SINGASIA HOLDINGS LIMITED
星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 JULY 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 Listed Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the day of its publication. This announcement will also be published on the Company's website at www.singasia.com.sg.

* *For identification purposes only*

HIGHLIGHTS

- The revenue of the Company and its subsidiaries (collectively the "Group") amounted to approximately S$15,860,000 for the year ended 31 July 2020, representing a decrease of approximately S$7,012,000 or 30.7% as compared with the year ended 31 July 2019.
- The loss for the year of the Group was approximately S$935,000 for the year ended 31 July 2020, representing a decrease in net loss of approximately S$3,168,000 as compared to the loss for the year ended 31 July 2019.
- The Board does not recommend the payment of a final dividend for the year ended 31 July 2020.

ANNUAL RESULTS

The board (the "Board") of Directors hereby announces the audited consolidated results of the Group for the financial year ended 31 July 2020 together with comparative figures for the financial year ended 31 July 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JULY 2020

	Note	2020 S$	2019 S$
REVENUE	4	**15,859,749**	22,871,969
Cost of services		**(11,704,389)**	(16,779,894)
Gross profit		**4,155,360**	6,092,075
Other income	5	**2,568,530**	188,426
Net allowance for expected credit loss in respect of trade receivables, contract assets, deposits and other receivables		**(45,303)**	(2,064)
Impairment loss on goodwill		**(886,341)**	(19,154)
Administrative expenses		**(6,322,302)**	(9,512,273)
Other operating expenses		**(394,094)**	(745,450)
Finance costs		**(51,683)**	(37,228)
LOSS BEFORE TAX	6	**(975,833)**	(4,035,668)
Income tax credit/(expense)	7	**40,425**	(67,131)
LOSS FOR THE YEAR		**(935,408)**	(4,102,799)
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**5**	(2,359)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(935,403)**	(4,105,158)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (Singapore cents)	8	**(0.06)**	(0.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2020

	Notes	2020 S$	2019 S$
NON-CURRENT ASSETS			
Property, plant and equipment		**496,896**	482,533
Right-of-use assets		**561,838**	—
Goodwill		**—**	886,341
Deferred tax assets		**449,249**	402,998
Deposits		**—**	84,034
Total non-current assets		**1,507,983**	1,855,906
CURRENT ASSETS			
Trade receivables	9	**1,206,039**	3,289,855
Contract assets		**263,362**	371,417
Prepayments, deposits and other receivables		**319,520**	855,719
Tax recoverable		**—**	26,441
Cash and cash equivalents		**4,469,347**	1,967,918
Total current assets		**6,258,268**	6,511,350
CURRENT LIABILITIES			
Other payables and accruals	10	**1,460,052**	5,255,434
Contract liabilities		**20,536**	14,136
Lease liabilities		**340,298**	—
Bank borrowings		**1,357,806**	—
Tax payable		**8,727**	61,203
Total current liabilities		**3,187,419**	5,330,773
NET CURRENT ASSETS		**3,070,849**	1,180,577
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,578,832**	3,036,483

	Notes	**2020**	2019
		S$	*S$*
NON-CURRENT LIABILITY			
Lease liabilities		**241,132**	—
NET ASSETS		**4,337,700**	3,036,483
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	11	**519,800**	433,000
Reserves		**3,817,900**	2,603,483
TOTAL EQUITY		**4,337,700**	3,036,483

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 address and principal place of business of the Group is 211 New Bridge Road, #03–01 Lucky Chinatown, Singapore 059432.

The Company is a subsidiary of Centrex Treasure Holdings Limited ("Centrex Treasure"), incorporated in the British Virgin Islands, which is also the Company's parent and ultimate holding company.

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

- manpower outsourcing
- manpower recruitment
- manpower training

The consolidated financial statements are presented in Singapore dollar ("S$"), which is the functional currency of the Company. As the directors of the Company consider that S$ is the functional currency of the primary economic environment in which most of the Group's transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in S$ unless otherwise stated.

