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SINGASIA HOLDINGS LIMITED

星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 JANUARY 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

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

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

This announcement will remain on the"Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the day of its publication. This announcement will also be published on the Company's website at www.singasia.com.sg.

* *For identification purposes only*

HIGHLIGHTS

- The unaudited revenue of the Group amounted to approximately S$11,654,000 for the six months ended 31 January 2020, representing a decrease of approximately S$550,000 or 4.5% as compared with the six months ended 31 January 2019.
- The unaudited administrative expenses of the Group was approximately S$4,339,000 for the six months ended 31 January 2020, representing a decrease of approximately S$697,000 or 13.8% as compared with the six months ended 31 January 2019. The decrease was mainly due to lower staff costs, motor vehicle expenses and management expenses following the closure of the Hong Kong office, and offsetted by higher professional fees and office rental incurred for the Hong Kong operations prior to its cessation.
- The unaudited loss for the period of the Group was approximately S$1,650,000 for the six months ended 31 January 2020, representing a decrease of approximately S$488,000 as compared to the loss for the six months ended 31 January 2019.
- Basic and diluted loss per share was S$0.00119 for the six months ended 31 January 2020 as compared to basic and diluted loss per share of S$0.00171 for the six months ended 31 January 2019.
- The Board does not recommend the payment of interim dividend for the six months ended 31 January 2020.

INTERIM RESULTS

The board of Directors (the "Board") of the Company hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months and six months ended 31 January 2020, together with the unaudited comparative figures for the corresponding period in 2019, as follows:

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

For the three months and six months ended 31 January 2020

		Three months ended 31 January		Six months ended 31 January	
		2020	2019	**2020**	2019
	Notes	***S$***	*S$*	***S$***	*S$*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
REVENUE	*5*	**6,244,544**	6,609,304	**11,653,668**	12,204,234
Cost of services		**(4,726,155)**	(5,071,146)	**(8,854,653)**	(9,122,555)
Gross profit		**1,518,389**	1,538,158	**2,799,015**	3,081,679
Other income	*6*	**96,868**	71,800	**138,915**	106,828
Administrative expenses		**(1,633,842)**	(2,660,147)	**(4,338,906)**	(5,035,899)
Other operating expenses		**(92,556)**	(94,073)	**(180,696)**	(265,322)
Finance costs	*7*	**(19,202)**	(6,795)	**(37,452)**	(8,291)
LOSS BEFORE TAX	*8*	**(130,343)**	(1,151,057)	**(1,619,124)**	(2,121,005)
Income tax expense	*9*	**(24,306)**	(4,868)	**(30,693)**	(16,653)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(154,649)**	(1,155,925)	**(1,649,817)**	(2,137,658)
OTHER COMPREHENSIVE INCOME/ (LOSS)					
Items that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**378**	593	**257**	(122)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(154,271)**	(1,155,332)	**(1,649,560)**	(2,137,780)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Basic and diluted	*10*	**(0.00010)**	(0.00092)	**(0.00119)**	(0.00171)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2020

	Notes	**31 January 2020 S$ (Unaudited)**	31 July 2019 S$ (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	**621,169**	482,533
Right-of-use assets		**697,504**	—
Goodwill	13	**886,341**	886,341
Deferred tax assets		**402,998**	402,998
Deposits		**84,168**	84,034
Total non-current assets		**2,692,180**	1,855,906
CURRENT ASSETS			
Trade receivables	14	**3,324,550**	3,289,855
Contract assets		**536,337**	371,417
Prepayments, deposits and other receivables		**450,605**	855,719
Tax recoverable		**—**	26,441
Cash and cash equivalents		**1,454,361**	1,967,918
Total current assets		**5,765,853**	6,511,350
CURRENT LIABILITIES			
Trade payables		**6,400**	—
Other payables and accruals	15	**3,374,157**	5,255,434
Lease liabilities		**382,978**	—
Contract liabilities		**29,536**	14,136
Bank borrowings		**665,673**	—
Tax payable		**51,115**	61,203
Total current liabilities		**4,509,859**	5,330,773
NET CURRENT ASSETS		**1,255,994**	1,180,577
NON-CURRENT LIABILITIES			
Lease liabilities		**324,630**	—
Total non-current liabilities		**324,630**	—
NET ASSETS		**3,623,544**	3,036,483
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	16	**519,800**	433,000
Reserves		**3,103,744**	2,603,483
TOTAL EQUITY		**3,623,544**	3,036,483

