligations under banking facilities granted by: (i) HLF to TCCHR; (ii) SCB to TCCHR; and (iii) OCBC to TCCS.

We undertake that all the guarantees provided by Mr. Sim in relation to the bank loans and facilities available to our Group will be released upon Listing.

Based on the above, our Directors consider that we will be financially independent from our Controlling Shareholders upon Listing.

RULE 11.04 OF THE GEM LISTING RULES

None of our Controlling Shareholders and our Directors has any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business, and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

DEED OF NON-COMPETITION

Our Controlling Shareholders have entered into the Deed of Non-competition in favour of our Company (for ourselves and as trustee of our subsidiaries), pursuant to which our Controlling Shareholders have jointly and severally, irrevocably and unconditionally undertaken to and covenanted with our Company (for ourselves and for the benefit of our

**RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS,
NON-COMPETITION UNDERTAKING AND NON-DISPOSAL UNDERTAKING**

subsidiaries) that during the continuation of the Deed of Non-competition it or he would not, and would procure that its or his associates (other than any member of our Group) would not, whether on its or his own account or in conjunction with or on behalf of any person, firm or company, whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by our Group (including but not limited to the provision of specialised workforce solutions, helping customers improve growth and performance by providing manpower outsourcing, recruitment process outsourcing, and executive/staff search services, in each case, to be more particularly described or contemplated in this prospectus), in Singapore and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on such business from time to time (the “Restricted Business”). Such non-competition undertaking does not apply to:

- (i) any interests in the shares of any member of our Group; or
- (ii) interests in the shares of a company other than our Company whose shares are listed on a recognised stock exchange provided that:
 - (a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company’s combined revenue or combined assets, as shown in that company’s latest audited accounts; or
 - (b) the total number of the shares held by our Controlling Shareholders and/or their respective associates in aggregate does not exceed 10% of the issued shares of that class of the company in question and such Controlling Shareholders and/or their respective associates are not entitled to appoint a majority of the directors of that company and at any time there should exist at least another shareholder of that company whose shareholdings in that company should be more than the total number of shares held by our Controlling Shareholders and their respective associates in aggregate; or
 - (c) our Controlling Shareholders and/or their respective associates do not have the control over the board of such company.

The Deed of Non-competition shall take effect upon Listing and shall expire on the earlier of:

- (a) the day on which the Shares cease to be listed on GEM or other recognised stock exchange; or

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS, NON-COMPETITION UNDERTAKING AND NON-DISPOSAL UNDERTAKING

- (b) the day on which our Controlling Shareholders and his/its associates, individually or taken as a whole, cease to own, in aggregate, 30% or more of the then issued share capital of our Company directly or indirectly or cease to be deemed as our Controlling Shareholders and do not have power to control the Board or there is at least one other independent shareholder other than our Controlling Shareholders and his/its respective associates holding more shares than our Controlling Shareholders and his/its respective associates taken together.

Pursuant to the Deed of Non-competition, each of our Controlling Shareholders has undertaken that if each of our Controlling Shareholders and/or any of his/its associates is offered or becomes aware of any project or new business opportunity (“New Business Opportunity”) that relates to the Restricted Business, whether directly or indirectly, he/it shall (i) promptly within ten Business Days notify our Company in writing of such opportunity and provide such information as is reasonably required by our Company in order to enable our Company to come to an informed assessment of such New Business Opportunity; and (ii) use his/its best endeavours to procure that such opportunity is offered to our Company on terms no less favourable than the terms on which such New Business Opportunity is offered to him/it and/or his/its associates.

All of our Directors (excluding those who is/are interested in the New Business Opportunity and has/have conflict of interests with our Company) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity. If our Group has not given written notice of its desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within thirty (30) Business Days (the “30-day Offering Period”) of receipt of notice from our Controlling Shareholders, our Controlling Shareholders and/or his/its associates shall be permitted to invest in or participate in the New Business Opportunity on his/its own accord. With respect to the 30-day Offering Period, our Directors consider that such period is adequate for our Company to assess any New Business Opportunity. In the event that our Company requires additional time to assess the New Business Opportunity, our Company may give a written notice to our Controlling Shareholders within the 30-day Offering Period and our Controlling Shareholders agree to extend the period to a maximum of 60 Business Days.

NON-DISPOSAL UNDERTAKING TO OUR COMPANY AND THE STOCK EXCHANGE

Our Controlling Shareholders, have jointly, severally and voluntarily agreed and undertaken with our Company and the Stock Exchange that, except pursuant to the Share Offer and the Capitalisation Issue, they will not, and will procure that none of their relevant registered holder(s) and associates will,

- (a) at any time during the period commencing on the date of this prospectus and ending on the date which is six months after the Listing Date (the “First Period”):
 - (i) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend, make any short

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS, NON-COMPETITION UNDERTAKING AND NON-DISPOSAL UNDERTAKING

sale or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, any of the share or debt capital or other securities of our Company or any interest therein (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such capital or securities or any interest therein) whether now owned or hereinafter acquired, directly or indirectly by any of our Controlling Shareholders (including holding as a custodian) or with respect to which any of our Controlling Shareholders has beneficial interest; or

- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the shares or other any such capital or securities or any interest therein; or
 - (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
 - (iv) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraph (i) or (ii) or (iii) above, whether any such transaction described in paragraph (i) or (ii) or (iii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise;
- (b) at any time during the period of 12 months immediately following the First Period (the “Second Period”), enter into any of the foregoing transactions in paragraphs (a)(i) or (a)(ii) or (a)(iii) above if, immediately following such transaction, it will cease to be a controlling shareholder of our Company or would together with the other Controlling Shareholders cease to be controlling shareholders of our Company; and
- (c) during the Second Period, in the event that any of our Controlling Shareholders enters or agrees or contracts to or publicly announce an intention to enter into the foregoing transactions, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of our Company.

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to manage the conflict of interests arising from competing business and to safeguard the interests of our Shareholders:

- our Independent Non-Executive Directors will review, on an annual basis, the compliance with the non-competition undertaking by our Controlling Shareholders under the Deed of Non-competition;

**RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS,
NON-COMPETITION UNDERTAKING AND NON-DISPOSAL UNDERTAKING**

- our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by our Independent Non-Executive Directors and the enforcement of the Deed of Non-competition;
- our Company will disclose decisions on matters reviewed by our Independent Non-Executive Directors relating to compliance and enforcement of the Deed of Non-competition in the annual report of our Company;
- our Controlling Shareholders will make confirmation on compliance with their undertaking under the Deed of Non-competition in the annual report of our Company; and
- our Independent Non-Executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to the Deed of Non-competition or connected transaction(s) at the cost of our Company.

None of the members of our Group has experienced any dispute with its shareholders or among its shareholders themselves and our Directors believe that each member of our Group has maintained positive relationship with its shareholders. With the corporate governance measures including the measures set out in this paragraph headed “Corporate governance measures” and the paragraph headed “Compliance with the Corporate Governance Code” and “Board Committees” in the section headed “Directors, senior management and staff” in this prospectus, our Directors believe that the interest of the Shareholders will be protected.

SUBSTANTIAL SHAREHOLDER

So far as our Directors are aware, immediately following completion of the Share Offer and the Capitalisation Issue, the following persons will have interests and/or short positions in our Shares or underlying shares of our Company which would fall to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Long position in the Shares

| Name of interested party | Capacity/Nature of interest | Number of Shares held/ interested in (Note 1) | Percentage of shareholding in our Company immediately following completion of the Capitalisation Issue and the Share Offer |
|--------------------------|------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Centrex Treasure | Beneficial Owner (Note 2) | 187,500,000 (L) | 75% |
| Mr. Sim | Interest of controlled corporation (Note 2) | 187,500,000 (L) | 75% |

Notes:

1. The letter “L” denotes long position of the Shares.
2. Centrex Treasure is beneficially owned as to approximately 94.89% by Mr. Sim. Under the SFO, Mr. Sim is deemed to be interested in the Shares held by Centrex Treasure. Mr. Sim is our Controlling Shareholder and an Executive Director.

Save as disclosed above, our Directors are not aware of any other persons who will, immediately following completion of the Share Offer and the Capitalisation Issue, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

SHARE CAPITAL

SHARE CAPITAL

The authorised and issued share capital of our Company immediately following completion of the Share Offer and the Capitalisation Issue will be as follows:

Authorised share capital: *HK\$*

| | | |
|----------------------|--------|-------------------|
| <u>5,000,000,000</u> | Shares | <u>50,000,000</u> |
|----------------------|--------|-------------------|

Shares issued and to be issued, fully paid or credited as fully paid:

| | | |
|------------------|---------------------------------------------------------------------------------------------|---------------|
| <u>10,000</u> | Shares in issue as at the Latest Practicable Date | <u>100</u> |
| 199,990,000 | Shares to be issued pursuant to the Capitalisation Issue (including 12,500,000 Sale Shares) | 1,999,900 |
| 43,750,000 | New Shares to be placed pursuant to the Placing | 437,500 |
| <u>6,250,000</u> | New Shares to be issued pursuant to the Public Offer | <u>62,500</u> |

Total Shares issued and to be issued immediately upon completion of the Share Offer and the Capitalisation Issue:

| | | |
|--------------------|--------|------------------|
| <u>250,000,000</u> | Shares | <u>2,500,000</u> |
|--------------------|--------|------------------|

Assumptions

The above table assumes the Share Offer and the Capitalisation Issue become unconditional and the issue of Shares pursuant thereto are made as described herein. It does not take into account any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors as referred to below or otherwise.

Minimum public float

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the “minimum prescribed percentage” of 25% of the total issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

Ranking

The Offer Shares will rank equally with all Shares now in issue or to be allotted and issued and will qualify for all dividends or other distributions declared, made or paid after the date of this prospectus save for the entitlements under the Capitalisation Issue.

SHARE CAPITAL

General mandate to issue Shares

Subject to the Share Offer becoming unconditional, our Directors have been granted a general unconditional mandate to allot and issue and deal with the unissued Shares with an aggregate nominal value of not more than:

- (a) 20% of the number of Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue; and
- (b) the aggregate number of Shares repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares as described below.

Our Directors may, in addition to the Shares which they are authorised to issue under the mandate, allot, issue and deal in the Shares pursuant to a rights issue, an issue of Shares pursuant to the exercise of subscription rights attaching to any warrants of our Company, scrip dividends or similar arrangements for the time being adopted.

For further details of this general mandate, please refer to the paragraph headed “Written resolutions of the sole Shareholder passed on 20 June 2016” in the section headed “Further information about our Company” in Appendix IV to this prospectus.

General mandate to repurchase Shares

Subject to the Share Offer becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with a total nominal value of not more than 10% of the number of Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue.

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with all applicable laws and the requirements of the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraph headed “Repurchase by our Company of our own securities” in the section headed “Further information about our Company” in Appendix IV to this prospectus.

SHARE CAPITAL

The general mandate to issue and repurchase Shares will expire:

- at the conclusion of the next annual general meeting of our Company;
- at the expiration of the period within which the next annual general meeting of our Company is required by any applicable laws of the Cayman Islands or the Articles to be held; or
- when varied, revoked or renewed by an ordinary resolution of the Shareholders in general meeting,

whichever is the earliest.

For further details of this general mandate, please refer to the paragraphs headed “Written resolutions of the sole Shareholder passed on 20 June 2016” and “Repurchase by our Company of our own securities” in the section headed “Further information about our Company” in Appendix IV to this prospectus.

Circumstances under which general meeting and class meeting are required

As a matter of the Companies Law, an exempted company is not required by law to hold any general meetings or class meetings. The holding of general meeting or class meeting is prescribed for under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed for under the Articles, a summary of which is set out in “Summary of the constitution of our Company and Cayman Islands Company Law” set out in Appendix III to this prospectus.

FINANCIAL INFORMATION

You should read the following discussion and analysis of our results of operations and financial position in conjunction with our financial information as of and for the Track Record Period, including the notes thereto, included in Appendix I to this prospectus. Our financial information has been prepared in accordance with IFRSs. The following discussion contains forward-looking statements concerning events that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those set forth under “Risk Factors” and elsewhere in this prospectus.

OVERVIEW

We are a Singapore-based provider of specialised workforce solutions, helping customers improve growth and performance by providing manpower outsourcing services, manpower recruitment services and manpower training services. Our workforce solutions meet customers’ needs for a reliable, efficient workforce in the hotel and resort, retail and F&B sectors across Singapore.

We began our manpower deployment operations in 2004, specialising in on-demand, manpower outsourcing services with the objective of providing customers in the hotel and resort sector with flexible workforce solutions to enhance the performance of their business. In 2007, we expanded by offering manpower recruitment services.

With our rapid growth, we are better positioned to help businesses become productive by providing them with a reliable contingent labour workforce. We target at corporations of different sizes ranging from small and medium sized enterprises to multinational corporations.

Over the years, we have built a solid track record of providing reliable and timely workforce solutions for the hotel and resort sector in Singapore, and have a good reputation among our customers. Our total turnover for the two years ended 31 July 2015 and for the six months ended 31 January 2016 amounted to approximately S\$14.0 million, S\$19.3 million and S\$12.2 million, respectively, while our profit for the year/period for the same periods were approximately S\$2.2 million, S\$2.1 million and S\$348,000, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL POSITION

Ability of our Group to maintain major customers

For each of the two years ended 31 July 2015 and for the six months ended 31 January 2016, our Group’s revenue derived from the provision of manpower related services to our top five customers accounted for approximately 65.1%, 54.1% and 46.7% respectively of our Group’s total revenue. A significant part of our revenue is resulting from the provision of services to a number of key customers in mainly hotel and resort, retail and F&B sectors in Singapore. The amount of services required is determined by various factors, such as the number of events or banquets in the hotels, general economic conditions in Singapore as

FINANCIAL INFORMATION

well as the intensity of market competition. The demand for our Group's manpower related services from our major customers may decrease. As a result, we cannot guarantee that our Group's business can be maintained or continue to grow.

Dependence on key executives

Our success is dependent on our ability to retain our key personnels, like our Executive Directors and senior management. All of them, with relevant experience in the hospitality industry and good understanding of our customers' requirements, are experienced in maintaining good relationship with our existing customers and able to expand our customer network. Our Executive Directors and senior management are considered essential to our current and future success. We expect that these workforce management challenges will continue to be an important factor going forward and the loss of the services of key management personnel or inability to attract and retain such personnel in the future could have a material adverse effect on our operations.

Impact of listing expenses on the financial performance of our Group for the year ending 31 July 2016

During the Track Record Period, we had incurred listing expenses of approximately HK\$7.1 million in the profit or loss account. The total estimated expenses in relation to the Listing are approximately HK\$21.1 million, of which approximately HK\$20.1 million and HK\$1.0 million are directly attributable to the issue of New Shares to be borne by our Group and placing of Sales Shares to be borne by the Selling Shareholder, respectively. Out of the estimated listing expenses of approximately HK\$20.1 million to be borne by us, approximately HK\$14.0 million and HK\$6.1 million are expected to be charged to the profit or loss and reserve of our Group for the year ending 31 July 2016 respectively. The recognition of the listing expenses is expected to materially affect our financial results for the year ending 31 July 2016. The estimated listing-related expenses of our Group are subject to adjustments based on the actual amount of expenses incurred/to be incurred by our Group upon the completion of the Listing.

Changes in laws and regulations governing the labour market in Singapore

Our business is subject to the relevant regulations and licensing by MOM and NEA. Changes in laws and regulations governing our business may affect our profitability and financial performance, such as the change in foreign worker levy rates and CPF rates will affect our labour costs. A summary of the regulatory framework of our business in Singapore is set out in the section headed "Regulatory overview" in this prospectus.

Fluctuations in cost of services

Our cost of services mainly consist of the labour and related costs. Our labour and related costs are the costs directly associated with deployment of manpower to provide services to our customers. During the Track Record Period, labour and related costs amounted to approximately S\$9.2 million, S\$12.2 million, and S\$7.7 million respectively, and accounted for approximately 95.9%, 96.1% and 93.2% of the total cost of services

FINANCIAL INFORMATION

during the Track Record Period, respectively. The labour and related costs make up a significant component of our cost of services, and fluctuations in such costs will impact our financial performance.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations of our labour and related costs on our profit before tax during the Track Record Period. Fluctuations in our labour and related costs are assumed to be 5% and 10%, which is commensurate with historical fluctuations in the change in our labour and related costs during the Track Record Period.

| | For the year ended | | For the six months ended | |
|--------|---------------------------|----------------|---------------------------------|----------------|
| | 31 July | | 31 January | |
| | 2014 | 2015 | 2015 | 2016 |
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| +/-5% | (458)/458 | (610)/610 | (315)/315 | (384)/384 |
| +/-10% | (915)/915 | (1,219)/1,219 | (631)/631 | (768)/768 |

BASIS OF PREPARATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 12 November 2015 and became the holding company of SingAsia Investments upon completion of the Reorganisation. Details of which are set out in the section headed “History, Reorganisation and Group structure” in this prospectus.

The financial information of our Group has been prepared as if our Company had been the holding company of SingAsia Investments throughout the Track Record Period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial information has been prepared in accordance with International Financial Reporting Standards which comprise all standards and interpretations approved by the International Accounting Standards Board. For details of the significant accounting policies relating to our Group’s financial information, please refer to Note 3 of the Accountants’ Report set out in Appendix I to this prospectus.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

The following is a summary of the statements of comprehensive income of our Group during the Track Record Period, derived from the Accountants' Report set out in Appendix I to this prospectus.

| | For the year ended 31 July | | For the six months ended 31 January | |
|-----------------------------|-------------------------------|------------------|----------------------------------------|----------------|
| | 2014 | 2015 | 2015 | 2016 |
| | S\$ | S\$ | S\$ | S\$ |
| Revenue | 13,952,804 | 19,320,989 | 10,195,213 | 12,249,116 |
| Cost of services | (9,549,039) | (12,685,622) | (6,672,992) | (8,242,737) |
| Gross profit | 4,403,765 | 6,635,367 | 3,522,221 | 4,006,379 |
| Other income and gains | 345,324 | 110,807 | 91,784 | 51,979 |
| Administrative expenses | (2,086,811) | (4,308,665) | (2,127,923) | (2,487,285) |
| Other operating expenses | (228,869) | (116,812) | (54,885) | (1,360,753) |
| Finance costs | (81,422) | (83,377) | (42,177) | (32,522) |
| Profit before tax | 2,351,987 | 2,237,320 | 1,389,020 | 177,798 |
| Income tax (expense)/credit | (103,146) | (126,204) | (95,431) | 169,797 |
| Total comprehensive income | <u>2,248,841</u> | <u>2,111,116</u> | <u>1,293,589</u> | <u>347,595</u> |
| Attributable to: | | | | |
| Owners of the Company | 2,248,841 | 2,119,011 | 1,324,532 | 266,920 |
| Non-controlling interests* | <u>—</u> | <u>(7,895)</u> | <u>(30,943)</u> | <u>80,675</u> |
| | <u>2,248,841</u> | <u>2,111,116</u> | <u>1,293,589</u> | <u>347,595</u> |

* The non-controlling interests represent the interest of non-controlling shareholders of SingAsia Investments as the results of reorganisation. Those non-controlling shareholders are Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong. Please refer to the section headed "History, Reorganisation and Group structure".

PRINCIPAL COMPONENTS OF STATEMENTS OF COMPREHENSIVE INCOME

Revenue

Our Group's revenue comprised of revenue from our manpower outsourcing, manpower recruitment, and manpower training services in Singapore. Our revenue amounted to approximately S\$14.0 million, S\$19.3 million and S\$12.2 million for the two years ended 31 July 2015 and six months ended 31 January 2016. Our major source of revenue is derived from manpower outsourcing services to the hotel and resort, F&B and retail sectors.

FINANCIAL INFORMATION

The following table sets forth the revenue of our Group by business segment for the periods indicated:

| | For the year ended 31 July | | | | For the six months ended 31 January | | | |
|----------------------|----------------------------|--------|---------------|--------|-------------------------------------|--------|---------------|--------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | S\$'000 | % | S\$'000 | % | S\$'000 | % | S\$'000 | % |
| Revenue | | | | | | | | |
| Manpower outsourcing | 13,395 | 96.0% | 17,927 | 92.8% | 9,305 | 91.2% | 11,038 | 90.1% |
| Manpower recruitment | — | — | 975 | 5.0% | 505 | 5.0% | 515 | 4.2% |
| Manpower training | <u>558</u> | 4.0% | <u>419</u> | 2.2% | <u>385</u> | 3.8% | <u>696</u> | 5.7% |
| Total | <u>13,953</u> | 100.0% | <u>19,321</u> | 100.0% | <u>10,195</u> | 100.0% | <u>12,249</u> | 100.0% |

The manpower outsourcing services provided by our Group are mainly the deployment of manpower to our Group's customers. Our revenue derived from manpower outsourcing services increased from approximately S\$13.4 million for the year ended 31 July 2014 to approximately S\$17.9 million for the year ended 31 July 2015. This was because of (i) an increase in services provided to our top five existing customers from hotel and resort sector, and (ii) more revenue generated from our new customers in F&B, and retail sectors during the year.

Our revenue derived from manpower outsourcing services increased from approximately S\$9.3 million for the six months ended 31 January 2015 to approximately S\$11.0 million for the six months ended 31 January 2016. The increase was mainly attributable to increase in demand for our services from our customers in hotel and resort, and F&B sectors.

Other than manpower outsourcing services, we provide manpower recruitment services. We recommenced our manpower recruitment services in the financial year ended 31 July 2015 and recorded revenue of approximately S\$975,000 for the year ended 31 July 2015. Our revenue derived from manpower recruitment services slightly increased from approximately S\$505,000 for the six months ended 31 January 2015 to approximately S\$515,000 for the six months ended 31 January 2016, respectively due to increase in demand from our customers for new recruits.

Our revenue derived from manpower training services slightly decreased from approximately S\$558,000 for the year ended 31 July 2014 to approximately S\$419,000 for the year ended 31 July 2015. This was because the commencement of some of the training courses were delayed due to delay in approval of courses by the relevant government authorities in the candidates' country. Our revenue derived from training support services increased from approximately S\$385,000 for the six months ended 31 January 2015 to approximately S\$696,000 for the six months ended 31 January 2016. The increase was mainly due to the delay in opening of certain training courses in last financial year that roll over to the period and also generally increase in demand for training courses.

FINANCIAL INFORMATION

The following table sets forth the revenue of our Group by sector during the Track Record Period:

| | For the year ended 31 July | | | | For the six months ended 31 January | | | |
|------------------|----------------------------|--------|---------------|--------|-------------------------------------|--------|---------------|--------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | S\$'000 | % | S\$'000 | % | S\$'000 | % | S\$'000 | % |
| Revenue | | | | | | | | |
| Hotel and resort | 12,926 | 92.6% | 13,815 | 71.5% | 7,673 | 75.2% | 8,136 | 66.4% |
| F&B | 302 | 2.2% | 2,620 | 13.6% | 1,031 | 10.1% | 2,052 | 16.7% |
| Retail | — | — | 1,532 | 7.9% | 566 | 5.6% | 682 | 5.6% |
| Others | <u>725</u> | 5.2% | <u>1,354</u> | 7.0% | <u>925</u> | 9.1% | <u>1,379</u> | 11.3% |
| Total | <u>13,953</u> | 100.0% | <u>19,321</u> | 100.0% | <u>10,195</u> | 100.0% | <u>12,249</u> | 100.0% |

Our revenue derived from the hotel and resort sector increased from approximately S\$12.9 million for the year ended 31 July 2014 to approximately S\$13.8 million for the year ended 31 July 2015. This was because we obtained more new customers and there was an increase in prices charged to our customers during the year. We recorded a growth on revenue derived from the F&B and retail sectors, from approximately S\$0.3 million and S\$nil for the year ended 31 July 2014 to approximately S\$2.6 million and S\$1.5 million for the year ended 31 July 2015, respectively. This was the result of more operational resources and efforts focusing on the F&B and retail sectors. Our revenue derived from other sectors increased from approximately S\$0.7 million for the year ended 31 July 2014 to approximately S\$1.4 million for the year ended 31 July 2015, which was mainly due to increase in business generated from more new customers and higher income from manpower recruitment services and manpower training services in other sectors.

Our revenue derived from the hotel and resort sector increased from approximately S\$7.7 million for the six months ended 31 January 2015 to approximately S\$8.1 million for the six months ended 31 January 2016. Our revenue derived from the F&B and retail sectors increased from approximately S\$1.0 million and S\$566,000 for the six months ended 31 January 2015 to approximately S\$2.1 million and S\$682,000 for the six months ended 31 January 2016, respectively, which was mainly due to increase in number of new customers from these two sectors. Other sectors comprise mainly schools, education and various industries with demand for our manpower outsourcing, recruitment and training services. Our revenue derived from other sectors increased from approximately S\$925,000 for the six months ended 31 January 2015 to approximately S\$1.4 million for the six months ended 31 January 2016. This was because of the delay in opening of certain training course in last financial year that roll over to the period and also generally increase in demand for training courses.

Cost of services

Cost of services mainly consists of the costs incurred for labour and related costs and other costs, and amounted to approximately S\$9.5 million, S\$12.7 million and S\$8.2 million during the Track Record Period respectively. Our labour and related costs are the costs directly associated with our costs of manpower deployed to provide services to our customers. Other costs comprised various costs that relate to provision of manpower

FINANCIAL INFORMATION

recruitment services and manpower training services, such as courses fee, hostel fee and others. The table below sets forth a breakdown of our cost of services and percentage contribution to total costs for the periods indicated:

| | For the year ended 31 July | | | | For the six months ended 31 January | | | |
|--------------------------|----------------------------|--------|---------------|--------|-------------------------------------|--------|--------------|--------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | S\$'000 | % | S\$'000 | % | S\$'000 | % | S\$'000 | % |
| Labour and related costs | 9,154 | 95.9% | 12,193 | 96.1% | 6,311 | 94.6% | 7,683 | 93.2% |
| Others | <u>395</u> | 4.1% | <u>493</u> | 3.9% | <u>362</u> | 5.4% | <u>560</u> | 6.8% |
| Total | <u>9,549</u> | 100.0% | <u>12,686</u> | 100.0% | <u>6,673</u> | 100.0% | <u>8,243</u> | 100.0% |

Our labour and related costs increased from approximately S\$9.2 million for the year ended 31 July 2014 to approximately S\$12.2 million for the year ended 31 July 2015, which was in tandem with the increase in our revenue derived from manpower outsourcing services. The proportion of labour and related costs to total cost of services remained fairly stable during the two years ended 31 July 2014 and 2015 at approximately 95.9% and 96.1%, respectively. Similarly, the proportion of other costs to total cost of services has remained fairly stable at approximately 4.1% and 3.9% during the two years ended 31 July 2015, respectively. Our labour and related costs increased from approximately S\$6.3 million for the six months ended 31 January 2015 to approximately S\$7.7 million for the six months ended 31 January 2016, which was in tandem with the increase in our revenue derived from manpower outsourcing services. The other costs increased from approximately S\$362,000 for the six months ended 31 January 2015 to approximately S\$560,000 for the six months ended 31 January 2016, which was mainly due to higher cost incurred in tandem with the increase in revenue derived from manpower training services. The labour and related costs and other costs accounted for approximately 94.6% and 93.2%, and approximately 5.4% and 6.8% of the total cost of services during the six months ended 31 January 2015 and 2016, respectively. The proportion of labour and related costs to total cost of services has decreased mainly due to more cost incurred for the increase in demand for manpower training services during the period.

FINANCIAL INFORMATION

Gross profit

Our overall gross profit and gross profit margin was approximately S\$4.4 million and 31.6%, S\$6.6 million and 34.3% and S\$4.0 million and 32.7% during the Track Record Period respectively. The gross profit and gross profit margin fluctuated due to the different gross profit margins for manpower outsourcing, manpower recruitment and manpower training segments of the Group. The table below sets forth a breakdown of gross profit and gross profit margin by business segment for the periods indicated:

| | For the year ended 31 July | | | | For the six months ended 31 January | | | |
|----------------------|----------------------------|-----------------|---------------------|-----------------|-------------------------------------|-----------------|---------------------|-----------------|
| | 2014 | | 2015 | | 2015 | | 2016 | |
| | <i>Gross profit</i> | | <i>Gross profit</i> | | <i>Gross profit</i> | | <i>Gross profit</i> | |
| | <i>S\$'000</i> | <i>margin %</i> | <i>S\$'000</i> | <i>margin %</i> | <i>S\$'000</i> | <i>margin %</i> | <i>S\$'000</i> | <i>margin %</i> |
| Gross Profit | | | | | | | | |
| Manpower outsourcing | 4,212 | 31.4% | 5,719 | 31.9% | 2,992 | 32.2% | 3,345 | 30.3% |
| Manpower recruitment | — | — | 803 | 82.4% | 432 | 85.6% | 381 | 74.0% |
| Manpower training | <u>192</u> | 34.4% | <u>113</u> | 27.0% | <u>98</u> | 25.5% | <u>280</u> | 40.3% |
| Total | <u>4,404</u> | 31.6% | <u>6,635</u> | 34.3% | <u>3,522</u> | 34.5% | <u>4,006</u> | 32.7% |

Our overall gross profit increased from approximately S\$4.4 million for the year ended 31 July 2014 to approximately S\$6.6 million for the year ended 31 July 2015, mainly due to increase in our revenue from manpower outsourcing and manpower recruitment services. The gross profit derived from manpower outsourcing services increased from approximately S\$4.2 million for the year ended 31 July 2014 to approximately S\$5.7 million for the year ended 31 July 2015, mainly due to increase in revenue during the year. We recommenced our manpower recruitment services in financial year 2015 and recorded gross profit of approximately S\$0.8 million for the year ended 31 July 2015. Our gross profit derived from manpower training services decreased from approximately S\$192,000 for the year ended 31 July 2014 to approximately S\$113,000 for the year ended 31 July 2015, mainly due to less demand for such service coupled with drop in gross profit margin arising from higher cost of training courses.