2. BASIS OF PREPARATION

These 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 Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

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

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 *"Share-based Payment"*, leasing transactions that are accounted for in accordance with IFRS 16 (since 1 August 2019) or IAS 17 (before applications of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *"Inventories"* or value in use in IAS 36 *"Impairment of Assets"*.

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 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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

New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time in the current year:

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

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

IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 Leases ("IAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 August 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 August 2019.

As at 1 August 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

(ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

(iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment;

(iv) relied on the assessment of whether leases are onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review; and

(v) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied is 3%. The following table reconciles the operating lease commitments as at 31 July 2019 to the opening balance for lease liabilities recognised as at 1 August 2019:

	S$
Operating lease commitments disclosed as at 31 July 2019	1,636,396
Less: short term leases (recognition exemption)	(41,950)
Less: commitments relating to lease contracted but not commenced on 1 August 2019 *(note)*	(705,422)
Less: total future interest expense	(35,103)
Lease liabilities as at 1 August 2019	853,921
Analysis as:	
Non-current lease liabilities	344,837
Current lease liabilities	509,084
	853,921

	As at 1 August 2019 ***S$***
The carrying amount of right-of-use assets for own use as at 1 August 2019 comprise the following:	
Right-of-use assets relating to operating lease recognised upon application of IFRS 16	**853,921**

By class:	**As at 1 August 2019** ***S$***
Leased property	**853,921**

note: The amount was related to the closure of Hong Kong office and early termination penalties of S$561,563 was recognised in administrative expense during the year ended 31 July 2020.

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 1 August 2019.

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position at 1 August 2019. Line items that were not affected by the changes have not been included.

	Carrying amount previously reported at 31 July 2019	**Adjustment**	**Carrying amount under IFRS 16 at 1 August 2020**
	S$	*S$*	*S$*
Non-current assets			
Right-of-use assets	—	853,921	853,921
Current liabilities			
Lease liabilities	—	509,084	509,084
Non-current liabilities			
Lease liabilities	—	344,837	344,837

The application of IFRS 16 to lease previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets of S$853,921 and lease liabilities of S$853,921 at the initial adoption of IFRS 16.

New and amendments to IFRSs in issue but not yet effective

The Group has not adopted the following new and revised IFRSs that have been issued but are not yet effective in the Historical Financial Information:

Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020[4]
Amendments to IFRS 3	Reference to the Conceptual Framework[4]
Amendments to IFRS 3	Definition of a business[6]
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9[5]
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[7]
Amendments to IFRS 16	Covid-19-Related Rent Concessions[2]
IFRS 17	Insurance Contracts[3]
Amendments to IFRS 17	Insurance Contracts[5]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[4]
Amendments to IAS 1 and IAS 8	Definition of Material[1]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[4]
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract[4]

1 Effective for annual periods beginning on or after 1 January 2020

2 Effective for annual periods beginning on or after 1 June 2020

3 Effective for annual periods beginning on or after 1 January 2021

4 Effective for annual periods beginning on or after 1 January 2022

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

6 Business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

7 Effective for annual period beginning on or after a date to be determined

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in IFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

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

3. SEGMENT INFORMATION

Information reported internally to the chief operating decision maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is principally engaged in provision of manpower outsourcing, recruitment and training service in the Singapore.

Accordingly, the Group does not present separately segment information. No analysis of the Group's results by type of works nor assets and liabilities is regularly provided to the CODM for review. In addition, all of the Group's revenue is generated in Singapore and the Group's assets and liabilities are mainly located in Singapore. Accordingly, no business or geographical segment information is presented.

Geographical information

The Group principally operates in Singapore, also the place of domicile. All revenue are derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

Information about major customers

For the year ended 31 July 2020, revenue of S$3,270,616 (2019: S$5,314,596) was derived from the provision of manpower services to one of the customer who contributed over 10% to the Group's total revenue.