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2020

	Attributable to owners of the Company						
	Share capital	**Share premium**	**Merger reserve**	**Other reserve**	**Exchange reserve**	**Accumulated losses**	**Total equity**
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
2020							
At 1 August 2019 (audited)	**433,000**	**12,079,017**	**(2,379,552)**	**(4,958)**	**(1,263)**	**(7,089,761)**	**3,036,483**
Loss for the period	**—**	**—**	**—**	**—**	**—**	**(1,649,817)**	**(1,649,817)**
Other comprehensive income for the period:							
Exchange differences on translation of foreign operations	**—**	**—**	**—**	**—**	**257**	**—**	**257**
Total comprehensive income/(loss) for the period	**—**	**—**	**—**	**—**	**257**	**(1,649,817)**	**(1,649,560)**
Issue of ordinary shares	**86,800**	**2,170,000**	**—**	**—**	**—**	**—**	**2,256,800**
Transaction costs attributable to issue of ordinary shares	**—**	**(20,179)**	**—**	**—**	**—**	**—**	**(20,179)**
At 31 January 2020 (unaudited)	**519,800**	**14,228,838**	**(2,379,552)**	**(4,958)**	**(1,006)**	**(8,739,578)**	**3,623,544**
2019							
At 1 August 2018 (audited)	433,000	12,079,017	(2,379,552)	(4,958)	1,096	(2,967,520)	7,161,083
Loss for the period	—	—	—	—	—	(2,137,658)	(2,137,658)
Other comprehensive loss for the period:							
Exchange differences on translation of foreign operations	—	—	—	—	(122)	—	(122)
Total comprehensive loss for the period	—	—	—	—	(122)	(2,137,658)	(2,137,780)
At 31 January 2019 (unaudited)	433,000	12,079,017	(2,379,552)	(4,958)	974	(5,105,178)	5,023,303

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2020

		Six months ended 31 January	
		2020	2019
	Notes	***S$***	*S$*
		(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Loss before tax		**(1,619,124)**	(2,121,005)
Adjustments for:			
Depreciation		**344,643**	305,806
Finance costs		**37,452**	—
Write off of property, plant and equipment		**1,876**	—
Unrealised foreign exchange gain		**(11,694)**	(23,237)
Net allowance for expected credit losses of trade receivables, contract assets, deposits and other receivables		**(5,533)**	—
Decrease in provision for impairment of trade receivables		**—**	(835)
Interest income		**(50,935)**	(17)
Cash used in operations before changes in working capital		**(1,303,315)**	(1,839,288)
Increase in trade receivables		**(28,774)**	(173,316)
Decrease in prepayments, deposits and other receivables		**406,227**	96,470
Increase in contract assets		**(165,308)**	—
Increase in trade payables		**6,400**	—
Increase in other payables and accruals		**238,963**	586,744
Increase in contract liabilities		**15,400**	—
Cash used in operations		**(830,407)**	(1,329,390)
Income tax paid		**(14,340)**	(61,448)
Net cash used in operating activities		**(844,747)**	(1,390,838)

	Notes	Six months ended 31 January 2020 S$ (Unaudited)	2019 S$ (Unaudited)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	*12*	**(329,400)**	(606,024)
Interest received		**2**	17
Net cash used in investing activities		**(329,398)**	(606,007)
FINANCING ACTIVITIES			
Proceeds from other loans		**—**	1,195,588
Repayment of other loans		**(2,079,600)**	—
Proceeds from bank loans		**2,194,662**	—
Repayment of bank loans		**(1,528,989)**	—
Proceeds from issuance of ordinary shares		**2,236,621**	—
Repayment of lease liabilities		**(157,815)**	—
Interest paid		**(5,201)**	—
Net cash generated from financing activities		**659,678**	1,195,588
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(514,467)**	(801,257)
Cash and cash equivalents at beginning of period		**1,967,918**	2,225,478
Effect of foreign exchange rate changes		**910**	21,484
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,454,361**	1,445,705

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 31 January 2020

1. CORPORATE INFORMATION

SingAsia Holdings Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange on 15 July 2016. The Company's registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") on 22 December 2015 and the principal place of business registered in Hong Kong is Rooms 911–912, 9/F, Wing On Centre, 111 Connaught Road, Central, Hong Kong. The head office and principal place of business of the Group is 211 New Bridge Road, #03–01 Lucky Chinatown, Singapore 059432.