Our overall gross profit margin increased from approximately 31.6% for the year ended 31 July 2014 to approximately 34.3% for the year ended 31 July 2015, mainly due to improvement in gross profit margin from manpower outsourcing services and contribution from manpower recruitment services with higher margin which recommenced operation during the year ended 31 July 2015. The gross profit margin of manpower outsourcing services was approximately 31.4% and 31.9% for the two years ended 31 July 2015. The improvement was mainly due to higher increase in prices charged to customers compared to increase in labour costs. The gross profit margin for manpower recruitment services is the highest amongst others at 82.4% for the year ended 31 July 2015, therefore pushing up the overall gross profit margin for the Group. The gross profit margin of manpower recruitment services fluctuates as it depends on the cooperative fee we charge to customers. Our cooperative fee are fee charges for successful placing recruitment candidate and this varies with the location of the agents from which the candidates are provided to us for employment to meet our customers' business needs. Hence, it has higher

FINANCIAL INFORMATION

gross profit margin. The gross profit margin of manpower training was approximately 34.4% and 27.0% for the two years ended 31 July 2015 due to higher cost of training courses in 2015.

Our overall gross profit increased by approximately S\$0.5 million, from approximately S\$3.5 million for the six months ended 31 January 2015 to approximately S\$4.0 million for the six months ended 31 January 2016. Our overall gross profit margin decreased from approximately 34.5% for the six months ended 31 January 2015 to approximately 32.7% for the six months ended 31 January 2016. Our decrease in gross profit margin was mainly attributable to our increase in labour cost for manpower outsourcing services and higher cooperative fee paid to our partner in recruitment.

The gross profit margin of manpower outsourcing services slightly decreased from approximately 32.2% for the six months ended 31 January 2015 to approximately 30.3% for the six months ended 31 January 2016. This was because of a slight increase in labour cost. The gross profit margin of manpower recruitment services decreased from approximately 85.6% for the six months ended 31 January 2015 to approximately 74.0% for the six months ended 31 January 2016. This was because manpower recruitment service incurred higher cooperative fee during the period. We paid fee to our cooperative partners located in different countries with cooperative fee. During the six months ended 31 January 2016, more manpower recruitment services was derived from the cooperative partner with higher cooperative fee. Our gross profit margin for manpower recruitment services fluctuated with our income derived from cooperation with partner in different location. The gross profit margin of manpower training services increased from approximately 25.5% for the six months ended 31 January 2015 to approximately 40.3% for the six months ended 31 January 2016, which was mainly due to projects with better charge rates for training courses during the period.

Other income and gains

Other income and gains comprised mainly of government grants, interest income received from related parties and other miscellaneous income.

The table below sets forth a breakdown of our other income for the periods indicated:

| | For the year ended 31 July | | For the six months ended 31 January | |
|--------------------------------------------------|-------------------------------|-------------------|----------------------------------------|-------------------|
| | 2014 | 2015 | 2015 | 2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Interest income received from related parties | 53 | — | — | — |
| Gain on disposal of a subsidiary | 259 | — | — | — |
| Government grants | 15 | 76 | 76 | 16 |
| Sundry income | 18 | 35 | 16 | 28 |
| Exchange gain | — | — | — | 8 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | <u>345</u> | <u>111</u> | <u>92</u> | <u>52</u> |

FINANCIAL INFORMATION

Other income and gains decreased from approximately S\$345,000 for the year ended 31 July 2014 to approximately S\$111,000 for the year ended 31 July 2015. During the year ended 31 July 2014, we received interest income from related parties that were acquired by us during the year ended 31 July 2015. No such income was derived for the year ended 31 July 2015. We received government grants of approximately S\$15,000 and S\$76,000 for the two years ended 31 July 2015, respectively, which were related to cash bonus and cash payout under the “Productivity and Innovation Credit” scheme and “WorkPro” scheme. These were the initiatives of the Singapore government to encourage corporate productivity, innovation and also to offer small and medium sized enterprises to sustain their manpower pool through grants and incentives. However, such government grants vary from year to year, depending on government policy and whether our business in the particular year is able to make use of such available grants. They are therefore non-recurring in nature.

Our Group had a one-time gain on disposal of a subsidiary, namely TCCM, of approximately S\$259,000 for the year ended 31 July 2014. For further details, please refer to note 26 of Accountants’ Report in Appendix I to this prospectus. We also recorded sundry income of approximately S\$18,000 and S\$35,000 for the two years ended 31 July 2015, respectively. Our other income decreased from approximately S\$92,000 for the six months ended 31 January 2015 to approximately S\$52,000 for the six months ended 31 January 2016. The decrease was mainly due to decrease in government grants received for the six months ended 31 January 2016, as compared to that in 2015.

Administrative expenses

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

| | For the year ended 31 July | | For the six months ended 31 January | |
|----------------------------|-------------------------------|--------------|----------------------------------------|--------------|
| | 2014 | 2015 | 2015 | 2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Bank charges | 69 | 79 | 44 | 38 |
| Communication | 79 | 104 | 48 | 58 |
| Depreciation | 117 | 201 | 90 | 143 |
| Incentive and referral fee | 72 | 95 | 42 | 72 |
| Office rental fee | 135 | 363 | 172 | 207 |
| Staff costs | 1,505 | 3,199 | 1,595 | 1,788 |
| Utilities | 31 | 57 | 30 | 25 |
| Others | 79 | 211 | 107 | 156 |
| | <u>2,087</u> | <u>4,309</u> | <u>2,128</u> | <u>2,487</u> |

FINANCIAL INFORMATION

Our administrative expenses comprised mainly bank charges, communication, depreciation, incentive and referral fee, office rental fee, staff costs, utilities and other expenses. Other expenses include office equipment rental and other miscellaneous expenses. Our administrative expenses amounted to approximately S\$2.1 million, S\$4.3 million and S\$2.5 million during the Track Record Period respectively.

Bank charges represented the charges paid to banks for invoice factoring and other bank services. It increased from approximately S\$69,000 for the year ended 31 July 2014 to approximately S\$79,000 for the year ended 31 July 2015, mainly due to higher utilisation of factoring facilities as a result of higher revenue of the Group during the year ended 31 July 2015. Bank charges decreased from approximately S\$44,000 for the six months ended 31 January 2015 to approximately S\$38,000 for the six months ended 31 January 2016 due to lower utilisation of factoring facilities.

Our depreciation for property, plant and equipment amounted to approximately S\$117,000 and S\$201,000 for the two years ended 31 July 2015, respectively. It increased from approximately S\$90,000 for the six months ended 31 January 2015 to approximately S\$143,000 for the six months ended 31 January 2016, mainly due to increase in acquisition of computer and office equipment.

Incentive and referral fee, comprising mainly referral fees, amounted to approximately S\$72,000 and S\$95,000 respectively for two years ended 31 July 2015. Referral fees represented the fees paid to existing staff and casual workers for referral of new staff and casual workers to the Group. It increased from approximately S\$42,000 for the six months ended 31 January 2015 to approximately S\$72,000 for the six months ended 31 January 2016, mainly due to more incentive fee paid to casual labour for the period.

Office rental fee increased from approximately S\$135,000 for the year ended 31 July 2014 to approximately S\$363,000 for the year ended 31 July 2015. This was because our Group required more office space and therefore rented more office space for our operation. Our office rental fee increased from approximately S\$172,000 for the six months ended 31 January 2015 to approximately S\$207,000 for the six months ended 31 January 2016, mainly due to more office space rented during the period.

Staff costs related to directors' remuneration, staff salaries, CPF contributions, staff allowance, and other welfare expenses. Our staff costs amounted to approximately S\$1.5 million and S\$3.2 million for the two years ended 31 July 2015 respectively. The increase was mainly due to increase in number of staff during the year ended 31 July 2015. Our staff costs increased from approximately S\$1.6 million for the six months ended 31 January 2015 to approximately S\$1.8 million for the six months ended 31 January 2016 mainly due to salary increment and increase in number of staff during the period.

Utilities, expenses decreased slightly, whereas communication and other expenses increased in line with our expansion of business operation and increase in revenue during the Track Record Period. Our other expenses increased significantly, mainly due to increase in audit fee and certain operating expenses, including computer expenses, printing and stationery, and office supplies, as a result of our expansion of business operation.

FINANCIAL INFORMATION

Other operating expenses

Other operating expenses represents recruitment and advertisement, transport and travelling and other miscellaneous expenses. The following table sets forth a breakdown of our other operating expenses for the periods indicated:

| | For the year ended | | For the six months ended | |
|-------------------------------|--------------------|------------|--------------------------|--------------|
| | 31 July | | 31 January | |
| | 2014 | 2015 | 2015 | 2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Recruitment and advertisement | 162 | 20 | 13 | 10 |
| Transport and travelling | 22 | 61 | 27 | 48 |
| Listing expenses | — | — | — | 1,286 |
| Other miscellaneous expenses | <u>45</u> | <u>36</u> | <u>15</u> | <u>17</u> |
| Total | <u>229</u> | <u>117</u> | <u>55</u> | <u>1,361</u> |

Our other operating expenses amounted to approximately S\$229,000 and S\$117,000 for the year ended 31 July 2014 and 2015, respectively. It amounted to approximately S\$55,000 and S\$1.4 million for the six months ended 31 January 2015 and 31 January 2016, respectively.

Recruitment and advertisement expenses represent the advertisement fee and fees paid to our working cooperative partner to recruit potential candidates for our customers. It decreased from approximately S\$162,000 for the year ended 31 July 2014 to approximately S\$20,000 for the year ended 31 July 2015. This was because we did not engage external recruitment services as a result of our expansion of business during the year. It decreased slightly from approximately S\$13,000 for the six months ended 31 January 2015 to approximately S\$10,000 for the six months ended 31 January 2016.

Transport and travelling expenses represented the travelling expenses in our daily operations and travelling expenses to overseas for recruitment and business exploration purposes. The increase is in line with our increase in revenue from approximately S\$22,000 for the year ended 31 July 2014 to approximately S\$61,000 for the year ended 31 July 2015. It increased from approximately S\$27,000 for the six months ended 31 January 2015 to approximately S\$48,000 for the six months ended 31 January 2016, mainly due to more overseas travelling incurred.

Our directors are of the view that the financial results of the Group ending 31 July 2016 is expected to be adversely affected by, amongst others, our listing expenses, the nature of which is non-recurring. Our total listing expenses, primarily consisting of fees paid or payable to professionals parties and underwriting commission, are estimated to be approximately S\$3.8 million, of which approximately S\$3.6 million and S\$0.2 million should be borne by our Group and the selling shareholder respectively.

FINANCIAL INFORMATION

Among the estimated aggregate amount of the listing expenses borne by the Group (i) S\$1.3 million was charged to our profit or loss account for the six months ended 31 January 2016; and (ii) approximately S\$2.5 million is expected to be incurred before or upon completion of the Share Offer.

Other miscellaneous expenses amounted to S\$45,000, S\$36,000 and S\$17,000 during the Track Record Period.

Finance costs

The following table sets forth a breakdown of our finance costs for the periods indicated:

| | For the year ended 31 July | | For the six months ended 31 January | |
|-----------------------------|-------------------------------|-----------|----------------------------------------|-----------|
| | 2014 | 2015 | 2015 | 2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Interest on factoring loans | 75 | 77 | 39 | 29 |
| Interest on term loans | <u>7</u> | <u>6</u> | <u>3</u> | <u>4</u> |
| Total | <u>82</u> | <u>83</u> | <u>42</u> | <u>33</u> |

Our finance costs comprised mainly (i) interest on term loans; and (ii) interest on factoring loans, which amounted to approximately S\$82,000 and S\$83,000 for the two years ended 31 July 2015 respectively. We usually financed our operation by the use of factoring facilities offered from banks. Despite our business volume increasing significantly, our interest on factoring did not fluctuate mainly due to improvement of our working capital sufficiency and cash flow management. Our finance costs decreased from approximately S\$42,000 for the six months ended 31 January 2015 to approximately S\$33,000 for the six months ended 31 January 2016. The decrease of finance costs was mainly due to decrease in utilisation of banking facilities.

Taxation

Since our operation is based in Singapore, our Group is liable to pay corporate income tax in accordance with the tax regulations of Singapore. Income tax expenses of our Group amounted to approximately S\$103,000, S\$126,000 and S\$95,000 for the two years ended 31 July 2015 and six months ended 31 January 2016 respectively, while income tax credit of our Group amounted to approximately S\$170,000 for six months ended 31 January 2016.

The statutory corporate tax rate in Singapore was 17.0% throughout the Track Record Period, while our corresponding effective tax rate were approximately 4.4% and 5.6% for the two years ended 31 July 2015, respectively. Our effective tax rate was lower than the statutory tax rate for the two years ended 31 July 2015 due to exclusion of capital gains which were not taxable as well as availability of various tax reliefs and rebates to reduce our Group's tax liability. Our effective rate amounted to approximately 6.9% for the six months ended 31 January 2015, which was also lower than the statutory corporate tax rate mainly

FINANCIAL INFORMATION

due to aforesaid reason. However, we recorded a tax credit of approximately S\$170,000 for the six months ended 31 January 2016, mainly due to the recognition of deferred tax assets which arose from the excess of tax values over net book values of property, plant and equipment, unabsorbed tax losses and capital allowances from prior periods in certain subsidiaries of our Group. During the Track Record Period, our subsidiaries in Singapore enjoyed various tax reliefs from the Inland Revenue Authority of Singapore which comprised (i) 75% tax exemption on the first S\$10,000 of normal chargeable income; and a further 50% tax exemption on the next S\$290,000 of normal chargeable income; (ii) the Productivity and Innovation Credit (PIC) Scheme which allowed 400% tax deductions/allowances or 60% cash payout for investments made in any of six qualifying activities from Years of Assessment 2013 to 2018; and (iii) the corporate income tax rebate which allowed 30% corporate income tax rebate capped at S\$30,000 per year for Years of Assessment 2013 to 2015; and S\$20,000 per year for Years of Assessment 2016 to 2017. Our Directors have confirmed that all relevant taxes had been paid when due. Please see Note 11 of the Accountants' Report in Appendix I to this prospectus for further details.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Financial year ended 31 July 2015 compared to financial year ended 31 July 2014

Turnover

Our revenue was mainly derived from manpower outsourcing, manpower recruitment and manpower training services. Our revenue increased by approximately S\$5.3 million or 38.5%, from approximately S\$14.0 million for the year ended 31 July 2014 to approximately S\$19.3 million for the year ended 31 July 2015. The increase is principally due to increase in revenue from our manpower outsourcing and manpower recruitment services.

Manpower outsourcing services

The revenue from our manpower outsourcing services increased from approximately S\$13.4 million for the year ended 31 July 2014 to approximately S\$17.9 million for the year ended 31 July 2015, which represented a growth of approximately 33.8%. The growth in the revenue from manpower outsourcing services was mainly attributable to (i) increase in demand for our services from our existing customers in hotel and resort sectors; and (ii) increase in demand from new customers from F&B and retail sectors.

Manpower recruitment services

We recommenced our manpower recruitment services and derived revenue of approximately S\$975,000 for the year ended 31 July 2015.

Manpower training services

Our revenue derived from manpower training services decreased from approximately S\$558,000 for the year ended 31 July 2014 to approximately S\$419,000 for the year ended 31 July 2015, which was mainly because the training course was delayed due to delay in approval of the course by the relevant government authorities in the candidates' country in year ended 31 July 2015.

FINANCIAL INFORMATION

Cost of Services

In line with the increase in our turnover, our cost of services increased by approximately S\$3.2 million, from approximately S\$9.5 million for the year ended 31 July 2014 to approximately S\$12.7 million for the year ended 31 July 2015.

Our cost of services mainly comprised the labour and related costs, and other costs that amounted to approximately S\$9.5 million and S\$12.7 million for the two years ended 31 July 2015 respectively. Our labour and related costs increased from approximately S\$9.2 million for the year ended 31 July 2014 to approximately S\$12.2 million for the year ended 31 July 2015, which was mainly due to increase in our revenue derived from manpower outsourcing services. The proportion of labour and related costs to other costs of services remained fairly stable during the two year ended 31 July 2015. Labour and related costs and other costs accounted for approximately 95.9% and 96.1%, and approximately 4.1% and 3.9% of the total cost of services during the two years ended 31 July 2015, respectively.

Gross profit and gross profit margin

Our overall gross profit increased by approximately S\$2.2 million, from approximately S\$4.4 million for the year ended 31 July 2014 to approximately S\$6.6 million for the year ended 31 July 2015. Our overall gross profit margin increased from approximately 31.6% for the year ended 31 July 2014 to 34.3% for the year ended 31 July 2015.

Our increase in gross profit was mainly attributable to our increase in revenue from manpower outsourcing and manpower recruitment services.

Our improvement in gross profit margin was mainly attributable to:

- (i) The gross profit margin of manpower outsourcing services was slightly improved with an increase of approximately 0.5%, from 31.4% for the year ended 31 July 2014 to 31.9% for the year ended 31 July 2015 mainly due to higher increase in price charged to customers compared to increase in labour cost.
- (ii) The gross profit margin of manpower recruitment services is approximately 82.4% for the year ended 31 July 2015, which was higher than that of other business segments. We had no such revenue in the year ended 31 July 2014 and only recommenced the provision of manpower recruitment services to customers during the year ended 31 July 2015.

Other income and gains

Our other income and gains decreased from approximately S\$345,000 for the year ended 31 July 2014 to approximately S\$111,000 for the year ended 31 July 2015. The decrease was mainly due to a one-time gain on disposal of a subsidiary for the year ended 31 July 2014 and interest income received from related parties of approximately S\$259,000 and S\$53,000 respectively. It was offset by increase in government grants and increase in other miscellaneous income of approximately S\$61,000 and S\$17,000, respectively.

FINANCIAL INFORMATION

Administrative expenses

Administrative expenses increased by approximately S\$2.2 million, from approximately S\$2.1 million for the year ended 31 July 2014 to approximately S\$4.3 million for the year ended 31 July 2015. The increase in administrative expenses was a result of our business expansion which resulted in more office spaces rented, and more human resources and various operating resources employed. The increase was primarily due to (i) increase in depreciation of approximately S\$84,000; (ii) increase in communication expenses of approximately S\$25,000; (iii) increase in office rental of approximately S\$228,000 as larger office space was required to accommodate more staff; (iv) increase in staff costs of approximately S\$1,694,000 due to increase in number of staff as our business expanded; (v) increase in bank charges of approximately S\$10,000; (vi) increase in incentive and referral fee of approximately S\$23,000, and (vii) increase of utilities and other expenses of approximately S\$26,000 and S\$132,000, respectively, due to our business expansion.

Other operating expenses

Our other operating expenses decreased by approximately S\$112,000 from approximately S\$229,000 for the year ended 31 July 2014 to approximately S\$117,000 for the year ended 31 July 2015. The decrease was mainly due to (i) decrease in recruitment and advertisement expenses of approximately S\$142,000 as we did not engage external recruitment services, and (ii) decrease in other miscellaneous expenses of approximately S\$9,000. It was offset by increase in transport and travelling expenses of approximately S\$39,000 due to more travelling incurred.

Finance costs

Our finance costs increased from approximately S\$81,000 for the year ended 31 July 2014 to approximately S\$83,000 for the year ended 31 July 2015. The increase of finance costs was mainly due to increase in interest expenses for factoring loans. Despite our business volume increasing significantly, our interest on factoring did not fluctuate mainly due to improvement in our working capital sufficiency and cash flow management in the year ended 31 July 2015.

Net profit before tax

Our net profit before tax slightly decreased by approximately S\$114,000, from approximately S\$2.4 million for the year ended 31 July 2014 to approximately S\$2.2 million for the year ended 31 July 2015 despite an increase in revenue and improvement in gross profit margin. This was mainly attributable to a one-time gain on disposal of a subsidiary of approximately S\$259,000 for the year ended 31 July 2014. In addition, there was an increase in administrative expenses by approximately S\$2.2 million as discussed aforesaid. During the year ended 31 July 2015, we expanded our business into more sectors and provided wider range of services. Therefore, our scale of operation was largely expanded and the relevant administrative expenses were increased accordingly.

FINANCIAL INFORMATION

Income tax

Income tax increased by S\$23,000 or 22.4%, from approximately S\$103,000 for the year ended 31 July 2014 to approximately S\$126,000 for the year ended 31 July 2015. It was mainly due to lesser income not subject to tax for the year. Our effective tax rate was approximately 4.4% for the year ended 31 July 2014 and approximately 5.6% for the year ended 31 July 2015. Our effective tax rate was lower than the statutory tax rate for the two year ended 31 December 2015 due to tax rebates, enhanced tax allowance and deductions and we had income not subject to tax.

Profit for the year

Our profit for the year slightly decreased from approximately S\$2.2 million for the year ended 31 July 2014 to approximately S\$2.1 million for the year ended 31 July 2015. The decrease was mainly attributable to the cumulative effects of the reasons aforesaid.

Net profit margin

Our net profit margin decreased from approximately 16.1% for the year ended 31 July 2014 to approximately 10.9% for the year ended 31 July 2015, mainly due to increase in the administrative expenses due to our business expansion, offsetting increase in gross profit margin from approximately 31.6% for the year ended 31 July 2014 to 34.3% for the year ended 31 July 2015.

Six months ended 31 January 2016 compared to six months ended 31 January 2015

Turnover

Our revenue was mainly derived from manpower outsourcing, manpower recruitment and manpower training services. Our revenue increased by approximately S\$2.0 million or 20.1%, from approximately S\$10.2 million for the six months ended 31 January 2015 to approximately S\$12.2 million for the six months ended 31 January 2016. The increase is principally due to increase in revenue from all three business segments.

Manpower outsourcing services

The revenue from our manpower outsourcing services increased from approximately S\$9.3 million for the six months ended 31 January 2015 to approximately S\$11.0 million for the six months ended 31 January 2016, which represented a growth of approximately 18.6%. The growth in the revenue from manpower outsourcing services was mainly attributable to increase in demand for our services from our customers in hotel and resort, and F&B sectors.

FINANCIAL INFORMATION

Manpower recruitment services

Our revenue derived from manpower recruitment services slightly increased from approximately S\$505,000 for the six months ended 31 January 2015 to approximately S\$515,000 for the six months ended 31 January 2016. The increase was mainly due to increase in demand from our customers for new recruits.

Manpower training services

Our revenue derived from manpower training services increased from approximately S\$385,000 for the six months ended 31 January 2015 to approximately S\$696,000 for the six months ended 31 January 2016, which was mainly due to the delay in opening of certain training courses in last financial year that roll over to the period and also generally increase in demand for training courses.

Cost of services

Our cost of services mainly comprised the costs incurred for labour and related costs and other costs that amounted to approximately S\$6.7 million and S\$8.2 million for the six months ended 31 January 2015 and 31 January 2016 respectively. Our labour and related cost increased from approximately S\$6.3 million for the six months ended 31 January 2015 to approximately S\$7.7 million for the six months ended 31 January 2016, which was in tandem with the increase in our revenue derived from manpower outsourcing services. Other costs increased from approximately S\$362,000 for the six months ended 31 January 2015 to approximately S\$560,000 for the six months ended 31 January 2016, which was mainly due to higher cost incurred in tandem with the increase in revenue derived from manpower training services. The labour and related costs and other costs accounted for approximately 94.6% and 93.2%, and approximately 5.4% and 6.8% of the total cost of services during the six months ended 31 January 2015 and 31 January 2016, respectively.

Gross profit and gross profit margin

Our overall gross profit increased by approximately S\$0.5 million, from approximately S\$3.5 million for the six months ended 31 January 2015 to approximately S\$4.0 million for the six months ended 31 January 2016, mainly due to increase in revenue. Our overall gross profit margin decreased from approximately 34.5% for the six months ended 31 January 2015 to approximately 32.7% for the six months ended 31 January 2016. Our decrease in gross profit margin was mainly attributable to our increase in labour cost from manpower outsourcing services and higher cooperative fee paid to our partners in recruitment.

Our decrease in gross profit margin was mainly attributable to:

- (i) The gross profit margin of manpower outsourcing services slightly decreased from approximately 32.2% for the six months ended 31 January 2015 to approximately 30.3% for the six months ended 31 January 2016. This was because of a slight increase in labour cost.

FINANCIAL INFORMATION

- (ii) The gross profit margin of manpower recruitment services decreased from approximately 85.6% for the six months ended 31 January 2015 to approximately 74.0% for the six months ended 31 January 2016. This was because we incurred more cooperative fee during the period.
- (iii) The gross profit margin of manpower training services increased from approximately 25.5% for the six months ended 31 January 2015 to approximately 40.3% for the six months ended 31 January 2016. This was mainly due to projects with better charge rates for training courses during the period.

Other income and gains

Our other income and gains decreased from approximately S\$92,000 for the six months ended 31 January 2015 to approximately S\$52,000 for the six months ended 31 January 2016. The decrease was mainly due to decrease in government grants received for the six months ended 31 January 2016, as compared to that in 2015.

Administrative expenses

Administrative expenses increased by approximately S\$0.4 million or 16.9%, from approximately S\$2.1 million for the six months ended 31 January 2015 to approximately S\$2.5 million for the six months ended 31 January 2016. The increase was mainly due to (i) increase in depreciation of approximately S\$53,000 as a result of increase in acquisition of computer and equipment; (ii) increase in office rental of approximately S\$35,000 as due to more office space rented; (iii) increase in staff costs of approximately S\$193,000 due to salary increment and increase in number of staff; (iv) increase in incentive and referral fee of approximately S\$30,000 due to more incentive fee paid to casual labour for the period; and (v) increase in communication and other expenses of approximately S\$10,000 and S\$49,000, respectively.

Other operating expenses

Our other operating expenses increased by approximately S\$1.3 million from approximately S\$55,000 for the six months ended 31 January 2015 to approximately S\$1.4 million for the six months ended 31 January 2016. The increase was mainly due to listing expenses amounting to approximately S\$1.3 million incurred in the six months ended 31 January 2016 and increase in transport and travelling expenses of approximately S\$21,000.

Finance costs

Our finance costs decreased from approximately S\$42,000 for the six months ended 31 January 2015 to approximately S\$33,000 for the six months ended 31 January 2016. The decrease of finance costs was mainly due to decrease in utilisation of banking facilities during the period.

FINANCIAL INFORMATION

Net profit before tax

Our net profit before tax decreased by approximately S\$1.2 million, from approximately S\$1.4 million for the six months ended 31 January 2015 to approximately S\$178,000 for the six months ended 31 January 2016, despite an increase in revenue. This was mainly attributable to the decrease in our overall gross profit margin and increase in administrative and listing expenses incurred as aforesaid.

Income tax

Our income tax and effective tax rate amounted to approximately S\$95,000 and 6.9% for the six months ended 31 January 2015, respectively. We did not incur income tax expenses, instead, recorded a tax credit of approximately S\$170,000 for the six months ended 31 January 2016, mainly due to the recognition of deferred tax assets which arose from the excess of tax values over net book values of property, plant and equipment, unabsorbed tax losses and capital allowances from prior periods in certain subsidiaries of our Group.

Profit for the year

Our profit for the year decreased by approximately S\$946,000, from approximately S\$1.3 million for the six months ended 31 January 2015 to approximately S\$348,000 for the six months ended 31 January 2016, which was mainly due to the cumulative effect of aforesaid reasons.

Net profit margin

Our net profit margin decreased from approximately 12.7% for the six months ended 31 January 2015 to approximately 2.8% for the six months ended 31 January 2016 which was mainly due to the cumulative effect of aforesaid reasons.

LIQUIDITY AND CAPITAL RESOURCES

Financial resources

Our business operation depends on the sufficiency of working capital and effective cost management, in particular, the competitive wages level of our labour and management of our labour workforce. Our source of funds is mainly generated from our operations. Our primary uses of cash are for payments for labour in relation to manpower outsourcing services, staff salaries, office rental and working capital needs. Upon the Listing, our source of funds will be a combination of internal generated funds and net proceeds from the Share Offer.