4. REVENUE

	2020	2019
	S$	*S$*
Revenue from contract with customers		
Manpower outsourcing	**15,587,582**	22,145,292
Manpower recruitment	**200,013**	515,772
Manpower training	**72,154**	210,905
	15,859,749	22,871,969

All revenue contracts are for period of one year or less. As permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. OTHER INCOME

	2020	2019
	S$	*S$*
Government grants *(note)*	**2,443,949**	16,860
Sundry income	**77,791**	89,389
Forfeiture income	**32,400**	52,925
Sale of merchandise	**14,386**	29,222
Interest income	**4**	30
	2,568,530	188,426

note: The government grants mainly represent the cash grant received under Job Support Scheme amount of S$2,346,463 (2019: S$Nil) which introduced by the Singapore Government to help businesses to retain their local employees and provide cash flow support due to the impact of COVID-19 pandemic. There were no unfulfilled condition related to the amount of government grant.

6. LOSS BEFORE TAX

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

	2020	2019
	S$	*S$*
Employee benefits expenses (excluding directors' remuneration):		
— Salaries and bonuses	**11,806,790**	18,238,524
— Contributions to defined contribution plans	**1,313,426**	1,758,331
— Foreign worker levy	**655,088**	1,301,743
— Other short-term benefits	**93,825**	122,240
Total employee benefits expenses (excluding directors' remuneration)	**13,869,129**	21,420,838
Depreciation of property, plant and equipment	**358,837**	568,854
Depreciation of right-of-use assets	**318,023**	—
Operating lease charges		
— Equipment	**—**	25,200
— Premises	**—**	1,292,381
Expenses relating to short-term lease	**74,040**	—
Auditors' remuneration		
HLB Hodgson Impey Cheng Limited		
— Audit services	**120,702**	122,500
Other auditor		
— Audit services	**—**	40,200
— Non-audit services	**—**	107,890
Written off of property, plant and equipment	**1,876**	412,410
Impairment loss on goodwill	**886,341**	19,154

For the year ended 31 July 2020, cost of services includes S$9,544,650 (2019: S$14,087,784) related to salaries and bonuses, S$1,052,320 (2019: S$1,378,089) related to contributions to defined contribution plans and S$585,699 (2019: S$1,131,233) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

7. INCOME TAX (CREDIT)/EXPENSE

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

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

The Group considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong for the years ended 31 July 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 year after offsetting any tax losses brought forward.

	2020	2019
	S$	*S$*
Current tax:		
Charge for the year	**8,727**	60,480
Over-provision in prior years	**(2,901)**	(28,820)
	5,826	31,660
Deferred tax:		
(Credit)/charge for the year	**(46,251)**	35,471
Total tax (credit)/expense for the year	**(40,425)**	67,131

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2020	2019
Loss attributable to owners of the Company *(S$)*	**(935,408)**	(4,102,799)
Weighted average number of shares in issue	**1,441,939,890**	1,250,000,000
Basic and diluted loss per share *(Singapore cents)*	**(0.06)**	(0.33)

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 years ended 31 July 2020 and 2019.

9. TRADE RECEIVABLES

	2020	2019
	S$	*S$*
Trade receivables	**1,217,924**	3,309,036
Less: Allowance for expected credit losses	**(11,885)**	(19,181)
	1,206,039	3,289,855

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

As at 31 July 2020, the trade receivables of amount of S$566,746 (2019: S$Nil) are secured for the factoring loans of the Group.

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:

	2020	2019
	S$	*S$*
Less than 30 days	**753,259**	1,855,378
31 to 60 days	**41,120**	743,897
61 to 90 days	**45,092**	267,060
More than 90 days	**378,453**	442,701
	1,217,924	3,309,036

10. OTHER PAYABLES AND ACCRUALS

	2020	2019
	S$	*S$*
GST payables	**148,110**	331,166
Accrued casual labour costs	**180,302**	704,106
Accrued general staff costs	**465,609**	813,420
Accrued administrative and other operating expenses	**431,516**	746,601
Interest payables	**2,339**	37,404
Other payables *(Note i)*	**232,176**	189,712
Other loans *(Note ii)*	**—**	2,433,025
	1,460,052	5,255,434

Notes:

(i) Included in other payables, there was an amount of S$42,756 (2019: S$7,248) related to amounts due to the directors. The amount was interest-free, unsecured and repayable on demand.