The Company is an investment holding company. The Group was involved in the following principal activities:

- manpower outsourcing
- manpower recruitment
- manpower training

2. BASIS OF PREPARATION

Statement of compliance

These unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable IFRSs, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board and the applicable disclosure requirements of the Companies Ordinance. These unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of the GEM Listing Rules.

Basis of preparation

These unaudited condensed consolidated financial statements have been prepared under the historical cost convention. These unaudited condensed consolidated financial statements are presented in Singapore dollars ("S$") except when otherwise indicated. The unaudited condensed financial statements should be read in conjunction with the audited consolidated financial statement for the year ended 31 July 2019.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 input are inputs, other than quoted prices included within Level 1, that are observable for the asset and liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 July 2019, except for the adoption of the new/revised IFRSs that are relevant to the Group and effective from the current accounting period.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

During the six months ended 31 January 2020, the Group has applied, for the first time, the following new and amendments to the IFRSs issued by the International Accounting Standards Board (the "IASB"), which are effective for the Group's financial period beginning on or after 1 August 2019 for the preparation of the Group's unaudited condensed consolidated financial statements:

IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
IAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures
IFRS (Amendments)	Annual Improvements to IFRSs 2015–2017 Cycle
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation
IFRS 16	Leases
IFRIC-Int 23	Uncertainty over Income Tax Treatments

Except as described below, the application of the new and amendments to IFRSs in the current period has no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersedes IAS 17 Leases and the related interpretations.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

Prior to adoption of IFRS 16, the commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating leases expenses were recognised in the consolidated statement of comprehensive income over the lease period on a straight-line basis.

Upon adoption of IFRS 16, the Group recognised and measured a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use assets for these leases. The interest expense on the lease liability and depreciation on the right-of-use assets will be recognised in profit or loss.

The Group elected the retrospective approach with the cumulative effect recognised at the date of initial application, 1 August 2019.

4. 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 is available. Accordingly, no operating segment information is presented.

During the six months ended 31 January 2020 and 2019, revenue is principally derived from the Group's operations in Singapore.

At the end of each reporting period, the Group's non-current assets were mainly located in Singapore.

5. REVENUE

	Three months ended 31 January		**Six months ended 31 January**	
	2020	2019	**2020**	2019
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue from contract with customers recognised at a point in time				
Manpower outsourcing	**6,083,011**	6,436,534	**11,404,181**	11,804,583
Manpower recruitment	**107,914**	112,001	**192,868**	229,476
Manpower training	**53,619**	60,769	**56,619**	170,175
	6,244,544	6,609,304	**11,653,668**	12,204,234

6. OTHER INCOME

	Three months ended 31 January		Six months ended 31 January	
	2020	2019	**2020**	2019
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Government grants	**3,360**	2,790	**3,360**	2,790
Sundry income	**16,055**	11,892	**33,451**	25,299
Foreign exchange gain, net	**—**	24,530	**10,377**	24,530
Forfeiture income	**17,025**	17,350	**27,000**	30,675
Sale of merchandise	**9,493**	15,223	**13,792**	23,517
Interest income	**50,935**	15	**50,935**	17
	96,868	71,800	**138,915**	106,828

7. FINANCE COSTS

	Three months ended 31 January		Six months ended 31 January	
	2020	2019	**2020**	2019
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest expense on:				
— bank borrowings	**5,201**	—	**5,201**	—
— other loans	**2,499**	6,795	**20,749**	8,291
— lease liabilities	**11,502**	—	**11,502**	—
	19,202	6,795	**37,452**	8,291