FINANCIAL INFORMATION

The following table is a condensed summary of our statements of cash flows for the periods indicated:

| | For the year ended 31 July | | For the six months ended 31 January | |
|--------------------------------------------------------|-------------------------------|-------------|----------------------------------------|-----------|
| | 2014 | 2015 | 2015 | 2016 |
| | S\$ | S\$ | S\$ | S\$ |
| Net cash flow from operating activities | 2,165,599 | 2,128,389 | 641,617 | 487,424 |
| Net cash flow (used in)/from investing activities | (645,756) | 1,192,442 | 433,594 | (342,654) |
| Net cash flow (used in)/from financing activities | (1,136,782) | (2,956,834) | 263,824 | 408,145 |
| Cash and cash equivalents at the beginning of the year | 283,971 | 667,032 | 667,032 | 1,031,029 |
| Cash and cash equivalent at the end of the year | 667,032 | 1,031,029 | 2,006,067 | 1,583,944 |

Operating activities

Net cash generated from operating activities primarily consisted of profit before tax adjusted for non-cash items, such as depreciation, finance costs, interest income and gain on disposal of a subsidiary. We derive our cash inflow from operations principally from our revenue. Our cash outflow used in operations is principally for payment for labour costs and other working capital needs.

For the year ended 31 July 2014, our net cash generated from operating activities was approximately S\$2.2 million. The net cash from operating activities was mainly attributable to our profit before tax of approximately S\$2.4 million, which was negatively adjusted primarily for (i) interest income of approximately S\$53,000; and (ii) gain on disposal of a subsidiary of approximately S\$259,000, offset by a positive adjustment of approximately (iii) S\$117,000 from depreciation of property, plant and equipment, (iv) interest expenses of approximately S\$81,000. These adjustments were non-cash items, and adjusted as they did not impact the cash flow of our Group. The difference of approximately S\$73,000 between the operating cash flows before movements in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) increase in trade receivables of approximately S\$297,000; (ii) increase in prepayments, deposits and other receivables of approximately S\$21,000; and (iii) income tax paid of approximately S\$88,000. It was offset by (i) an increase in trade payables of approximately S\$67,000; and (ii) an increase in other payables and accruals of approximately S\$266,000.

For the year ended 31 July 2015, our net cash generated from operating activities was approximately S\$2.1 million. The net cash from operating activities was mainly attributable to our profit before tax of approximately S\$2.2 million, which was positively adjusted primarily for (i) S\$201,000 from depreciation of property, plant and equipment; and (ii) interest expenses of approximately S\$83,000. These adjustments were non-cash items, and

FINANCIAL INFORMATION

adjusted as they did not impact the cash flow of our Group. The difference of approximately S\$393,000 between the operating cash flows before movements in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) increase in trade receivables of approximately S\$75,000 mainly due to increase in our revenue for the year; (ii) decrease in other payables and accruals of approximately S\$126,000; (iii) decrease in trade payables of approximately S\$124,000; and (iv) income tax paid of approximately S\$87,000. It was offset by a decrease in prepayments, deposits and other receivables of approximately S\$19,000.

For the six months ended 31 January 2015, our net cash generated from operating activities was approximately S\$642,000. The net cash from operating activities was mainly attributable to our profit before tax of approximately S\$1.4 million, which was positively adjusted primarily for interest expenses of approximately S\$42,000; and approximately S\$90,000 from depreciation of property, plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cash flow of our Group. The difference of approximately S\$879,000 between the operating cash flows before movements in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) increase in trade receivables of approximately S\$966,000; (ii) decrease in trade payables of S\$130,000; and (iii) income tax paid of approximately S\$48,000. It was offset by (i) decrease in prepayments, deposits and other receivables of approximately S\$40,000; and (ii) increase in other payables and accruals of approximately S\$225,000.

For the six months ended 31 January 2016, our net cash generated from operating activities was approximately S\$487,000. The net cash from operating activities was mainly attributable to our profit before tax of approximately S\$178,000, which was positively adjusted primarily for interest expenses of approximately S\$33,000; and approximately S\$143,000 from depreciation of property, plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cash flow of our Group. The difference of approximately S\$134,000 between the operating cash flows before movements in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) increase in trade receivables of approximately S\$490,000 mainly due to increase in turnover; (ii) increase in prepayments, deposits and other receivables of approximately S\$230,000; and (iii) income tax paid of approximately S\$35,000. It was offset by (i) increase in trade payables of approximately S\$77,000; and (ii) increase in other payables and accruals of approximately S\$813,000.

Investing activities

We derive our cash inflow from investing activities primarily from new share issuance and interest received and, our cash outflow used in investing activities is primarily for the purchase of property, plant and equipment for operation purpose.

For the year ended 31 July 2014, our net cash used in investing activities was approximately S\$646,000, which was mainly due to purchase of property, plant and equipment for operation purpose for approximately S\$125,000, cash and cash equivalent in a subsidiary disposed of approximately S\$20,000, increase in advances to related parties of

FINANCIAL INFORMATION

approximately S\$5.29 million. It was offset by cash generated from interest received of approximately of S\$53,000 and increase in repayment from related parties of approximately S\$4.74 million.

For the year ended 31 July 2015, our net cash generated from investing activities was approximately S\$1.2 million, due to net cash and bank balances of subsidiaries acquired of approximately S\$599,000, new shares issued by a subsidiary of approximately S\$200,000 and increase in repayment from related parties of approximately S\$1.3 million. It was offset by purchase of property, plant and equipment for operation purpose for approximately S\$431,000 and increase in advances to related parties of approximately S\$524,000.

For the six months ended 31 January 2015, our net cash generated from investing activities was approximately S\$434,000, mainly due to net cash and bank balances of subsidiaries acquired of approximately S\$598,000, new shares issued by a subsidiary of approximately S\$200,000 and increase in repayment from related parties of approximately S\$95,000. It was offset by purchase of property, plant and equipment for operation purpose for approximately S\$206,000 and increase in advances to related parties of approximately S\$254,000.

For the six months ended 31 January 2016, our net cash used in investing activities was approximately S\$343,000, mainly due to purchase of property, plant and equipment for operation purpose for approximately S\$189,000 and increase in advances to related parties of approximately S\$224,000. It was offset by increase in repayment from related parties of approximately S\$71,000.

Financing activities

Our cash outflows used in financing activities is primarily for repayment of bank loans, repayment of loans from a director and a third party, payment of interest expense, and payment of dividends.

For the year ended 31 July 2014, our net cash used in financing activities was approximately S\$1.14 million, mainly due to the repayment of bank loans of approximately S\$12.3 million, payment of dividends of approximately S\$500,000, repayment of loans from a director of approximately S\$1.29 million, repayment of loans from a third party of approximately S\$110,000, repayment to related parties of approximately S\$475,000 and interest payment of approximately S\$81,000. The cash generated from financing activities came from increase in bank loans of approximately S\$11.9 million, increase in advances from a director of approximately S\$1.16 million and increase in advances from related parties of approximately S\$469,000.

For the year ended 31 July 2015, our net cash used in financing activities was approximately S\$3.0 million, mainly due to the repayment of bank loans of approximately S\$13.8 million, payment of dividends of approximately S\$2.2 million, repayment of loans from a director of approximately S\$1.52 million, repayment of loans from a third party of approximately S\$110,000, interest payment of approximately S\$83,000 and repayment to related parties of approximately S\$674,000. The cash generated from financing activities

FINANCIAL INFORMATION

came from increase in bank loans of approximately S\$13.7 million, increase in advances from a director of approximately S\$1.02 million and increase in advances from related companies of approximately S\$628,000.

For the six months ended 31 January 2015, our net cash generated from financing activities was approximately S\$264,000, mainly due to the repayment of bank loans of approximately S\$6.17 million, dividends paid of approximately S\$1.0 million, repayment of loans from a director of approximately S\$709,000, repayment of loans from a third party of approximately S\$110,000, repayment to related parties of approximately S\$600,000, and interest paid of approximately S\$42,000. The cash generated from financing activities came from increase in bank loans of approximately S\$7.37 million, increase in advances from a director of approximately S\$1.02 million, and increase in advances from related parties of approximately S\$511,000.

For the six months ended 31 January 2016, our net cash generated from financing activities was approximately S\$408,000, mainly due to the repayment of bank loans of approximately S\$6.42 million, interest paid of approximately S\$33,000 and repayment of loans from a director of approximately S\$787,000. The cash generated from financing activities came from increase in bank loans of approximately S\$5.89 million, increase in advances from a director of approximately S\$1.75 million, and increase in advances from related parties of approximately S\$11,000.

INDEBTEDNESS

Bank borrowings

The table below sets out our interest-bearing bank borrowings as at the dates indicated:

| | As at 31 July | | As at | As at |
|-------------|----------------|----------------|----------------|----------------|
| | 2014 | 2015 | 31 January | 30 April |
| | S\$ | S\$ | 2016 | 2016 |
| | | | S\$ | S\$ |
| Current | | | | |
| Factoring | 810,830 | 906,481 | 395,050 | 627,761 |
| Term loan | <u>17,654</u> | <u>45,706</u> | <u>52,577</u> | <u>40,797</u> |
| | <u>828,484</u> | <u>952,187</u> | <u>447,627</u> | <u>668,558</u> |
| Non-current | | | | |
| Term loan | <u>—</u> | <u>29,511</u> | <u>—</u> | <u>—</u> |
| Total | <u>828,484</u> | <u>981,698</u> | <u>447,627</u> | <u>668,558</u> |

Our Group's interest-bearing bank borrowings during the Track Record Period were secured by personal guarantees by Mr. Sim. Such personal guarantees will be released upon Listing. Our interest-bearing bank borrowings mainly comprise factoring and term loan.

FINANCIAL INFORMATION

Our interest-bearing bank borrowing increased from approximately S\$0.8 million as at 31 July 2014 to approximately S\$1.0 million as at 31 July 2015, which was mainly due to increase in the balance of factoring and term loans. This was because we expanded our business and increased the utilisation of factoring facilities during the year.

Our interest-bearing bank borrowing decreased to approximately S\$0.4 million as at 31 January 2016, mainly due to decrease in utilisation of factoring facilities for working capital purpose during the period.

Our Group have factored trade receivables with carry amount of approximately S\$1.3 million as at 31 July 2014, approximately S\$1.2 million as at 31 July 2015 and approximately S\$1.1 million as at 31 January 2016 to a bank in exchange for cash. The transaction has been accounted for as collateralised borrowing as the bank has full recourse to our Company in the event of default by the debtors.

Our interest-bearing bank borrowing increased to approximately S\$0.7 million as at 30 April 2016, mainly due to increase in utilisation of factoring facilities for working capital purpose during the nine months ended 30 April 2016.

Our Directors consider that due to the lower utilisation of one of our factoring facilities granted by Hong Leong Finance Limited (“HLFL”) which amounted to approximately S\$500,000, and our intention to restructure our banking facilities portfolio, we repaid all outstanding amount due to HLFL and cancelled the factoring banking facilities from HLFL in January 2016. We still have available factoring facilities of S\$2 million granted by Standard Chartered Bank (Singapore) Limited.

Based on our unaudited management account as at 30 April 2016, our total current assets amounted to approximately S\$6.8 million which was approximately S\$2.1 million higher than our total current liabilities of approximately S\$4.7 million. Our Directors consider that our existing liquidity position and available banking facilities are sufficient to finance our operation.

FINANCIAL INFORMATION

Contractual commitments

As at 31 July 2014, 31 July 2015, 31 January 2016 and 30 April 2016, our Group's future minimum lease payable under non-cancellable operating leases contracted for had obligations under operating lease commitments as follows:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 | As at 30 April 2016 |
|--------------------------------------------|-------------------------------|-----------------------|--------------------------------------|------------------------------------|
| | <i>S\$</i> | <i>S\$</i> | <i>S\$</i> | <i>S\$</i> |
| Within one year | 223,125 | 448,800 | 488,160 | 410,800 |
| In the second to fifth years, inclusive | <u>—</u> | <u>270,620</u> | <u>43,060</u> | <u>—</u> |
| | <u><u>223,125</u></u> | <u><u>719,420</u></u> | <u><u>531,220</u></u> | <u><u>410,800</u></u> |

The above operating lease commitments were in relation to the Group's Singapore office premises as well as accommodation for foreign workers under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. As at the Latest Practicable Date, we only have the abovementioned operating lease commitments.

Contingent liabilities

Our Directors confirm that, taking into consideration our internal resources available to us as at 30 April 2016, we have sufficient working capital for our requirements as at 30 April 2016, including funds necessary to meet our contractual obligations, maintain our operations and complete to fulfil our existing contracts as at 30 April 2016. Our Directors are not aware of any other factors that would have a material impact on our Group's liquidity as at 30 April 2016, including those that may materially and adversely affect our future cash requirements associated with trends known to our Group. As at 30 April 2016, our Directors are not aware of any change in the applicable legal and regulatory requirements that would have a material adverse impact on our Group's liquidity.

Save as disclosed above, our Group had no material contingent liabilities and was not involved in any material legal proceedings. Our Directors are not aware of any pending or potential material legal proceedings involving our Group. If our Group is involved in such material legal proceedings, our Group will record contingency loss when, based on information then available, it is likely that a loss will incur and the amount of loss can be reasonable estimated.

FINANCIAL INFORMATION

During the Track Record Period, Mr. Sim has provided personal guarantees in favour of Hong Leong Finance Limited, Standard Chartered Bank (Singapore) Limited and Oversea-Chinese Banking Corporation Limited in relation to banking facilities granted by these financial institution for maximum amount of approximately S\$2.7 million.

Apart from the above, we do not have other material outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities outstanding as at 30 April 2016. Our Directors confirmed that there has not been any material change in our indebtedness since 30 April 2016.

Our Directors confirmed that we have not raised material external debt financing and unlikely to do so in the near future. Our Directors confirmed that we had not experienced difficulties in repayment and breached major covenant of our bank loans during the Track Record Period.

CAPITAL EXPENDITURES

During the Track Record Period, our Group's capital expenditures have principally consisted of expenditures on computer and equipment, furniture and fittings and renovation. We incurred cash flows on capital expenditures for purchase of computer and equipment, furniture and fitting and renovation in the amounts of approximately S\$125,000 and S\$431,000 for the two years ended 31 July 2015, respectively. We incurred capital expenditure for purchase of computer and equipment, furniture and fittings and renovation of approximately S\$189,000 for the six months ended 31 January 2016.

FINANCIAL INFORMATION

ASSETS AND LIABILITIES

The table below sets out selected information for our assets and liabilities as at 31 July 2014, 2015, 31 January 2016 and 30 April 2016, respectively:

| | As at 31 July 2014 S\$ | 2015 S\$ | As at 31 January 2016 S\$ | As at 30 April 2016 S\$ |
|--------------------------------------------------|------------------------------|-------------------------|------------------------------------|----------------------------------|
| Non-current assets | | | | |
| Property, plant and equipment | 254,910 | 524,782 | 571,252 | 568,289 |
| Goodwill | — | 886,341 | 886,341 | 886,341 |
| Deferred tax assets | — | — | 240,072 | 240,072 |
| Total non-current assets | <u>254,910</u> | <u>1,411,123</u> | <u>1,697,665</u> | <u>1,694,702</u> |
| CURRENT ASSETS | | | | |
| Trade receivables | 2,589,643 | 3,849,716 | 4,339,631 | 4,264,033 |
| Prepayments, deposits and other receivables | 2,186,741 | 319,993 | 703,851 | 679,336 |
| Cash and cash equivalents | <u>667,032</u> | <u>1,031,029</u> | <u>1,583,944</u> | <u>1,831,691</u> |
| Total current assets | <u>5,443,416</u> | <u>5,200,738</u> | <u>6,627,426</u> | <u>6,775,060</u> |
| CURRENT LIABILITIES | | | | |
| Trade payables | 66,668 | 83,906 | 161,062 | — |
| Other payables and accruals | 1,395,951 | 2,289,121 | 4,076,775 | 3,867,748 |
| Interest-bearing bank borrowings | 828,484 | 952,187 | 447,627 | 668,558 |
| Tax payable | <u>72,190</u> | <u>95,959</u> | <u>174,370</u> | <u>119,248</u> |
| Total current liabilities | <u>2,363,293</u> | <u>3,421,173</u> | <u>4,859,834</u> | <u>4,655,554</u> |
| NET CURRENT ASSETS | <u>3,080,123</u> | <u>1,779,565</u> | <u>1,767,592</u> | <u>2,119,506</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u><u>3,335,033</u></u> | <u><u>3,190,688</u></u> | <u><u>3,465,257</u></u> | <u><u>3,814,208</u></u> |
| NON-CURRENT LIABILITIES | | | | |
| Other payables | 312,988 | — | — | — |
| Interest-bearing bank borrowings | — | 29,511 | — | — |
| Deferred tax liabilities | <u>30,825</u> | <u>77,925</u> | <u>34,410</u> | <u>34,410</u> |
| Total non-current liabilities | <u>343,813</u> | <u>107,436</u> | <u>34,410</u> | <u>34,410</u> |
| NET ASSETS | <u><u>2,991,220</u></u> | <u><u>3,083,252</u></u> | <u><u>3,430,847</u></u> | <u><u>3,779,798</u></u> |

FINANCIAL INFORMATION

Our net current assets decreased from approximately S\$3.1 million as at 31 July 2014 to approximately S\$1.8 million as at 31 July 2015. The decrease was mainly due to (i) decrease of prepayments, deposits and other receivables of approximately S\$1.9 million; (ii) increase in trade payables of approximately S\$17,000; (iii) increase in other payables and accruals of approximately S\$0.9 million; (iv) increase in bank borrowings of approximately S\$0.1 million; and (v) increase in tax payable of approximately S\$23,000. It was offset by (i) increase in trade receivables of approximately S\$1.3 million; and (ii) increase in cash and bank balances of approximately S\$0.4 million. The decrease in net current assets was a result of our business expansion for which more resources were deployed in non-current assets.

Our net current assets remained consistent at approximately S\$1.8 million as at 31 January 2016. This was mainly due to (i) increase in trade payables of approximately S\$77,000; (ii) increase in other payables and accruals of approximately S\$1.8 million; and (iii) increase in tax payables of approximately S\$78,000. It was offset by (i) increase in trade receivables of approximately S\$0.5 million; (ii) increase in prepayments, deposits and other receivables of approximately S\$0.4 million; (iii) increase in cash and bank balances of approximately S\$0.6 million and (iv) decrease in interest-bearing bank borrowings of approximately S\$0.5 million. There was no significant change to net current assets as profit generated from the six months ended 31 January 2016 was offset by listing expenses incurred during the same period.

Our net current assets slightly increased to approximately S\$2.1 million as at 30 April 2016. This was mainly due to (i) increase in cash and bank balances of S\$0.2 million; (ii) decrease in trade payables of approximately S\$0.1 million; (iii) decrease in other payables and accruals of approximately S\$0.2 million and (iv) decrease in tax payable of S\$55,000. It was offset by (i) decrease in trade receivables of approximately S\$76,000; (ii) decrease in prepayments, deposits and other receivables of approximately S\$25,000; and (iii) increase in interest-bearing bank borrowings of approximately S\$0.2 million. The increase in net current assets was a result of profit generated for the months of February 2016 to April 2016.

CERTAIN BALANCE SHEET ITEMS

Trade receivables

| | As at 31 July | | As at |
|--------------------|------------------|------------------|------------------|
| | 2014 | 2015 | 31 January |
| | S\$ | S\$ | 2016 |
| | | | S\$ |
| Trade receivables: | | | |
| Third parties | 2,271,227 | 2,837,065 | 3,844,257 |
| Related parties | 194,296 | 677,032 | — |
| Unbilled revenue | 124,120 | 335,619 | 495,374 |
| | <u>2,589,643</u> | <u>3,849,716</u> | <u>4,339,631</u> |

FINANCIAL INFORMATION

Our trade receivables comprised of receivables from third parties, related parties and unbilled revenue. Our balance of trade receivables increased from approximately S\$2.6 million as at 31 July 2014 to approximately S\$3.8 million as at 31 July 2015. It further increased to approximately S\$4.4 million as at 31 January 2016.

Our trade receivables from third parties increased from approximately S\$2.3 million as at 31 July 2014 to approximately S\$2.8 million as at 31 July 2015, mainly due to increase in revenue during the year. It increased to approximately S\$3.8 million as at 31 January 2016, mainly due to increase in revenue during the period.

Our trade receivables from related parties increased from approximately S\$0.2 million as at 31 July 2014 to approximately S\$0.7 million as at 31 July 2015, mainly due to increase in provision of manpower outsourcing services to related parties during the year, which ceased to be related parties of our Group after 30 September 2015.

Unbilled revenue represents the revenue which had been recognised but not yet billed as at the year end date. Typically these situations arose when services had been provided and accepted by the customers as at the year-end date but invoicing had not yet been made. Unbilled revenue increased from approximately S\$0.1 million as at 31 July 2014 to approximately S\$0.3 million as at 31 July 2015. It slightly increased to approximately S\$0.5 million as at 31 January 2016 as our revenue increased during the period. Unbilled revenue are non-interest bearing.

Our customers generally settle their outstandings to us around 60 days from the date of invoice. Trade receivables (including balances due from related parties) are non-interest bearing.

An aged analysis of the trade receivables, excluding the unbilled revenue, as at the end of each of the financial years/period, based on the invoice date, and net of provision, is as follows:

| | As at 31 July | | As at |
|--------------------|----------------------|------------------|-------------------|
| | 2014 | 2015 | 31 January |
| | S\$ | S\$ | 2016 |
| | | | S\$ |
| Trade receivables: | | | |
| Less than 30 days | 1,002,612 | 1,786,114 | 1,708,173 |
| 31 to 60 days | 519,348 | 614,928 | 991,812 |
| 61 to 90 days | 255,184 | 291,514 | 475,528 |
| More than 90 days | <u>688,379</u> | <u>821,541</u> | <u>668,744</u> |
| Total | <u>2,465,523</u> | <u>3,514,097</u> | <u>3,844,257</u> |

At 31 July 2014 and 31 July 2015, and 31 January 2016, trade receivables were denominated in Singapore dollars.

FINANCIAL INFORMATION

Approximately S\$0.7 million of trade receivables was aged over 90 days as at 31 January 2016 which was over our normal credit period granted to customer. During the Track Record Period, there were instances of delayed payments from customers resulting in receivables being overdue for more than 90 days. These administrative delays are usually caused by misplacement of documents and/or change in personnel involved in the payment process and are resolved over time. During the Track Record Period, we did not experience material impairment to our trade receivables.

The following table sets out the trade receivables turnover days for the Track Record Period:

| | For the year ended 31 July | | For the six months ended 31 January |
|-------------------------------------------------|-------------------------------|------|-------------------------------------------|
| | 2014 | 2015 | 2016 |
| | days | days | days |
| Trade receivables turnover days (<i>note</i>) | 66 | 61 | 62 |

Note: Trade receivables turnover days is calculated based on the average of opening and closing trade receivable balances as at the year end divided by total revenue for that year multiplied by the numbers of year or period (i.e. 365 days for a full year and 184 days for the six months ended 31 January).

Our average trade debtor turnover days improved from 66 days for the year ended 31 July 2014 to 61 days for the year ended 31 July 2015. Our average trade receivables turnover days slightly increased to 62 days for the six months ended 31 January 2016, which was mainly due to lower trade receivables balance as at 31 July 2014 in arriving the average trade receivables balance as at 31 July 2015. During the Track Record Period, we did not encounter any difficulties in collection of trade receivables.

Generally, our credit periods granted to customers are 30 days. However, due to the time taken for the checking of the invoices and processing of the payment, our customers settled their invoices practically around 60 days during the Track Record Period.

In our business operation cycle, the time taken to receive sales proceeds is longer than the time to pay our staff and freelance contractors. In general, we have a working capital mismatch in our operation. However, we finance our business operation through our internally generated funds and banking facilities and debt financing from banks. It is our general policy to factor some of our sales invoices with banks for working capital needs. As at Latest Practicable Date, we also had cash and bank balances of approximately S\$1.4 million and available factoring facilities of S\$2.0 million. As such, our Directors consider that our Group should have sufficient cash flow in the coming 2 years even in the absence of IPO proceeds.

Up to Latest Practicable Date, approximately 91.0% of the Group's trade receivables as at 31 January 2016 had been settled.

FINANCIAL INFORMATION

Prepayments, deposits and other receivables

| | As at 31 July | | As at 31 January |
|-------------------|------------------|----------------|---------------------|
| | 2014 | 2015 | 2016 |
| | S\$ | S\$ | S\$ |
| Related parties | 2,095,147 | 208,848 | 79,457 |
| Deposits | 69,100 | 82,235 | 86,935 |
| Other receivables | 8,028 | 14,709 | 126,114 |
| Prepayments | <u>14,466</u> | <u>14,201</u> | <u>411,345</u> |
| | <u>2,186,741</u> | <u>319,993</u> | <u>703,851</u> |

Our prepayments, deposits and other receivables comprised amount due from related parties, deposits paid, other receivables and prepayments. It decreased from approximately S\$2.2 million as at 31 July 2014 to approximately S\$0.3 million as at 31 July 2015, mainly due to decrease in amount due from related parties. It increased to approximately S\$0.7 million as at 31 January 2016, mainly due to increase in prepayment.

The amount due from related parties decreased from approximately S\$2.1 million as at 31 July 2014 to approximately S\$0.2 million as at 31 July 2015. This was because one related party substantially repaid its amount due to us and one related party became our subsidiary in 2015. Out of the balance of approximately S\$0.2 million as at 31 July 2015, an amount due from a director amounting to approximately S\$44,000 was included. It was fully settled as at 31 January 2016. The amount due from a director is non-interest bearing and is repayable on demand. It decreased to approximately S\$79,000 as at 31 January 2016. It was fully settled in March 2016. The amount due from related parties are unsecured, non-interest bearing (except for the amounts due from related parties of approximately S\$1.2 million as at 31 July 2014, bearing interest of 7%) and are repayable on demand.

Deposits paid mainly represented the deposits for rental, utilities and other deposits. It increased from approximately S\$69,000 as at 31 July 2014 to approximately S\$82,000 as at 31 July 2015, mainly due to additional deposits paid for rental in 2015. It slight increased to approximately S\$87,000 as at 31 January 2016.

Other receivables mainly comprised payment for purchase of uniform, advance made to staff and balance due from third parties. It increased from approximately S\$8,000 as at 31 July 2014 to approximately S\$15,000 as at 31 July 2015. It further increased to approximately S\$93,000 as at 30 September 2015 mainly due to reclassification of balances owing from two entities which ceased to be related to the Group with effect from September 2015. These balances, arising from payment of expenses on behalf as well as cash advances which were in non-trade nature, were classified as receivables from related parties as at 31 July 2015 as they had a common director and/or shareholder with the Group. Following the resignation of the common director from these two entities in September 2015 and transfer of shareholding in one of these two entities by the common shareholder in September 2015, they are no longer considered as related parties and the balances owing from them were

FINANCIAL INFORMATION

reclassified to other receivables. The entities involved are The Ramen Stall Pte Ltd and The Ramen Stall (NBR) II Pte Ltd. The corresponding amounts due from them were S\$3,622 and S\$4,781 as at 31 January 2016. These balances are unsecured and non-interest bearing. The legal adviser to the Company as to Singapore law is of the view that the granting of payment of expenses on behalf of as well as cash advances which are non-trade in nature made by the Group during the Track Record Period to such third parties during the Track Record Period does not contravene the applicable laws and regulations in Singapore. The amount due from the Ramen Stall (NBR) II Pte Ltd of S\$4,781 was fully settled in March 2016 and the amount due from the Ramen Stall Pte Ltd was fully settled in June 2016. Our other receivables increased to approximately S\$126,000 as at 31 January 2016. This was mainly due to the increase in listing expenses attributable to and to be borne by selling shareholders amounting to approximately S\$86,000 and increase in payment for purchase of uniform of approximately S\$15,000.

Prepayments mainly represented prepaid insurance and other miscellaneous expenses. It remained relatively stable at approximately S\$14,000 and S\$14,000 as at 31 July 2014 and 2015, respectively. It increased to approximately S\$0.4 million as at 31 January 2016 which was mainly due to listing expenses incurred during the period which should be deducted from equity.

Trade payables

| | As at 31 July 2014 S\$ | 2015 S\$ | As at 31 January 2016 S\$ |
|-----------------|------------------------------|----------------------|------------------------------------|
| Trade payables: | | | |
| Third parties | 49,240 | 6,075 | 155,738 |
| Related parties | <u>17,428</u> | <u>77,831</u> | <u>5,324</u> |
| | <u><u>66,668</u></u> | <u><u>83,906</u></u> | <u><u>161,062</u></u> |

Our trade payables comprised payables to third parties and related parties. Our trade payables amounted to approximately S\$67,000, S\$84,000 and S\$161,000 as at 31 July 2014 and 31 July 2015, and 31 January 2016, respectively.

Our trade payables to third parties mainly comprised the payable in relation to hostel rental for our candidates. It decreased from approximately S\$49,000 as at 31 July 2014 to approximately S\$6,000 as at 31 July 2015, mainly due to decrease in hostel rental owed to third parties. It increased to approximately S\$156,000 as at 31 January 2016. Our trade payables to related parties mainly represented the payables in relation to training course services provided by related parties. It increased from approximately S\$17,000 as at 31 July 2014 to approximately S\$78,000 as at 31 July 2015, mainly due to increase in training service demand from us. It decreased to approximately S\$5,000 as at 31 January 2016.

Trade payables (including balances due to related parties) are non-interest bearing and are generally settled on 14-day terms.

FINANCIAL INFORMATION

At 31 July 2014 and 31 July 2015, and 31 January 2016, all trade payables were denominated in Singapore dollars.