(ii) As at 31 July 2019, included in other loans were (a) loan from Mr. Liu Zinsheng ("Mr. Liu") of S$2,100,000 (equivalent to HK$12,000,000), (b) loan from Ms. Wang Chunyang, a former Executive Director ("Ms. Wang") of S$70,525 (equivalent to HK$403,000), and (c) loans from Everwin Marble Limited of S$262,500 (equivalent to HK$1,500,000).

During the year ended 31 July 2019, S$2,100,000 (equivalent to HK$12,000,000) of loan from Mr. Yeung Chun Wai Anthony and Ms. Wang was allegedly assigned to Mr. Liu. The loan was unsecured and bore 3% interest per annum. The loan was repayable within 12 months.

During the year ended 31 July 2019, the Company obtained fixed loans in aggregate of S$1,058,837 (equivalent to approximately HK$6,050,500) from Ms. Wang. As at 31 July 2019, after the alleged assignment of loan to Mr. Liu, the remaining loan from Ms. Wang of S$70,525 (equivalent to HK$403,000) was unsecured and bore 3% interest per annum. The loan was repayable within 12 months.

Pursuant to the loan agreements dated 3 May 2019 and 29 May 2019, the Company obtained fixed loans in aggregate of S$262,500 (equivalent to approximately HK$1,500,000) from Everwin Marble Limited. The loans were unsecured and bore 3% interest per annum. The loans were repayable within 12 months.

As at 31 July 2020, all other loans have been settled.

11. SHARE CAPITAL

	2020			2019		
	Number of shares	***HK$***	***Equivalent to S$***	*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 July 2020	**25,000,000,000**	**50,000,000**		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**	1,250,000,000	2,500,000	433,000
Issuance of ordinary shares on 25 October 2019 *(note a)*	**250,000,000**	**500,000**	**86,800**	—	—	—
At the end of year	**1,500,000,000**	**3,000,000**	**519,800**	1,250,000,000	2,500,000	433,000

note a: 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) and the net proceeds amounted to approximately HK$12,886,000 (approximately S$2,237,000) after deducting transaction costs.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are a Singapore-based workforce solutions provider. During the financial year ended 31 July 2020, the Group continues to focus on manpower outsourcing services, manpower recruitment services and manpower training services for clients in the hospitality industry in Singapore. Our workforce solutions meet customers' needs for a reliable and efficient workforce in the hotel and resort, retail, food and beverage ("F&B") and other sector across Singapore. We provide differentiated solutions to meet customers' business needs amid the rapid changes in the market.

The Group's revenue from all three business segments decreased during the financial year ended 31 July 2020. The Group's revenue decreased by approximately S$7,012,000 from approximately S$22,872,000 for the year ended 31 July 2019 to approximately S$15,860,000 for the year ended 31 July 2020. From February 2020, the Singapore Government introduced a series of measures to curb the spread of the virus. These measures included barring short-term visitors from entering Singapore with effect from 22 March 2020 and imposing a partial nationwide lockdown, known as the "Circuit-Breaker" from 7 April 2020 to 1 June 2020. From 19 June 2020 onwards, Singapore moved into Phase Two of the Circuit-Breaker and more activities were allowed subject to safe management measures in place. With international travel at a standstill and weak domestic demand, the Group recorded the sharpest decline in the second half of the year, accounting for approximately 92% of the year-on-year decrease.

The COVID-19 pandemic has caused a severe disruption to global and local economic activities. The pandemic has resulted in significant decrease in international visitors into the country, which has put a sizeable dent in the earnings of the hospitality sector. As our customers 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 quarters.