8. LOSS BEFORE TAX

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

	Three months ended 31 January		Six months ended 31 January	
	2020	2019	**2020**	2019
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Cost of services	**4,726,155**	5,071,146	**8,854,653**	9,122,555
Depreciation	**252,178**	150,971	**344,643**	305,806
Net allowance for expected credit losses of trade receivables, contract assets, deposits and other receivables	**(254)**	—	**5,533**	—
Write off of property, plant and equipment	**—**	—	**1,876**	—
Employee benefit expenses (excluding directors' remuneration):				
— Salaries and bonuses	**4,715,843**	5,547,338	**8,875,605**	10,001,551
— Contributions to defined contribution plans	**515,687**	550,087	**959,096**	987,099
— Foreign Worker Levy	**331,916**	318,741	**640,933**	617,296
— Other short-term benefits	**24,530**	37,010	**54,616**	68,780
Decrease in provision for impairment of trade receivables	**—**	(835)	**—**	(835)

For the six months ended 31 January 2020, cost of services includes S$7,418,538 (2019: S$7,699,683) related to salaries and bonuses, S$813,265 (2019: S$793,527) related to contributions to defined contribution plans and S$568,479 (2019: S$532,771) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

For the three months ended 31 January 2020, cost of services includes S$3,955,804 (2019: S$4,285,946) related to salaries and bonuses, S$439,810 (2019: S$448,217) related to contributions to defined contribution plans and S$295,843 (2019: S$274,069) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

9. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities of the Group are domiciled and operated.

No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong, for the periods ended 31 January 2020 and 2019.

Singapore Corporate Income Tax has been provided at the rate of 17% (2019: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

	Three months ended 31 January		**Six months ended 31 January**	
	2020	2019	**2020**	2019
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current income tax:				
Charge for the period	**8,308**	21,602	**14,695**	46,484
Under/(over) provision in respect of prior years	**15,998**	(3,102)	**15,998**	(3,102)
Deferred income tax:				
Credit for the period	**—**	(13,632)	**—**	(26,729)
Total tax expense for the period	**24,306**	4,868	**30,693**	16,653

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 31 January		**Six months ended 31 January**	
	2020	2019	**2020**	2019
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss attributable to owners of the Company *(S$)*	**(154,649)**	(1,155,925)	**(1,649,817)**	(2,137,658)
Weighted average number of shares in issue	**1,500,000,000**	1,250,000,000	**1,384,510,869**	1,250,000,000
Basic and diluted loss per share *(S$)*	**(0.00010)**	(0.00092)	**(0.00119)**	(0.00171)

The diluted loss per share is the same as the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the six months and three months ended 31 January 2020 and 2019.

11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2020 (2019: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 January 2020, the Group acquired assets with aggregate cost of S$329,400 (2019: S$606,024).

13. GOODWILL

	S$
As at 31 July 2019 (Audited) and 31 January 2020 (Unaudited)	886,341

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill have been allocated as follows:

	S$
Manpower outsourcing	
TCC Hospitality Resources Pte. Ltd and TCC Manpower Pte. Ltd	886,341

Goodwill is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the above CGUs is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the directors.

The directors consider the major factors and assumptions contributing to the calculation approved for the year ended 31 July 2019 including the discount rate, growth rate and gross margin have not changed significantly during the period. No indication of impairment is identified during the period.

14. TRADE RECEIVABLES

	As at 31 January 2020	As at 31 July 2019
	S$	*S$*
	(Unaudited)	(Audited)
Third parties	**3,337,810**	3,309,036
Less: Allowance for expected credit losses	**(13,260)**	(19,181)
	3,324,550	3,289,855

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

An aged analysis of the Group's gross amount of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 January 2020	As at 31 July 2019
	S$	*S$*
	(Unaudited)	(Audited)
Less than 30 days	**2,887,523**	1,855,378
31 to 60 days	**250,985**	743,897
61 to 90 days	**109,759**	267,060
More than 90 days	**89,543**	442,701
	3,337,810	3,309,036

15. OTHER PAYABLES AND ACCRUALS

	As at 31 January 2020	As at 31 July 2019
	S$	*S$*
	(Unaudited)	(Audited)
GST payables	**407,708**	331,166
Accrued casual labour costs	**835,584**	704,106
Accrued general staff costs	**831,080**	813,420
Accrued administrative and other operating expenses	**488,983**	746,601
Interest payable	**6,989**	37,404
Other payables	**470,217**	189,712
Other loans	**333,596**	2,433,025
	3,374,157	5,255,434