An aged analysis of the trade payables as at the end of each of reporting period, based on the invoice date is as follows:

| | As at 31 July | | As at |
|-------------------|----------------------|----------------------|-----------------------|
| | 2014 | 2015 | 31 January |
| | <i>S\$</i> | <i>S\$</i> | <i>S\$</i> |
| Trade payables: | | | |
| Less than 30 days | 49,240 | 6,075 | 134,830 |
| 31 to 60 days | — | — | — |
| 61 to 90 days | — | — | 3,480 |
| More than 90 days | <u>17,428</u> | <u>77,831</u> | <u>22,752</u> |
| Total | <u><u>66,668</u></u> | <u><u>83,906</u></u> | <u><u>161,062</u></u> |

Our trade payables aged over 90 day's is made up with significantly portion from related parties as at 31 July 2015. It decreased to approximately S\$23,000 as at 31 January 2016. The amount of the trade payables to related parties of S\$5,324 fully settled in March 2016.

Up to Latest Practical Date, approximately 100% of the Group's trade payables as at 31 January 2016 had been settled.

FINANCIAL INFORMATION

Other payables and accruals

Other payables and accruals as at 31 July 2014 and 31 July 2015, and 31 January 2016 were approximately S\$1.4 million, S\$2.3 million and S\$4.1 million, respectively, of which a breakdown is set out below:

| | As at 31 July 2014 S\$ | 2015 S\$ | As at 31 January 2016 S\$ |
|-------------------------------|------------------------------|------------------|------------------------------------|
| Current | | | |
| Accrued causal labour cost | 686,371 | 839,669 | 784,671 |
| Accrued staff costs | 259,315 | 482,201 | 580,840 |
| Amount due to a director | — | 414,736 | 1,378,692 |
| Amount due to related parties | 50,825 | 107,342 | 4,100 |
| GST payables | 217,016 | 307,868 | 390,697 |
| Other payables | <u>182,424</u> | <u>137,305</u> | <u>937,774</u> |
| | <u>1,395,951</u> | <u>2,289,121</u> | <u>4,076,775</u> |
| Non-current | | | |
| Amount due to a director | <u>312,988</u> | <u>—</u> | <u>—</u> |

Our other payables and accruals comprised accrued causal labour cost, accrued staff costs, amount due to related parties, amount due to a director, GST payables and other payables. It amounted to approximately S\$1.7 million, S\$2.3 million, and S\$4.1 million as at 31 July 2014, 31 July 2015 and 31 January 2016, respectively.

Our accrued casual labour cost increased from approximately S\$686,000 as at 31 July 2014 to approximately S\$840,000 as at 31 July 2015 due to increase in revenue during the year. It decreased to approximately S\$785,000 as at 31 January 2016, mainly due to faster payment during the period.

Our accrued staff costs amounted to approximately S\$259,000, S\$482,000 and S\$580,000 as at 31 July 2014 and 2015, and 31 January 2016, respectively. The increase was due to salary increment and increase in number of staff during the track record period.

The amount due to related parties amounted to approximately S\$51,000, S\$107,000, and S\$4,100 as at 31 July 2014, 31 July 2015 and 31 January 2016, respectively. The amount due to related parties are non-interest bearing and are repayable on demand. The amount due to related parties of non-trade nature was fully settled in March 2016.

The amount due to a director increased from approximately S\$0.3 million (which was classified as non-current liabilities) as at 31 July 2014 to approximately S\$0.4 million (which was classified as current liabilities) as at 31 July 2015. It increased to approximately S\$1.4 million as at 31 January 2016 mainly due to listing expenses paid by a director on behalf of our Company. It was non-interest bearing. The amount due to a director of S\$1.3 million has been capitalised to the equity of a wholly-owned subsidiary in June 2016.

FINANCIAL INFORMATION

Our GST payables amounted to approximately S\$217,000, S\$308,000 and S\$391,000 as at 31 July 2014 and 2015, and 31 January 2016, respectively. The increase was in line with our increase in revenue during the Track Record Period.

Our other payables amounted to approximately S\$182,000, S\$137,000 and S\$938,000 as at 31 July 2014 and 2015, and 31 January 2016. The balance as at 31 January 2016 comprised mainly of (i) accrued listing expenses amounting to approximately S\$490,000; (ii) accrued direct costs payable of approximately S\$154,000; and (iii) advance payment received from our customers of approximately S\$150,000.

Goodwill on consolidation

The recognition of goodwill arises when there is the difference between fair value of the net assets/liabilities acquired and the consideration paid in a business combination. The goodwill is subject to annual impairment testing, so as to estimate its recoverable amount. An impairment loss is recognised if the carrying amount of the assets acquired exceeds its recoverable amount. 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 assets. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired assets.

On 30 October 2014, our Group acquired a 65% equity interest in TCCS. TCCS is engaged in the provision of manpower outsourcing services. The consideration for the acquisition is based on the net assets acquired at the acquisition date; therefore, no goodwill was arisen in this acquisition.

Our goodwill amounted to S\$886,341 as at 31 July 2015 and 31 January 2016, which represent the fair value of net liabilities of TCCM acquired by TCCHR on 1 August 2014. For further details, please refer to notes 14 and 25 to the Accountants' Report in Appendix I to this prospectus.

TCCM was principally engaged in the provision of manpower recruitment services. Firstly, our management saw the increase of demand in use of foreign labour forces in our outsourcing services sector, especially the demand from Customer A for foreign labour in 2014; secondly we noted that a new contract awarded by customer A to TCCM for the recruitment of foreign workers in 2014, and we saw synergy with our outsourcing services. In view of on our healthy financial position and our aim to further expand our business horizontally, we decided to acquire TCCM at a premium, despite TCCM was in a net liabilities position.

After the acquisition in 2014, TCCM has contributed revenue for manpower recruitment services of approximately S\$1.0 million and S\$0.5 million, and revenue for manpower outsourcing services of approximately S\$0.9 million and S\$0.8 million for the year ended 31 July 2015 and six months ended 31 January 2016, respectively. TCCM also recorded gross profit of approximately S\$1.1 million and S\$0.6 million for the year ended 31 July 2015 and six months ended 31 January 2016, respectively.

FINANCIAL INFORMATION

TCCS has contributed revenue for manpower outsourcing services of approximately S\$1.9 million and S\$0.5 million for the year ended 31 July 2015 and six months ended 31 January 2016, respectively. TCCS also recorded gross profit of approximately S\$0.6 million and S\$0.2 million for the year ended 31 July 2015 and six months ended 31 January 2016, respectively.

Deferred tax liabilities/assets

It represents the temporary differences in respect of the tax losses, capital allowances and excess of tax values over net book values of property, plant and equipment at the end of our reporting period. For further details, please refer to note 21 in the Accountant's Report in Appendix I to this prospectus.

FINANCIAL RATIOS

The following table sets forth the key financial ratios of our Group during the Track Record Period:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|---------------------------------------|---------------------------------------|-------------|--------------------------------------|
| Current ratio ⁽¹⁾ | 2.3 | 1.5 | 1.4 |
| Gearing ratio ⁽²⁾ | 27.7% | 31.8% | 13.0% |
| | For the year ended 31 July | | |
| | 2014 | 2015 | |
| Return on total assets ⁽³⁾ | | 39.5% | 31.9% |
| Return on equity ⁽⁴⁾ | | 75.2% | 68.5% |

Notes:

- (1) Current ratio is calculated by dividing current assets by current liabilities as at the respective year end, excluding asset classified as held for sale and liability directly associated with asset held for sale.
- (2) Gearing ratio is calculated by dividing total borrowings by total equity as at the respective year end.
- (3) Return on total assets is calculated by dividing profit for the year by the total assets as at the respective year end.
- (4) Return on equity is calculated by dividing profit for the year by the total equity as at the respective year end.

FINANCIAL INFORMATION

Current ratio

Our Group's current ratio decreased from 2.3 as at 31 July 2014 to 1.5 as at 31 July 2015. The decrease in the current ratio was due to decrease in net current assets as more financial resources used to acquire non-current assets. Our current ratio slightly improved to 1.4 as at 31 January 2016 as a result of increase in current assets from profit generated for the period.

Gearing ratio

Our Group's gearing ratio remained relatively stable at 27.7% and 31.8% as at 31 July 2014 and 31 July 2015, respectively. Despite that our balance of bank borrowings increased in line with our increase in revenue as at 31 July 2015, on the other hand, our total assets value increased. Our gearing ratio decreased to approximately 13.0% as at 31 January 2016, due to higher repayment of bank loans.

Return on total assets

Our return on total assets decreased from approximately 39.5% for the year ended 31 July 2014 to approximately 31.9% for the year ended 31 July 2015, which was mainly due to decrease in net profit after tax for the year of approximately 6.1% for the year ended 31 July 2015.

Return on equity

Our return on equity decreased from approximately 75.2% for the year ended 31 July 2014 to approximately 68.5% for the year ended 31 July 2015. This was because of decrease in net profit after tax for the year ended 31 July 2015.

WORKING CAPITAL

Our Directors are of the opinion that, taking into consideration the internal resources and credit facilities presently available to our Group, and the estimated net proceeds of the Share Offer, our Group has sufficient working capital for our present requirements, that is, for at least the next 12 months commencing from the date of this prospectus.

RELATED PARTY TRANSACTIONS

See note 28 to financial statements in "Accountants' Report — related party transactions" as set out in Appendix I to this prospectus for details.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets of our Group prepared in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Share Offer on the audited net tangible assets of our Group as of 31 January 2016 as if the Share Offer had been completed on 31 January 2016.

FINANCIAL INFORMATION

This unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the net tangible assets of our Group as at 31 January 2016 or at any future dates following the Share Offer. The unaudited pro forma adjusted net tangible assets does not form part of the Accountants' Report.

| | Audited combined net tangible assets of the Group attributable to the owners of the Company as at 31 January 2016 S\$ (note 1) | Estimated net proceeds from the Share Offer S\$ (note 2) | Unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company S\$ | Unaudited pro forma adjusted combined net tangible assets per Share S\$ (note 4) |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Based on a Offer Price of HK\$1.0 per Offer Share | <u>2,209,105</u> | <u>5,439,052</u> | <u>7,648,157</u> | <u>0.0306</u> |

Notes:

- (1) The combined net tangible assets as of 31 January 2016 is extracted from the Accountants' Report set out in Appendix I to this prospectus, adjusted for the intangible assets amounting to S\$886,341.
- (2) The forecast net proceeds from the Share Offer are based on an indicative Offer Price of HK\$1.0 per Offer Share after deduction of the underwriting fees and related expenses payable by our Company. The estimated net proceeds are converted into S\$ at the rate of S\$1 = HK\$5.5.
- (3) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 January 2016.
- (4) The unaudited pro forma adjusted combined net tangible assets per Share has been arrived at after making the adjustment referred to in this section above and on the basis that 250,000,000 Shares are in issue immediately following the completion of the Share Offer. The unaudited pro forma adjusted combined net tangible assets per share is equal to approximately HK\$0.1683. The conversion of S\$ into HK\$ is based on the approximate exchange rate of S\$1.00 to HK\$5.50.

DISTRIBUTABLE RESERVES

The aggregate amount of the distributable reserves as at 31 July 2014, 31 July 2015 and 31 January 2016 of our Group were approximately S\$2.5 million, S\$1.9 million and S\$2.1 million respectively.

DIVIDENDS

For each of the two years ended 31 July 2015 and six months ended 31 January 2016, our Group declared dividends of S\$0.5 million, approximately S\$2.8 million and nil, respectively, out of the distributable profit and all these dividends had been paid as at the Latest Practicable Date. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following Listing.

FINANCIAL INFORMATION

After completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Board. The payment and the amount of any dividends will be at the discretion of our Directors and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions (if any) and other factors which our Directors deem relevant. We do not have any predetermined dividend payout ratio.

Cash dividends on our shares, if any, will be paid in Hong Kong dollars. Other distributions, if any, will be paid to our shareholders by any means which our Directors deem legal, fair and practicable. Investors should note that historical dividend distributions are not indicative of our future dividend distribution policy.

FINANCIAL RISK MANAGEMENT AND FAIR VALUE

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to our Group. The major classes of financial asset of the Group are cash and short term deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. Please refer to note 31 of the Accountants' Report in Appendix I to this prospectus for further details.

Liquidity risk management

Liquidity risk is the risk that our Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our 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, such as maintaining sufficient cash and cash equivalents. Please refer to note 31 of the Accountants' Report in Appendix I to this prospectus for further details.

Capital risk management

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

Our Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value. In order to maintain or achieve an optimal capital structure, our Group may adjust the amount of dividend payment, return capital to shareholder, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or procedures for capital management during the Track Record Period. Please refer to note 32 of the Accountants' Report in Appendix I to this prospectus for further details.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there are no circumstances which, would have given rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

LATEST DEVELOPMENT SUBSEQUENT TO THE TRACK RECORD PERIOD AND MATERIAL ADVERSE CHANGE

We have continued to focus on strengthening our market position for our manpower outsourcing services and manpower recruitment services for the hotel and resort, F & B and retail sectors. Based on our financial information for the nine months ended 30 April 2016, our total revenue increased by approximately 24.5%, as compared to that for the nine months ended 30 April 2015. The increase was primarily due to increase in revenue derived from manpower outsourcing services during the period. As far as we are aware, our industry remained relatively stable after the Track Record Period. There was no material adverse change in the general economic and market conditions in the country or the manpower outsourcing services industry in which we operate that had affected or would affect our business operations or financial position materially and adversely.

Save as disclosed in the paragraph headed “Impact of listing expenses on the financial performance of our Group for the year ending 31 July 2016” under the section headed “Financial information” in this prospectus, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 31 January 2016, being the date to which our latest audited financial statements were prepared and there is no event since 31 January 2016 which would materially affect the information shown in our financial statements included in the Accountants’ Report set forth in Appendix I to this prospectus, in each case except as otherwise disclosed herein.

UNDERWRITING

UNDERWRITERS

Placing Underwriters

Sinomax Securities Limited

Grand Vinco Capital Limited

Public Offer Underwriters

Sinomax Securities Limited

Grand Vinco Capital Limited

Joint Lead Managers and Joint Bookrunners

Sinomax Securities Limited

Grand Vinco Capital Limited

UNDERWRITING

This prospectus is published solely in connection with the Share Offer. The Share Offer is fully underwritten by the Underwriters on a conditional basis.

PUBLIC OFFER UNDERWRITING ARRANGEMENTS

Public Offer

The Public Offer Underwriting Agreement was entered into on 4 July 2016. Pursuant to the Public Offer Underwriting Agreement, our Company has agreed to offer the Public Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to, among other conditions, the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus by the Listing Committee and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares now being offered which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement.

Grounds for termination

The obligations of the Public Offer Underwriters to subscribe or procure subscribers for the Public Offer Shares are subject to termination if certain events, including force majeure, shall occur at any time at or before 8:00 a.m. (Hong Kong time) on the Listing Date. The Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) have the right, in their absolute determination, to terminate the obligations of the Sole Sponsor, the Joint Lead Managers and the Public Offer Underwriters under the Public Offer Underwriting Agreement upon the occurrence of any of the following events:

- (a) there has come to the notice of the Joint Lead Managers:
 - (i) that any statement contained in this prospectus or the Application Forms, considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in their sole and reasonable opinion to be material in relation to the Share Offer, was, when the same was issued, or has become, untrue, incorrect or misleading in any material respect or that any forecasts, expressions of opinion, intention or expectation expressed in this prospectus, the Application Forms and/or any announcements issued by our Company in connection with the Share Offer (including any supplement or amendment thereto), was, when it was made, not honestly made in any material respects; or
 - (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a misstatement in a material respect or a material omission therefrom as considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in their sole and reasonable opinion to be material to the Share Offer; or
 - (iii) any breach of any of the obligations imposed upon any party under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement (other than on any of the Underwriters); or
 - (iv) any breach, considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in their sole and reasonable opinion to be material in the context of the Share Offer, of any of the representations, warranties and undertakings given by our Company, our Executive Directors and Controlling Shareholders contained in the Public Offer Underwriting Agreement to be untrue, incorrect, inaccurate or misleading in any material respect; or
 - (v) any change or development involving a prospective change in the conditions, business affairs, prospects, profits, losses or the financial or trading position or performance of any members of our Group which is considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in their sole and reasonable opinion to be material in the context of the Share Offer; or

UNDERWRITING

- (vi) approval by the Listing Committee of the listing of, and permission to deal in, the Shares is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (vii) our Company withdraws this prospectus and the Application Forms (and/or any other documents used in connection with contemplated subscription and sale of the Offer Shares) or the Share Offer; or
 - (viii) any person (other than any of the Public Offer Underwriters) has withdrawn or sought to withdraw its consent to being named in this prospectus and the Application Forms or to the issue of this prospectus and the Application Forms; or
 - (ix) other than with the approval of the Joint Lead Managers, the issue or requirement to issue by our Company of any supplement or amendment to this prospectus and the Application Forms (or to any other documents used in connection with the contemplated subscription and sale of the Offer Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the GEM Listing Rules, the SFO or any other applicable laws, or any requirement or request of the Stock Exchange and/or the SFC where the matter to be disclosed is, in the sole and reasonable opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), materially adverse to the marketing or implementation of the Share Offer; or
 - (x) any prohibition on our Company by a governmental authority for whatever reasons from offering, allotting, issuing or selling of the Offer Shares pursuant to the terms of the Share Offer; or
- (b) there shall develop, occur, exist or come into effect:
- (i) any change or development involving a prospective change, or any event or series of events resulting in or representing a change or development involving a prospective change, in local, national, regional or international, financial, political, military, industrial, economic, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the U.S. or a revaluation or devaluation of the Singapore dollars or Hong Kong dollars against any foreign currencies, respectively) in or affecting Hong Kong, Singapore, the Cayman Islands, the BVI or any relevant jurisdiction (collectively, the “Relevant Jurisdictions” and individually, a “Relevant Jurisdiction”); or

UNDERWRITING

- (ii) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or
- (iii) any event or series of events in the nature of force majeure (whether or not covered by insurance or responsibility has been claimed) including, without limitation, acts of government, strikes, lock-outs, fire, explosions, flooding, earthquakes, epidemics, pandemics, outbreaks of infections, diseases, Severe Acute Respiratory Syndrome (SARS) and Influenza A (H5N1) and any related or mutated forms of infectious diseases, civil commotions, economic sanctions, public disorder, social or political crises, acts of war, acts of terrorism, acts of God, accidents or interruptions or delays in transportation in or affecting any Relevant Jurisdiction; or
- (iv) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any Relevant Jurisdiction; or
- (v) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ National Market, the Tokyo Stock Exchange, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Singapore Stock Exchange or (B) a general moratorium on commercial banking activities in New York, London, Tokyo, Hong Kong, China, Singapore, the BVI or the Cayman Islands declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any Relevant Jurisdiction; or
- (vi) any change or development involving a prospective change in taxation or exchange controls, currency exchange rates or foreign investment regulations in any Relevant Jurisdiction adversely affecting an investment in the Shares; or
- (vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (viii) any litigation, legal action or claim being threatened or instigated against any member of our Group; or
- (ix) the commencement by any governmental, law enforcement agency, regulatory or political body or organisation of any action against any Director or any member of our Group or an announcement by any governmental, law enforcement agency, regulatory or political body or organisation that it intends to take any such action; or

UNDERWRITING

- (x) any Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (xi) the chairman or chief executive officer of our Company vacating his position that leads to the circumstances where the operations of our Group will be materially and is likely, in the sole and absolute discretion of the Joint Lead Managers (acting reasonably for themselves and on behalf of the Public Offer Underwriters), be adversely affected; or
- (xii) an order or petition for the winding up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or substantive part of the assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or
- (xiii) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Shares) or any aspect of the Share Offer with the GEM Listing Rules, the Articles of Association, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Law, the SFO or any other applicable laws by any of the warrantors under the Public Offer Underwriting Agreement; or
- (xiv) a valid demand by any creditor for repayment or payment of any indebtedness of our Company or any member of our Group or in respect of which our Company or any member of our Group is liable prior to its stated maturity; or
- (xv) any change or development involving a prospective change, or a materialisation of, any of the risk factors set out in the section headed “Risk factors” in this prospectus,

which in each case in the sole and reasonable opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters):

- (1) is or will or could be expected to have a material adverse effect on the general affairs, management, business, financial, trading or other condition or prospects of our Company or our Group or any members of our Group or on any present or prospective shareholder in his, her or its capacity as such; or
- (2) has or will have or could be expected to have a material adverse effect on the success, marketability or pricing of the Share Offer or the level of applications under the Public Offer or the level of interest under the Placing; or

UNDERWRITING

- (3) makes it impracticable, inadvisable or inexpedient for the Share Offer to proceed or to market the Share Offer or shall otherwise result in an interruption to or delay thereof; or
- (4) has or will have the effect of making any part of the Public Offer Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Share Offer or pursuant to the underwriting thereof.

UNDERTAKINGS GIVEN TO THE STOCK EXCHANGE PURSUANT TO THE GEM LISTING RULES

Undertaking by our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the commencement of dealing), except in certain circumstances prescribed by Rule 17.29 of the GEM Listing Rules.

Undertaking by our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that except pursuant to the Share Offer he/it will not and will procure that the relevant registered holder(s) will not:

- (a) in the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the date on which dealings in the Shares commence on the Stock Exchange, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/it is shown by this prospectus to be the beneficial owner; and
- (b) in the period of six months commencing on the date on which the period referred to in the paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in the paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a Controlling Shareholder of our Company.

UNDERWRITING

Pursuant to Rule 13.19 of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company to comply with the following requirements:

- (a) in the event that he/it pledges or charges any direct or indirect interest in the Shares in respect of which he/it is shown by this prospectus to be the beneficial owner in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong), as security for a bona fide commercial loan under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, at any time during the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it must inform our Company immediately thereafter, disclosing the details specified in Rules 17.43(1) to (4) of the GEM Listing Rules; and
- (b) having pledged or charged any interest in Shares under sub-paragraph (a) above, he/it must inform our Company immediately in the event that he/it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of Shares affected.

Our Company will inform the Stock Exchange as soon as it has been informed of such matters and must forthwith publish an announcement giving details of the same in accordance with the requirements of Rule 17.43 of the GEM Listing Rules.

UNDERTAKINGS PURSUANT TO THE PUBLIC OFFER UNDERWRITING AGREEMENT

Undertaking by our Company

We have undertaken with each of the Joint Lead Managers, the Joint Bookrunners, the Sole Sponsor and the Public Offer Underwriters that, except pursuant to the Share Offer and the Capitalisation Issue, we will not, and will procure our subsidiaries will not, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) and unless in compliance with the requirements of the GEM Listing Rules, at any time from the date of the Public Offer Underwriting Agreement and ending on the date which is six months after the Listing Date (the “First Six-Month Period”):

- (a) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase, any Shares or other securities of our Company or any shares or other securities of other member of our Group or any interest

UNDERWRITING

therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or any interest therein); or

- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein; or
- (c) enter into any transaction with the same economic effect as any of the above transactions; or
- (d) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise and in the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the period of six months immediately following the First Six-month Period (the “Second Six-Month Period”), our Company will take all reasonable steps to ensure that any such act will not create a disorderly or false market for the Shares or other securities of our Company.

Undertaking by our Controlling Shareholders

Each of our Controlling Shareholders, pursuant to the Public Offer Underwriting Agreement, has jointly and severally agreed and undertaken with the Joint Lead Managers, the Joint Bookrunners, the Sole Sponsor and the Public Offer Underwriters that, except pursuant to the Share Offer and the Capitalisation Issue, he/it will not, and will procure that his/its relevant registered holder(s) and associates will not, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) (such consent not to be unreasonably withheld or delayed) and unless in compliance with the GEM Listing Rules,

- (a) at any time during the First Six-Month Period:
 - (i) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, any of the share or debt capital or other securities of our Company or any interest therein (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such capital or securities or any interest therein) whether now owned or hereinafter acquired, directly or indirectly by any of our Controlling Shareholders (including holding as a custodian) or with respect to which any of our Controlling Shareholders has beneficial interest; or

UNDERWRITING

- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any such shares, capital or other securities or any interest therein; or
 - (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
 - (iv) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraph (i) or (ii) or (iii) above, whether any such transaction described in paragraph (i) or (ii) or (iii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise;
- (b) at any time during the Second Six-Month Period:
 - (i) enter into any of the foregoing transactions in paragraphs (a)(i) or (a)(ii) or (a)(iii) above if, immediately following such transaction, it will cease to be a Controlling Shareholder of our Company or would together with the other Controlling Shareholders cease to be Controlling Shareholders of our Company; and
 - (ii) until the expiry of the Second Six-Month Period: in the event that any of our Controlling Shareholders enters or agrees or contracts to or publicly announce an intention to enter into the foregoing transactions, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of our Company.
- (c) Each of our Controlling Shareholders has undertaken to our Company that, within the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will:
 - (i) when he/it pledges or charges any Shares beneficially owned by him/it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Rule 13.18 of the GEM Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and
 - (ii) when he/it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform our Company of such indications.
- (d) Our Company undertakes to and covenants with the Joint Lead Managers and the Public Offer Underwriters that our Company shall forthwith inform the Joint Lead Managers and the Stock Exchange in writing immediately after it has been informed of the matters referred to in paragraph (c) above, and our Company shall disclose such matters by way of an announcement and shall comply with all requirements of the Stock Exchange.

UNDERWRITING

PLACING

In connection with the Placing, on 4 July 2016, our Company and the Selling Shareholder entered into the Placing Underwriting Agreement with, *inter alia*, the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above. Under the Placing Underwriting Agreement, the Placing Underwriters will severally agree to subscribe and/or purchase or procure subscribers and/or purchasers for the Placing Shares being offered pursuant to the Placing.

Potential investors should note that if the Placing Underwriting Agreement is terminated, the Share Offer will not proceed.

COMMISSION AND EXPENSES

The Underwriters will receive an underwriting commission of 4.0% on the aggregate Offer Price of all the Offer Shares, out of which any sub-underwriting commission, praecipium and selling concession will be paid.

The aggregate of the underwriting commissions, documentation fee, listing fees, Stock Exchange trading fee and transaction levy, legal and printing and other professional fees and expenses relating to the Share Offer which estimated to amount to approximately HK\$21.1 million in total, based on the Offer Price of HK\$1.0 per Offer Share. We will bear approximately HK\$20.1 million of these expenses in relation to the New Shares to be issued by our Company pursuant to the Share Offer.

UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for the obligations under the Underwriting Agreements, as at the Latest Practicable Date, none of the Underwriters was interested, directly or indirectly, in any shares or securities in any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any shares or securities in any member of our Group.

SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE SHARE OFFER

The Share Offer comprises:

- (i) the Public Offer of 6,250,000 Public Offer Shares (subject to reallocation as mentioned below) in Hong Kong; and
- (ii) the Placing of an aggregate of 56,250,000 Placing Shares comprising 43,750,000 New Shares being offered by our Company for subscription and 12,500,000 Sale Shares being offered by the Selling Shareholder for purchase (subject to reallocation as mentioned below).

Investors may apply for Offer Shares under the Public Offer or, if qualified to do so, apply for or indicate an interest for Offer Shares under the Placing, but may not do both.

The Offer Shares will represent approximately 25% of the enlarged issued share capital of our Company immediately after completion of the Share Offer and the Capitalisation Issue.

PRICE PAYABLE ON APPLICATION

The Offer Price is HK\$1.0 per Offer Share. If you apply for the Offer Shares under the Public Offer, you must pay the Offer Price of HK\$1.0 per Offer Share plus a 1.0% brokerage fee, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy. This means a total of HK\$5,050.39 is payable for every board lot of 5,000 Shares.

ANNOUNCEMENT OF THE BASIS OF ALLOCATIONS

The level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be announced on Thursday, 14 July 2016 on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at www.singasia.com.sg.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for Offer Shares will be conditional on, among other things:

- (i) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalisation Issue and the Share Offer on GEM and such approval not having been withdrawn; and
- (ii) the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be published by our Company on the websites of our Company and the Stock Exchange at www.singasia.com.sg and www.hkexnews.hk respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in “How to apply for Public Offer Shares — 12. Refund of application monies”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Thursday, 14 July 2016 and will only become valid certificates of title at 8:00 a.m. on Friday, 15 July 2016 provided that (i) the Share Offer has become unconditional in all respects; and (ii) the right of termination as described in “Underwriting — Public Offer underwriting arrangements — Grounds for termination” has not been exercised at or before that time.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

All necessary arrangements have been made for the Shares to be admitted into CCASS. Subject to the granting of listing of, and permission to deal in, the Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or under contingent situation, any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. If you are unsure about the details of CCASS settlement arrangements and how such arrangements will affect your rights and interests, you should seek the advice of your stockbrokers or other professional advisers.

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, 15 July 2016, it is expected that dealing in the Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, 15 July 2016.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

The Shares will be traded in board lots of 5,000 Shares each and the stock code of the Shares will be 8293.

THE PUBLIC OFFER

Number of the Public Offer Shares

The Public Offer is a fully underwritten public offer (subject to satisfaction or waiver of the other conditions provided in the Public Offer Underwriting Agreement and described in the paragraph headed “Conditions of the Share Offer” of this section) for the subscription in Hong Kong of, initially, 6,250,000 Public Offer Shares at the Offer Price (representing 10% of the total number of the Offer Shares initially available under the Share Offer). Subject to the reallocation of Offer Shares between the Placing and the Public Offer described below, the Public Offer Shares will represent 2.5% of our enlarged issued share capital immediately after completion of the Capitalisation Issue and the Share Offer.

Allocation

The Public Offer is open for subscription to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The allocation of the Public Offer Shares to investors will be based solely on the level of valid applications received under the Public Offer at the sole discretion of the Joint Bookrunners.

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any Placing Shares in the Placing, and such applicant’s application will be rejected if the said undertaking and/or confirmation is breached and/or untrue, as the case may be.

Reallocation

The allocation of the Offer Shares between the Public Offer and the Placing is subject to the following reallocation in the event of over-subscription under the Public Offer:

- if the number of the Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Public Offer, then Placing Shares will be reallocated to the Public Offer from the Placing, so that the total number of the Public Offer Shares available under the Public Offer will be 18,750,000 Offer Shares, representing 30% of the Offer Shares initially available under the Share Offer;

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

- if the number of the Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Public Offer, then the number of Placing Shares to be reallocated to the Public Offer from the Placing will be increased so that the total number of the Public Offer Shares available under the Public Offer will be 25,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Share Offer; and
- if the number of the Offer Shares validly applied for under the Public Offer represents 100 times or more the number of the Offer Shares initially available for subscription under the Public Offer, then the number of Placing Shares to be reallocated to the Public Offer from the Placing will be increased, so that the total number of the Public Offer Shares available under the Public Offer will be 31,250,000 Offer Shares, representing 50% of the Offer Shares initially available under the Share Offer.

If the Public Offer is not fully subscribed, the Joint Bookrunners may have the discretion to reallocate to the Placing all or any unsubscribed Public Offer Shares in such numbers as they deem appropriate.

PLACING

Number of the Placing Shares

The number of the Offer Shares to be initially offered for subscription and/or purchase under the Placing will be 56,250,000 Placing Shares, consisting of 43,750,000 New Shares initially offered by our Company for subscription (subject to reallocation as described above) and 12,500,000 Sale Shares offered by the Selling Shareholder, representing approximately 90% of the Offer Shares available under the Share Offer. The Placing is fully underwritten by the Placing Underwriters.

Allocation

The Placing will include selective marketing of Offer Shares to institutional and professional investors and/or other investors expected to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Pursuant to the Placing, the Placing Shares will be conditionally placed on our behalf by the Placing Underwriters or through selling agents appointed by them. The Placing is subject to the Public Offer becoming unconditional.

Allocation of the Placing Shares to investors under the Placing will be determined by the Joint Bookrunners and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not the relevant investor is likely to buy further, and/or hold or sell its Placing Shares after the listing of the Shares on the Stock Exchange. Such

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of an appropriate shareholder base to our benefit and the benefit of the Shareholders as a whole.

The Joint Lead Managers (for themselves and on behalf of the Underwriters), may require any investor who has been offered Offer Shares under the Placing and who has made an application under the Public Offer to provide sufficient information to the Joint Bookrunners so as to allow them to identify the relevant applications under the Public Offer and to ensure that such investor is excluded from any application of Placing Shares under the Placing.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Share Offer are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, holding or disposal of, and dealing in our Shares (or exercising rights attached to them). None of our Group, the Selling Shareholder, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, any of their respective directors, agents or advisors or any other person or party involved in the Share Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, our Shares.

HONG KONG REGISTER OF MEMBERS

Our principal register of members will be maintained by our principal share registrar, Estera Trust (Cayman) Limited in the Cayman Islands and our Hong Kong branch register of members will be maintained in Hong Kong by Union Registrars Limited, our Hong Kong Branch Share Registrar.

STAMP DUTY

Dealings in our Shares registered in our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current ad valorem rate of Hong Kong stamp duty is 0.1% on the higher of the consideration for or the market value of the Shares and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. Therefore a total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares.

HOW TO APPLY FOR PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for the Public Offer Shares, then you may not apply for or indicate an interest for the Placing Shares.

To apply for the Public Offer Shares, you may:

- (a) use a **WHITE** or **YELLOW** Application Form; or
- (b) electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application. Our Company, the Joint Bookrunners and their respective agents and nominees may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY FOR THE PUBLIC OFFER SHARES

You can apply for the Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you (or the person(s) for whose benefit you are applying):

- (a) are 18 years of age or older;
- (b) have a Hong Kong address;
- (c) are outside the United States, and are not a United States Person (as defined in Regulation S); and
- (d) are not a legal or natural person of the PRC.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorised officer, who must state his or her representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company, the Joint Bookrunners or their respective agents and nominees may accept or reject it at its discretion, and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four.

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you:

- are an existing beneficial owner of Shares and/or any of our subsidiaries;
- are a Director or chief executive officer of our Company and/or any of our subsidiaries;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- are a connected person of our Company or will become a connected person of our Company immediately upon completion of the Share Offer;
- are an associate of any of the above; and
- have been allocated or have applied for or indicated an interest in any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR THE PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 5 July 2016 until 12:00 noon on Friday, 8 July 2016 from:

- (a) any of the following address of the Public Offer Underwriters:

Sinomax Securities Limited

Unit 1601, Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

Grand Vinco Capital Limited

Units 4909–4910, 49/F, The Center
99 Queen's Road Central
Hong Kong

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (b) or any of the following branches of Standard Chartered Bank (Hong Kong) Limited, the receiving bank for the Public Offer:

| District | Branch Name | Address |
|------------------|--------------------------------|------------------------------------------------------------------------------------------|
| Hong Kong Island | Aberdeen Branch | Shop 4A, G/F and Shop 1, 1/F, Aberdeen Centre Site 5, No. 6–12 Nam Ning Street, Aberdeen |
| | Quarry Bay Branch | G/F, Westlands Gardens, 1027 King's Road, Quarry Bay |
| Kowloon | Kwun Tong Hoi Yuen Road Branch | G/F, Fook Cheong Building, No. 63 Hoi Yuen Road, Kwun Tong |
| | Lok Fu Shopping Centre Branch | Shop G201, G/F., Lok Fu Shopping Centre |
| New Territories | Shatin Plaza Branch | Shop No. 8, Shatin Plaza, 21–27 Shatin Centre Street, Shatin |

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Tuesday, 5 July 2016 until 12:00 noon on Friday, 8 July 2016 from:

- (i) the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or
- (ii) your stockbroker.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited — SingAsia Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

| | | |
|-------------------------------|----------|--------------------------------|
| Tuesday, 5 July 2016 | — | 9:00 a.m. to 5:00 p.m. |
| Wednesday, 6 July 2016 | — | 9:00 a.m. to 5:00 p.m. |
| Thursday, 7 July 2016 | — | 9:00 a.m. to 5:00 p.m. |
| Friday, 8 July 2016 | — | 9:00 a.m. to 12:00 noon |

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 8 July 2016, the last application day or such later time as described in the paragraph headed "9. Effect of bad weather on the opening of the applications lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form, you:

- undertake to execute all relevant documents and instruct and authorise our Company and/or the Joint Bookrunners (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- confirm that you are aware of the restrictions on the Share Offer in this prospectus;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- agree that none of our Company, the Selling Shareholder, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers or any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;
- agree to disclose to our Company, the Selling Shareholder, the Hong Kong Branch Share Registrar, receiving bank, the Joint Lead Managers, the Joint Bookrunners, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Selling Shareholder, the Joint Lead Managers, the Joint Bookrunners and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- agree that your application will be governed by the laws of Hong Kong;
- represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- warrant that the information you have provided is true and accurate;
- agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;
- authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or refund cheque(s) to you or the first-

HOW TO APPLY FOR PUBLIC OFFER SHARES

named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the share certificate(s) and/or refund cheque(s) in person;

- declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- understand that our Company, the Selling Shareholder, our Directors and the Joint Bookrunners and their respective agents and nominees will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC by you or by any one as your agent or by any other person; and
- (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the monies due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Phone System by calling (852) 2979 7888 or through the CCASS Internet System at <https://ip.ccass.com> (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HOW TO APPLY FOR PUBLIC OFFER SHARES

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Center
1/F, One & Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are **not a CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Lead Managers and the Hong Kong Branch Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;
 - (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
- confirm that you understand that our Company, the Selling Shareholder, our Directors and the Joint Bookrunners and their respective agents and nominees will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Selling Shareholder, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers or any other parties involved in the Share Offer is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, the Selling Shareholder, our Hong Kong Branch Share Registrar, receiving bank, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or its respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the

HOW TO APPLY FOR PUBLIC OFFER SHARES

application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for the Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of our Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving electronic application instructions to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- (a) instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (b) instructed and authorised HKSCC to arrange payment of the Offer Price, brokerage, SFC transaction levy and Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application, refund of the application monies (including brokerage, SFC transaction levy and Stock Exchange trading fee) by crediting your designated bank account; and
- (c) instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the WHITE Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 5,000 Public Offer Shares. Instructions for more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

| | | |
|-------------------------------|----------|----------------------------------------------|
| Tuesday, 5 July 2016 | — | 9:00 a.m. to 8:30 p.m.⁽¹⁾ |
| Wednesday, 6 July 2016 | — | 8:00 a.m. to 8:30 p.m.⁽¹⁾ |
| Thursday, 7 July 2016 | — | 8:00 a.m. to 8:30 p.m.⁽¹⁾ |
| Friday, 8 July 2016 | — | 8:00 a.m.⁽¹⁾ to 12:00 noon |

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, 5 July 2016 until 12:00 noon on Friday, 8 July 2016 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Friday, 8 July 2016, the last application day or such later time as described in the paragraph headed “9. Effect of bad weather on the opening of the application lists” in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares

HOW TO APPLY FOR PUBLIC OFFER SHARES

for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Selling Shareholder, the Hong Kong Branch Share Registrar, the receiving banker, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

6. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Such facility is subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, the Selling Shareholder, our Directors, the Joint Bookrunners, the Joint Lead Managers, the Sole Sponsor and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form; or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Friday, 8 July 2016.

HOW TO APPLY FOR PUBLIC OFFER SHARES

7. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- (a) the principal business of that company is dealing in securities; and
- (b) you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange. “Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

8. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for the Public Offer Shares.

You must pay the Offer Price, brokerage, SFC transaction levy and Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

HOW TO APPLY FOR PUBLIC OFFER SHARES

You may submit an application using a **WHITE** or **YELLOW** Application Form in respect of a minimum of 5,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the paragraph headed “Structure and conditions of the Share Offer — Price payable on application” in this prospectus.

9. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- (a) a tropical cyclone warning signal number 8 or above; or
- (b) a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 8 July 2016. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Friday, 8 July 2016 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable”, an announcement will be made in such event.

10. PUBLICATION OF RESULTS

Our Company expects to announce the level of the indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Thursday, 14 July 2016 on our Company’s website at **www.singasia.com.sg** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- (a) in the announcement to be posted on our Company’s website at **www.singasia.com.sg** and the Stock Exchange’s website at **www.hkexnews.hk** by no later than 8:00 a.m. on Thursday, 14 July 2016;
- (b) from the designated results of allocations website at **www.unioniporesults.com.hk** with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, 14 July 2016 to 12:00 midnight on Wednesday, 20 July 2016;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (c) by telephone enquiry line by calling (852) 3443 6133 between 9:00 a.m. and 6:00 p.m. from Thursday, 14 July 2016 to Tuesday, 19 July 2016 (excluding Saturday, Sunday and Public Holidays in Hong Kong); and
- (d) in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 14 July 2016 to Saturday, 16 July 2016 at all the designated receiving bank branches.

If our Company accepts your offer to purchase (in whole or in part), which we may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed “Structure and Conditions of the Share Offer” in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

11. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(a) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong).

This agreement will take effect as a collateral contract with our Company. Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person’s responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified they are required to confirm their applications. If applicant have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

HOW TO APPLY FOR PUBLIC OFFER SHARES

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or the results of the ballot respectively.

(b) If our Company or our agents exercise their discretion to reject your application:

Our Company, the Joint Bookrunners and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(c) If the allotment of the Public Offer Shares is void:

The allotment of the Public Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- (i) within three weeks from the closing date of the application lists; or
- (ii) within a longer period of up to six weeks if the Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

(d) If:

- (i) you make multiple applications or suspected multiple applications;
- (ii) you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- (iii) your Application Form is not completed in accordance with the stated instructions;
- (iv) your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- (v) the Underwriting Agreements do not become unconditional or are terminated;
- (vi) our Company or the Joint Bookrunners believe that by accepting your application, it would violate applicable securities or other laws, rules or regulations; or
- (vii) your application is for more than 100% of the Public Offer Shares initially offered under the Public Offer.

12. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the conditions of the Public Offer are not fulfilled in accordance with “Structure and Conditions of the Share Offer” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on Thursday, 14 July 2016.

13. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- (a) share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- (b) refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for (including brokerage, SFC transaction levy and Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Thursday, 14 July 2016. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier order(s).

HOW TO APPLY FOR PUBLIC OFFER SHARES

Share certificates will only become valid at 8:00 a.m. on Friday, 15 July 2016 provided that the Share Offer has become unconditional and the right of termination described in the section headed “Underwriting — Public Offer underwriting arrangement — Grounds for termination” in this prospectus has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(a) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from our Company’s Hong Kong Branch Share Registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 14 July 2016 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be dispatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Thursday, 14 July 2016, by ordinary post and at your own risk.

(b) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above for collection of refund cheque(s). If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Thursday, 14 July 2016, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant’s stock account as stated in your Application Form on Thursday, 14 July 2016, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (i) *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

- (ii) *If you are applying as a CCASS investor participant*

We will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 14 July 2016 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

- (c) *If you apply via Electronic Application Instructions to HKSCC*

Allocation of the Public Offer Shares

For the purposes of allocating the Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 14 July 2016 or on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer Shares in the manner specified in "Publication of Results" above on Thursday, 14 July 2016. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 14 July 2016 or such other date as determined by HKSCC or HKSCC Nominees.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, 14 July 2016. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications initially paid on application (including brokerage, SFC transaction levy and Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 14 July 2016.

14. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or, under contingent situation, any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the GEM Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for inclusion in this prospectus, received from the independent reporting accountants of the company, Ernst & Young, Certified Public Accountants, Hong Kong.



22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

5 July 2016

The Directors

SingAsia Holdings Limited
Grand Vinco Capital Limited

Dear Sirs,

We set out below our report on the financial information of SingAsia Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) comprising the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the two years ended 31 July 2014 and 2015 and the six months ended 31 January 2016 (the “Relevant Periods”), and the combined statements of financial position of the Group as at 31 July 2014 and 2015 and 31 January 2016, and the statement of financial position of the Company as at 31 January 2016, together with the notes thereto (the “Financial Information”), and the combined statement of profit or loss and other comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the six months ended 31 January 2015 (the “Interim Comparative Information”), prepared on the basis of presentation set out in note 2.1 of section II below, for inclusion in the prospectus of the Company dated 5 July 2016 (the “Prospectus”) in connection with the listing of the shares of the Company on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 12 November 2015. Pursuant to a group reorganisation (the “Reorganisation”), as set out in note 2.1 of section II below, which was completed on 20 June 2016, the Company became the holding company of the other subsidiaries comprising the Group. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, no statutory financial statements have been prepared for the Company as it is not subject to statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

As at the date of this report, the Company has direct and indirect interests in subsidiaries as set out in note 1 of section II below. All companies now comprising the Group have adopted 31 July as their financial year end date. The statutory financial statements of the companies now comprising the Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated and/or established. Details of their statutory auditors during the Relevant Periods are set out in note 1 of section II below.

For the purpose of this report, the directors of the Company (the “Directors”) have prepared the combined financial statements of the Group (the “Underlying Financial Statements”) in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”). The Underlying Financial Statements for each of the years ended 31 July 2014 and 2015 and the six months ended 31 January 2016 were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that are free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

We have also performed a review of the Interim Comparative Information in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of

assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, for the purpose of this report and on the basis of presentation set out in note 2.1 of section II below, the Financial Information gives a true and fair view of the financial position of the Group as at 31 July 2014 and 2015 and 31 January 2016, and of the Company as at 31 January 2016 and of the combined financial performance and cash flows of the Group for each of the Relevant Periods.

REVIEW CONCLUSION IN RESPECT OF THE INTERIM COMPARATIVE INFORMATION

Based on our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

Combined Statements of Profit or Loss and Other Comprehensive Income

| | | Year ended 31 July | | Six months ended 31 January | |
|------------------------------------------------------------------------------------------|-------|--------------------|---------------------|-----------------------------|--------------------|
| | | 2014 | 2015 | 2015 | 2016 |
| | Notes | \$ | \$ | \$ | \$ |
| | | | | (Unaudited) | |
| REVENUE | 6 | 13,952,804 | 19,320,989 | 10,195,213 | 12,249,116 |
| Cost of services | | <u>(9,549,039)</u> | <u>(12,685,622)</u> | <u>(6,672,992)</u> | <u>(8,242,737)</u> |
| Gross profit | | 4,403,765 | 6,635,367 | 3,522,221 | 4,006,379 |
| Other income and gains | 6 | 345,324 | 110,807 | 91,784 | 51,979 |
| Administrative expenses | | (2,086,811) | (4,308,665) | (2,127,923) | (2,487,285) |
| Other operating expenses | | (228,869) | (116,812) | (54,885) | (1,360,753) |
| Finance costs | 8 | <u>(81,422)</u> | <u>(83,377)</u> | <u>(42,177)</u> | <u>(32,522)</u> |
| PROFIT BEFORE TAX | 7 | 2,351,987 | 2,237,320 | 1,389,020 | 177,798 |
| Income tax (expense)/credit | 11 | <u>(103,146)</u> | <u>(126,204)</u> | <u>(95,431)</u> | <u>169,797</u> |
| PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX | | <u>2,248,841</u> | <u>2,111,116</u> | <u>1,293,589</u> | <u>347,595</u> |
| ATTRIBUTABLE TO: | | | | | |
| Owners of the Company | | 2,248,841 | 2,119,011 | 1,324,532 | 266,920 |
| Non-controlling interests | | <u>—</u> | <u>(7,895)</u> | <u>(30,943)</u> | <u>80,675</u> |
| | | <u>2,248,841</u> | <u>2,111,116</u> | <u>1,293,589</u> | <u>347,595</u> |

Combined Statements of Financial Position

| | | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|----------------------------------------------|-------|-----------------------|------------------|-----------------------------|
| | Notes | \$ | \$ | \$ |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 13 | 254,910 | 524,782 | 571,252 |
| Goodwill | 14 | — | 886,341 | 886,341 |
| Deferred tax assets | 21 | — | — | 240,072 |
| Total non-current assets | | <u>254,910</u> | <u>1,411,123</u> | <u>1,697,665</u> |
| CURRENT ASSETS | | | | |
| Trade receivables | 15 | 2,589,643 | 3,849,716 | 4,339,631 |
| Prepayments, deposits and other receivables | 16 | 2,186,741 | 319,993 | 703,851 |
| Cash and cash equivalents | 17 | <u>667,032</u> | <u>1,031,029</u> | <u>1,583,944</u> |
| Total current assets | | <u>5,443,416</u> | <u>5,200,738</u> | <u>6,627,426</u> |
| CURRENT LIABILITIES | | | | |
| Trade payables | 18 | 66,668 | 83,906 | 161,062 |
| Other payables and accruals | 19 | 1,395,951 | 2,289,121 | 4,076,775 |
| Interest-bearing bank borrowings | 20 | 828,484 | 952,187 | 447,627 |
| Tax payable | | <u>72,190</u> | <u>95,959</u> | <u>174,370</u> |
| Total current liabilities | | <u>2,363,293</u> | <u>3,421,173</u> | <u>4,859,834</u> |
| NET CURRENT ASSETS | | <u>3,080,123</u> | <u>1,779,565</u> | <u>1,767,592</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>3,335,033</u> | <u>3,190,688</u> | <u>3,465,257</u> |
| NON-CURRENT LIABILITIES | | | | |
| Other payables | 19 | 312,988 | — | — |
| Interest-bearing bank borrowings | 20 | — | 29,511 | — |
| Deferred tax liabilities | 21 | <u>30,825</u> | <u>77,925</u> | <u>34,410</u> |
| Total non-current liabilities | | <u>343,813</u> | <u>107,436</u> | <u>34,410</u> |
| NET ASSETS | | <u>2,991,220</u> | <u>3,083,252</u> | <u>3,430,847</u> |
| EQUITY | | | | |
| Share capital | 22 | — | — | — |
| Reserves | 24 | <u>2,991,220</u> | <u>2,828,526</u> | <u>3,095,446</u> |
| Non-controlling interests | | <u>2,991,220</u> | <u>2,828,526</u> | <u>3,095,446</u> |
| | | <u>—</u> | <u>254,726</u> | <u>335,401</u> |
| TOTAL EQUITY | | <u>2,991,220</u> | <u>3,083,252</u> | <u>3,430,847</u> |

Statement of Financial Position of the Company

| | | As at 31 January 2016 \$ |
|--------------------------|-------------|-----------------------------------|
| | <i>Note</i> | |
| CURRENT ASSET | | |
| Due from a related party | | <u>1</u> |
| NET ASSET | | <u>1</u> |
| EQUITY | | |
| Share capital | 22 | 1 |
| Reserves | | <u>—</u> |
| TOTAL EQUITY | | <u><u>1</u></u> |

Combined Statements of Changes In Equity

| Group | Attributable to owners of the Company | | | Non-controlling interests | Total equity |
|---------------------------------------------------------------------|---------------------------------------|------------------|-----------------|---------------------------|--------------|
| | Share capital | Retained profits | Merger reserve | | |
| | (note 22) \$ | \$ | (note 24) \$ | \$ | \$ |
| At 1 August 2013 | — | 741,379 | 501,000 | — | 1,242,379 |
| Profit for the year and total comprehensive income for the year | — | 2,248,841 | — | — | 2,248,841 |
| Dividends declared by a subsidiary (note 23) | — | (500,000) | — | — | (500,000) |
| At 31 July 2014 and 1 August 2014 | — | 2,490,220 | 501,000 | — | 2,991,220 |
| Profit for the year and total comprehensive income for the year | — | 2,119,011 | — | (7,895) | 2,111,116 |
| Dividends declared by a subsidiary (note 23) | — | (2,758,000) | — | — | (2,758,000) |
| Acquisition of subsidiaries (note 25) | — | — | 350,295 | 188,621 | 538,916 |
| Capital injection into a newly incorporated subsidiary | — | — | 126,000 | 74,000 | 200,000 |
| At 31 July 2015 and 1 August 2015 | — | 1,851,231 | 977,295 | 254,726 | 3,083,252 |
| Profit for the period and total comprehensive income for the period | — | 266,920 | — | 80,675 | 347,595 |
| At 31 January 2016 | — | 2,118,151 | 977,295 | 335,401 | 3,430,847 |
| UNAUDITED | | | | | |
| At 1 August 2014 | — | 2,490,220 | 501,000 | — | 2,991,220 |
| Profit for the period and total comprehensive income for the period | — | 1,324,532 | — | (30,943) | 1,293,589 |
| Dividends declared by a subsidiary (note 23) | — | (1,600,000) | — | — | (1,600,000) |
| Acquisition of subsidiaries (note 25) | — | — | 350,295 | 188,621 | 538,916 |
| Capital injection into a newly incorporated subsidiary | — | — | 126,000 | 74,000 | 200,000 |
| At 31 January 2015 | — | 2,214,752 | 977,295 | 231,678 | 3,423,725 |

Combined Statements of Cash Flows

| | <i>Notes</i> | Year ended 31 July | | Six months ended 31 January | |
|--------------------------------------------------------------------------|--------------|--------------------|-----------|-----------------------------|-----------|
| | | 2014 | 2015 | 2015 | 2016 |
| | | \$ | \$ | \$ | \$ |
| | | | | (Unaudited) | |
| CASH FLOWS FROM | | | | | |
| OPERATING ACTIVITIES | | | | | |
| Profit before tax | | 2,351,987 | 2,237,320 | 1,389,020 | 177,798 |
| Adjustments for: | | | | | |
| Depreciation | 13 | 116,600 | 200,930 | 89,567 | 142,629 |
| Finance costs | 8 | 81,422 | 83,377 | 42,177 | 32,522 |
| Interest income | 6 | (52,903) | — | — | — |
| Gain on disposal of a subsidiary | 6 | (258,941) | — | — | — |
| Loss on disposal of property, plant and equipment | 7 | — | 260 | — | — |
| | | 2,238,165 | 2,521,887 | 1,520,764 | 352,949 |
| Increase in trade receivables | | (297,520) | (74,716) | (965,952) | (489,915) |
| (Increase)/decrease in prepayments, deposits and other receivables | | (20,532) | 18,517 | 40,049 | (230,303) |
| Increase/(decrease) in trade payables | | 66,668 | (124,419) | (130,494) | 77,156 |
| Increase/(decrease) in other payables and accruals | | 266,353 | (126,143) | 225,013 | 812,916 |
| Cash generated from operations | | 2,253,134 | 2,215,126 | 689,380 | 522,803 |
| Income tax paid | | (87,535) | (86,737) | (47,763) | (35,379) |
| Net cash flows generated from operating activities | | 2,165,599 | 2,128,389 | 641,617 | 487,424 |
| CASH FLOWS FROM | | | | | |
| INVESTING ACTIVITIES | | | | | |
| Purchase of property, plant and equipment | 13 | (125,085) | (431,367) | (205,563) | (189,099) |
| Disposal of a subsidiary | 26 | (19,957) | — | — | — |
| Acquisition of subsidiaries | 25 | — | 598,638 | 598,638 | — |
| Capital injection into a newly incorporated subsidiary | | — | 200,000 | 200,000 | — |
| Repayment from related parties | | 4,739,751 | 1,349,480 | 94,850 | 70,700 |
| Advances to related parties | | (5,293,368) | (524,309) | (254,331) | (224,255) |
| Interest received | | 52,903 | — | — | — |
| Net cash flows (used in)/generated from investing activities | | (645,756) | 1,192,442 | 433,594 | (342,654) |

| | <i>Notes</i> | Year ended 31 July | | Six months ended 31 January | |
|----------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------|-------------------------|-----------------------------|-------------------------|
| | | 2014 | 2015 | 2015 | 2016 |
| | | \$ | \$ | \$ | \$ |
| | | | | (Unaudited) | |
| CASH FLOWS FROM | | | | | |
| FINANCING ACTIVITIES | | | | | |
| Repayment of bank borrowings | | (12,253,193) | (13,794,675) | (6,169,997) | (6,424,509) |
| Proceeds from bank borrowings | | 11,940,761 | 13,734,270 | 7,369,440 | 5,890,438 |
| Dividends paid | | (500,000) | (2,158,000) | (1,000,000) | — |
| Interest paid | | (81,422) | (83,377) | (42,177) | (32,522) |
| Repayment of loans from a director | | (1,288,275) | (1,516,053) | (709,206) | (787,498) |
| Advances from a director | | 1,161,725 | 1,017,801 | 1,015,000 | 1,751,454 |
| Repayment of loans from a third party | | (110,000) | (110,000) | (110,000) | — |
| Advances from related parties | | 469,083 | 627,591 | 510,639 | 10,782 |
| Repayment to related parties | | <u>(475,461)</u> | <u>(674,391)</u> | <u>(599,875)</u> | <u>—</u> |
| Net cash flow (used in)/generated from financing activities | | <u>(1,136,782)</u> | <u>(2,956,834)</u> | <u>263,824</u> | <u>408,145</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 383,061 | 363,997 | 1,339,035 | 552,915 |
| Cash and cash equivalents at beginning of year/period | | <u>283,971</u> | <u>667,032</u> | <u>667,032</u> | <u>1,031,029</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD | 17 | <u><u>667,032</u></u> | <u><u>1,031,029</u></u> | <u><u>2,006,067</u></u> | <u><u>1,583,944</u></u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | | | |
| Cash and bank balances | 17 | <u>667,032</u> | <u>1,031,029</u> | <u>2,006,067</u> | <u>1,583,944</u> |
| Cash and cash equivalents as stated in the combined statements of financial position and combined statements of cash flows | | <u><u>667,032</u></u> | <u><u>1,031,029</u></u> | <u><u>2,006,067</u></u> | <u><u>1,583,944</u></u> |

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's registered office address is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108 Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries were involved in the following principal activities:

- manpower outsourcing
- manpower recruitment
- manpower training

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Group Structure" in the Prospectus.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

| Name | Place and date of incorporation/ registration and place of operations | Issued and paid-up registered capital | Percentage of equity attributable to the Company | | Principal activities |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------|----------|---------------------------------------------------------------|
| | | | Direct | Indirect | |
| SingAsia Investments (<i>note (b)</i>) | British Virgin Islands 3 November 2015 | US\$5,086 | 100% | — | Investment holding |
| TCC Hospitality Resources Pte. Ltd. ("TCHHR") (<i>note (a)</i>) | Singapore 10 March 2004 | \$500,000 | — | 100% | Provision of manpower outsourcing services |
| TCC Manpower Pte. Ltd. ("TCCM") (<i>note (a)</i>) | Singapore 31 July 2007 | \$20,000 | — | 100% | Provision of manpower recruitment services |
| TCC Maintenance Services Pte. Ltd. ("TCCMS") (<i>note (a)</i>) | Singapore 1 August 2005 | \$2 | — | 100% | Dormant |
| TCC Education and Consulting Services Pte. Ltd. ("TCCECS") (<i>note (b)</i>) | Singapore 20 December 2011 | \$1,000 | — | 100% | Provision of manpower training and recruitment services |
| TCC Solutions Pte. Ltd. ("TCCS") (<i>note (b)</i>) | Singapore 6 January 2005 | \$100,000 | — | 100% | Provision of manpower outsourcing services |
| SingAsia Resources Pte. Ltd. ("SAR") (<i>note (c)</i>) | Singapore 28 August 2014 | \$200,000 | — | 100% | Provision of manpower outsourcing and cleaning services |

Notes:

- (a) The statutory financial statements prepared in accordance with Singapore Financial Reporting Standards were audited by Ernst & Young LLP, Singapore (Chartered Accountants) for the year ended 31 July 2015 and by BT Tan & Associates (Chartered Accountants) for the year ended 31 July 2014.
- (b) No statutory financial statements have been prepared for these entities since their incorporation as these entities are not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

- (c) The statutory financial statements prepared in accordance with Singapore Financial Reporting Standards were audited by Ernst & Young LLP, Singapore (Chartered Accountants) for the period from 28 August 2014 to 31 July 2015.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Group Structure” in the Prospectus, the Company became the holding company of the companies now comprising the Group on 20 June 2016. The companies now comprising the Group were under the common control of the controlling shareholder, Mr. Sim Hak Chor, before and after the Reorganisation. Accordingly, for the purpose of this report, the Financial Information has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Relevant Periods.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the Relevant Periods and the six months ended 31 January 2015 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the controlling shareholder, where this is a shorter period. The combined statements of financial position of the Group as at 31 July 2014 and 2015 and 31 January 2016 have been prepared to present the assets and liabilities of the subsidiaries using the existing book values from the controlling shareholder’s perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interests in subsidiaries held by parties other than the controlling shareholder prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

All intra-group transactions and balances have been eliminated on combination.

2.2 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with IFRSs which comprise all standards and interpretations approved by the IASB.

All IFRSs effective for the accounting period commencing from 1 August 2015, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Information.

The Financial Information has been prepared under the historical cost convention. The Financial Information is presented in Singapore dollars (\$) except when otherwise indicated.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in the Financial Information:

| | |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| IFRS 9 | <i>Financial Instruments</i> ³ |
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁵ |
| Amendments to IFRS 10, IFRS 12 and IAS 28 | <i>Investment Entities: Applying the Consolidation Exception</i> ¹ |
| Amendments to IFRS 11 | <i>Accounting for Acquisitions of Interests in Joint Operations</i> ¹ |
| IFRS 14 | <i>Regulatory Deferral Accounts</i> ⁴ |
| IFRS 15 | <i>Revenue from Contracts with Customers</i> ³ |
| IFRS 16 | <i>Leases</i> ⁶ |
| Amendments to IAS 1 | <i>Disclosure Initiative</i> ¹ |
| Amendments to IAS 7 | <i>Disclosure Initiative</i> ² |
| Amendments to IAS 12 | <i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ² |
| Amendments to IAS 16 and IAS 38 | <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹ |
| Amendments to IAS 16 and IAS 41 | <i>Agriculture: Bearer Plants</i> ¹ |
| Amendments to IAS 27 | <i>Equity Method in Separate Financial Statements</i> ¹ |
| Annual Improvements 2012–2014 Cycle | <i>Amendments to a number of IFRSs</i> ¹ |

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

⁴ Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

⁵ The effective date for this standard has yet to be determined

⁶ Effective for annual periods beginning on or after 1 January 2019

Other than explained below regarding the impact of IFRS 15 and IFRS 16 the Group expects that the adoption of the above new or revised standards will have no significant financial impact on the Financial Information.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structural approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for the lessee and the lessor to a contract. For lessee, IFRS 16 introduces a single accounting model for all leases, with certain exemptions, which requires lessees to recognise most leases on their balance

sheets. For lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing its impact upon adoption.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 July. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in

the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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 Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (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).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | | |
|-------------------------|---|--------------|
| Furniture and fittings | — | 5 years |
| Computers and equipment | — | 3 to 5 years |
| Renovation | — | 2 to 5 years |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

As lessee

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Financial assets*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other operating expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty,

default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals and interest-bearing bank borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash on hand and at banks that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the combined statements of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Income taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

(b) Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) 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 combined statements of financial position.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) Rendering of services

Revenue from the rendering of services is recognised when the services are rendered.

(b) Interest income

Interest income is recognised using the effective interest method.

Employee benefits*Defined contribution plans*

The Group makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which they become payable in accordance with the scheme.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Dividends

Dividends proposed by the Directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Foreign currencies

The Financial Information is presented in Singapore dollar (\$), which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are

translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Management is of the opinion that there is no significant judgement, apart from those involving estimations, made in applying accounting policies that has a significant effect on the amounts recognised in the Financial Information.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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 described below.

Income taxes

The Group has exposure to income taxes in Singapore. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and applicable tax incentives. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax recognised in the period in which such determination is made. The carrying amounts of the Group's current income tax liabilities and deferred income tax liabilities as at 31 July 2014 and 2015 and 31 January 2016 were \$72,190, \$95,959 and \$174,370 and \$30,825, \$77,925 and \$34,410 respectively.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, capital allowances and excess of tax values over net book values of property, plant and equipment to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses, capital allowances and excess of tax values over net book values of property, plant and equipment at 31 January 2016 was \$240,072. The amounts of unrecognised tax losses, capital allowances and excess of tax values over net book values of property, plant and equipment at 31 July 2014 and 2015 were \$11,306 and \$1,410,618. Further details are contained in note 21 of the financial information.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 July 2014 and 2015 and 31 January 2016 were \$nil, \$886,341 and \$886,341, respectively. Further details are given in note 14 to the Financial Information.

5. SEGMENT INFORMATION

The Group is principally engaged in the provision of manpower services. Information reported to the Group's management for the purpose of resources allocation and performance assessment presents the operating results of the Group as a whole since the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

During the Relevant Periods, all revenue, operating expenses, assets and liabilities are derived from the Group's operations in Singapore.

At the end of each reporting period during the Relevant Periods, the Group's non-current assets were located in Singapore.

Information about major customers

For the years ended 31 July 2014 and 2015 and the six months ended 31 January 2015 and 2016, revenue of \$5,809,148, \$7,378,041, \$3,877,293 and \$3,568,478 was derived from the provision of manpower service to one customer, respectively.

6. REVENUE, OTHER INCOME AND GAINS

Revenue represents the value of services rendered during the year/period.

An analysis of revenue, other income and gains is as follows:

| | Year ended 31 July | | Six months ended 31 January | |
|----------------------------------|---------------------------|-------------------|------------------------------------|-------------------|
| | 2014 | 2015 | 2015 | 2016 |
| | \$ | \$ | \$ | \$ |
| | (Unaudited) | | | |
| Revenue | | | | |
| Manpower outsourcing | 13,394,736 | 17,927,190 | 9,305,334 | 11,038,401 |
| Manpower recruitment | — | 975,218 | 505,151 | 514,542 |
| Manpower training | 558,068 | 418,581 | 384,728 | 696,173 |
| | <u>13,952,804</u> | <u>19,320,989</u> | <u>10,195,213</u> | <u>12,249,116</u> |
| Other income | | | | |
| Government grants | 15,000 | 76,140 | 75,640 | 16,378 |
| Interest income | 52,903 | — | — | — |
| Sundry income | 18,480 | 34,667 | 16,144 | 27,436 |
| Exchange gain | — | — | — | 8,165 |
| | <u>86,383</u> | <u>110,807</u> | <u>91,784</u> | <u>51,979</u> |
| Gains | | | | |
| Gain on disposal of a subsidiary | 258,941 | — | — | — |
| | <u>258,941</u> | <u>—</u> | <u>—</u> | <u>—</u> |

7. PROFIT BEFORE TAX

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

| | | Year ended 31 July | | Six months ended 31 January | |
|------------------------------------------------------------------------------|------|--------------------|------------|-----------------------------|-----------|
| | | 2014 | 2015 | 2015 | 2016 |
| | Note | \$ | \$ | \$ | \$ |
| | | | | (Unaudited) | |
| Cost of services | | 9,549,039 | 12,685,622 | 6,672,992 | 8,242,737 |
| Depreciation | 13 | 116,600 | 200,930 | 89,567 | 142,629 |
| Operating lease charges | | 145,154 | 372,528 | 178,870 | 222,288 |
| Auditors' remuneration | | 6,780 | 50,200 | 24,750 | 24,750 |
| Employee benefit expense (excluding directors' remuneration (note 9)): | | | | | |
| — Salaries and bonuses ⁽¹⁾ | | 9,770,642 | 13,125,216 | 6,942,154 | 7,837,352 |
| — Central Provident Fund contributions ⁽²⁾ | | 321,508 | 1,173,440 | 485,600 | 847,842 |
| — Short-term benefits | | 31,262 | 74,520 | 37,684 | 41,584 |
| Listing expenses | | — | — | — | 1,285,966 |
| Trade receivables written off | | — | 7,400 | — | — |
| Loss on disposal of property, plant and equipment | | — | 260 | — | — |
| | | <u>—</u> | <u>260</u> | <u>—</u> | <u>—</u> |

⁽¹⁾ Salaries and bonus include causal labour costs amounting to \$8,652,368, \$10,699,238, \$5,728,678 and \$6,478,972 for the years ended 31 July 2014, 2015 and the six months ended 31 January 2015, 2016 respectively. These amounts have been included in the cost of services.

⁽²⁾ Central Provident Fund contributions include casual labour costs amounting to \$208,575, \$912,480, \$363,038 and \$710,410 for the years ended 31 July 2014, 2015 and the six months ended 31 January 2015 and 2016 respectively. These amounts have been included in the cost of services.

8. FINANCE COSTS

An analysis of finance costs is as follows:

| | Year ended 31 July | | Six months ended 31 January | |
|----------------------|--------------------|---------------|-----------------------------|---------------|
| | 2014 | 2015 | 2015 | 2016 |
| | \$ | \$ | \$ | \$ |
| | | | (Unaudited) | |
| Interest expense on: | | | | |
| Factoring loans | 74,852 | 76,765 | 39,310 | 29,142 |
| Term loans | <u>6,570</u> | <u>6,612</u> | <u>2,867</u> | <u>3,380</u> |
| | <u>81,422</u> | <u>83,377</u> | <u>42,177</u> | <u>32,522</u> |

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors at any time during the Relevant Periods since the appointment of Company's directors was only subsequent to the end of the Relevant Periods on 20 June 2016.

Subsequent to the end of the Relevant Periods, Mr. Winston Sim and Ms. Serene Tan were appointed as executive directors of the Company on 20 June 2016. Mr. Tan Eng Ann, Mr. Lim Cheng Hock Lawrence and Mr. Jong Voon Hoo were appointed as independent non-executive directors of the Company on 20 June 2016, and Mr. Winston Sim was appointed as the chief executive of the Company on 20 June 2016.

Certain of the directors received remuneration from the subsidiaries now comprising the Group for their appointment as directors of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements of the subsidiaries is set out below:

| | Fees \$ | Salaries and bonuses \$ | CPF contributions \$ | Other short- term benefits \$ | Total \$ |
|---------------------------------------------------------|------------|-------------------------------|----------------------------|-------------------------------------|-------------|
| Year ended 31 July 2014 | | | | | |
| Mr. Winston Sim | — | 90,000 | 4,800 | — | 94,800 |
| Ms. Serene Tan | — | 62,460 | 2,880 | — | 65,340 |
| | — | 152,460 | 7,680 | — | 160,140 |
| Year ended 31 July 2015 | | | | | |
| Mr. Winston Sim | — | 171,000 | 9,470 | — | 180,470 |
| Ms. Serene Tan | — | 106,188 | 7,498 | — | 113,686 |
| | — | 277,188 | 16,968 | — | 294,156 |
| Period ended 31 January 2015 (unaudited) | | | | | |
| Mr. Winston Sim | — | 90,000 | 4,850 | — | 94,850 |
| Ms. Serene Tan | — | 54,720 | 4,073 | — | 58,793 |
| | — | 144,720 | 8,923 | — | 153,643 |
| Period ended 31 January 2016 | | | | | |
| Mr. Winston Sim | — | 90,000 | 5,270 | — | 95,270 |
| Ms. Serene Tan | — | 60,120 | 3,162 | — | 63,282 |
| | — | 150,120 | 8,432 | — | 158,552 |

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 July 2014 and 2015 and the six months ended 31 January 2015 and 2016 included 2 directors, and details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining 3 highest paid employees who are neither a director nor chief executive during the Relevant Periods are as follows:

| | Year ended 31 July | | Six months ended 31 January | |
|----------------------|--------------------|----------------|-----------------------------|----------------|
| | 2014 | 2015 | 2015 | 2016 |
| | \$ | \$ | \$ | \$ |
| | | | (Unaudited) | |
| Salaries and bonuses | 290,300 | 409,110 | 186,313 | 202,920 |
| CPF contributions | <u>29,116</u> | <u>37,148</u> | <u>14,574</u> | <u>15,810</u> |
| | <u>319,416</u> | <u>446,258</u> | <u>200,887</u> | <u>218,730</u> |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

| | Year ended 31 July | | Six months ended 31 January | |
|----------------------|--------------------|----------|-----------------------------|----------|
| | 2014 | 2015 | 2015 | 2016 |
| | | | (Unaudited) | |
| Nil to HK\$1,000,000 | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> |

During the Relevant Periods, no emoluments were paid by the Group to the three highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the three highest paid individuals have waived any remuneration during the Relevant Periods.

11. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong during the Relevant Periods.

The Singapore statutory income tax rate was 17% during the Relevant Periods. Income tax expense for the Group relates wholly to the profits of the subsidiaries, which were taxed at a statutory tax rate of 17% in Singapore. Major components of income tax expense for the years ended 31 July 2014 and 2015 and the six months ended 31 January 2015 and 2016 are:

| | Year ended 31 July | | Six months ended 31 January | |
|-----------------------------------------------|--------------------|----------------|-----------------------------|------------------|
| | 2014 | 2015 | 2015 | 2016 |
| | \$ | \$ | \$ | \$ |
| | | | (Unaudited) | |
| Current — Singapore | | | | |
| Charge for the year/period | 72,190 | 83,839 | 71,001 | 119,248 |
| (Overprovision)/underprovision in prior years | 131 | (4,735) | (4,735) | (5,458) |
| Deferred (<i>note 21</i>) | 30,825 | 40,060 | 22,125 | (283,587) |
| Underprovision in prior years | — | 7,040 | 7,040 | — |
| Total tax charge for the year/period | <u>103,146</u> | <u>126,204</u> | <u>95,431</u> | <u>(169,797)</u> |

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for country in which the Company's subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

| | Year ended 31 July | | Six months ended 31 January | |
|---------------------------------------------------------------------|--------------------|------------------|-----------------------------|------------------|
| | 2014 | 2015 | 2015 | 2016 |
| | \$ | \$ | \$ | \$ |
| | | | (Unaudited) | |
| Profit before tax | <u>2,351,987</u> | <u>2,237,320</u> | <u>1,389,020</u> | <u>177,798</u> |
| Tax at statutory rate of 17% (2014: 17%) | 399,838 | 380,344 | 236,133 | 30,226 |
| Adjustments in respect of previous years | | | | |
| — Current tax | 131 | (4,735) | (4,735) | (5,458) |
| — Deferred tax | — | 7,040 | 7,040 | — |
| Adjustments in respect of deferred tax of previous years/periods | — | — | — | (284,879) |
| Income not subject to tax | (44,020) | — | — | (1,388) |
| Expenses not deductible for tax | 10,503 | 25,333 | 16,116 | 219,447 |
| Effect of partial tax exemption | (29,647) | (34,996) | (29,717) | (37,228) |
| Tax rebate | (30,000) | (22,398) | (20,882) | (25,226) |
| Enhanced allowances and deductions | (191,014) | (247,784) | (121,147) | (9,518) |
| Tax losses and capital allowances not recognised | 1,922 | 239,805 | 13,145 | — |
| Tax losses and capital allowances utilised from previous years | — | (194,359) | — | (43,152) |
| Others | <u>(14,567)</u> | <u>(22,046)</u> | <u>(522)</u> | <u>(12,621)</u> |
| Tax charge at the Group's effective rate | <u>103,146</u> | <u>126,204</u> | <u>95,431</u> | <u>(169,797)</u> |

In Singapore, the partial tax exemption schemes allows for (i) 75% tax exemption on the first \$10,000 of normal chargeable income; and a further 50% tax exemption on the next \$290,000 of normal chargeable income.

Tax rebate refers to the corporate income tax rebate which allowed 30% corporate income tax rebate capped at \$30,000 per year for years of assessment 2013 to 2015; and \$20,000 per year for years of assessment 2016 to 2017.

Enhanced allowances and deductions refer to the Productivity and Innovation Credit (PIC) Scheme which allowed 400% tax deductions/allowances or 60% cash payout for investments made in any of the six qualifying activities for years of assessment 2013 to 2018.

12. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful because the number of shares as at the end of each of the Relevant Periods will be different from the number of shares immediately after the completion of the Reorganisation as disclosed in note 2.1 above.

13. PROPERTY, PLANT AND EQUIPMENT

| | Furniture and fittings \$ | Computers and equipment \$ | Renovation \$ | Total \$ |
|-----------------------------------------------------|---------------------------------|----------------------------------|------------------|----------------|
| 31 July 2014 | | | | |
| Cost | 45,812 | 557,413 | 70,950 | 674,175 |
| Accumulated depreciation | (37,617) | (310,698) | (70,950) | (419,265) |
| Net carrying amount | <u>8,195</u> | <u>246,715</u> | <u>—</u> | <u>254,910</u> |
| At 1 August 2013, net of accumulated depreciation | 5,916 | 255,204 | — | 261,120 |
| Additions | 5,444 | 119,641 | — | 125,085 |
| Disposal of a subsidiary (<i>note 26</i>) | — | (14,695) | — | (14,695) |
| Depreciation | (3,165) | (113,435) | — | (116,600) |
| At 31 July 2014, net of accumulated depreciation | <u>8,195</u> | <u>246,715</u> | <u>—</u> | <u>254,910</u> |
| 31 July 2015 | | | | |
| Cost | 18,159 | 1,214,836 | 52,950 | 1,285,945 |
| Accumulated depreciation | (11,169) | (697,044) | (52,950) | (761,163) |
| Net carrying amount | <u>6,990</u> | <u>517,792</u> | <u>—</u> | <u>524,782</u> |
| At 1 August 2014, net of accumulated depreciation | 8,195 | 246,715 | — | 254,910 |
| Additions | — | 431,367 | — | 431,367 |
| Acquisition of subsidiaries (<i>note 25</i>) | 2,632 | 37,063 | — | 39,695 |
| Disposals | — | (260) | — | (260) |
| Depreciation | (3,837) | (197,093) | — | (200,930) |
| At 31 July 2015, net of accumulated depreciation | <u>6,990</u> | <u>517,792</u> | <u>—</u> | <u>524,782</u> |
| 31 January 2016 | | | | |
| Cost | 19,139 | 1,402,955 | 52,950 | 1,475,044 |
| Accumulated depreciation | (12,917) | (837,925) | (52,950) | (903,792) |
| Net carrying amount | <u>6,222</u> | <u>565,030</u> | <u>—</u> | <u>571,252</u> |
| At 1 August 2015, net of accumulated depreciation | 6,990 | 517,792 | — | 524,782 |
| Additions | 980 | 188,119 | — | 189,099 |
| Depreciation | (1,748) | (140,881) | — | (142,629) |
| At 31 January 2016, net of accumulated depreciation | <u>6,222</u> | <u>565,030</u> | <u>—</u> | <u>571,252</u> |

14. GOODWILL

| | |
|--------------------------------------------------------------------------|---------|
| | \$ |
| At 1 August 2013 and 31 July 2014 | |
| Cost | — |
| Accumulated impairment | — |
| Net carrying amount | — |
| Cost at 1 August 2014, net of accumulated impairment | — |
| Acquisition of a subsidiary (<i>note 25</i>) | 886,341 |
| Cost and net carrying amount at 31 July 2015 | 886,341 |
| At 31 July 2015 | |
| Cost | 886,341 |
| Accumulated impairment | — |
| Net carrying amount | 886,341 |
| Cost at 1 August 2015 and 31 January 2016, net of accumulated impairment | 886,341 |
| At 31 January 2016 | |
| Cost | 886,341 |
| Accumulated impairment | — |
| At 31 January 2016, net of accumulated impairment | 886,341 |

Impairment testing of goodwill

The carrying amount of goodwill is allocated to TCCHR and TCCM, which is a cash-generating unit.

The recoverable amount of the cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections for the impairment testing of goodwill balance as at 31 July 2015 is 14.7%. The terminal growth rate of determining the terminal value of the cash generating is 1.0% and this is within the industry growth rate.

Key assumptions were used in the value in use calculation of the cash-generating unit for 31 July 2015. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant unit.

The values assigned to key assumptions are consistent with external information sources.

No impairment testing is required as at 31 January 2016 since there is no indicator of impairment.

15. TRADE RECEIVABLES

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|------------------|-----------------------|------------------|-----------------------------|
| | \$ | \$ | \$ |
| Third parties | 2,271,227 | 2,837,065 | 3,844,257 |
| Related parties | 194,296 | 677,032 | — |
| Unbilled revenue | <u>124,120</u> | <u>335,619</u> | <u>495,374</u> |
| | <u>2,589,643</u> | <u>3,849,716</u> | <u>4,339,631</u> |

Trade receivables (including balances due from related parties) are non-interest-bearing and are generally on 30-day terms.

An aged analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|-------------------|-----------------------|------------------|-----------------------------|
| | \$ | \$ | \$ |
| Less than 30 days | 1,002,612 | 1,786,114 | 1,708,173 |
| 31 to 60 days | 519,348 | 614,928 | 991,812 |
| 61 to 90 days | 255,184 | 291,514 | 475,528 |
| More than 90 days | <u>688,379</u> | <u>821,541</u> | <u>668,744</u> |
| Total | <u>2,465,523</u> | <u>3,514,097</u> | <u>3,844,257</u> |

At 31 July 2014 and 2015 and 31 January 2016, trade receivables were denominated in Singapore dollars.

No provision for impairment of trade receivables has been recorded during the Relevant Periods.

The aged analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|-------------------------------|-----------------------|------------------|-----------------------------|
| | \$ | \$ | \$ |
| Neither past due nor impaired | 489,920 | 1,389,800 | 1,432,058 |
| Less than 30 days past due | 966,030 | 832,671 | 1,132,126 |
| 31 to 60 days past due | 297,826 | 274,507 | 558,477 |
| 61 to 90 days past due | 155,942 | 280,498 | 183,872 |
| More than 90 days past due | <u>555,805</u> | <u>736,621</u> | <u>537,724</u> |
| Total | <u>2,465,523</u> | <u>3,514,097</u> | <u>3,844,257</u> |

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

See note 31(a) for credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired and past due but not impaired.

The balances due from related parties included in the above balance are as follows:

| Related parties | Relationship with the Group | As at 31 July | | As at |
|------------------------------------|---------------------------------|----------------|----------------|-----------------|
| | | 2014 | 2015 | 31 January 2016 |
| | | \$ | \$ | \$ |
| The Ramen Stall Pte. Ltd. | Common director | 194,296 | 538,833 | N/A* |
| The Ramen Stall (NBR) II Pte. Ltd. | Common director and shareholder | — | 138,199 | N/A* |
| | | <u>194,296</u> | <u>677,032</u> | <u>—</u> |

* These companies are not considered related parties of the Group effective 1 October 2015 as the common director and shareholder has resigned from the companies.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 31 July | | As at |
|-------------------|------------------|----------------|-----------------|
| | 2014 | 2015 | 31 January 2016 |
| | \$ | \$ | \$ |
| Current | | | |
| Related parties | 2,095,147 | 208,848 | 79,457 |
| Deposits | 69,100 | 82,235 | 86,935 |
| Other receivables | 8,028 | 14,709 | 126,114 |
| Prepayments | <u>14,466</u> | <u>14,201</u> | <u>411,345</u> |
| | <u>2,186,741</u> | <u>319,993</u> | <u>703,851</u> |

The amount due from related parties are unsecured, repayable on demand and interest free except in 2014, an amount of \$1,209,214 bearing interest of 7%.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The balances due from related parties included in the above balance are as follows:

| Related parties | Relationship with the Group | As at 31 July | | As at |
|----------------------------------------|-------------------------------------------------------------|------------------|----------------|-----------------|
| | | 2014 | 2015 | 31 January 2016 |
| | | \$ | \$ | \$ |
| The Ramen Stall Pte. Ltd. | Common director | — | 69,381 | N/A* |
| The Ramen Stall (NBR) II Pte. Ltd. | Common director and shareholder | — | 30 | N/A* |
| WSC Partnership | A director of the Company is a partner of the related party | — | 242 | 79,457 |
| SingAsia Education Institute Pte. Ltd. | Common director | 885,933 | 94,762 | — |
| TCC Manpower Pte. Ltd. | Common director | <u>1,209,214</u> | <u>—</u> | <u>—</u> |
| | | <u>2,095,147</u> | <u>164,415</u> | <u>79,457</u> |

* These companies are not considered related parties of the Group effective 1 October 2015 as the common director and shareholder has resigned from the companies.

17. CASH AND CASH EQUIVALENTS

| | As at 31 July | | As at |
|------------------------|----------------|------------------|------------------|
| | 2014 | 2015 | 31 January 2016 |
| | \$ | \$ | \$ |
| Cash and bank balances | <u>667,032</u> | <u>1,031,029</u> | <u>1,583,944</u> |

At the end of each of the Relevant Periods, cash and bank balances were denominated in Singapore dollars.

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

18. TRADE PAYABLES

| | As at 31 July | | As at |
|-----------------|---------------|---------------|-----------------|
| | 2014 | 2015 | 31 January 2016 |
| | \$ | \$ | \$ |
| Third parties | 49,240 | 6,075 | 155,738 |
| Related parties | <u>17,428</u> | <u>77,831</u> | <u>5,324</u> |
| | <u>66,668</u> | <u>83,906</u> | <u>161,062</u> |

Trade payables (including balances due to related parties) are non-interest-bearing and are generally settled on 14-day terms.

At 31 July 2014 and 2015 and 31 January 2016, trade payables were denominated in Singapore dollars.

An aged analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|-------------------|-----------------------|---------------|-----------------------------|
| | \$ | \$ | \$ |
| Less than 30 days | 49,240 | 6,075 | 134,830 |
| 31 to 60 days | — | — | — |
| 61 to 90 days | — | — | 3,480 |
| More than 90 days | <u>17,428</u> | <u>77,831</u> | <u>22,752</u> |
| Total | <u>66,668</u> | <u>83,906</u> | <u>161,062</u> |

The balances due to related parties included in the above balance are as follows:

| Related parties | Relationship with the Group | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|----------------------------------------|--------------------------------|-----------------------|---------------|-----------------------------|
| | | \$ | \$ | \$ |
| SingAsia Education Institute Pte. Ltd. | Common director | — | 60,403 | 5,324 |
| The Ramen Stall Pte. Ltd. | Common director | <u>17,428</u> | <u>17,428</u> | <u>N/A*</u> |
| | | <u>17,428</u> | <u>77,831</u> | <u>5,324</u> |

* These companies are not considered related parties of the Group effective 1 October 2015 as the common director and shareholder has resigned from the companies.

19. OTHER PAYABLES AND ACCRUALS

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|-----------------------------|-----------------------|------------------|-----------------------------|
| | \$ | \$ | \$ |
| Current | | | |
| Related parties | 50,825 | 107,342 | 4,100 |
| Amount due to a director | — | 414,736 | 1,378,692 |
| GST payables | 217,016 | 307,868 | 390,697 |
| Accrued causal labour costs | 686,371 | 839,669 | 784,671 |
| Accrued staff costs | 259,315 | 482,201 | 580,840 |
| Other payables | <u>182,424</u> | <u>137,305</u> | <u>937,775</u> |
| | <u>1,395,951</u> | <u>2,289,121</u> | <u>4,076,775</u> |
| Non-current | | | |
| Amount due to a director | <u>312,988</u> | <u>—</u> | <u>—</u> |

Other payables (including balances due to related parties) are non-interest-bearing and are repayable on demand.

The amount due to a director (current) is non-interest-bearing, unsecured and is repayable on demand.

The amount due to a director (non-current) is non-interest-bearing and is expected to be repaid beyond one year. As of 31 July 2014, this amount was subordinated to the factoring facility (note 20).

The balances due to related parties included in the above balance are as follows:

| Related parties | Relationship with the Group | As at 31 July | | As at |
|----------------------------------------|-------------------------------------------------------------|---------------|----------------|-----------------|
| | | 2014 | 2015 | 31 January 2016 |
| | | \$ | \$ | \$ |
| SingAsia Education Institute Pte. Ltd. | Common director | — | 103,242 | — |
| WSC Partnership | A director of the Company is a partner of the related party | 500 | 4,100 | 4,100 |
| TCC Solutions Pte. Ltd. | Common director | 14,737 | — | — |
| TCC Manpower Pte. Ltd. | Common director | 35,588 | — | — |
| | | <u>50,825</u> | <u>107,342</u> | <u>4,100</u> |

20. INTEREST-BEARING BANK BORROWINGS

| | As at 31 July | | As at |
|---------------------------|----------------|----------------|-----------------|
| | 2014 | 2015 | 31 January 2016 |
| | \$ | \$ | \$ |
| Current: | | | |
| Factoring loans — secured | 810,830 | 906,481 | 395,050 |
| Term loan — secured | <u>17,654</u> | <u>45,706</u> | <u>52,577</u> |
| | <u>828,484</u> | <u>952,187</u> | <u>447,627</u> |
| Non-current: | | | |
| Term loan — secured | <u>—</u> | <u>29,511</u> | <u>—</u> |

For the years ended 31 July 2014 and 2015 and the six months ended 31 January 2016, the effective interest rates of the bank borrowings were 5.94%, 6.37% and 6.60% respectively.

Factoring loans

Factoring loans are payable on demand and secured over trade receivables of the Group (note 15) and the Director's personal guarantee amounting to \$2,500,000. In addition, the Director's loan (note 19) is subordinated to this factoring facility. As at 31 January 2016, the Group has cancelled one of the factoring loans facilities and accordingly, the Director's personal guarantee has been decreased to \$2,000,000.

Term Loan

Term loan is secured over joint and several guarantees by the Director amounting to \$200,000 and matures on 31 January 2017.

21. DEFERRED TAX LIABILITIES/ASSETS

The components of deferred tax liabilities and the movements during the Relevant Periods are as follows:

| | Excess of net book values of property, plant and equipment over tax values | Total |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------|
| | \$ | \$ |
| At 1 August 2013 | — | — |
| Charged to profit or loss during the year (<i>note 11</i>) | <u>30,825</u> | <u>30,825</u> |
| At 31 July 2014 and 1 August 2014 | 30,825 | 30,825 |
| Charged to profit or loss during the year (<i>note 11</i>) | 40,060 | 40,060 |
| Under provision in prior year (<i>note 11</i>) | <u>7,040</u> | <u>7,040</u> |
| At 31 July 2015 and 1 August 2015 | 77,925 | 77,925 |
| Charged to profit or loss during the period (<i>note 11</i>) | <u>(43,515)</u> | <u>(43,515)</u> |
| At 31 January 2016 | <u><u>34,410</u></u> | <u><u>34,410</u></u> |

The components of deferred tax assets and the movements during the Relevant Periods are as follows:

| | Excess of tax values over net book values of property, plant and equipment | Capital allowance recognised | Tax losses recognised | Total |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| At 1 August 2013 | — | — | — | — |
| Charged to profit or loss during the year (<i>note 11</i>) | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| At 31 July 2014 and 1 August 2014 | — | — | — | — |
| Charged to profit or loss during the year (<i>note 11</i>) | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| At 31 July 2015 and 1 August 2015 | — | — | — | — |
| Charged to profit or loss during the period (<i>note 11</i>) | <u>60,099</u> | <u>40,124</u> | <u>139,849</u> | <u>240,072</u> |
| At 31 January 2016 | <u><u>60,099</u></u> | <u><u>40,124</u></u> | <u><u>139,849</u></u> | <u><u>240,072</u></u> |

The Group has tax losses arising in Singapore of \$11,306, \$810,311 and \$822,641, capital allowances of \$nil, \$279,835 and \$236,024 and excess of tax values over net book values of property, plant and equipment of \$nil, \$320,472 and \$375,541 as at 31 July 2014, 2015 and 31 January 2016 respectively that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the tax losses, capital allowances and excess of tax values over net book values of property, plant and equipment for 31 July 2014 and 2015 as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses, capital allowances and excess of the tax values over net book values of property, plant and equipment can be utilised.

22. SHARE CAPITAL

The Company was incorporated on 12 November 2015 with authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the date of incorporation, one ordinary share was allotted and issued to Centrex Treasure Holdings Limited, a company controlled by Mr. Sim Hak Chor. Other than that, the Company has not carried on any business during the Relevant Periods.

23. DIVIDENDS

| | Year ended 31 July | | Six months ended 31 January | |
|--------------------------------------|--------------------|------------------|-----------------------------|----------|
| | 2014 | 2015 | 2015 | 2016 |
| | \$ | \$ | \$ | \$ |
| | | | (Unaudited) | |
| Interim — \$1 per ordinary share | — | 1,000,000 | 1,000,000 | — |
| Interim — \$1.20 per ordinary share | — | 600,000 | 600,000 | — |
| Interim — \$2.316 per ordinary share | — | 1,158,000 | — | — |
| Final — \$1 per ordinary share | <u>500,000</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| | <u>500,000</u> | <u>2,758,000</u> | <u>1,600,000</u> | <u>—</u> |

24. RESERVES

The amounts of the Group's reserves and the movements therein for each reporting period during the Relevant Periods are presented in the combined statements of changes in equity.

Merger reserve represents the aggregate issued paid-up capital of the subsidiaries now comprising the Group.

25. BUSINESS COMBINATION

On 1 August 2014, the Group acquired a 100% interest in TCCM. TCCM is engaged in the provision of foreign labour to Singapore local companies. The purchase consideration for the acquisition was in the form of cash, which was paid at the acquisition date.

The fair values of the identifiable assets and liabilities of TCC Manpower Pte Ltd as at the date of acquisition were as follows:

| | <i>Notes</i> | Fair value recognised on acquisition \$ |
|----------------------------------------------------|--------------|-----------------------------------------------------------|
| Property, plant and equipment | 13 | 21,193 |
| Cash and bank balances | | 124,070 |
| Trade and other receivables | | 430,607 |
| Trade payables | | (60,403) |
| Amount due to TCCHR | | (1,209,214) |
| Amount due to SingAsia Education Institute Pte Ltd | | (40,079) |
| Amount due to WSC Partnership | | (400) |
| Other payables and accruals | | <u>(152,114)</u> |
| Total identifiable net liabilities at fair value | | (886,340) |
| Goodwill on acquisition | 14 | <u>886,341</u> |
| Satisfied by cash | | <u><u>1</u></u> |

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

| | \$ |
|------------------------------------------------------------------------------------------|-----------------------|
| Cash consideration | (1) |
| Cash and bank balances acquired | <u>124,070</u> |
| Net inflow of cash and cash equivalents included in cash flows from investing activities | <u><u>124,069</u></u> |

The fair value of trade and other receivables as at the date of acquisition amounted to \$430,607. The gross contractual amount of trade and other receivables was \$430,607.

Since its acquisition, TCCM contributed \$2,145,419 to the Group's turnover and loss of \$129,031 to the combined profit for the year ended 31 July 2015.

On 30 October 2014, the controlling shareholder, Winston Sim, acquired a 65% interest in TCCS. TCCS is engaged in the provision of labour contracting services. The consideration for the acquisition is based on the net assets acquired at the acquisition date, which is to be paid by the controlling shareholder, Winston Sim.

The fair values of the identifiable assets and liabilities of TCCS as at the date of acquisition were as follows:

| | <i>Note</i> | Fair value recognised on acquisition \$ |
|---------------------------------------------------|-------------|-----------------------------------------------------------|
| Property, plant and equipment | 13 | 18,502 |
| Cash and bank balances | | 474,569 |
| Trade and other receivables | | 976,250 |
| Trade payables | | (81,253) |
| Amount due to TCCHR | | (96,984) |
| Amount due to WSC Partnership | | (1,200) |
| Other payables and accruals | | (505,947) |
| Bank borrowings | | (213,619) |
| Income tax payable | | <u>(31,402)</u> |
| Total identifiable net assets at fair value | | 538,916 |
| Non-controlling interests | | <u>(188,621)</u> |
| Consideration paid by the controlling shareholder | | <u><u>350,295</u></u> |

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

| | \$ |
|------------------------------------------------------------------------------------------|-----------------------|
| Cash consideration | — |
| Cash and bank balances acquired | <u>474,569</u> |
| Net inflow of cash and cash equivalents included in cash flows from investing activities | <u><u>474,569</u></u> |

The fair value of trade and other receivables as at the date of acquisition amounted to \$976,250. The gross contractual amount of trade and other receivables was \$976,250.

Since its acquisition, TCCS contributed \$1,954,124 to the Group's turnover and loss of \$9,000 to the combined profit for the year ended 31 July 2015.

Had the combination taken place at the beginning of the year, the Group's revenue and profit would have been \$20,285,361 and \$2,120,116 respectively.

26. DISPOSAL OF A SUBSIDIARY

On 1 August 2013, the Group disposed of 100% interest in TCCM. The consideration for the disposal was in the form of cash which was paid at the disposal date.

| | 2014 |
|--------------------------------------------------|------------------|
| | \$ |
| <i>Net assets disposed of:</i> | |
| Property, plant and equipment (<i>note 13</i>) | 14,695 |
| Cash and bank balances | 19,958 |
| Trade and other receivables | 229,520 |
| Trade payables | (60,403) |
| Amount due to TCCHR | (260,479) |
| Amount due to TCCECS | (87,800) |
| Amount due to Ramen Stall | (3,902) |
| Other payables and accruals | <u>(110,529)</u> |
| | (258,940) |
| Gain on disposal | <u>258,941</u> |
| Satisfied by: | |
| Cash | <u><u>1</u></u> |

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

| | 2014 |
|-------------------------------------------------------------------------------------|------------------------|
| | \$ |
| Cash consideration | 1 |
| Cash and bank balances disposed of | <u>(19,958)</u> |
| Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary | <u><u>(19,957)</u></u> |

27. OPERATING LEASE ARRANGEMENTS**As lessee**

The Group leases certain of its office properties under operating lease arrangements. Leases are negotiated for a term of two years, with a renewal option.

At the end of each of the Relevant Periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|-----------------------------------------|-----------------------|----------------|-----------------------------|
| | \$ | \$ | \$ |
| Within one year | 223,125 | 448,800 | 488,160 |
| In the second to fifth years, inclusive | — | 270,620 | 43,060 |
| | <u>223,125</u> | <u>719,420</u> | <u>531,220</u> |

28. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in this Financial Information, the Group has the following transactions with related parties during the Relevant Periods.

| | Relationship with the Group | Notes | Year ended 31 July 2014 | 2015 | Six months ended 31 January 2015 | 2016 |
|-----------------------------|--------------------------------|-------|----------------------------|---------|-------------------------------------|--------|
| | | | \$ | \$ | \$ | \$ |
| | | | | | (Unaudited) | |
| Manpower outsourcing income | Common director | (i) | 299,338 | 377,270 | 142,149 | 76,122 |
| Manpower recruitment income | Common director | (i) | — | 6,800 | 5,900 | — |
| Management fee income | Common director | (ii) | 26,091 | 31,063 | 17,563 | 6,000 |
| Interest income | Common director | (iii) | 52,903 | — | — | — |
| Training expenses | Common director | (iv) | 17,428 | — | — | — |
| Sundry expenses | Common director | (v) | 155,010 | — | — | — |
| Disposal of TCCM | Common director | (vi) | 1 | — | — | — |

Notes:

- (i) During the Relevant Periods, the Group had transactions with some related companies on agreed terms similar to those offered to most of the third parties.
- (ii) The management fee income relates to fees charged to related companies for human resources management services provided by the Group at a contracted monthly rate.
- (iii) The interest income relates to the interest charged on non-trade balances with related companies within the TCC Group.
- (iv) The training expenses relate to refreshments provided by related companies to students during the courses. These courses are arranged by TCCECS. The rates are charged at terms similar to those offered by other suppliers.
- (v) The sundry expenses relate to recruitment fees incurred by TCCHR and paid to TCCM. The rates are charged at terms similar to those offered to other parties.
- (vi) The Group disposed TCCM to an employee of TCCM at a consideration of \$1. The details of this disposal are disclosed in note 26 to the Financial Information.

(b) Compensation of key management personnel

The remuneration of Directors and chief executive who are key management personnel are disclosed in note 10 to the Financial Information.

(c) Acquisition of TCCM

TCCM has been disposed on 1 August 2013 to an employee of TCCM at a consideration of \$1 in order to segregate TCCM from the Group with a view to focus on the manpower outsourcing business and was subsequently acquired back on 1 August 2014 at a consideration \$1 as the owner lack operating funds and management saw an increasing demand in use of foreign labour forces in the outsourcing services sector. Considerations for both the disposal and acquisition were nominal as TCCM was in a net liability position. The disposal and acquisition are considered a related party transaction by way of common director.

The details of this acquisition are disclosed in note 25 to the Financial Information.

(d) Brands

The Group uses a common logo and brand. There have been no intercompany charges arising from the use of such brand by the wholly-owned subsidiaries and also TCCS and TCCM in the period when they are not controlled by the Group or the controlling shareholder.

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|-----------------------------------------------------------------------------|-----------------------|------------------|-----------------------------|
| | \$ | \$ | \$ |
| Financial assets | | | |
| <i>Loans and receivables:</i> | | | |
| Trade receivables | 2,589,643 | 3,849,716 | 4,339,631 |
| Financial assets included in prepayments, deposits and other receivables | 2,172,275 | 305,792 | 206,775 |
| Cash and cash equivalents | <u>667,032</u> | <u>1,031,029</u> | <u>1,583,944</u> |
| | <u>5,428,950</u> | <u>5,186,537</u> | <u>6,130,350</u> |
| Financial liabilities | | | |
| <i>Financial liabilities measured at amortised cost:</i> | | | |
| Trade payables | 66,668 | 83,906 | 161,062 |
| Financial liabilities included in other payables and accruals | 817,122 | 1,337,858 | 3,275,587 |
| Interest-bearing bank borrowings | <u>828,484</u> | <u>981,698</u> | <u>447,627</u> |
| | <u>1,712,274</u> | <u>2,403,462</u> | <u>3,884,276</u> |

30. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair value as at the end of each of the Relevant Periods, are as follows:

| | As at 31 July | | | | As at 31 January | |
|----------------------------------|-----------------|------------|-----------------|------------|------------------|------------|
| | 2014 | | 2015 | | 2016 | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | | | |
| Non-current: | | | | | | |
| Other payables | 312,988 | 294,397 | — | — | — | — |
| Interest-bearing bank borrowings | — | — | 29,511 | 26,082 | — | — |

The fair values of the financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate their fair values.

Trade receivables, deposits and other receivables, cash and cash equivalents, trade and other payables (current), accruals and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the non-current portion of other payables and interest-bearing bank borrowings is estimated by discounting expected future cash flows based on the current market lending rate at the end of each of the Relevant Periods.

The financial liabilities for which fair value was disclosed in the Financial Information are categorised in level 3 of the fair value hierarchy as at the end of each of the Relevant Periods.

31. 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 liquidity 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

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash and cash equivalents and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Credit risk concentration profile

The Group assesses concentration of credit risk by monitoring the individual profile of its trade receivables on an ongoing basis.

At 31 July 2014 and 2015 and 31 January 2016, approximately 52%, 45% and 28% of the Group's trade receivables were due from the top three customers.

(i) Financial assets that are neither past due nor impaired

Cash at bank that are neither past due nor impaired are placed with reputable financial institutions with high credit-ratings. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due but not impaired

Trade receivables that are past due but not impaired are substantially due from companies with recognised and creditworthy counterparties. The balances are monitored on an ongoing basis to ensure the exposure to credit risk is minimal. Information regarding financial assets that are past due but not impaired is disclosed in note 15 to the Financial Information.

(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, such as maintaining sufficient cash and cash equivalents as disclosed in note 17 to the Financial Information.

The table below summarises the maturity profile of the Group's financial liabilities at the end of each of the Relevant Periods based on contractual undiscounted repayment obligations.

| | On demand \$ | Less than 3 months \$ | 3 to less than 12 months \$ | One to five years \$ | Total \$ |
|------------------------------------------------------------------|--------------------|-----------------------------|--------------------------------------|----------------------------|------------------|
| 31 July 2014 | | | | | |
| Financial liabilities: | | | | | |
| Trade payables | 66,668 | — | — | — | 66,668 |
| Financial liabilities included in other payables and accruals | 504,134 | — | — | 312,988 | 817,122 |
| Interest-bearing bank borrowings | — | — | 877,696 | — | 877,696 |
| | <u>570,802</u> | <u>—</u> | <u>877,696</u> | <u>312,988</u> | <u>1,761,486</u> |
| 31 July 2015 | | | | | |
| Financial liabilities: | | | | | |
| Trade payables | 83,906 | — | — | — | 83,906 |
| Financial liabilities included in other payables and accruals | 1,337,858 | — | — | — | 1,337,858 |
| Interest-bearing bank borrowings | — | — | 1,012,841 | 31,391 | 1,044,232 |
| | <u>1,421,764</u> | <u>—</u> | <u>1,012,841</u> | <u>31,391</u> | <u>2,465,996</u> |
| 31 January 2016 | | | | | |
| Financial liabilities: | | | | | |
| Trade payables | 161,062 | — | — | — | 161,062 |
| Financial liabilities included in other payables and accruals | 3,275,587 | — | — | — | 3,275,587 |
| Interest-bearing bank borrowings | — | — | 477,171 | — | 477,171 |
| | <u>3,436,649</u> | <u>—</u> | <u>477,171</u> | <u>—</u> | <u>3,913,820</u> |

32. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to the 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 shareholder's value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to the shareholder, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or procedures for capital management during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity plus net debt. Net debt includes interest-bearing bank borrowings, trade payables, other payables and accruals, less cash and cash equivalents. Total equity includes equity attributable to owners of the Company. The gearing ratios as at the end of each of the Relevant Periods were as follows:

| | As at 31 July 2014 | 2015 | As at 31 January 2016 |
|----------------------------------------------|-----------------------|--------------------|-----------------------------|
| | \$ | \$ | \$ |
| Trade payables | 66,668 | 83,906 | 161,062 |
| Other payables and accruals | 1,708,939 | 2,289,121 | 4,076,775 |
| Interest-bearing bank borrowings | 828,484 | 981,698 | 447,627 |
| Less: Cash and cash equivalents | <u>(667,032)</u> | <u>(1,031,029)</u> | <u>(1,583,944)</u> |
| Net debt | 1,937,059 | 2,323,696 | 3,101,520 |
| Equity attributable to owners of the Company | <u>2,991,220</u> | <u>2,828,526</u> | <u>3,095,446</u> |
| Total equity and net debt | <u>4,928,279</u> | <u>5,152,222</u> | <u>6,196,966</u> |
| Gearing ratio | <u>39%</u> | <u>45%</u> | <u>50%</u> |

33. EVENTS AFTER RELEVANT PERIODS

On 20 June 2016, the following events took place:

- (a) Mr. Sim Hak Chor and SingAsia Investments entered into a capitalisation agreement. Pursuant to which, Mr. Sim Hak Chor subscribed for 1,300 shares of SingAsia Investments at the aggregate consideration of \$1,300,000. The total consideration was settled by capitalising an amount due to Mr. Sim Hak Chor of \$1,300,000 to the equity of SingAsia Investments.
- (b) The entire issued share capital of SingAsia Investments has been transferred to the Company based on a consideration of \$4,730,847, which was satisfied by the allotment and issuance of 9,999 new shares to Centrex Treasure. After which, SingAsia Investments was wholly-owned by the Company.
- (c) The authorised share capital of the Company has been increased from HK\$380,000 into 38,000,000 shares to HK\$50,000,000 divided into 5,000,000,000 shares by creation of an additional 4,962,000,000 shares to rank pari passu in all respects with the existing shares.

34. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 31 January 2016.

Yours faithfully,

Certified Public Accountants
Hong Kong

5 July 2016

The information sets out in this Appendix does not form part of the Accountants' Report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, as set out in Appendix I to this prospectus, and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the "Accountants' Report" set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets have been prepared in accordance with Rule 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the HKICPA for illustration purposes only, and is set out here to illustrate the effect of the Share Offer on the combined net tangible assets as at 31 January 2016 as if it had taken place on 31 January 2016. The unaudited pro forma adjusted combined net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Share Offer been completed as at 31 January 2016 or any future date. It is prepared based on the combined net tangible assets as at 31 January 2016 as set out in the Accountants' Report as set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted combined net tangible assets does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

| | Audited combined net tangible assets of the Group attributable to the owners of the Company as at 31 January 2016 | Estimated net proceeds from the Share Offer | Unaudited pro forma adjusted combined net tangible assets of the Group attributable to the owners of the Company | Unaudited pro forma adjusted combined net tangible assets per Share |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| | S\$ | S\$ | S\$ | S\$ |
| | (note 1) | (note 2) | | (note 4) |
| Based on Offer Price of HK\$1 per Offer Share | <u>2,209,105</u> | <u>5,439,052</u> | <u>7,648,157</u> | <u>0.0306</u> |

Notes:

- (1) The combined net tangible assets as of 31 January 2016 is extracted from the Accountants' Report set out in Appendix I to this prospectus, adjusted for the intangible assets amounting to S\$886,341.
- (2) The forecast net proceeds from the Share Offer are based on an indicative Offer Price of HK\$1.00 per Offer Share after deduction of the underwriting fees and related expenses payable by our Company. The estimated net proceeds are converted into S\$ at the rate of S\$1 = HK\$5.5.
- (3) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 January 2016.

- (4) The unaudited pro forma adjusted combined net tangible assets per Share has been arrived at after making the adjustment referred to in this section above and on the basis that 250,000,000 Shares are in issue immediately following the completion of the Share Offer. The unaudited pro forma adjusted combined net tangible assets per Share is equal to approximately HK\$0.1683. The conversion of S\$ into HK\$ is based on the approximate exchange rate of S\$1.00 to HK\$5.50.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountant of the Company. Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purposes of incorporation in this document, in respect of the pro forma financial information of the Group.



22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

5 July 2016

To the Directors of SingAsia Holdings Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of SingAsia Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the pro forma combined net tangible assets as at 31 January 2016, and related notes as set out on pages II-1 of the prospectus dated 5 July 2016 issued by the Company (the “Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in note (1) to note (4).

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the public offer and placing of shares of the Company on the Group’s financial position as at 31 January 2016 as if the transaction had taken place at 31 January 2016. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the period ended 31 January 2016, on which an accountants’ report has been published.

DIRECTORS’ RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the public offer and placing of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the

compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

Certified Public Accountants
Hong Kong

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 November 2015 under the Companies Law. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "Memorandum") and its Amended and Restated Articles of Association (the "Articles").

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 20 June 2016. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together

holding (or, in the case of a shareholder being a corporation, by its duly authorised representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; (g) change the currency of denomination of its share capital; and (h) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

(iv) Transfer of shares

Subject to the Companies Law and the requirements of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless

the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the GEM Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors*(i) Appointment, retirement and removal*

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the “retirement by rotation” provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

- (aa) resign;
- (bb) dies;
- (cc) is declared to be of unsound mind and the Board resolves that his office be vacated;
- (dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ee) he is prohibited from being or ceases to be a director by operation of law;
- (ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;
- (gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or
- (hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

- (aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(c) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(d) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(e) Meetings of member*(i) Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An “ordinary resolution”, by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or

credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the GEM Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

- (A) at least two members;
- (B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(iv) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Companies Law and the GEM Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(f) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Law (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit or loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarised financial statements to shareholders who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarised financial statements instead of the full financial statements. The summarised financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those shareholders that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

- (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;
- (ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and
- (iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

- (aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(h) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarised in paragraph 3(f) in this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed *pari passu* among such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Law, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(k) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 12 November 2015 subject to the Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

Under Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (i) paying distributions or dividends to members;
- (ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (iii) any manner provided in section 37 of the Companies Law;
- (iv) writing-off the preliminary expenses of the company; and
- (v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore,

a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Law. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Law, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet that:

- (i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and
- (ii) no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
 - (aa) on or in respect of the shares, debentures or other obligations of the Company; or
 - (bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking for the Company is for a period of 20 years from 16 December 2015.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Companies Law, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 60 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 12 November 2015. Our Company's registered office is at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Our Company has established its principal place of business in Hong Kong at 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 22 December 2015. In connection with such registration, our Company has appointed Mr. Li Chi Chung of 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong, as the authorised representative of our Company for the acceptance of service of processes and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the Companies Law and its constitution comprising the Memorandum and the Articles. A summary of various provisions of our Company's constitution and certain relevant aspects of the Companies Law is set out in Appendix III to this prospectus.

2. Changes in the share capital of our Company

- (a) The authorised share capital of our Company as of the date of its incorporation was HK\$380,000 divided into 38,000,000 Shares, of which one nil-paid Share was allotted and issued to the initial subscriber and was transferred to Centrex Treasure on 12 November 2015 at nil consideration.
- (b) On 20 June 2016, Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong transferred the entire issued share capital of SingAsia Investments to our Company for the consideration of S\$4,730,847, which was satisfied by (i) our Company allotting and issuing 9,999 new Shares to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong) credited as fully paid; and (ii) the crediting of the one nil-paid Share, which was registered in the name of Centrex Treasure as fully paid.
- (c) Pursuant to the resolutions in writing of the sole Shareholder passed on 20 June 2016, the authorised share capital of our Company was increased from HK\$380,000 to HK\$50,000,000 by the creation of an additional 4,962,000,000 Shares.
- (d) Pursuant to the Capitalisation Issue, our Company will allot and issue 199,990,000 Shares (including 12,500,000 Sale Shares) to Centrex Treasure.

- (e) Immediately following completion of the Share Offer and the Capitalisation Issue, the authorised share capital of our Company will be HK\$50,000,000 divided into 5,000,000,000 Shares and the issued share capital of our Company will be HK\$2,500,000 divided into 250,000,000 Shares, all fully paid or credited as fully paid and 4,750,000,000 Shares will remain unissued.

Save as aforesaid and as mentioned in the paragraph headed “3. Written resolutions of the sole Shareholder passed on 20 June 2016” below, there has been no alteration in the share capital of our Company since the date of its incorporation.

Save as disclosed in this prospectus, our Directors do not have any present intention to issue any part of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

3. Written resolutions of the sole Shareholder passed on 20 June 2016

On 20 June 2016, written resolutions of the sole Shareholder were passed pursuant to which:

- (a) the authorised share capital of our Company was increased from HK\$380,000 to HK\$50,000,000 by the creation of an additional 4,962,000,000 Shares;
- (b) our Company approved and adopted the Memorandum with immediate effect and the Articles to be effective conditional on the Listing;
- (c) conditional on (A) the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein (including any Shares which may be issued pursuant to the Share Offer and the Capitalisation Issue) and (B) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of such agreements or otherwise, in each case on or before the date determined in accordance with the terms of the Underwriting Agreements:
 - (i) the Share Offer was approved and our Directors were authorised to allot and issue the Offer Shares; and
 - (ii) conditional upon the share premium amount of our Company being credited as a result of the Share Offer, our Directors were authorised to capitalise the amount of HK\$1,999,900 from the amount standing to the credit of the share premium account of our Company and apply such sum to pay up in full at par 199,990,000 Shares (including 12,500,000 Sale Shares) for allotment and issue to the person(s) whose name(s) appears on the register of members of our Company at the close of

business on 20 June 2016, pro-rata (or as nearly as possible without involving fractions) to its/their then existing shareholdings in our Company;

- (d) a general unconditional mandate was given to our Directors to allot, issue and deal with (otherwise than by way of a rights issue or any scrip dividend schemes or similar arrangements in accordance with the Articles of Association or the Share Offer or the Capitalisation Issue) Shares with an aggregate nominal amount not exceeding the sum of (i) 20% of the aggregate number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue; and (ii) the number of Shares repurchased by our Company pursuant to the authority granted to our Directors as referred to in paragraph (e) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any laws applicable to our Company to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first;
- (e) a general unconditional mandate (the “Repurchase Mandate”) was given to our Directors to exercise all powers of our Company to repurchase Shares not exceeding 10% of the aggregate number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any laws applicable to our Company to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first; and
- (f) conditional on the passing of the resolutions referred to in sub-paragraphs (d) and (e) above, the general unconditional mandate mentioned in sub-paragraph (d) above was extended by the addition of the aggregate number of Shares which may be allotted, issued or dealt with by our Directors pursuant to such general unconditional mandate of the aggregate number of Shares repurchased by our Company pursuant to the Repurchase Mandate referred to in sub-paragraph (e) above.

4. Corporate reorganisation

Please refer to the section headed “History, Reorganisation and Group structure — Reorganisation” in this prospectus for further details.

5. Changes in the share capital of subsidiaries of our Company

Our Company’s subsidiaries are referred to in the Accountant’s Report for our Company, the text of which is set out in Appendix I to this prospectus.

The following alterations in the share capital of our Company's subsidiaries have taken place within two years immediately preceding the date of this prospectus:

On 30 October 2014, 12,000 shares, 12,000 shares, 20,000 shares, 30,000 shares and 106,000 shares of SAR were allotted and issued to Mr. Woo, Mr. Wong, Mr. Ng, Ms. Tan and Mr. Sim respectively and the shares were issued at a cash payment of S\$12,000, S\$12,000, S\$20,000, S\$30,000 and S\$106,000 respectively.

On 25 November 2015, SingAsia Investments acquired from each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong 126,000, 30,000, 20,000, 12,000 and 12,000 shares of SAR for the consideration of S\$120,755.25, S\$28,751.25, S\$19,167.50, S\$11,500.50 and S\$11,500.50 respectively, which was satisfied by SingAsia Investments allotting and issuing 121, 29, 19, 12 and 12 new shares of SingAsia Investments to each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the completion of the above transaction, SAR was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCECS for the consideration of S\$1.00, which was satisfied by SingAsia Investments allotting and issuing one new share of SingAsia Investments to Mr. Sim. After the completion of the above transaction, TCCECS was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCHR for the consideration of S\$3,055,701, which was satisfied by SingAsia Investments allotting and issuing 3,055 new shares of SingAsia Investments to Mr. Sim. After the completion of the above transaction, TCCHR was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong 65,000, 15,000, 10,000, 5,000 and 5,000 shares of TCCS for the consideration of S\$348,344.75, S\$80,387.25, S\$53,591.50, S\$26,795.75 and S\$26,795.75 respectively, which was satisfied by SingAsia Investments allotting and issuing 348, 80, 54, 27 and 27 new shares of SingAsia Investments to each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the completion of the above transaction, TCCS was wholly-owned by SingAsia Investments.

On 20 June 2016, SingAsia Investments allotted and issued 1,300 new shares of SingAsia Investments to Mr. Sim by way of capitalising the amount due by SingAsia Investments to Mr. Sim in the sum of S\$1,300,000.

Save for the aforesaid, there has been no alteration in the share capital of any subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. Particulars of our subsidiaries

As at the Latest Practicable Date, our Group has seven subsidiaries, namely SingAsia Investments, TCCHR, TCCS, SAR, TCCECS, TCCMS and TCCM. Set out below is a summary of the corporate information of SingAsia Investments, SAR, TCCECS, TCCHR, TCCS, TCCMS and TCCM:

(a) SingAsia Investments

| | |
|--------------------------------|------------------------------------------------------------------------------------------------|
| Date of incorporation: | 3 November 2015 |
| Registered Office: | P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands |
| Nature: | Limited liability company |
| Principal business activities: | Investment holding |
| No. of issued shares: | 5,086 |
| Shareholder: | Our Company |

(b) TCCHR

| | |
|--------------------------------|--------------------------------------------|
| Date of incorporation: | 10 March 2004 |
| Registered Office: | 27 New Bridge Road Singapore 059391 |
| Nature: | Limited liability company |
| Principal business activities: | Provision of manpower outsourcing services |
| Issued share capital: | S\$500,000 |
| Paid-up share capital: | S\$500,000 |
| Shareholder: | SingAsia Investments |

(c) TCCS

| | |
|--------------------------------|--------------------------------------------|
| Date of incorporation: | 6 January 2005 |
| Registered Office: | 27 New Bridge Road Singapore 059391 |
| Nature: | Limited liability company |
| Principal business activities: | Provision of manpower outsourcing services |
| Issued share capital: | S\$100,000 |
| Paid-up share capital: | S\$100,000 |
| Shareholder: | SingAsia Investments |

(d) SAR

| | |
|--------------------------------|------------------------------------------------------------|
| Date of incorporation: | 28 August 2014 |
| Registered Office: | 31 New Bridge Road Singapore 059393 |
| Nature: | Limited liability company |
| Principal business activities: | Provision of manpower outsourcing and cleaning services |
| Issued share capital: | S\$200,000 |
| Paid-up share capital: | S\$200,000 |
| Shareholder: | SingAsia Investments |

(e) TCCECS

| | |
|--------------------------------|---------------------------------------------------------|
| Date of incorporation: | 20 December 2011 |
| Registered Office: | 27 New Bridge Road Singapore 059391 |
| Nature: | Limited liability company |
| Principal business activities: | Provision of manpower training and recruitment services |
| Issued share capital: | S\$1,000 |
| Paid-up share capital: | S\$1,000 |
| Shareholder: | SingAsia Investments |

(f) TCCM

| | |
|--------------------------------|--------------------------------------------|
| Date of incorporation: | 31 July 2007 |
| Registered Office: | 27 New Bridge Road Singapore 059391 |
| Nature: | Limited liability company |
| Principal business activities: | Provision of manpower recruitment services |
| Issued share capital: | S\$20,000 |
| Paid-up share capital: | S\$20,000 |
| Shareholder: | TCCHR |

(g) TCCMS

| | |
|--------------------------------|----------------------------------------|
| Date of incorporation: | 1 August 2005 |
| Registered Office: | 27 New Bridge Road Singapore 059391 |
| Nature: | Limited liability company |
| Principal business activities: | Dormant |
| Issued share capital: | S\$2.00 |
| Paid-up share capital: | S\$2.00 |
| Shareholder: | TCCHR |

7. Repurchase by our Company of its own securities

This paragraph includes information relating to the repurchase of the Shares, including information required by the Stock Exchange to be included in this prospectus concerning such repurchase.

(a) Relevant legal and regulatory requirements

The GEM Listing Rules permit our Shareholders to grant our Directors a general mandate to repurchase Shares that are listed on GEM subject to certain restrictions, details of which are summarised below:

(i) Shareholders' approval

All proposed repurchase of Shares (which must be fully paid up) by our Company must be approved in advance by an ordinary resolution of our Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

The Repurchase Mandate was granted to our Directors by our sole Shareholder pursuant to the written resolutions dated 20 June 2016 authorising them to exercise all powers of our Company to repurchase Shares not exceeding 10% of the aggregate number of Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any laws applicable to our Company to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest.

(ii) Source of funds

Repurchase of Shares must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the GEM Listing Rules. Under the Companies Law, a purchase of share may only be effected using funds representing profits of the company or, subject to the solvency requirement, out of capital. Any premium payable on a purchase of shares must have been provided for out of the company's profits or its share premium account before or at the time of purchase or, subject to the solvency requirement, may be paid out of capital.

(iii) Trading restrictions

Our Company may repurchase up to 10% of the aggregate number of Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue. Our Company may not issue or announce a proposed issue of Shares for a period of 30 days immediately following a repurchase of Shares without the prior approval of the Stock Exchange. Our Company is also prohibited from repurchasing Shares on GEM if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the minimum percentage required by the Stock Exchange. The broker appointed by our Company to effect a repurchase of the Shares is required to disclose to the Stock Exchange any information with respect to a Share repurchase as the Stock Exchange may require.

In addition, a listed company is prohibited from repurchasing its shares on GEM if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on GEM.

(iv) Status of Shares repurchased

All Shares repurchased (whether on GEM or otherwise) will be cancelled and the certificates for those Shares must be cancelled and destroyed. Under the Cayman Islands law, a company's shares repurchased may be treated as cancelled and the amount of the company's issued share capital shall be reduced by the aggregate par value of the shares repurchased accordingly although the authorised share capital of the company will not be reduced.

(v) Suspension of repurchase

Repurchase of Shares are prohibited after inside information has come to our Company's knowledge, or development which may constitute inside information has occurred or has been the subject of a decision until such time as the inside information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the results of our Company for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and (bb) the deadline for our Company to announce its results for any year, half-year or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules) and ending on the date of the results announcement, our Company may not repurchase its securities on GEM unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to prohibit repurchase of Shares on GEM if our Company has breached the GEM Listing Rules.

(vi) Reporting requirements

Certain information relating to repurchase of securities on GEM or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Business Day following any day on which our Company makes a purchase of Shares. In addition, our Company's annual report and accounts are required to disclose details regarding repurchases of Shares made during the financial year under review, including the number of Shares repurchased each month (whether on GEM or otherwise) and the purchase price per Share or the highest and lowest prices paid for all such repurchase, where relevant, and the aggregate price paid. The directors' report is also required to contain reference to the repurchase made during the year and the directors' reasons for making such repurchase.

(vii) Core connected persons

According to the GEM Listing Rules, a company is prohibited from knowingly repurchasing securities on GEM from a "core connected person", that is, a director, chief executive or substantial shareholder of such company or any of its subsidiaries or any of their associates and a core connected person shall not knowingly sell his/her/its securities to the company on GEM.

(b) Reasons for repurchase

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have a general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of repurchase

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse

effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of 250,000,000 Shares in issue immediately after completion of the Share Offer and the Capitalisation Issue, would result in up to 25,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

None of our Directors nor, to the best of their knowledge, information and belief having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not presently aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate immediately after the Listing.

No core connected person (as defined in the GEM Listing Rules) has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business of our Group) have been entered into by members of our Group within the two years immediately preceding the date of this prospectus and are or may be material:

- (a) the instrument of transfer dated 25 November 2015 and entered into between Ms. Tan as the transferor and SingAsia Investments as the transferee in relation to the transfer of 30,000 shares of SAR in the consideration of S\$28,751.25 and satisfied in full by SingAsia Investments allotting and issuing 29 new shares of SingAsia Investments to Ms. Tan;



- (b) the instrument of transfer dated 25 November 2015 and entered into between Mr. Wong as the transferor and SingAsia Investments as the transferee in relation to the transfer of 12,000 shares of SAR in the consideration of S\$11,500.50 and satisfied in full by SingAsia Investments allotting and issuing 12 new shares of SingAsia Investments to Mr. Wong;
- (c) the instrument of transfer dated 25 November 2015 and entered into between Mr. Woo as the transferor and SingAsia Investments as the transferee in relation to the transfer of 12,000 shares of SAR in the consideration of S\$11,500.50 and satisfied in full by SingAsia Investments allotting and issuing 12 new shares of SingAsia Investments to Mr. Woo;
- (d) the instrument of transfer dated 25 November 2015 and entered into between Mr. Ng as the transferor and SingAsia Investments as the transferee in relation to the transfer of 20,000 shares of SAR in the consideration of S\$19,167.50 and satisfied in full by SingAsia Investments allotting and issuing 19 new shares of SingAsia Investments to Mr. Ng;
- (e) the instrument of transfer dated 25 November 2015 and entered into between Mr. Sim as the transferor and SingAsia Investments as the transferee in relation to the transfer of 126,000 shares of SAR in the consideration of S\$120,755.25 and satisfied in full by SingAsia Investments allotting and issuing 121 new shares of SingAsia Investments to Mr. Sim;
- (f) the instrument of transfer dated 25 November 2015 and entered into between Mr. Sim as the transferor and SingAsia Investments as the transferee in relation to the transfer of 1,000 shares of TCCECS in the consideration of S\$1.00 and satisfied in full by SingAsia Investments allotting and issuing one new share of SingAsia Investments to Mr. Sim;
- (g) the instrument of transfer dated 25 November 2015 and entered into between Ms. Tan as the transferor and SingAsia Investments as the transferee in relation to the transfer of 30,000 shares of TCCHR in the consideration of S\$183,342.06 and satisfied in full by SingAsia Investments allotting and issuing 183 new shares of SingAsia Investments to Mr. Sim as directed by Ms. Tan;
- (h) the instrument of transfer dated 25 November 2015 and entered into between Mr. Wong as the transferor and SingAsia Investments as the transferee in relation to the transfer of 20,000 shares of TCCHR in the consideration of S\$122,228.04 and satisfied in full by SingAsia Investments allotting and issuing 122 new shares of SingAsia Investments to Mr. Sim as directed by Mr. Wong;

- (i) the instrument of transfer dated 25 November 2015 and entered into between Mr. Sim as the transferor and SingAsia Investments as the transferee in relation to the transfer of 450,000 shares of TCCHR in the consideration of S\$2,750,130.90 and satisfied in full by SingAsia Investments allotting and issuing 2,750 new shares of SingAsia Investments to Mr. Sim;
- (j) the instrument of transfer dated 25 November 2015 and entered into between Ms. Tan as the transferor and SingAsia Investments as the transferee in relation to the transfer of 15,000 shares of TCCS in the consideration of S\$80,387.25 and satisfied in full by SingAsia Investments allotting and issuing 80 new shares of SingAsia Investments to Ms. Tan;
- (k) the instrument of transfer dated 25 November 2015 and entered into between Mr. Wong as the transferor and SingAsia Investments as the transferee in relation to the transfer of 5,000 shares of TCCS in the consideration of S\$26,795.75 and satisfied in full by SingAsia Investments allotting and issuing 27 new shares of SingAsia Investments to Mr. Wong;
- (l) the instrument of transfer dated 25 November 2015 and entered into between Mr. Woo as the transferor and SingAsia Investments as the transferee in relation to the transfer of 5,000 shares of TCCS in the consideration of S\$26,795.75 and satisfied in full by SingAsia Investments allotting and issuing 27 new shares of SingAsia Investments to Mr. Woo;
- (m) the instrument of transfer dated 25 November 2015 and entered into between Mr. Ng as the transferor and SingAsia Investments as the transferee in relation to the transfer of 10,000 shares of TCCS in the consideration of S\$53,591.50 and satisfied in full by SingAsia Investments allotting and issuing 54 new shares of SingAsia Investments to Mr. Ng;
- (n) the instrument of transfer dated 25 November 2015 and entered into between Mr. Sim as the transferor and SingAsia Investments as the transferee in relation to the transfer of 65,000 shares of TCCS in the consideration of S\$348,344.75 and satisfied in full by SingAsia Investments allotting and issuing 348 new shares of SingAsia Investments to Mr. Sim;
- (o) the capitalisation agreement dated 20 June 2016 and entered into between SingAsia Investments and Mr. Sim, pursuant to which Mr. Sim agreed to subscribe and SingAsia Investments agreed to allot and issue 1,300 new shares of SingAsia Investments which was satisfied by capitalising the amount due by SingAsia Investments to Mr. Sim in the sum of S\$1,300,000;
- (p) the agreement for sale and purchase of shares in SingAsia Investments dated 20 June 2016 and entered into among our Company, Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong, pursuant to which our Company agreed to acquire the entire issued shareholding interests in SingAsia Investments from Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong in the consideration of S\$4,730,847, which was satisfied by (i) our Company allotting and issuing 9,999 new Shares to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong) credited as fully paid; and (ii) the crediting of the one nil-paid Share, which was registered in the name of Centrex Treasure, as fully paid;
- (q) the Public Offer Underwriting Agreement;

- (r) the Placing Underwriting Agreement;
- (s) the Deed of Indemnity; and
- (t) the Deed of Non-competition.

2. Intellectual property rights

- (a) As at the Latest Practicable Date, our Group had applied for registration of the following trademarks which are material to the business of our Group:

| Trademark | Applicant | Classes | Place of registration | Trademark application number | Application date |
|-----------------------------------------------------------------------------------|-----------|--------------------|-----------------------|------------------------------|------------------|
|  | TCCHR | 35, 41 (Note 1) | Hong Kong | 303615444 | 2 December 2015 |
|  | TCCHR | 35, 41 (Note 2) | Singapore | 40201518828U | 29 October 2015 |

Notes:

- (1) Class 35: Recruitment and placement services; employment agencies; employment agency services; personnel management consultancy services; personnel recruitment services; human resource and recruitment services; personnel advisory; employment consultancy services; fixed term employment services; employment contract services; job recruitment; provision of services related to Recruitment Process Outsourcing; all included in Class 35.
- Class 41: Organisation of exhibitions, seminars and conferences; provision of educational courses, lectures and seminars; consultancy services relating to the education, training and development of personnel; education, teaching and training services; education, teaching and training services in the field of human resources and recruitment; education relating to human resource management; instruction and training services relating to the workplace; all included in Class 41.
- (2) Class 35: Recruitment and placement services; employment agencies; employment agency services; personnel management consultancy services; personnel recruitment services; human resource and recruitment services; personnel advisory; employment consultancy services; fixed term employment services; employment contract services; job recruitment; provision of services related to Recruitment Process Outsourcing; organisation of exhibitions for commercial or advertising purposes.
- Class 41: Organisation of exhibitions for cultural or education purposes; organisation of exhibitions, seminars and conferences; provision of educational courses, lectures and seminars; consultancy services relating to the education, training and development of personnel; education, teaching and training services; education, teaching and training services in the field of human resources and recruitment; education relating to human resource management; instruction and training services relating to the workplace.

- (b) As at the Latest Practicable Date, we had registered the following domain names which are material to the business of our Group:

| Domain name | Registered owner | Registration date | Expiry date |
|---------------------|------------------|-------------------|-------------------|
| singasia.com.sg | TCCHR | 25 November 2010 | 25 November 2016 |
| tcc-gp.com | TCCHR | 28 August 2013 | 28 August 2017 |
| tcchr.com.sg | TCCHR | 14 May 2004 | 14 May 2017 |
| tccsolutions.com.sg | TCCHR | 13 December 2010 | 13 December 2016 |
| hitcc.biz | TCCHR | 7 December 2013 | 6 December 2016 |
| hitcc.mobi | TCCHR | 7 December 2013 | 7 December 2016 |
| tccmanpower.com | TCCM | 17 September 2014 | 17 September 2016 |

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDER

1. Directors

- (a) *Interest of Directors and the chief executive of our Company in Shares, underlying shares and debentures of our Company and our associated corporations*

Immediately following completion of the Share Offer and the Capitalisation Issue, the interests or short positions of each of our Directors and the chief executive in the Shares, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which, once the Shares are listed, will be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to our Company and the Stock Exchange are set out as follows:

- (a) *Long position in our Shares*

| Name | Capacity and nature of interests | Number of Shares held (Note 1) | Percentage of issued share capital of our Company |
|---------|--------------------------------------|-----------------------------------|---------------------------------------------------|
| Mr. Sim | Interest of a controlled corporation | 187,500,000 (L) (Note 2) | 75% |

Notes:

1. The letter “L” denotes to the long position in the Shares.
2. Mr. Sim is deemed to be interested in the Shares held by Centrex Treasure as Centrex Treasure is owned as to approximately 94.89% by Mr. Sim.

(b) Long position in the shares of associated corporation

| Name of associated corporation | Name | Capacity/Nature of interest | Number of Shares held (Note 1) | Approximate percentage of issued share capital |
|--------------------------------|---------|-----------------------------|-----------------------------------|------------------------------------------------|
| Centrex Treasure (Note 2) | Mr. Sim | Beneficial owner | 4,826 | 94.89% |
| Centrex Treasure (Note 2) | Ms. Tan | Beneficial owner | 109 | 2.14% |

Notes:

1. The letter “L” denotes the long position in the Shares.
2. Centrex Treasure is beneficially owned as to approximately 94.89% and 2.14% by Mr. Sim and Ms. Tan respectively.

(b) Particulars of service contracts

Each of the Executive Directors has entered into a service contract with our Company which will become effective on the Listing Date. The terms and conditions of each of such service contracts are similar in all material respects. The service contracts are initially for a fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than three months’ notice in writing served by either party on the other. If the service contract is terminated in certain circumstances as stipulated in the service contract by our Company or the Executive Director prior to the expiry of the initial three year term, the Executive Director shall pay our Company at the date of termination an amount equivalent to the total remuneration paid or payable to the Executive Director for the initial three year term less any amount already received by the Executive Director under the service contract as liquidated damages. Each of our Executive Directors is entitled to a basic salary set out below (subject to an annual increment at the discretion of our Directors) and a discretionary bonus. An Executive Director is required to abstain from voting and

is not counted in the quorum in respect of any resolution of the Directors regarding the amount of the monthly salary and the discretionary bonus payable to him. The annual remuneration payable to the Executive Directors under each of the service contracts are as follows:

| Name | Amount S\$ |
|-------------|----------------------|
| Mr. Sim | 192,240 |
| Ms. Tan | 212,640 |

The Executive Directors are entitled to a bonus in respect of each financial year of our Company for an amount to be determined by the Board in its absolute discretion.

Each of the Independent Non-Executive Directors has entered into a letter of appointment with our Company. The terms and conditions of each of such letters of appointment are similar in all material respects. Each of the Independent Non-Executive Directors is appointed with an initial term of two years commencing from the Listing Date subject to termination in certain circumstances as stipulated in the relevant letters of appointment. The annual remuneration payable to the Independent Non-Executive Directors under each of the letters of appointment are as follows:

| Name | Amount S\$ |
|------------------------------|----------------------|
| Mr. Tan Eng Ann | 30,000 |
| Mr. Lim Cheng Hock, Lawrence | 30,000 |
| Mr. Jong Voon Hoo | 30,000 |

Save as disclosed above, none of our Directors has or is proposed to have any service contract with our Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

Remuneration of our Directors

The aggregate remuneration paid by our Company to our Directors in respect of each of the two financial years ended 31 July 2015 and the six months ended 31 January 2016 were approximately S\$160,140, S\$294,156 and S\$158,552 respectively.

Pursuant to the current arrangements, it is estimated that an aggregate amount of approximately S\$376,000 (excluding discretionary bonus, if any) will be paid to our Directors as remuneration for the year ending 31 July 2016.

Our Company's policy concerning the remuneration of our Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, workload and the time devoted to our Group.

2. Substantial Shareholder

So far as our Directors are aware, immediately following completion of the Share Offer and the Capitalisation Issue, in addition to the interests disclosed under the section headed "Further information about our Directors and Substantial Shareholder — Directors" in this Appendix IV above, the person (not being a director or chief executive of our Company) who will have interests or short positions in the Shares and underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO is as follows:

| Name | Capacity and nature of interests | Number of Shares held | Percentage of issued share capital |
|------------------|----------------------------------|-----------------------|------------------------------------|
| Centrex Treasure | Beneficial owner | 187,500,000 (L) | 75% |

Note: The letter "L" denotes the long position in the Shares.

3. Interest in customers of our Group

As at the Latest Practicable Date, so far as our Directors were aware, no Director or their respective associates or Shareholder (which to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) had any interest in the five largest customers of our Group.

4. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in Note 28 of the Accountant's Report set out in Appendix I to this prospectus.

D. OTHER INFORMATION

1. Estate duty, tax and other indemnities

Each of Mr. Sim and Centrex Treasure (collectively, the "Indemnifiers") and our Company entered into the Deed of Indemnity referred to in the paragraph headed "Summary of material contracts" in the section headed "Further information about our Business" in this Appendix, under which the Indemnifiers have given joint and several indemnities in favour of our Group in respect of, among other things, the amount of any and all taxation falling on any member of our Group resulting from or by reference to any income, profits, gains earned, accrued or received on or before the Listing Date or any event or transaction entered into or occurring on or before the

Listing Date whether alone or in conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company.

The indemnity contained above shall not apply:

- (i) to the extent that full provision or reserve has been made for such taxation in the combined audited accounts of our Group or the audited accounts of the relevant member of our Group for each of the two financial years ended 31 July 2015 and the six months ended 31 January 2016, as set out in Appendix I to this prospectus; or
- (ii) to the extent that such taxation would not have arisen but for some act or omission of, or transaction entered into by any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the course of normal day to day operations of that company or carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date; or
- (iii) to the extent that any provisions or reserve made for taxation in the audited accounts of any member of our Group for each of the two financial years ended 31 July 2015 and the six months ended 31 January 2016 which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision or reserve applied pursuant to the Deed of Indemnity to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter; or
- (iv) to the extent that such taxation liability or claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the laws, rules and regulations or the interpretation or practice thereof by the Inland Revenue Department in Hong Kong, the taxation authority in Singapore or any other relevant authority (whether in Hong Kong, Singapore, or any other part of the world) coming into force after the Listing Date or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the Listing Date with retrospective effect.

Under the Deed of Indemnity, the Indemnifiers have also given indemnities in favour of our Group whereby they would jointly and severally indemnify each member of our Group against, among others, all claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines and of whatever nature suffered or incurred by any member of our Group (i) as a result of directly or indirectly or in connection with, or in consequence of any non-compliance with or breach of any applicable laws, rules or regulations of any jurisdiction by any member of our Group on or before the Listing Date; (ii) as a result of directly or indirectly or in connection with any litigation, proceeding, claim, investigation, inquiry, enforcement proceeding or process by any governmental, administrative or

regulatory body which (a) any member of our Group and/or their respective directors or any of them is/are involved; and/or (b) arises due to some act or omission of, or transaction voluntarily effected by, our Group or any member of our Group (whether alone or in conjunction with some other act, omission or transaction) on or before the Listing Date.

The indemnity contained above shall not apply to the extent that provision has been made for such claim in the combined audited accounts of our Group or the audited accounts of any member of our Group for each of the two financial years ended 31 July 2015 and the six months ended 31 January 2016. Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group in the Cayman Islands, Hong Kong, Singapore and other jurisdictions in which the companies comprising our Group are incorporated.

2. Litigation

As at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened by or against our Group which would have a material adverse effect on our business, results of operations or financial conditions.

3. Sole Sponsor

Vinco Capital has made an application on behalf of our Company to the Stock Exchange for listing of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned herein.

The Sole Sponsor is independent from our Company pursuant to Rule 6A.07 of the GEM Listing Rules.

The sponsor's fees payable by us in respect of Vinco Capital's services as sole sponsor for the Listing is HK\$4,800,000 (excluding any disbursements).

4. Preliminary expenses

The preliminary expenses of our Company incurred or proposed to be incurred are approximately US\$6,000 and are payable by our Company.

5. Promoter

Our Company has no promoter. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit had been paid, allotted or given, nor are any such cash, securities or other benefit intended to be paid, allotted or given, to the promoter of our Company in connection with the Share Offer or the related transactions described in this prospectus.

6. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

| Name of expert | Qualification |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Appleby | Legal advisers to our Company as to Cayman Islands laws |
| Dentons Rodyk & Davidson LLP | Legal advisers to our Company as to Singapore laws |
| Ernst & Young | Certified Public Accountants |
| Loeb & Loeb LLP | Legal advisers to our Company as to US laws |
| Vinco Capital | Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |

7. Consents of experts

Each of the experts referred in the paragraph headed “D. Other information — 6. Qualifications of experts” in this Appendix IV has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or the references to its name included herein in the form and context in which they are respectively included.

8. Selling Shareholder

The particulars of the Selling Shareholder are set out as follow:

| | |
|------------------------------------------|--------------------------------------------------------------------------------------------|
| Name: | Centrex Treasure |
| Place of incorporation: | BVI |
| Date of incorporation: | 22 May 2015 |
| Registered office: | P.O. Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands |
| Number of Sale Shares to be sold: | 12,500,000 |

9. Compliance adviser

In accordance with the requirements of the GEM Listing Rules, our Company will appoint the Sole Sponsor as our compliance adviser to provide advisory services to our Company to ensure compliance with the GEM Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full year commencing after the Listing Date or until the agreement is terminated, whichever is the earlier.

10. Agency fees or commission received

The Underwriters will receive an underwriting commission, and the Sole Sponsor will receive a documentation/advisory fee, as referred to under the section headed “Underwriting — Commission and expenses” in this prospectus.

11. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors nor any of the persons whose names are listed in the paragraph headed “D. Other information — 7. Consents of experts” in this Appendix IV is interested in the promotion of our Company, or in any assets which have been within the two years immediately preceding the issue of this prospectus, or are proposed to be, acquired or disposed of by or leased to any member of our Group nor will any Director apply for the Offer Shares either in his/her own name or in the name of a nominee;
- (b) none of our Directors nor any of the persons whose names are listed in the paragraph headed “D. Other information — 6. Qualifications of experts” in this Appendix IV is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group; and
- (c) save in connection with the Underwriting Agreements, none of the parties whose names are listed in the paragraph headed “D. Other information — 6. Qualifications of experts” in this Appendix IV: (i) is interested legally or beneficially in any securities of any member of us; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of us.

12. Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries; and
 - (iii) no commission has been paid or payable (excluding commission payable to sub-underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company;
- (b) no founders, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (d) none of the experts referred to under the paragraph headed “D. Other information — 6. Qualifications of experts” in this Appendix IV:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (e) there has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this prospectus;
- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (g) our Company has no outstanding convertible debt securities;
- (h) all necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement;
- (i) there are no arrangements in existence under which future dividends are to be or agreed to be waived; and

- (j) as at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

13. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were the written consents referred to in the paragraph headed “D. Other information — 7. Consents of experts” in Appendix IV to this prospectus, a statement of the particulars of the Selling Shareholder and copies of the material contracts referred to in the section headed “Further particulars about our Business — Summary of material contracts” in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Michael Li & Co. at 19th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and Articles;
- (b) the Accountant’s Report of our Group from Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (c) the audited financial statements of our Group for each of the two financial years ended 31 July 2015 and the six months ended 31 January 2016;
- (d) the report on unaudited pro forma financial information from Ernst & Young, the text of which is set out in Appendix II to this prospectus;
- (e) the letter prepared by Appleby summarising certain aspects of Cayman Islands company law referred to in Appendix III to this prospectus;
- (f) the Companies Law;
- (g) the service contracts and letters of appointment referred to in the section headed “C. Further information about our Directors and Substantial Shareholder — (1)(b) Particulars of service contracts” in Appendix IV to this prospectus;
- (h) the material contracts referred to in the section headed “B. Further information about our Business — 1. Summary of material contracts” in Appendix IV to this prospectus;
- (i) the written consents referred to in the paragraph headed “D. Other information — 7. Consents of experts” in Appendix IV to this prospectus; and
- (j) the statement of the particulars of the Selling Shareholder.