The duration of the pandemic and how the continued imposition of safe management measures will affect the Group's financial performance remain unclear. The Group will continue to manage its expenditure and undertake a series of measures to increase our resilience and protect the interest of all our stakeholders.

FINANCIAL REVIEW

Revenue

All of the Group's revenue was generated from manpower outsourcing, manpower recruitment and manpower training services. The Group's revenue decreased by approximately S$7,012,000 from approximately S$22,872,000 for the year ended 31 July 2019 to approximately S$15,860,000 for the year ended 31 July 2020. The Group's revenue from all three business segments decreased for the year ended 31 July 2020. The following table sets out the revenue of the Group by business segment for the periods as indicated:

	For the year ended 31 July			
	2020		2019	
	S$'000	***%***	*S$'000*	*%*
Manpower outsourcing	**15,588**	**98.3**	22,145	96.8
Manpower recruitment	**200**	**1.2**	516	2.3
Manpower training	**72**	**0.5**	211	0.9
	15,860	**100.0**	22,872	100.0

Manpower outsourcing

The Group's revenue from manpower outsourcing services decreased from approximately S$22,145,000 for the year ended 31 July 2019 to approximately S$15,588,000 for the year ended 31 July 2020. The following table sets out the revenue from manpower outsourcing services by sector for the periods as indicated:

	For the year ended 31 July			
	2020		2019	
	S$'000	***%***	*S$'000*	*%*
Hotel and resort	**13,921**	**89.3**	20,316	91.7
F&B	**1,039**	**6.6**	1,191	5.4
Retail	**620**	**4.0**	631	2.8
Others	**8**	**0.1**	7	0.1
	15,588	**100**	22,145	100

The decrease in revenue from manpower outsourcing services was mainly due to decrease in revenue derived from hotel and resort and F&B sectors, from approximately S$20,316,000 and approximately S$1,191,000 for the year ended 31 July 2019 to approximately S$13,921,000 and approximately S$1,039,000 for the year ended 31 July 2020, respectively.

Revenue derived from manpower outsourcing services decreased due to lower sales to existing customers. Our customers for from manpower outsourcing services are mostly from the hospitality sector, which is one of the industries that is most severely affected by the COVID-19 pandemic.

Manpower recruitment

The Group's revenue derived from manpower recruitment services decreased by approximately S$316,000 from approximately S$516,000 for the year ended 31 July 2019 to approximately S$200,000 for the year ended 31 July 2020. It is mainly attributable to decrease in demand from our customers for new hires due to tighter foreign employment restrictions in Singapore and also because of borders being closed due to the COVID-19 pandemic.

Manpower training

The Group's revenue derived from manpower training services decreased from approximately S$211,000 for the year ended 31 July 2019 to approximately S$72,000 for the year ended 31 July 2020, mainly because less training projects were being secured for the year ended 31 July 2020.

Gross profit

The Group's overall gross profit and gross profit margin was approximately S$4,155,000 and 26.2% for the year ended 31 July 2020. The table below sets out a breakdown of gross profit and gross profit margin by revenue type for the periods as indicated:

	For the year ended 31 July			
	2020		2019	
		Gross profit margin		Gross profit margin
	S$'000	***%***	*S$'000*	*%*
Manpower outsourcing	**3,970**	**25.5**	5,546	25.0
Manpower recruitment	**128**	**64.0**	380	73.6
Manpower training	**57**	**79.2**	166	78.7
	4,155	**26.2**	6,092	26.6

The gross profit margin of manpower outsourcing services remained relatively stable at 25.0% for the year ended 31 July 2019 and 25.5% for the year ended 31 July 2020.

The gross profit margin of manpower recruitment services decreased from 73.6% for the year ended 31 July 2019 to 64.0% for the year ended 31 July 2020. For manpower recruitment services, we pay fees to our cooperative partners located in different countries with varying cooperative fees. The gross profit margin for manpower recruitment services is dependent on such cooperative fees paid. During the year ended 31 July 2020, manpower recruitment services incurred higher cooperative fees, resulting in a lower gross profit margin.

The gross profit of manpower training services decreased in tandem with the decrease in revenue from manpower training services. The gross profit margin remained relatively stable at 78.7% for the year ended 31 July 2019 and 79.2% for the year ended 31 July 2020.

Other income

Other income increased from approximately S$188,000 for the year ended 31 July 2019 to approximately S$2,569,000 for the year ended 31 July 2020. It was mainly due to cash grant received under the Jobs Support Scheme ("JSS") introduced by the Singapore Government to help businesses to retain their local employees and to provide cash flow support to businesses during this period of economic uncertainty.

Under the JSS, the Singapore Government co-funds between 25% to 75% of the first S$4,600 of gross monthly wages paid to each local employee in a 10-month period (October 2019 to August 2020, excluding January 2020) and between 10% to 50% of the same in the subsequent 7-month period (September 2020 to March 2021). Eligible companies will receive five main JSS payouts in April 2020, July 2020, October 2020, March 2021 and June 2021, with an additional special payout in May 2020. For the year ended 31 July 2020, the Group recognised JSS grants amounting to approximately S$2,346,000 (2019: Nil).

Impairment loss on goodwill

Management assessed the outlook and performance of the Group's manpower outsourcing cash-generating unit ("CGU") and determined that the recoverable amount of this CGU to be lower than its carrying amount. Accordingly, a full impairment loss on goodwill of S$886,341 was recognised for the year ended 31 July 2020.

Administrative expenses

Administrative expenses decreased by approximately S$3,190,000, from approximately S$9,512,000 for the year ended 31 July 2019 to approximately S$6,322,000 for the year ended 31 July 2020. The decrease was mainly due to (i) decrease in administrative expenses of approximately S$2,745,000 following the closure of the Hong Kong office, (ii) decrease in staff costs of approximately S$1,038,000 as the Singapore operations embarked on cost-savings measures in response to the outbreak of the COVID-19 virus, and (iii) offsetted by increase of approximately S$1,028,000 in professional fees and early termination penalties arising from the closure of the Hong Kong office.

Other operating expenses

Other operating expenses decreased by approximately S$351,000 from approximately S$745,000 for the year ended 31 July 2019 to approximately S$394,000 for the year ended 31 July 2020. The decrease was mainly due to (i) lower property, plant and equipment written off, (ii) decrease in business development expenses for the year ended 31 July 2020, and (iii) offsetted by higher advertisement expenses.

Income tax

The Group recorded a tax credit of approximately S$40,000 for the year ended 31 July 2020 because of (i) the recognition of deferred tax assets which arose mainly from the excess of tax values over net book values of property, plant and equipment, and (ii) offsetted by provision for Singapore Corporate Income Tax for profit-making subsidiaries in Singapore.

Loss for the year

Due to the combined effect of the aforesaid factors, the Group recorded a loss of approximately S$935,000 for the year ended 31 July 2020.

Final dividend

The Board does not recommend the payment of a final dividend for the year ended 31 July 2020 (2019: Nil).

Liquidity and financial resources

As at 31 July 2020, the Group had total assets of approximately S$7,766,000 (2019: S$8,367,000) which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately S$3,428,000 (2019: S$5,331,000) and S$4,338,000 (2019: S$3,036,000), respectively. The current ratio of the Group as at 31 July 2020 was approximately 2.0 times (2019: approximately 1.2 times). The total assets to total equity of the Group as at 31 July 2020 was approximately 1.8 times (2019: approximately 2.8 times).

As at 31 July 2020, the Group had cash and cash equivalents of approximately S$4,469,000 (31 July 2019: S$1,968,000) which were placed with major banks in Singapore. For the year ended 31 July 2020, cash and cash equivalents increased by approximately S$2,501,000 as compared to the balance at 31 July 2019. The increase is mainly due to the net effect of (i) cash grant received from the Jobs Support Scheme introduced by the Singapore Government; (ii) proceeds from factoring loans; (iii) proceeds from issuance of new ordinary shares; (iv) net cash outflows from the Group's operating activities; (v) acquisition of property, plant and equipment; and (vi) repayment of other loans.

Capital Structure

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$2,257,000) and the net proceeds amounted to approximately HK$12,886,000 (approximately S$2,237,000) after deducting transaction costs.

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

Capital Commitments

As at 31 July 2020, the Group did not have any material capital commitments (2019: nil).

Future plans for material investments or capital assets

The Company did not have any future plans for significant investments or capital assets as at 31 July 2020.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the year ended 31 July 2020, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Significant investments held

The Group did not hold any significant investments during the year ended 31 July 2020.

Contingent liabilities

As at 31 July 2020, the Group did not have any material contingent liabilities (2019: Nil).

Use of proceeds from the Share Offer and the Subscription

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

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

	Adjusted use of proceeds in respect of business objectives from the Listing Date	**Actual utilised amount up to 31 July 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	4.8
Repayment of loans	3.4	3.4
Working capital and general corporate use	2.2	2.2
	26.1	26.1

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

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 July 2020 is set out below:

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

Charge on assets

As at 31 July 2020, the Group's factoring facilities were secured over trade receivables of the Group of approximately S$567,000 (31 July 2019: Nil) and corporate guarantee by the Company.

Exposure to foreign exchange

The Group mainly operates in the Singapore with the majority of its transactions denominated and settled in Singapore dollars, which is the functional currency of the 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.

Employee information

As at 31 July 2020, the Group had an aggregate of 76 employees (2019: 284), comprising of 2 executive Directors (2019: 3), 40 support staff (2019: 86) and 34 full-time deployment staff (2019: 195).

The Group's remuneration policies are in line with the prevailing market practices and formulated on the basis of job scope and responsibilities. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). Our employees are also entitled to discretionary bonus which is awarded according to the Group's performance as well as individual's performance.

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

As at 31 July 2020, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or 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	*Note*	**Directly beneficially owned**	**Through controlled corporation**	**Total**	**Percentage of issued share capital**
Mr. Sim Hak Chor	1	—	399,990,000	399,990,000	32%

Note:

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

Long positions in ordinary shares of an associated corporation

Name of associated corporation	Name	Capacity/nature of interest	Number of shares held	Approximate percentage of issued share capital
Centrex Treasure Holdings Limited *(Note 1)*	Mr. Sim Hak Chor	Beneficial owner	4,826	94.89%
Centrex Treasure Holdings Limited *(Note 1)*	Ms. Serene Tan	Beneficial owner	109	2.14%

Note:

1. 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 July 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 was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors referred to in Rule 5.48 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 July 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 July 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, underlying shares and debentures of the Company or its associated corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders of the Company nor any of their respective close associates (as defined under the GEM Listing Rules) that competes or may compete, either directly or indirectly, with the business of the Group, or of any other conflicts of interest which any such person has or may have with the Group during the year ended 31 July 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 July 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and all of them had confirmed their compliance with the Required Standard of Dealings during the year ended 31 July 2020.

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 and the chief executive officer of the Company who is primarily responsible for providing leadership to the Board, directing the Group's business development strategies and supervising the overall operation of the Group. The Board believes that with the support of the management and the Board, vesting the roles of both chairman of the Board and the chief executive officer of the Company in Mr. Sim, the founder of the Group, can facilitate the execution of the Group's business strategies and enhance operational effectiveness and efficiency. In addition, the Board is also supervised by three independent non-executive Directors. The Board considers that the present structure adequately ensures the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation. Accordingly, the Company has not segregated the roles of 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 a final dividend for the year ended 31 July 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. Lim Wee Pin. Mr. Lim Wee Pin, the Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting system, risk management and internal controls 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 Group's annual results for the year ended 31 July 2020.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 July 2020 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited ("HLB"). The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB on the preliminary announcement.

APPRECIATION

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

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

Hong Kong, 29 October 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. Lim Wee Pin.