16. SHARE CAPITAL

	Number of shares	*HK$*	*Equivalent to S$*
Authorised ordinary shares of HK$0.002 each:			
At 1 August 2018, 31 July 2019, 1 August 2019 and 31 January 2020	25,000,000,000	50,000,000	
Issued and fully paid:			
At 1 August 2018, 31 July 2019 and 1 August 2019	1,250,000,000	2,500,000	433,000
Issuance of ordinary shares on 25 October 2019	250,000,000	500,000	86,800
At 31 January 2020	1,500,000,000	3,000,000	519,800

On 23 and 24 September 2019, the Company entered into respectively a conditional subscription agreement and a supplemental agreement with Eden Publishing Pte. Ltd. (the "Subscriber"), pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue, 250,000,000 subscription shares at the subscription price of HK$0.052 per subscription share (the "Subscription").

The completion of the Subscription took place on 25 October 2019. An aggregate of 250,000,000 new ordinary shares of the Company of par value of HK$0.002 each (the "Shares"), representing approximately 16.67% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the Subscription shares, were allotted and issued to the Subscriber at the subscription price of HK$0.052 per Subscription share. The gross proceeds from the Subscription amounted to HK$13,000,000 (approximately S$2,256,800).

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

17. RELATED PARTY TRANSACTIONS

Compensation of Key Management Personnel

	Three months ended 31 January		**Six months ended 31 January**	
	2020	2019	**2020**	2019
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Salaries and bonuses	**284,505**	213,893	**569,010**	578,093
Contributions to defined contribution plans	**15,300**	16,885	**30,600**	33,746
	299,805	230,778	**599,610**	611,839

The remuneration of executive directors and key executives of the Group is determined by having regard to the performance of individuals of the Group and market trends.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue comprised of revenue from manpower outsourcing, manpower recruitment and manpower training services. The Group's revenue decreased from approximately S$12,204,000 for the six months ended 31 January 2019 to approximately S$11,654,000 for the six months ended 31 January 2020, representing a decrease of approximately S$550,000 or 4.5%. The decrease was due to lower revenue generated from all three business segments.

The decrease in revenue is mainly due to slowdown of Singapore's economy, exacerbated by the outbreak of COVID-19 virus. The outbreak has led to a significant decline in demand for manpower services from our clients in the hospitality industry.

Gross profit

The overall gross profit decreased by approximately S$283,000 from approximately S$3,082,000 for the six months ended 31 January 2019 to approximately S$2,799,000 for the six months ended 31 January 2020, in line with decrease in revenue from all three business segments. Decrease in gross profit was also attributable to increased labour costs and lower prices in order to stay competitive for our manpower outsourcing services. The Group paid higher cooperative fees for manpower recruitment services and less favorable charge rates for training courses for manpower training services.

Other income

Other income increased by approximately S$32,000 for the six months ended 31 January 2020 from approximately S$107,000 for the six months ended 31 January 2019 to approximately S$139,000 for the six months ended 31 January 2020. The increase was mainly due to higher interest income and higher sundry income which was partially offsetted by decrease in forfeiture income, sale of merchandise and lower foreign exchange gain.

Administrative expenses

Administrative expenses decreased by approximately S$697,000 from approximately S$5,036,000 for the six months ended 31 January 2019 to approximately S$4,339,000 for the six months ended 31 January 2020. The decrease was mainly due to (i) decrease in staff costs of approximately S$929,000 as the Group has ceased operations in the Hong Kong office; (ii) decrease in motor vehicle expenses and management expenses collectively amounting to approximately S$141,000 following the closure of the Hong

Kong office, and offsetted by increase in professional fees and rental expenses of approximately S$374,000 due to compensation for the early termination of the lease of the Hong Kong office.

Other operating expenses

Other operating expenses decreased by approximately S$84,000 from approximately S$265,000 for the six months ended 31 January 2019 to approximately S$181,000 for the six months ended 31 January 2020. The decrease was mainly due to lower business development expenses following the closure of the Hong Kong office.

Finance costs

Finance costs increased by approximately S$29,000 for the six months ended 31 January 2020. The increase was mainly due to interest incurred on factoring loans and interest expenses for lease liabilities upon adoption of IFRS 16.

Loss for the period

Due to the combined effect of the aforesaid factors, the Group recorded an unaudited loss of approximately S$1,650,000 for the six months ended 31 January 2020, compared to the unaudited loss of approximately S$2,138,000 for the six months ended 31 January 2019.

Employee information

As at 31 January 2020, the Group had an aggregate of 271 employees (2019: 295), comprising of 2 executive Directors (2019: 4), 80 support staff (2019: 93) and 189 full-time deployment staff (2019: 198).

Our employees are remunerated according to their job scope and responsibilities. The Group offered attractive remuneration package in order to attract and retain high quality staff. Our employees are also entitled to discretionary bonus depending on their respective performance. Our foreign workers are employed on contractual basis and are remunerated according to their work skills.

Liquidity and financial resources

At 31 January 2020, the Group had cash and cash equivalents of approximately S$1,454,000 (31 July 2019: approximately S$1,968,000) which were placed with major banks in Singapore and Hong Kong. For the six months ended 31 January 2020, cash and cash equivalents decreased by approximately S$514,000 or 26.1% as compared to the balance at 31 July 2019. The decrease is mainly due to the net effect of (i) net cash outflows from the Group's operating activities; (ii) acquisition of property, plant and equipment; (iii) repayment of other loans; (iv) proceeds from factoring loans; and (v) proceeds from issuance of new ordinary shares.

Use of proceeds from the Share Offer

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

An analysis of the amount utilised up to 31 January 2020 is set out below:

	Adjusted use of proceeds in respect of business objectives from the Listing Date	**Actual utilised amount up to 31 January 2020**
	HK$mil	*HK$mil*
Expansion and strengthening of existing manpower outsourcing services	10.7	10.7
Acquisitions of strategic partners	5.0	5.0
Enhancing our information technology software to support the Group's business infrastructure	4.8	4.7
Repayment of loans	3.4	3.4
Working capital and general corporate use	2.2	2.2
	26.1	26.0

As at 31 January 2020, the Group has fully utilised the proceeds for expansion and strengthening of existing manpower outsourcing services, for acquisitions of strategic partners, for repayment of loans and for working capital and general corporate use.

The Group has yet to utilise the net proceeds of approximately HK$0.1 million for enhancing our information technology software to support the Group's business infrastructure. In view of the challenging economic and business environment, the Group will spread out further enhancements to our information technology software and expects the remaining unutilised proceeds to be fully utilised by 31 July 2021.

The unutilised net proceeds as at 31 January 2020 had been placed in interest-bearing deposits in banks in Singapore.

Issue of shares

On 23 and 24 September 2019, the Company entered into respectively a conditional agreement (the "Subscription Agreement") and a supplemental agreement with Eden Publishing Pte. Ltd. (the "Subscriber"), pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue, 250,000,000 subscription shares at the subscription price of HK$0.052 per subscription share (the "Subscription"). The Subscription was completed on 25 October 2019. The total subscription price of HK$13,000,000 was paid by the Subscriber in cash at the completion of the Subscription.

The subscription price of HK$0.052 per subscription share represents (i) a discount of approximately 13.33% to the closing price of HK$0.06 per share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 18.75% to the average closing price of approximately HK$0.064 per share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement.

The subscription price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the shares and the current market conditions. The Directors consider that the terms of the Subscription Agreement (including the subscription price) are fair and reasonable and in the interests of the Company and the shareholders as a whole.

The Directors considered that the Subscription would provide additional funding to reduce its indebtedness so as to improve the gearing ratio of the Group while broadening the capital base of the Company. The Directors are of the view that the allotment and issue of the subscription shares is an appropriate means of raising additional capital for the Company since it will provide the Company with immediate funding and the capital base of the Company will be enlarged.

The Company intends to apply the net proceeds from the Subscription for repayment of liabilities arising from its Hong Kong operations and for general working capital of the Group. The net proceeds raised from the Subscription were approximately HK$12,886,000 (approximately S$2,237,000) after deducting transaction costs.

An analysis of the amount utilised up to 31 January 2020 is set up below:

	Allocation of net proceeds *HK$*	Amount utilised up to 31 January 2020 *HK$*
Repayment of other loans	12,000,000	12,000,000
General working capital	886,000	886,000

Capital structure

The shares of the Company are listed on GEM of the Stock Exchange. The Company's share capital comprises of ordinary shares. As at 31 January 2020, the Company's issued share capital was HK$3,000,000 (equivalent to S$519,800) and the number of its issued ordinary shares was 1,500,000,000 shares of HK$0.002 each.

Exposure to foreign exchange

The Group mainly operates in the Singapore with the majority of its transactions denominated and settled in Singapore dollars, which is the functional currency of the majority of the Group's operating subsidiaries. However, the Group incurred some expenses denominated in Hong Kong dollars and United States dollars for its Hong Kong office. Currently, the Group does not have a foreign currency hedging policy. However, the Group will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.

Charges on assets

As at 31 January 2020, the Group's factoring facilities were secured over trade receivables of the Group of approximately S$1,779,000 (31 July 2019: Nil) and corporate guarantee by the Company.

Contingent liabilities

As at 31 January 2020, the Group did not have any significant contingent liabilities.

BUSINESS REVIEW AND OUTLOOK

The Group is the provider of specialized workforce solutions by providing manpower outsourcing services, manpower recruitment services and manpower training services to customers from the hotel and resort, retail and food and beverage sectors.

The Group recorded a net loss of approximately S$1,650,000 for the six months ended 31 January 2020 due to lower revenue and lower gross profit, partially offset by lower operating expenses.

The ongoing COVID-19 outbreak is expected to have a significant impact on the global and local economy for the next couple of quarters. As our clients are in the hospitality sector which is one of the worst-hit industries, we foresee sharp decline in the Group's revenue for the next few quarters. The Group will continue to manage its expenditures, review its business strategy and look for other business opportunities to cope with existing market environment in a cautious and prudent manner.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 January 2020, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors referred to in Rule 5.48 to Rule 5.67 of the GEM Listing Rules, were as follows:

Long Positions in Ordinary Shares of the Company

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

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

Long Positions in Ordinary Shares of Associated Corporation

Name of Associated Corporation	Name	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital
Centrex Treasure Holdings Limited *(Note)*	Mr. Sim Hak Chor	Beneficial owner	4,826	94.89%
Centrex Treasure Holdings Limited *(Note)*	Ms. Serene Tan	Beneficial owner	109	2.14%

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

Save as disclosed above, as at 31 January 2020, none of the Directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors referred to in Rule 5.48 to Rule 5.67 of the GEM Listing Rules.

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

As at 31 January 2020, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name	Number of shares directly beneficially owned	Percentage of issued share capital
Centrex Treasure Holdings Limited	399,990,000	26.67%
Eden Publishing Pte. Ltd.	250,000,000	16.67%

Save as disclosed above, as at 31 January 2020, the Directors are not aware of any other person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares and debentures of the Company or its associated corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

During the period under review, as far as the Directors are aware of, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interests in any businesses which competed with or might compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period under review.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and all of them had confirmed their compliance with the Required Standard of Dealings during the period under review.

CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules except the following:

Code Provision A.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sim Hak Chor ("Mr. Sim") is the chairman of the Board. Mr. Sim is also the executive Director who is responsible for managing the businesses of the Group, implementing major strategies and making day-to-day decisions for business operations, and is therefore the chief executive officer of the Company for the purpose of the GEM Listing Rules.

In view of Mr. Sim being the founder of the Group and that he has been responsible for the overall management, strategic planning and business development of the Group since 2004, the Board believes that it is in the best interest of the Group to have Mr. Sim taking up both roles for effective management and business development. The Board considers that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and qualified individuals, with three of them being independent non-executive Directors. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by Code Provision A.2.1.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Neither a Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, the holding company of the Company, or any of the Company's subsidiaries was a party at any time during or at the end of the period under review.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2020.

AUDIT COMMITTEE

The Group established an audit committee (the "Audit Committee") on 20 June 2016 with written terms of reference in compliance with Rule 5.28 to 5.33 of the GEM Listing Rules and Code Provision C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis. Mr. Chan Fong Kong Francis, the Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting system, risk management and internal control systems, to oversee the audit process, to review the Group's financial reports and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 31 January 2020 and has provided advice and comments thereon.

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

Hong Kong, 13 March 2020

As at the date of this announcement, the executive Directors are Mr. Sim Hak Chor and Ms. Serene Tan; and the independent non-executive Directors are Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis.