SINGASIA Holdings Limited
星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8293

ANNUAL REPORT 2016

* For identification purpose only.

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

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This report, for which the directors (the "Directors") of SingAsia Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief (1) the information contained in this report is accurate and complete in all material respects and not misleading and deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. Sim Hak Chor
Ms. Serene Tan

Independent non-executive Directors
Mr. Tan Eng Ann
Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo

AUDIT COMMITTEE MEMBERS

Mr. Tan Eng Ann *(Chairman)*
Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo

NOMINATION COMMITTEE MEMBERS

Mr. Jong Voon Hoo *(Chairman)*
Mr. Tan Eng Ann
Mr. Lim Cheng Hock, Lawrence
Mr. Sim Hak Chor

REMUNERATION COMMITTEE MEMBERS

Mr. Lim Cheng Hock, Lawrence *(Chairman)*
Mr. Tan Eng Ann
Mr. Jong Voon Hoo
Mr. Sim Hak Chor

COMPLIANCE OFFICER

Mr. Sim Hak Chor

COMPANY SECRETARY

Mr. Li Chi Chung

AUTHORISED REPRESENTATIVES

Mr. Sim Hak Chor
Mr. Li Chi Chung

COMPLIANCE ADVISER

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

AUDITOR

Ernst & Young
22/F CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

REGISTERED OFFICE

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75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

27 New Bridge Road
Singapore 059391

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

19th Floor, Prosperity Tower
39 Queen's Road Central
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

Standard Chartered Bank (Singapore) Limited
6 Battery Road
Level #03-00
Singapore 049909

COMPANY'S WEBSITE

www.singasia.com.sg

STOCK CODE

8293

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of SingAsia Holdings Limited (the "Company"), I am pleased to present the first annual report of the Company and its subsidiaries (collectively referred to as the "Group") since the listing (the "Listing") of the shares of the Company on GEM of the Stock Exchange on 15 July 2016.

REVIEW

Our Group's revenue comprised of revenue from manpower outsourcing, manpower recruitment and manpower training services. For the year ended 31 July 2016, the revenue of the Group increased by approximately S$1,512,000 or approximately 8% to approximately S$20,833,000 compared to the year ended 31 July 2015. The growth was mainly attributable to increase in revenue from manpower outsourcing services, particularly from customers in the hotel and resort sector.

The Group recorded a loss for the year of approximately S$1,297,000 for the year ended 31 July 2016 mainly due to the recognition of significant non-recurring listing expenses amounting to approximately S$3,296,000. If the one-off listing expenses were excluded, the Group would have recorded a profit for the year ended 31 July 2016 of approximately S$1,999,000, which is slightly lower than the profit for the year ended 31 July 2015 as a result of lower gross profit margin and higher administrative expenses, in particular staff costs, offset by tax credit.

PROSPECTS

Looking forward to the coming year, we foresee a slowdown of economic growth in Singapore. Amid the challenging economy, the Group will continue to focus on our core business of providing manpower outsourcing services. We will expand our market presence and achieve revenue growth by engaging more with our existing customers as well as actively seek out new customers, especially in the hotel and resort sector. In addition, we will expand into provision of security services and explore business opportunities for manpower outsourcing services for white collar office workers in order to broaden our customer base. We will also actively seek out suitable strategic partners that are complementary to our existing business as acquisition targets.

With the Group's experienced management team and reputation in the market, the Group is confident that we can achieve sustained revenue growth and generate positive returns for shareholders notwithstanding challenging economic conditions ahead.

APPRECIATION

This is a very significant year for the Group's development as we were successfully listed on GEM. On behalf of the Board, I would like to express our gratitude to business partners, customers, professional parties, management and staff for their support, hard work and dedication throughout the year, especially during the preparation process of the Listing.

Sim Hak Chor
Chairman and Executive Director

Hong Kong, 25 October 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The Group's competitive strengths include (i) our well-established presence as a workforce solutions provider in the hotel and resort, F&B and retail sectors; (ii) our long-term rapport with major customers who are some of the active and major market players in the hotel and resort sector in Singapore; and (iii) our strong and experienced management team.

Other than the competitive strengths mentioned above, our Group distinguishes itself against other players by its value-added services. Our competitive advantages include (i) a large database of freelance contractors; (ii) comprehensive training for all new recruits, even for casual contractors; and (iii) use of proprietary software such as Job-Management System ("JMS"), Mobile Attendance System and Hi-TCC app to streamline administrative tasks for customers and the job-booking process for casual contractors.

The Listing provided additional capital to the Group to implement the corporate plans as set out in the prospectus of the Company dated 5 July 2016 (the "Prospectus"). Furthermore, the Listing also strengthened the financial position and enhanced the competitiveness of the Group.

Looking forward, we will continue to seize opportunities to expand our market presence by (i) engaging more with our existing customers in the hotel and resort sector to explore business opportunities for manpower outsourcing services to other departments; (ii) expanding into provision of security services for private properties, commercial properties, shopping malls and the hotel and resort sector; (iii) exploring business opportunities for manpower outsourcing services for white collar office workers; and (iv) growth through acquisition of strategic partners that are complementary to our existing business.

With the Group's experienced management team and reputation in the market, the Directors believe that the Group is well-positioned to compete against our competitors. The Group will pursue the strategies mentioned above to further strengthen our position as an established workforce solutions provider in Singapore.

FINANCIAL REVIEW

Revenue

Our Group's revenue comprised of revenue from manpower outsourcing, manpower recruitment and manpower training services. Our revenue increased from approximately S$19,321,000 for the year ended 31 July 2015 to approximately S$20,833,000 for the year ended 31 July 2016, representing a growth of approximately 8%. The growth was mainly attributable to increase in revenue from manpower outsourcing services. The following table sets forth the revenue of our Group by revenue type for the periods indicated:

	For the year ended 31 July			
	2016		2015	
	S$'000	*%*	*S$'000*	*%*
Manpower outsourcing	**19,357**	**92.9**	17,927	92.8
Manpower recruitment	**985**	**4.7**	975	5.0
Manpower training	**491**	**2.4**	419	2.2
	20,833	**100**	19,321	100

Manpower outsourcing

Revenue from manpower outsourcing services is predominantly from the hotel and resort, F&B and retail sectors. Revenue derived from manpower outsourcing services increased by approximately S$1,430,000 in the year ended 31 July 2016, accounting for approximately 95% of the total revenue growth. The following table sets forth the revenue from manpower outsourcing services by sector for the periods indicated:

	For the year ended 31 July			
	2016		2015	
	S$'000	**%**	*S$'000*	%
Hotel and resort	**14,709**	**76.0**	13,787	76.9
F&B	**3,316**	**17.1**	2,554	14.2
Retail	**1,214**	**6.3**	1,358	7.6
Others	**118**	**0.6**	228	1.3
	19,357	**100**	17,927	100

Majority of our customers for manpower outsourcing services are from the hotel and resort sector. The proportion of manpower outsourcing services revenue derived from customers in the hotel and resort sector remained fairly consistent for both financial years. Revenue from manpower outsourcing services generated from the single largest customer in the hotel and resort sector decreased by approximately S$1,435,000 in the year ended 31 July 2016. The decrease was offset by the increase in sales to existing customers as well as sales to new customers, resulting in a net increase of approximately S$922,000. The broader customer base enabled us to reduce our reliance on the single largest customer.

Notwithstanding a decrease in the number of customers in the F&B sector, manpower outsourcing services revenue from this sector increased by approximately S$762,000 in the year ended 31 July 2016. Increase in revenue was due to higher sales made to existing customers.

Revenue from manpower outsourcing services in the retail sector decreased by approximately S$144,000 in the year ended 31 July 2016 on the back of the struggling retail industry in Singapore. Sales to existing customers were lower and we did not secure significant new customers from the retail sector.

Gross Profit

The overall gross profit increased from approximately S$6,635,000 for the year ended 31 July 2015 to approximately S$6,924,000 for the year ended 31 July 2016, mainly due to increase in revenue from manpower outsourcing and manpower training services. The overall gross profit margin decreased slightly from 34.3% for the year ended 31 July 2015 to 33.2% for the year ended 31 July 2016. The table below sets forth a breakdown of gross profit and gross profit margin by revenue type for the periods indicated:

	For the year ended 31 July			
	2016		2015	
	S$'000	***Gross profit margin %***	*S$'000*	*Gross profit margin %*
Manpower outsourcing	**5,887**	**30.4%**	5,719	31.9%
Manpower recruitment	**752**	**76.3%**	803	82.4%
Manpower training	**285**	**58.0%**	113	26.9%
	6,924	**33.2%**	6,635	34.3%

The gross profit margin of manpower outsourcing services decreased slightly from approximately 31.9% for the year ended 31 July 2015 to 30.4% for the year ended 31 July 2016 due to a slight increase in labour cost.

The gross profit margin for manpower recruitment services decreased from approximately 82.4% for the year ended 31 July 2015 to 76.3% for the year ended 31 July 2016. 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 2016, more manpower recruitment services were derived from cooperative partners with higher cooperative fees, resulting in a lower gross profit margin.

The gross profit margin for manpower training services increased from approximately 26.9% for the year ended 31 July 2015 to approximately 58% for the year ended 31 July 2016 as new projects secured during the year had better margins.

Administrative Expenses

Administrative expenses comprised mainly of depreciation of property, plant and equipment, staff costs, office rental and auditor's remuneration. Total administrative expenses increased from approximately S$4,309,000 in the year ended 31 July 2015 to approximately S$5,071,000 in the year ended 31 July 2016.

Depreciation of property, plant and equipment increased by approximately S$87,000 due to increase in acquisition of computers and equipment.

Staff costs comprised of Directors' remuneration and remuneration of support staff from the accounts and finance, operations, marketing and communication, and information technology departments. Staff costs increased by approximately S$411,000 due to salary increment and increase in number of staff.

Office rental increased by approximately S$62,000 due to increase in rental during the year.

Auditor's remuneration increased by approximately S$80,000 after the Group's reorganisation for the Listing.

Other Operating Expenses

Other operating expenses for the year ended 31 July 2016 included approximately S$3,296,000 non-recurring listing expenses. Excluding the one-off listing expenses, other operating expenses increased from S$117,000 for the year ended 31 July 2015 to S$206,000 for the year ended 31 July 2016. The increase is mainly attributable to increase in transport and travelling expenses as higher expenses were incurred for overseas travel.

Income Tax Credit

The Group recorded a tax credit of approximately S$65,000 for the year ended 31 July 2016 mainly due to recognition of deferred tax assets arising from excess of tax values over net book values of property, plant and equipment and unutilised tax losses from prior periods in certain subsidiaries of the Group.

(Loss)/Profit for the year

Due to the combined effect of the factors mentioned above including in particular the recognition of significant non-recurring listing expenses of approximately S$3,296,000 for the year ended 31 July 2016, the Group recorded a loss for the year of approximately S$1,297,000. If the one-off listing expenses were excluded, the Group would have recorded a profit for the year ended 31 July 2016 of approximately S$1,999,000, which is slightly lower than the profit for the year ended 31 July 2015 of approximately S$2,111,000 as a result of lower gross profit margin and higher administrative expenses in particular staff costs, offset by tax credit.

Liquidity and Financial Resources

As at 31 July 2016, the Group had total assets of approximately S$13,262,000 (2015: S$6,612,000), which is financed by total liabilities, shareholders' equity (comprising share capital and reserves) and non-controlling interests of approximately S$2,395,000 (2015: S$3,529,000), approximately S$10,867,000 (2015: S$2,829,000) and Nil (2015: S$254,000) respectively. The current ratio as at 31 July 2016 of the Group was approximately 4.9 times (2015: approximately 1.5 times).

During the year ended 31 July 2016, the Group raised net proceeds from issuance of its share capital of approximately S$4,490,000. The net cash generated from operating activities of approximately S$3,000 included listing expenses paid of approximately S$3,016,000.

As at 31 July 2016, the Group had cash and cash equivalents of approximately S$8,287,000 (2015: S$1,031,000) which were placed with major banks in Singapore and Hong Kong.

The total interest-bearing bank borrowings of the Group as at 31 July 2016 was approximately S$296,000 (2015: S$982,000). The gearing ratio (calculated based on interest-bearing liabilities divided by total equity) of the Group as of 31 July 2016 was 2.7% (2015: 31.8%), which remained low as the Group was not in need of any material debt financing for the year ended 31 July 2016.

Foreign Exchange Exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group retains some proceeds from the Share Offer (as defined below) in Hong Kong dollars which contributed to an unrealised foreign exchange gain of approximately S$36,000 as Hong Kong dollars appreciated against Singapore dollars.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus and in this report, the Group did not have other plans for material investments or capital assets as of 31 July 2016.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the financial year ended 31 July 2016, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures save for those related to the reorganisation (details disclosed under Note 2 to the financial statements).

Significant Investments held

The Group did not hold any significant investments during the year ended 31 July 2016.

Contingent Liabilities

As at 31 July 2016, the Group did not have any material contingent liabilities (2015: Nil).

Use of Proceeds from the Share Offer

The Company was successfully listed on the GEM board of the Stock Exchange on 15 July 2016 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.

In line with that disclosed in the Prospectus, the Company intends to apply the net proceeds raised from the Share Offer as to:

(i) approximately 41.1% of the net proceeds or approximately HK$10.7 million for the expansion and strengthening of existing manpower outsourcing services;

(ii) approximately 19.1% or approximately HK$5.0 million for growth through acquisitions of strategic partners;

(iii) approximately 18.4% or approximately HK$4.8 million for enhancing our information technology software to support our Group's business infrastructure;

(iv) approximately 13.0% or approximately HK$3.4 million for repayment of loans; and

(v) approximately 8.4% or approximately HK$2.2 million for working capital and other general corporate purpose.

As at 31 July 2016, the Company has not yet utilised the net proceeds of approximately HK$26.1 million raised from the Share Offer in accordance with the intended use of proceeds set out in the Prospectus. The unutilised balance has been deposited with financial institutions and will be applied in the manner stated above.

As at the date of this annual report, the Directors do not anticipate any change to the plan as to the use of the proceeds.

Employee Information

As at 31 July 2016, the Group had an aggregate of 211 employees (2015: 228), comprising of 2 executive Directors (2015: 2), 90 support staff (2015: 90) and 119 full-time deployment staff (2015: 136).

Our employees are remunerated according to their job scope and responsibilities. Our local employees are also entitled to discretionary bonus depending on their respective performance. Our foreign workers are employed on contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' remuneration, amounted to approximately S$17,080,000 for the year ended 31 July 2016 (2015: S$15,410,000). Total staff costs included casual labour costs of approximately S$13,471,000 for the year ended 31 July 2016 (2015: S$12,203,000) which are also included in the cost of services.

EXECUTIVE DIRECTORS

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

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

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

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

Ms. Tan commenced her career with KPMG LLP as an audit assistant in August 1999. She was subsequently promoted to the position of an assistant audit manager in July 2003. During her employment with KPMG LLP, she was responsible for the planning, control and co-ordination of all audit assignments allocated to her. These assignments included banks, fund management, manufacturing and trading companies. She left KPMG LLP in March 2004.

She obtained her bachelor's degree in accountancy from Nanyang Technological University of Singapore in July 1999. She is a member of the Institute of Singapore Chartered Accountants (ISCA) and Singapore Institute of Accredited Tax Professionals (SIATP).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tan Eng Ann (陳勇安), aged 48, was appointed as our independent non-executive Director on 20 June 2016. Mr. Tan obtained his bachelor's degree in accountancy from Nanyang Technological University of Singapore in May 1992. He is a chartered financial analyst of the Association for Investment Management and Research and has been a fellow member of Institute of Singapore Chartered Accountants (ISCA) since January 2010. He has more than 20 years of experience in audit, accounting and finance. He is the chairman of the audit committee and member of the remuneration and the nomination committees of the Board.

Mr. Lim Cheng Hock, Lawrence (林清福), aged 47, was appointed as our independent non-executive Director on 20 June 2016. Mr. Lim graduated from National University of Singapore with a Bachelor of Laws degree in July 1994. He has been practising as an advocate and solicitor of the Supreme Court of Singapore since April 1995. Mr. Lim's areas of practice include company and corporate law, contract, tort and shareholders' disputes. Mr. Lim is currently the chairman of the remuneration committee and member of the audit and nomination committees of the Board.

Mr. Jong Voon Hoo (楊文豪), aged 44, was appointed as our independent non-executive Director on 20 June 2016. Mr. Jong graduated from Nanyang Technological University of Singapore in June 1996 with a bachelor's degree in accountancy and is a chartered accountant and member of the Institute of Singapore Chartered Accountants (ISCA). He has more than 20 years of experience in audit, accounting and finance. He is currently the chairman of the nomination committee and member of the audit and remuneration committees of the Board.

SENIOR MANAGEMENT

Mr. Ng Meng Choon, Frey (黄盟春), aged 44, was appointed as the general manager of our Group's subsidiaries, SAE Agency Pte. Ltd. (formerly known as TCC Solutions Pte. Ltd.) and SingAsia Resources Pte. Ltd. in November 2010 and August 2014, respectively. He is responsible for managing and overseeing the overall operations of these two subsidiaries. He has more than 20 years of experience in the retail sector. Prior to joining our Group, Mr. Ng was the general manager for numerous major jewelry brands, and also served as the country manager for an established luxury watch retailer in India.

Mr. Wong Swee Fatt (黄永發), aged 45, was appointed as the director of operations of TCC Hospitality Resources Pte. Ltd. in January 2008. He is responsible for managing, executing and coordinating the operations of manpower resource deployment to our Group's customers. Mr. Wong completed GCE "N" level in October 1987. Mr. Wong has more than 15 years of experience in hotel management, F&B operations and training in various 5-star hotels.

Mr. Woo Chee Sin (鄔志新), aged 46, was appointed as the Group director of people affairs in August 2014. He is responsible for our Group's human resources matters, company policy making and recruitment. His role includes managing, executing and coordinating for all overseas business opportunities for our Group. Mr. Woo has more than 12 years of working experience in both public and private sectors. Prior to joining our Group, Mr. Woo has served the public sector for 10 years and was involved in a wide range of responsibilities and activities such as office operation, customer relations and public affairs.

COMPANY SECRETARY

Mr. Li Chi Chung (李智聰), aged 48, is our company secretary of our Group. He was appointed on 20 June 2016. Mr. Li does not act as an individual employee of our Group, but as an external service provider. Mr. Li received a Bachelor of laws degree from the University of Sheffield in 1990. He is a practicing solicitor and was admitted as a solicitor in Hong Kong in 1993.

COMPLIANCE OFFICER

Mr. Sim Hak Chor is an Executive Director and the compliance officer of the Company. His biographical details and professional qualifications are set out on page 11 of this annual report.

The Board believes that good corporate governance is essential for efficient and effective management of our business to safeguard the interest of our stakeholders and achieve the highest return for our shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 15 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code from 15 July 2016 (the "Listing Date") up to 31 July 2016, except for Code Provision A.2.1 of the CG Code — segregation of the roles of chairman and chief executive officer.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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 our Executive Director who is responsible for managing the businesses of the Company and its subsidiaries, implementing major strategies and making day-to-day decisions for business operations, and is therefore our Chief Executive Officer for the purpose of the GEM Listing Rules.

Mr. Sim is the founder of the Group and has been responsible for the overall management, strategic planning and business development of the Group since 2004. The Board believes that the vesting of the roles of Chairman and Chief Executive Officer in Mr. Sim is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. In addition, with the presence of three independent non-executive Directors which represent more than half of the Board, the Board considers that there is a balance of power and authority such that power is not concentrated in any one individual. Accordingly, the Company has not segregated the roles of its Chairman and Chief Executive Officer as required by Code Provision A.2.1 of the CG Code.

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 each of them had confirmed his/her compliance with the Required Standard of Dealings during the year ended 31 July 2016.

BOARD OF DIRECTORS

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

The Board formulates strategies and sets directions for the Group's activities to develop its business and enhance shareholders' value. The Board also assumes the responsibilities for maintaining high standard of corporate governance, including among others, reviewing the Company's policies and practices on corporate governance, and reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements.

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

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

Board Composition

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

Executive Directors:

Mr. Sim Hak Chor *(Chairman)*
Ms. Serene Tan

Independent non-executive Directors:

Mr. Tan Eng Ann
Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo

From the Listing Date up to the date of this report, there was no change in the composition of the Board.

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

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

Throughout the period from the Listing Date to the date of this report, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive directors, accounting for at least one-third of the Board, with at least one independent non-executive director possessing the appropriate professional qualifications or accounting or related financial management expertise.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers that all the independent non-executive Directors to be independent and meet the requirements set out in Rule 5.09 of the GEM Listing Rules as at the date of this report.

Directors' Attendance at Board Meetings

Pursuant to Code Provision A.1.1, board meetings should be held at least four times a year at approximately quarterly intervals. Such regular board meetings will normally involve active participation, either in person or through other electronic means of communication, of a majority of directors entitled to be present.

As the Company was listed on 15 July 2016, and from the Listing Date up to 31 July 2016, the Board did not hold any board meeting.

Practice and Guidelines of Board Meetings

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

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

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

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

Senior management attend all regular board meetings and where necessary, other board and board committee meetings to advise on business developments, financial and accounting matters, regulatory compliance matters, corporate governance and other major aspects of the Group.

The Company Secretary is responsible to take and keep minutes of all board meetings and board committee meetings. Minutes of board meetings and board committee meetings should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft minutes are circulated to Directors for comment within a reasonable time after each meeting and the final versions of minutes are open for directors' inspection.

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

Appointment and Re-election of Directors

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

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Articles of Association. The nomination committee is responsible for reviewing the Board composition, assessing the independence of independent non-executive directors and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors.

Board Diversity Policy

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

Directors' Training and Continuing Professional Development

Directors are aware of Code Provision A.6.5 regarding continuing professional development programme for directors. Every director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company.

For the year ended 31 July 2016, all Directors participated in the training regarding director responsibilities and duties by the Company's legal advisers in relation to the Listing. The training covered corporate governance, listed company and director's continuing obligations.

Directors' and Officers' Liabilities

The Company has in place appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis by the Company.

BOARD COMMITTEES

The Board is supported by three Board Committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within their respective terms of reference.

Audit Committee

The Group established an Audit Committee on 20 June 2016 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo. Mr. Tan Eng Ann, our Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

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

The Audit Committee should hold at least four regular meetings in a year to review and discuss the quarterly, the interim and annual financial statements of the Company. As the Company was listed on 15 July 2016, from the Listing Date up to 31 July 2016, the Audit Committee did not hold any meeting.

Remuneration Committee

The Group established a Remuneration Committee on 20 June 2016 with written terms of reference in compliance with paragraph B.1 of the CG Code. The Remuneration Committee consists of three independent non-executive Directors and an Executive Director, namely Mr. Lim Cheng Hock, Lawrence, Mr. Tan Eng Ann, Mr. Jong Voon Hoo and Mr. Sim Hak Chor. Mr. Lim Cheng Hock, Lawrence serves as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to our Directors on the policy and structure for all remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of our Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

The Remuneration Committee should hold at least one regular meeting in a year. The Company was listed on 15 July 2016 and therefore the Remuneration Committee has not held any meeting up to 31 July 2016.

Nomination Committee

The Group established a Nomination Committee on 20 June 2016 with written terms of reference in compliance with paragraph A.4.5 of the CG Code. The Nomination Committee consists of three independent non-executive Directors and an Executive Director, namely Mr. Jong Voon Hoo, Mr. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Sim Hak Chor. Mr. Jong Voon Hoo serves as the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to make recommendations to the Board regarding candidates to fill vacancies on the Board.

The Nomination Committee should hold at least one regular meeting in a year. The Company was listed on 15 July 2016 and therefore the Nomination Committee has not held any meeting up to 31 July 2016.

FINANCIAL REPORTING

The Directors are responsible for the preparation of the financial statements for the year ended 31 July 2016. As at 31 July 2016, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Group on a going-concern basis.

The responsibilities of the external auditors regarding their financial reporting are set out in the independent auditor's report contained in this annual report for the year ended 31 July 2016.

INTERNAL CONTROLS

The Executive Directors are responsible for formulating and overseeing the implementation of the Group's internal control measures. An annual review of the effectiveness of the system of internal controls of the Group will be conducted. The review will cover all material controls, including financial, operational, compliance and risk management controls.

In preparation for the Listing, we engaged an internal control consultant, an independent third party, to undertake a review of the internal control system of the Group. Material issues identified by the internal control consultant had been rectified prior to the Listing. The Board is of the view that the internal control measures in place are adequate and effective to safeguard the interest of shareholders and the Group's assets.

EXTERNAL AUDITOR'S REMUNERATION

During the year ended 31 July 2016, the Company engaged Ernst & Young as the external auditors. Apart from providing audit services, Ernst & Young also provided non-audit services in connection with the Group's listing on GEM. The fees in respect of the audit services (including annual audit services) and non-audit services (includes internal control review and tax advisory services) in respect of the Listing provided by Ernst & Young for the year ended 31 July 2016 amounted to approximately S$754,000 and S$91,000 respectively. The reporting responsibilities of Ernst & Young are set out in the independent auditor's report on page 27 to 28 of this annual report.

COMPANY SECRETARY

Mr. Li Chi Chung is the company secretary of the Company as appointed pursuant to Rule 5.14 of the GEM Listing Rules. Mr. Li received a Bachelor of Laws degree from the University of Sheffield in 1990. He is a practising solicitor and was admitted as a solicitor in Hong Kong in 1993.

COMMUNICATION WITH SHAREHOLDERS

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

(i) the holding of annual general meetings and general meetings of the Company, if any, which may be convened for specific purpose and provide opportunities for shareholders and investors to communicate directly with the Board;

(ii) the publication of quarterly, half-yearly and annual reports, announcements and/or circulars as required under the GEM Listing Rules and/or press releases of the Company providing updated information on the Group; and

(iii) the latest information on the Group is available on the respective websites of the Stock Exchange and the Company.

SHAREHOLDERS’ RIGHTS

Right to convene extraordinary general meeting

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

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

Right to put forward proposals at general meeting

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his/her proposal with his/her detailed contact information at the Company’s principal place of business in Hong Kong.

The request will be verified with the Company’s branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the proposal in the agenda for the general meeting.

Right to make enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at 19th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong. Shareholders may also make enquiries to the Board at the general meeting of the Company. In addition, shareholders can contact Union Registrars Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

CONSTITUTIONAL DOCUMENTS

During the period from Listing Date to 31 July 2016, there had been no significant change in the Company’s constitutional documents. The Articles of Association of the Company are available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Company believes that maintaining effective communication with the investment industry is crucial to having a deeper understanding of the Company's business and its development among investors. To achieve this goal and increase transparency, the Company will continue to adopt proactive measures to foster better investor relations and communications. As such, the purpose for the Company to formulate investor relations policies is to let investors have access to the information of the Group in a fair and timely manner, so that they can make an informed decision.

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

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

The management provides such explanation and information to the Board and reports to the Board on the financial position and prospects of the business of the Group so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the independent auditor's report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. As at 31 July 2016, the Board was not aware of any material uncertainties relating to any events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by the external auditor about their reporting responsibility is set out in the section headed "Independent Auditor's Report" of this report.

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 July 2016.

GROUP REORGANISATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 12 November 2015. In preparation for the Listing, the Group underwent reorganisation and the Company became the holding company of the companies comprising the Group upon the completion of the group reorganisation on 20 June 2016.

Details of the group reorganisation are set out in Note 2 to the financial statements. The shares of the Company were listed on GEM of the Stock Exchange with effect from 15 July 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in Note 1 to the financial statements. The business of the Group comprises the provision of manpower outsourcing, recruitment and training services. There were no significant changes in the nature of the Group's principal activities during the year.

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in Management Discussion and Analysis set out on pages 6 to 10 of this annual report. This discussion forms part of this directors' report.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 July 2016 and the Group's financial position at that date are set out in the consolidated financial statements on pages 29 to 75.

The Directors do not recommend the payment of a final dividend for the year ended 31 July 2016.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the past three years is set out on page 76 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 July 2016 are set out in Note 22 to the financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Since the Listing Date to 31 July 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 July 2016 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire shares in, or debentures of, the Company or any other body corporate.

BANK BORROWINGS

As at 31 July 2016, the Group did not have any bank borrowings except for the factoring loans as set out in Note 20 to the financial statements.

USE OF PROCEEDS FROM SHARE OFFER

As at 31 July 2016, the Company has not yet utilised the net proceeds of approximately HK$26.1 million (approximately S$4.49 million) raised from the Share Offer in accordance with the intended use of proceeds set out in the Prospectus. Details of the intended uses and utilised amount are set out on page 10 of this annual report.

DISTRIBUTABLE RESERVES

The Company did not have reserves available for cash distribution as at 31 July 2016, calculated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as it has accumulated losses. However, the amount of approximately HK$69.7 million (approximately S$12.1 million) included in the Company's share premium account may be distributed as dividends provided that immediately following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 47.2% of the total sales and sales to the largest customer included therein amounted to 28.5% of the total sales. Due to the nature of the business, the Group has no major suppliers as 96.8% of direct costs were mainly comprised of labour and related costs.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers during the year ended 31 July 2016.

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporate environment that focuses on conserving natural resources. We believe that everyone can make a difference — a small step from each employee will go a long way to reducing our carbon footprint on the earth. The Group implements green office practices such as double-sided printing and copying, promoting using recycled paper and encouraging less paper usage through the use of our JMS software. To reduce energy consumption, we use energy saving appliances and turn off idle appliances.

DIRECTORS

The Directors of the Company during the year ended 31 July 2016 up to this report were:

Executive Directors:

Mr. Sim Hak Chor (Chairman) (Appointed on 12 November 2015)
Ms. Serene Tan (Appointed on 20 June 2016)

Independent non-executive Directors:

Mr. Tan Eng Ann (Appointed on 20 June 2016)
Mr. Lim Cheng Hock, Lawrence (Appointed on 20 June 2016)
Mr. Jong Voon Hoo (Appointed on 20 June 2016)

One-third of the Directors shall retire from office by rotation and re-election at an annual general meeting of the Company in accordance with the Company's articles of association, providing that every Director shall be retired at least once every three years.

The Company has received annual confirmations of independence from Mr. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo, and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

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

DIRECTORS' SERVICE CONTRACTS

During the year ended 31 July 2016, the executive Directors, Mr. Sim Hak Chor and Ms. Serene Tan have service contracts with the Company for a fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than three months' notice in writing sent by either party to the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Each of the independent non-executive Directors is appointed with an initial term of two years commencing from the Listing Date subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

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

DIRECTORS' REMUNERATION

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

The remuneration policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. Details of the remuneration of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in Note 9 (for the Directors) and Note 10 (for the five highest paid individuals) to the financial statements.

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

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries was a party at any time during or at the end of the year ended 31 July 2016.

As of 31 July 2016, no contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholders of the Company (as defined in the GEM Listing Rules) or any of its subsidiaries.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole and any part of the Company's business were entered into or existed during the year ended 31 July 2016.

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 July 2016, the interests and short positions of each Director and chief executive in the shares and 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")), as 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 Model Code for Securities Transactions by Directors of Listed Issuers, 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 the issued share capital**
Mr. Sim Hak Chor	*(1)*	—	187,500,000	187,500,000	75%

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 position in the 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 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 2016, 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 that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 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 2016, 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:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the issued share capital
Centrex Treasure Holdings Limited	Directly beneficially owned	187,500,000	75%

Save as disclosed above, as at 31 July 2016, no 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.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 13 to 20 of this annual report.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Grand Vinco Capital Limited, as at 31 July 2016, save for the compliance adviser agreement dated 4 July 2016 entered into between the Company and Grand Vinco Capital Limited, neither Grand Vinco Capital Limited, its directors, employees and associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

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

SHARE OPTION SCHEME

The Group did not adopt any share option scheme.

CONNECTED TRANSACTIONS

During the year ended 31 July 2016, the Group had the following discontinued transactions, certain details of which are disclosed in compliance with the requirements of Chapter 20 of the GEM Listing Rules.

Discontinued connected transactions

The Ramen Stall (NBR) II Pte. Ltd. ("Ramen Stall II") was wholly-owned by Mr. Sim Hak Chor from 30 October 2014 to 1 September 2015. Ramen Stall II ceased to be a connected person of our Group with effect from 2 September 2015.

From March 2015, two of the Group's subsidiaries, namely TCC Hospitality Resources Pte. Ltd. ("TCCHR") and TCC Manpower Pte. Ltd. ("TCCM"), entered into arrangements to provide (i) manpower outsourcing services and (ii) human resource management and recruitment services to Ramen Stall II. The fee received by TCCHR for the provision of manpower outsourcing services amounted to approximately S$44,000 (2015: S$121,000) for the year ended 31 July 2016. The fee received by TCCM for the provision of human resource management and recruitment services amounted to approximately S$3,000 (2015: S$8,100) for the year ended 31 July 2016. The above arrangements were determined on arm's length bases between TCCHR, TCCM and Ramen Stall II.

The Directors (including the independent non-executive Directors) have confirmed that the arrangements were conducted in the ordinary and usual course of business of the Group on normal commercial terms. As such, the Directors considered that the entering into of the above arrangements were fair and reasonable and in the interests of the Group and shareholders of the Company as a whole.

AUDITORS

Ernst & Young were appointed by the Directors as auditors of the Company. A resolution for the reappointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Sim Hak Chor
Chairman and Executive Director

Hong Kong, 25 October 2016

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

We have audited the consolidated financial statements of SingAsia Holdings Limited (the "Company") and its subsidiaries set out on pages 29 to 75, which comprise the consolidated statement of financial position as at 31 July 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 July 2016, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

25 October 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 July 2016

	Notes	2016 S$	2015 S$
REVENUE	6	**20,833,182**	19,320,989
Cost of services		**(13,909,372)**	(12,685,622)
Gross profit		**6,923,810**	6,635,367
Other income and gains	6	**333,337**	110,807
Administrative expenses		**(5,070,557)**	(4,308,665)
Other operating expenses		**(3,502,072)**	(116,812)
Finance costs	8	**(46,685)**	(83,377)
(LOSS)/PROFIT BEFORE TAX	7	**(1,362,167)**	2,237,320
Income tax credit/(expense)	11	**65,006**	(126,204)
(LOSS)/PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(1,297,161)**	2,111,116
Attributable to:			
Owners of the Company		**(1,297,161)**	2,119,011
Non-controlling interests		**—**	(7,895)
		(1,297,161)	2,111,116
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	12	**(0.0064)**	0.0106

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2016

	Notes	2016 S$	2015 S$
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	**895,653**	524,782
Goodwill	*14*	**886,341**	886,341
Deferred tax assets	*21*	**142,262**	—
Total non-current assets		**1,924,256**	1,411,123
CURRENT ASSETS			
Trade receivables	*15*	**2,824,269**	3,849,716
Prepayments, deposits and other receivables	*16*	**225,830**	319,993
Cash and cash equivalents	*17*	**8,287,411**	1,031,029
Total current assets		**11,337,510**	5,200,738
CURRENT LIABILITIES			
Trade payables	*18*	**5,840**	83,906
Other payables and accruals	*19*	**1,930,884**	2,289,121
Interest-bearing bank borrowings	*20*	**295,544**	952,187
Tax payable		**76,866**	95,959
Total current liabilities		**2,309,134**	3,421,173
NET CURRENT ASSETS		**9,028,376**	1,779,565
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,952,632**	3,190,688
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*20*	**—**	29,511
Deferred tax liabilities	*21*	**85,371**	77,925
Total non-current liabilities		**85,371**	107,436
NET ASSETS		**10,867,261**	3,083,252
EQUITY			
Equity attributable to owners of the Company			
Share capital	*22*	**433,000**	—
Share premium	*24*	**12,079,017**	—
Merger reserve	*24*	**(2,379,552)**	977,295
Retained profits		**734,796**	1,851,231
		10,867,261	2,828,526
Non-controlling interests		**—**	254,726
Total equity		**10,867,261**	3,083,252

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 July 2016

	Attributable to owners of the Company					
	Share capital S$ (Note 22)	Share premium S$ (Note 24)	Merger reserve S$ (Note 24)	Retained profits S$	Non-controlling interests S$	Total equity S$
2016						
At 1 August 2015	**—**	**—**	**977,295**	**1,851,231**	**254,726**	**3,083,252**
Total comprehensive loss for the year	**—**	**—**	**—**	**(1,297,161)**	**—**	**(1,297,161)**
Issue of 9,999 shares pursuant to the reorganisation *(Notes 2 and 22)*	**17**	**4,730,830**	**(3,356,847)**	**180,726**	**(254,726)**	**1,300,000**
Issue of 199,990,000 shares under the capitalisation issue *(Note 22)*	**346,383**	**(346,383)**	**—**	**—**	**—**	**—**
Issue of 50,000,000 shares under the Share Offer *(Note 22)*	**86,600**	**8,573,400**	**—**	**—**	**—**	**8,660,000**
Share issue expenses	**—**	**(878,830)**	**—**	**—**	**—**	**(878,830)**
At 31 July 2016	**433,000**	**12,079,017**	**(2,379,552)**	**734,796**	**—**	**10,867,261**
2015						
At 1 August 2014	—	—	501,000	2,490,220	—	2,991,220
Total comprehensive income for the year	—	—	—	2,119,011	(7,895)	2,111,116
Dividends declared by a subsidiary *(Note 23)*	—	—	—	(2,758,000)	—	(2,758,000)
Acquisition of subsidiaries *(Note 25)*	—	—	350,295	—	188,621	538,916
Capital injection into a newly incorporated subsidiary	—	—	126,000	—	74,000	200,000
At 31 July 2015	—	—	977,295	1,851,231	254,726	3,083,252

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 July 2016

	Notes	2016 S$	2015 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(1,362,167)**	2,237,320
Adjustments for:			
Depreciation of property, plant and equipment	*7*	**287,520**	200,930
Finance costs	*8*	**46,685**	83,377
Interest income	*6*	**(12)**	—
Loss on disposal of property, plant and equipment	*7*	**—**	260
		(1,027,974)	2,521,887
Decrease/(increase) in trade receivables		**1,025,447**	(74,716)
(Increase)/decrease in prepayments, deposits and other receivables		**(45,977)**	18,517
Decrease in trade payables		**(22,988)**	(124,419)
Increase/(decrease) in other payables and accruals		**163,841**	(126,143)
Cash generated from operations		**92,349**	2,215,126
Income tax paid		**(88,903)**	(86,737)
Net cash flows from operating activities		**3,446**	2,128,389
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	*13*	**(658,391)**	(431,367)
Acquisition of subsidiaries		**—**	598,638
Capital injection into a newly incorporated subsidiary		**—**	200,000
Repayment from related parties		**237,029**	1,349,480
Advances to related parties		**(305,780)**	(524,309)
Interest received	*6*	**12**	—
Net cash flows (used in)/from investing activities		**(727,130)**	1,192,442
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of share capital — net of share issue expenses		**7,781,170**	—
Repayment of bank borrowings		**(10,776,494)**	(13,794,675)
Proceeds from bank borrowings		**10,090,340**	13,734,270
Dividends paid		**—**	(2,158,000)
Interest paid		**(46,685)**	(83,377)
Repayment of loans from a director		**(2,415,510)**	(1,516,053)
Advances from a director		**3,340,563**	1,017,801
Repayment of loans from a third party		**—**	(110,000)
Advances from related parties		**10,782**	627,591
Repayment to related parties		**(4,100)**	(674,391)
Net cash flows from/(used in) financing activities		**7,980,066**	(2,956,834)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**7,256,382**	363,997
Cash and cash equivalents at beginning of year		**1,031,029**	667,032
CASH AND CASH EQUIVALENTS AT END OF YEAR	*17*	**8,287,411**	1,031,029
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*17*	**8,287,411**	1,031,029

1. CORPORATE AND GROUP INFORMATION

SingAsia Holdings Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands. The Company's registered office address is Clifton House, 75 Fort Road, PO 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 in Hong Kong registered is 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong. The head office and principal place of business of the Group is at 27 New Bridge Road, Singapore 059391.

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

The Company is an investment holding company. The Company and its subsidiaries (the "Group") was involved in the following principal activities:

- manpower outsourcing
- manpower recruitment
- manpower training

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Principal place of business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
SingAsia Investments Limited ("SingAsia Investments")	British Virgin Islands	US$5,086	100	—	Investment holding
TCC Hospitality Resources Pte. Ltd. ("TCCHR")	Singapore	S$500,000	—	100	Provision of manpower outsourcing services
TCC Manpower Pte. Ltd. ("TCCM")	Singapore	S$20,000	—	100	Provision of manpower recruitment services
TCC Maintenance Services Pte. Ltd. ("TCCMS")	Singapore	S$2	—	100	Dormant
TCC Education and Consulting Services Pte. Ltd. ("TCCECS")	Singapore	S$1,000	—	100	Provision of manpower training and recruitment services
SAE Agency Pte. Ltd. (formerly known as TCC Solutions Pte. Ltd.) ("TCCS")	Singapore	S$100,000	—	100	Provision of manpower outsourcing services
SingAsia Resources Pte. Ltd. ("SAR")	Singapore	S$200,000	—	100	Provision of manpower outsourcing and cleaning services

2.1 REORGANISATION AND BASIS OF PREPARATION

For the purpose of the listing of the Company's shares on Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group has undergone reorganisation as follows:

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

On 25 November 2015, SingAsia Investments acquired from each of Mr. Sim Hak Chor ("Mr. Sim" or the "Controlling Shareholder"), Ms. Serene Tan ("Ms. Tan"), Mr. Frey Ng Meng Choon ("Mr. Ng"), Mr. Woo Chee Sin ("Mr. Woo") and Mr. Wong Swee Fatt ("Mr. Wong") 126,000 shares, 30,000 shares, 20,000 shares, 12,000 shares and 12,000 shares of SAR in consideration of the allotment and issuance of 121 new shares, 29 new shares, 19 new shares, 12 new shares and 12 new shares of SingAsia Investments to each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the above transaction, SAR was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCECS in consideration of the allotment and issuance of 1 new share of SingAsia Investments to Mr. Sim. After the above transaction, TCCECS was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from Mr. Sim the entire issued share capital of TCCHR in consideration of the allotment and issuance of 3,055 new shares of SingAsia Investments to Mr. Sim. After the above transaction, TCCHR was wholly-owned by SingAsia Investments.

On 25 November 2015, SingAsia Investments acquired from each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong 65,000 shares, 15,000 shares, 10,000 shares, 5,000 shares and 5,000 shares of TCCS in consideration of the allotment and issuance of 348 new shares, 80 new shares, 54 new shares, 27 new shares and 27 new shares of SingAsia Investments to each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong respectively. After the above transaction, TCCS was wholly-owned by SingAsia Investments.

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

On 20 June 2016, Mr. Sim subscribed for 1,300 shares of SingAsia Investments at the aggregate subscription price of S$1,300,000, satisfied by capitalising the amount due by SingAsia Investments to Mr. Sim in the sum of S$1,300,000.

(iii) Acquisition of SingAsia Investments by the Company

On 20 June 2016, the Company acquired the entire issued share capital of SingAsia Investments from Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong, which was satisfied by (i) the allotment and issuance of 9,999 new shares of the Company to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong) credited as fully paid; and (ii) the crediting of the one nil-paid share, which was registered in the name of Centrex Treasure, as fully paid. After the above transactions, SingAsia Investments became wholly-owned by the Company.

2.1 REORGANISATION AND BASIS OF PREPARATION (CONTINUED)

Pursuant to the above reorganisation, the Company became the holding company of the Group on 20 June 2016. The companies now comprising the Group were under the common control of the Controlling Shareholder before and after the reorganisation. The Group resulting from the reorganisation is regarded as a continuing entity. Accordingly, the Group's consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the Group structure upon the completion of the reorganisation had been in existence throughout the period, or since the date when the subsidiaries first came under the common control of the Controlling Shareholder where this is a shorter period.

Equity interests in subsidiaries held by parties other than the Controlling Shareholder prior to the reorganisation are presented as non-controlling interests in equity.

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which include International Accounting Standards ("IASs") and interpretations promulgated by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

All IFRSs effective for the accounting period commencing from 1 August 2015 have been adopted by the Group in the preparation of the Group's consolidated financial statements for the year ended 31 July 2016.

The Group's consolidated financial statements have been prepared under the historical cost convention. The Group's consolidated financial statements are presented in Singapore dollars (S$) except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 July 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE IFRS

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in the Group's consolidated financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transaction*[3]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[3]
Amendments to IFRS 15	*Revenue from Contracts with Customers*[3]
IFRS 9	*Financial Instruments*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
IFRS 14	*Regulatory Deferral Accounts*[4]
IFRS 15	*Revenue from Contracts with Customers*[3]
IFRS 16	*Leases*[6]
Amendments to IAS 1	*Disclosure Initiative*[1]
Amendments to IAS 7	*Disclosure Initiative*[2]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[2]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012–2014 Cycle	*Amendments to a number of IFRSs*[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
5 The effective date for this standard has yet to be determined
6 Effective for annual periods beginning on or after 1 January 2019

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE IFRS (CONTINUED)

Other than explained below regarding the impact of IFRS 15 and IFRS 16, the Group expects that the adoption of the above new or revised standards will have no significant financial impact on the Group's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for the lessee and the lessor to a contract. For lessee, IFRS 16 introduces a single accounting model for all leases, with certain exemptions, which requires lessees to recognise most leases on their statements of financial position. For lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The Group expects to adopt IFRS 16 on 1 August 2019 and is currently assessing its impact upon adoption.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 July. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Group's consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fittings	—	20%
Computers and equipment	—	20% to 33%
Renovation	—	20% to 50%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases — As lessee

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other operating expenses for receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals and interest-bearing bank borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

(a) *Current income tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

(b) *Deferred tax*

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

(b) Deferred tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and services tax ("GST")

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) Rendering of services

Revenue from the rendering of services is recognised when the services are rendered.

(b) Interest income

Interest income is recognised using the effective interest method.

Employee benefits

Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which they become payable in accordance with the scheme.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

These statements are presented in Singapore dollars (S$), which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Management is of the opinion that there is no significant judgement, apart from those involving estimations, made in applying accounting policies that has a significant effect on the amounts recognised in the Group's consolidated financial statements.

Estimates

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates (Continued)

(a) Income tax

The Group has exposure to income tax in Singapore. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and applicable tax incentives. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax recognised in the period in which such determination is made.

The carrying amounts of the Group's income tax liabilities and deferred income tax liabilities at 31 July 2016 were S$76,866 (2015: S$95,959) and S$85,371 (2015:S$77,925) respectively.

(b) Deferred tax assets

Deferred tax assets are recognised for unutilised tax losses, capital allowances and excess of tax values over net book values of property, plant and equipment to the extent that it is probable that taxable profit will be available against which such items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying value of deferred tax assets relating to recognised tax losses and excess of tax values over net book values of property, plant and equipment at 31 July 2016 was S$142,262 (2015: Nil). The amount of unrecognised tax losses, capital allowance and excess of tax values over net book values of property, plant and equipment at 31 July 2016 was S$358,863 (2015: S$1,410,618). Further details are contained in Note 21 to the financial statements.

(c) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 July 2016 was S$886,341 (2015: S$886,341). Further details are given in Note 14 to the financial statements.

5. SEGMENT INFORMATION

The Group is principally engaged in the provision of manpower services. Information reported to the Group's management for the purpose of resources allocation and performance assessment presents the operating results of the Group as a whole since the Group's resources are integrated and no discrete operating segment is available. Accordingly, no operating segment information is presented.

During the year ended 31 July 2016, all revenue, operating expenses, assets and liabilities are derived from the Group's operations in Singapore.

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

Information about major customers

For the year ended 31 July 2016, revenue of S$5,944,562 (2015: S$7,378,041) was derived from the provision of manpower services to one customer.

6. REVENUE, OTHER INCOME AND GAINS

	2016 ***S$***	2015 *S$*
Revenue		
Manpower outsourcing	**19,357,146**	17,927,190
Manpower recruitment	**984,520**	975,218
Manpower training	**491,516**	418,581
	20,833,182	19,320,989
Other income and gains		
Government grants	**25,438**	76,140
Sundry income	**104,399**	34,667
Foreign exchange gain	**36,227**	—
Forfeiture income	**86,075**	—
Sale of merchandise	**81,186**	—
Interest income	**12**	—
	333,337	110,807

7. (LOSS)/PROFIT BEFORE TAX

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

	Note	2016 S$	2015 S$
Cost of services		**13,909,372**	12,685,622
Depreciation	*13*	**287,520**	200,930
Operating lease charges		**455,376**	372,528
Auditors' remuneration		**130,000**	50,200
Employee benefit expense (excluding Directors' remuneration *(Note 9)):*			
— Salaries and bonuses[1]		**14,014,625**	13,125,216
— Central Provident Fund contributions[2]		**1,477,709**	1,173,440
— Foreign Worker Levy[3]		**1,188,464**	742,505
— Short-term benefits		**80,511**	74,520
		16,761,309	15,115,681
Listing expenses[4]		**3,295,611**	—
Trade receivables written off		**6,612**	7,400
Loss on disposal of property, plant and equipment		**—**	260

(1) Salaries and bonuses included casual labour costs of S$11,295,508 (2015: S$10,699,238) for the year ended 31 July 2016. These amounts have been included in the cost of services.

(2) Central Provident Fund contributions ("CPF contributions") included casual labour costs of S$1,173,479 (2015: S$912,480) for the year ended 31 July 2016. These amounts have been included in the cost of services.

(3) Foreign Worker Levy included casual labour costs of S$1,001,820 (2015: S$591,159) for the year ended 31 July 2016. These amounts have been included in the cost of services.

(4) Listing expenses included audit fees of S$467,961 (2015: Nil) paid to the auditors of the Company.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2016 S$	2015 S$
Interest expense on:		
Factoring loans	**41,291**	76,765
Term loans	**5,394**	6,612
	46,685	83,377

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2016 S$	2015 S$
Fees	—	—
Other emoluments:		
Salaries and bonuses	**300,240**	277,188
CPF contributions	**18,224**	16,968
	318,464	294,156

(a) Independent non-executive Directors

The fees paid to independent non-executive Directors during the year were as follows:

	2016 S$	2015 S$
Mr. Tan Eng Ang	—	—
Mr. Lim Cheng Hock, Lawrence	—	—
Mr. Jong Voon Hoo	—	—
	—	—

There were no other emoluments payable to the independent non-executive Directors during the year (2015: Nil).

(b) Executive Directors

	Fees S$	Salaries and bonuses S$	CPF contributions S$	Other short-term benefits S$	Total S$
2016					
Mr. Sim Hak Chor	—	**180,000**	**11,390**	—	**191,390**
Ms. Serene Tan	—	**120,240**	**6,834**	—	**127,074**
	—	**300,240**	**18,224**	—	**318,464**

9. DIRECTORS' REMUNERATION (CONTINUED)

(b) Executive Directors (Continued)

	Fees S$	Salaries and bonuses S$	CPF contributions S$	Other short-term benefits S$	Total S$
2015					
Mr. Sim Hak Chor	—	171,000	9,470	—	180,470
Ms. Serene Tan	—	106,188	7,498	—	113,686
	—	277,188	16,968	—	294,156

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two Directors (2015: two Directors), details of whose remuneration are set out in Note 9 above. Details of the remuneration for the year of the remaining three (2015: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2016 ***S$***	2015 *S$*
Salaries and bonuses	**405,840**	409,110
CPF contributions	**34,170**	37,148
	440,010	446,258

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2016	2015
Nil to HK$1,000,000	**2**	3
HK$1,000,001 to HK$1,500,000	**1**	—
	3	3

During the year and in prior years, no emoluments were paid by the Group to the three highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the three highest paid individuals have waived any remuneration during the year.

11. 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 members of the Group are domiciled and operate.

Singapore corporate income tax has been provided at the rate of 17% (2015: 17%) on the chargeable income arising in Singapore during the year after offsetting any tax losses brought forward.

(a) Major components of income tax credit/expense

The major components of income tax credit/expense for the years ended 31 July 2016 and 2015 are:

	2016	2015
	S$	*S$*
Current income tax:		
Charge for the year	**76,866**	83,839
Overprovision in respect of prior years	**(7,056)**	(4,735)
Deferred income tax:		
(Credit)/charge for the year *(Note 21)*	**(134,816)**	40,060
Underprovision in respect of prior years *(Note 21)*	**—**	7,040
Total tax (credit)/charge for the year	**(65,006)**	126,204

(b) Relationship between income tax credit/expense and accounting loss/profit

A reconciliation between income tax credit/expense and the product of accounting loss/profit multiplied by the applicable corporate income tax rate for the years ended 31 July 2016 and 2015 is as follows:

	2016	2015
	S$	*S$*
(Loss)/profit before tax	**(1,362,167)**	2,237,320
Tax calculated at a tax rate of 17% (2015: 17%)	**(231,568)**	380,344
(Overprovision)/underprovision in respect of prior years:		
— Current tax	**(7,056)**	(4,735)
— Deferred tax	**—**	7,040
Adjustments in respect of deferred tax of prior years	**(133,983)**	—
Expenses not deductible for tax	**583,288**	25,333
Effect of partial tax exemption	**(51,850)**	(34,996)
Tax rebate	**(32,302)**	(22,398)
Enhanced allowances and deductions	**(205,687)**	(247,784)
Tax losses not recognised	**15,222**	239,805
Tax losses utilised from prior years	**(1,896)**	(194,359)
Others	**826**	(22,046)
Tax (credit)/charge at the Group's effective rate	**(65,006)**	126,204

11. INCOME TAX CREDIT/EXPENSE (CONTINUED)

In Singapore, the partial tax exemption schemes allows for (i) 75% tax exemption on the first S$10,000 of normal chargeable income; and a further 50% tax exemption on the next S$290,000 of normal chargeable income.

Tax rebate refers to the corporate income tax rebate which allowed 30% corporate income tax rebate capped at S$30,000 per year for years of assessment 2013 to 2015; and 50% corporate income tax rebate capped at S$20,000 per year for years of assessment 2016 to 2017.

Enhanced allowances and deductions refer to the Productivity and Innovation Credit (PIC) Scheme which allowed 400% tax deductions/allowances or 60% cash payout for investments made in any of the six qualifying activities from years of assessment 2013 to 2018.

12. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2016	2015
(Loss)/profit attributable to owners of the Company *(S$)*	**(1,297,161)**	2,119,011
Weighted average number of shares in issue	**202,328,767**	200,000,000
Basic and diluted (loss)/earnings per share *(S$)*	**(0.0064)**	0.0106

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average number of shares in issue. The number of shares for the purpose of basic earnings per share for the year ended 31 July 2015 is based on the assumption that 200,000,000 ordinary shares of the Company are in issue and issuable, comprising an aggregate of 10,000 ordinary shares and 199,990,000 ordinary shares issuable upon capitalisation of share premium, as if the reorganisation (Note 2) was effective on 1 August 2014.

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 July 2016 and 2015.

13. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings S$	Computers and equipment S$	Renovation S$	Total S$
Cost:				
At 1 August 2014	45,812	557,413	70,950	674,175
Acquisition of subsidiaries *(Note 25)*	3,837	351,526	—	355,363
Additions	—	431,367	—	431,367
Disposals	(31,490)	(125,470)	(18,000)	(174,960)
At 31 July 2015 and 1 August 2015	18,159	1,214,836	52,950	1,285,945
Additions	1,430	656,961	—	658,391
At 31 July 2016	**19,589**	**1,871,797**	**52,950**	**1,944,336**
Accumulated depreciation:				
At 1 August 2014	37,617	310,698	70,950	419,265
Acquisition of subsidiaries *(Note 25)*	1,205	314,463	—	315,668
Depreciation charge for the year	3,837	197,093	—	200,930
Disposals	(31,490)	(125,210)	(18,000)	(174,700)
At 31 July 2015 and 1 August 2015	11,169	697,044	52,950	761,163
Depreciation charge for the year	3,356	284,164	—	287,520
At 31 July 2016	**14,525**	**981,208**	**52,950**	**1,048,683**
Net carrying amount:				
At 31 July 2015	6,990	517,792	—	524,782
At 31 July 2016	**5,064**	**890,589**	**—**	**895,653**

14. GOODWILL

	S$
At 1 August 2014	—
Acquisition of a subsidiary *(Note 25)*	886,341
At 31 July 2015 and 1 August 2015	886,341
Accumulated impairment	—
At 31 July 2016	**886,341**

Impairment testing of goodwill

The carrying amount of goodwill is allocated to TCCHR and TCCM, which is a cash-generating unit.

The recoverable amount of the cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections for the impairment testing of goodwill balance as at 31 July 2016 is 14.7% (2015: 14.7%). The terminal growth rate of determining the terminal value of the cash generating unit is 1.0% (2015: 1.0%) and this is within the industry growth rate.

Key assumptions were used in the value in use calculation of the cash-generating unit for 31 July 2016 and 2015. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rate — The discount rate used is after tax and reflects specific risks relating to the relevant unit.

The values assigned to key assumptions are consistent with external information sources.

There was no impairment of goodwill recognised during the year (2015: Nil).

15. TRADE RECEIVABLES

	2016	2015
	S$	*S$*
Third parties	**2,471,287**	2,837,065
Related parties	**—**	677,032
Unbilled revenue	**352,982**	335,619
	2,824,269	3,849,716

Trade receivables (including amounts due from related parties) are non-interest-bearing and are generally on 30-day terms.

15. TRADE RECEIVABLES (CONTINUED)

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

	2016 *S$*	2015 *S$*
Less than 30 days	**1,213,664**	1,786,114
31 to 60 days	**542,188**	614,928
61 to 90 days	**219,887**	291,514
More than 90 days	**495,548**	821,541
	2,471,287	3,514,097

All trade receivables were denominated in Singapore dollars.

No provision for impairment of trade receivables has been recorded during the years ended 31 July 2016 and 2015.

The aged analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2016 *S$*	2015 *S$*
Neither past due nor impaired	**1,055,234**	1,389,800
Less than 30 days past due	**654,001**	832,671
31 to 60 days past due	**236,465**	274,507
61 to 90 days past due	**113,389**	280,498
More than 90 days past due	**412,198**	736,621
	2,471,287	3,514,097

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have good track records with the Group. Based on past experience, the directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality of trade receivables that are neither past due nor impaired and past due but not impaired.

Details of credit risk of trade receivables are disclosed in Note 30(a) to the financial statements, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired and past due but not impaired.

15. TRADE RECEIVABLES (CONTINUED)

The amounts due from related parties included in the above balances are as follows:

Related parties	Relationship with the Group	2016 S$	2015 S$
The Ramen Stall Pte. Ltd.*	Common director	—	538,833
The Ramen Stall (NBR) II Pte. Ltd. ("Ramen Stall II")*	Common director and shareholder	—	138,199
		—	677,032

* These companies are not considered related parties of the Group effective 24 September 2015 as the common director has resigned from these companies. In addition, Mr. Sim has disposed all his shares in Ramen Stall II on 1 September 2015.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016 S$	2015 S$
Related parties	—	208,848
Deposits	**86,735**	82,235
Other receivables	**26,214**	14,709
Prepayments	**112,881**	14,201
	225,830	319,993

The amounts due from related parties were unsecured, repayable on demand and interest free.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The amounts due from related parties included in the above balances are as follows:

Related parties	Relationship with the Group	2016 S$	2015 S$
The Ramen Stall Pte. Ltd.*	Common director	—	69,381
Ramen Stall II*	Common director and shareholder	—	30
WSC Partnership	A director of the Company is a partner	—	242
SingAsia Education Institute Pte. Ltd.	Common director	—	94,762
Mr. Woo Chee Sin	Senior management of the Group	—	44,433
		—	208,848

* These companies are not considered related parties of the Group effective 24 September 2015 as the common director has resigned from these companies. In addition, Mr. Sim has disposed all his shares in Ramen Stall II on 1 September 2015.

17. CASH AND CASH EQUIVALENTS

	2016 S$	2015 S$
Cash at bank and on hand	**8,287,411**	1,031,029

Cash and cash equivalents denominated in another foreign currency as at 31 July is as follows:

	2016 S$	2015 S$
Hong Kong dollars	**1,034,185**	—

18. TRADE PAYABLES

	2016 S$	2015 S$
Third parties	**5,840**	6,075
Related parties	**—**	77,831
	5,840	83,906

Trade payables (including amounts due to related parties) are non-interest-bearing and are generally settled on 14-day terms.

All trade payables were denominated in Singapore dollars.

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2016 S$	2015 S$
Less than 30 days	**5,840**	6,075
31 to 60 days	**—**	—
61 to 90 days	**—**	—
More than 90 days	**—**	77,831
	5,840	83,906

18. TRADE PAYABLES (CONTINUED)

The amounts due to related parties included in the above balances are as follows:

Related parties	Relationship with the Group	2016 S$	2015 S$
SingAsia Education Institute Pte. Ltd.	Common director	—	60,403
The Ramen Stall Pte. Ltd.*	Common director	—	17,428
		—	77,831

* This company is not considered a related party of the Group effective 24 September 2015 as the common director has resigned from this company.

19. OTHER PAYABLES AND ACCRUALS

	2016 S$	2015 S$
Related parties	—	107,342
Amount due to a director	—	414,736
GST payables	**216,030**	307,868
Accrued casual labour costs	**508,322**	839,669
Accrued staff costs	**515,063**	482,201
Other payables	**691,469**	137,305
	1,930,884	2,289,121

Other payables (including amounts due to related parties) are non-interest-bearing and are repayable on demand.

The amount due to a director was non-interest-bearing, unsecured and was repayable on demand. The amount due to a director has been settled in June 2016.

Other payables and accruals denominated in another foreign currency as at 31 July are as follows:

	2016 S$	2015 S$
Hong Kong dollars	**38,814**	—

19. OTHER PAYABLES AND ACCRUALS (CONTINUED)

The amounts due to related parties included in the above balances are as follows:

Related parties	Relationship with the Group	2016 S$	2015 S$
SingAsia Education Institute Pte. Ltd.	Common director	—	103,242
WSC Partnership	A director of the Company is a partner	—	4,100
		—	107,342

20. INTEREST-BEARING BANK BORROWINGS

	2016 S$	2015 S$
Current:		
Factoring loans — secured	**295,544**	906,481
Term loan — secured	—	45,706
	295,544	952,187
Non-current:		
Term loan — secured (repayable in the second year)	—	29,511

For the years ended 31 July 2016 and 2015, the effective interest rates per annum of the bank borrowings were 6% and 6.37% respectively.

Factoring loans

Factoring loans are payable on demand and secured over certain trade receivables of the Group (Note 15) and the personal guarantee of S$2,500,000 provided by a director of the Group. During the year ended 31 July 2016, the Group has cancelled one of the factoring loan facilities and accordingly, the director's personal guarantee has been reduced to S$2,000,000.

Term loan

Term loan is secured over a personal guarantee provided by a director amounting to S$200,000 and matures on 31 January 2017. The loan has been fully repaid on 25 July 2016.

21. DEFERRED TAX LIABILITIES/ASSETS

The components of deferred tax liabilities and the movements during the years are as follows:

	Excess of net book values of property, plant and equipment over tax values
	S$
At 1 August 2014	30,825
Charged to profit or loss during the year *(Note 11)*	40,060
Underprovision in prior years *(Note 11)*	7,040
At 31 July 2015 and 1 August 2015	77,925
Charged to profit or loss during the year *(Note 11)*	7,446
At 31 July 2016	**85,371**

The components of deferred tax assets and the movements during the years are as follows:

	Excess of tax values over net book values of property, plant and equipment	**Tax losses recognised**	**Total**
	S$	*S$*	*S$*
At 1 August 2014, 31 July 2015 and 1 August 2015	—	—	—
Credited to profit or loss during the year *(Note 11)*	1,723	140,539	142,262
At 31 July 2016	**1,723**	**140,539**	**142,262**

The Group has unutilised tax losses of S$89,536 (2015: S$810,311), capital allowances of Nil (2015: S$279,835) and excess of tax values over net book values of property, plant and equipment of S$269,327 (2015: S$320,472) as at 31 July 2016 that are available indefinitely for offsetting against future taxable profits of the companies in which these unutilised items arose.

Deferred tax assets have not been recognised in respect of these unutilised tax losses and excess of tax values over net book values of property, plant and equipment as at 31 July 2016 as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which such items can be utilised.

22. SHARE CAPITAL

The Company was incorporated on 12 November 2015 with authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. On the date of incorporation, one ordinary share was allotted and issued to Centrex Treasure, a company controlled by Mr. Sim. On 20 June 2016, the authorised share capital of the Company was increased to HK$50,000,000 divided into 5,000,000,000 shares of HK$0.01 each, by the creation of an additional 4,962,000,000 shares ranking pari passu in all respects with the existing shares.

On 20 June 2016, the Company acquired the entire issued share capital of SingAsia Investments from Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong, which was satisfied by (i) the allotment and issuance of 9,999 new shares of the Company to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Tan, Mr. Ng, Mr. Woo and Mr. Wong) credited as fully paid; and (ii) the crediting of the one nil-paid share, which was registered in the name of Centrex Treasure, as fully paid.

As part of the Share Offer (as defined below), the Company allotted and issued a total of 199,990,000 shares (of which 12,500,000 shares are sale shares) of the Company to Centrex Treasure, credited as fully paid at par, by way of capitalisation of the sum of HK$1,999,900 standing to the credit of the share premium account of the Company (the "Capitalisation Issue").

The Company was successfully listed on the GEM board of the Stock Exchange on 15 July 2016 by way of share offer of 62,500,000 shares (including 12,500,000 sale shares) at the price of HK$1 per share (the "Share Offer"). The net proceeds were approximately S$4.49 million.

	No. of shares	*S$*
Issued and fully paid ordinary shares:		
At date of incorporation	1	—
Shares issued pursuant to the reorganisation *(Note 2)*	9,999	17
Shares issued under the Capitalisation Issue	199,990,000	346,383
Shares issued under the Share Offer	50,000,000	86,600
At 31 July 2016	**250,000,000**	**433,000**

23. DIVIDENDS

No dividends has been declared or paid during the year ended 31 July 2016.

During the year ended 31 July 2015, TCCHR had declared and paid dividends to its then shareholder in total of S$2,758,000 on 15 December 2014, 12 January 2015 and 1 July 2015 respectively.

The rate of dividends and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of this report.

24. SHARE PREMIUM AND MERGER RESERVE

The amounts of the Group's share premium and merger reserve and the movements therein for each reporting period during the years ended 31 July 2016 and 2015 are presented in the consolidated statement of changes in equity.

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

24. SHARE PREMIUM AND MERGER RESERVE (CONTINUED)

Merger reserve represents the difference between the underlying net assets of the subsidiaries which was acquired by the Group pursuant to the reorganisation (Note 2) and the total par value and share premium amount of the shares issued. Prior to the reorganisation, merger reserve represented the aggregate issued paid-up capital of the subsidiaries now comprising the Group.

25. ACQUISITION OF SUBSIDIARIES

On 1 August 2014, the Group acquired a 100% interest in TCCM. TCCM is engaged in the provision of foreign labour to Singapore local companies. The purchase consideration for the acquisition was in the form of cash, which was paid as at the acquisition date.

The fair values of the identifiable assets and liabilities of TCCM as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** *S$*
Property, plant and equipment	*13*	21,193
Cash and bank balances		124,070
Trade and other receivables		430,607
Trade payables		(60,403)
Amount due to TCCHR		(1,209,214)
Amount due to SingAsia Education Institute Pte. Ltd.		(40,079)
Amount due to WSC Partnership		(400)
Other payables and accruals		(152,114)
Total identifiable net liabilities at fair value		(886,340)
Goodwill on acquisition	*14*	886,341
Satisfied by cash		1

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	S$
Cash consideration	(1)
Cash and bank balances acquired	124,070
Net inflow of cash and cash equivalents included in cash flows from investing activities	124,069

The fair value of trade and other receivables as at the date of acquisition amounted to S$430,607. The gross contractual amount of trade and other receivables was S$430,607.

Since its acquisition, TCCM contributed S$2,145,419 to the Group's turnover and caused a loss of S$129,031 to the consolidated profit for the year ended 31 July 2015.

25. ACQUISITION OF SUBSIDIARIES (CONTINUED)

On 30 October 2014, the Controlling Shareholder acquired a 65% interest in TCCS. TCCS is engaged in the provision of labour contracting services. The consideration for the acquisition is based on the net assets acquired as at the acquisition date, which is to be paid by the Controlling Shareholder.

The fair values of the identifiable assets and liabilities of TCCS as at the date of acquisition were as follows:

	Note	**Fair value recognised on acquisition** *S$*
Property, plant and equipment	*13*	18,502
Cash and bank balances		474,569
Trade and other receivables		976,250
Trade payables		(81,253)
Amount due to TCCHR		(96,984)
Amount due to WSC Partnership		(1,200)
Other payables and accruals		(505,947)
Interest-bearing bank borrowings		(213,619)
Tax payable		(31,402)
Total identifiable net assets at fair value		538,916
Non-controlling interests		(188,621)
Consideration paid by the Controlling Shareholder		350,295

An analysis of the cash flows in respect of the acquisition of TCCS is as follows:

	S$
Cash consideration	—
Cash and bank balances acquired	474,569
Net inflow of cash and cash equivalents included in cash flows from investing activities	474,569

The fair value of trade and other receivables as at the date of acquisition amounted to S$976,250. The gross contractual amount of trade and other receivables was S$976,250.

Since its acquisition, TCCS contributed S$1,954,124 to the Group's turnover and caused a loss of S$9,000 to the consolidated profit for the year ended 31 July 2015.

Had the combination taken place at the beginning of prior year, the Group's revenue and profit would have been S$20,285,361 and S$2,120,116 respectively for the year ended 31 July 2015.

26. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of services

In addition to the related party information disclosed elsewhere in the Group's consolidated financial statements, the following significant transactions between the Group and related parties took place at terms mutually agreed between the parties during the financial year:

	2016 S$	2015 S$
Manpower outsourcing income	**76,122***	377,270
Manpower recruitment income	—	6,800
Management fee income	**6,000***	31,063

* Included in the amounts of manpower outsourcing income and management fee income were amounts of S$44,341 and S$3,000 respectively, which also constituted connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Compensation of key management personnel

	2016 S$	2015 S$
Salaries and bonuses	**706,080**	686,298
Post-employment benefits — CPF contributions	**52,394**	54,116
	758,474	740,414

Further details of directors' emoluments are included in Note 9 to the financial statements.

(c) Acquisition of TCCM

TCCM has been disposed on 1 August 2013 to an employee of TCCM at a consideration of S$1 in order to segregate TCCM from the Group with a view to focus on the manpower outsourcing business and was subsequently acquired back on 1 August 2014 at a consideration of S$1 as the owner lack operating funds and management saw an increasing demand in use of foreign labour forces in the outsourcing services sector. Considerations for both the disposal and acquisition were nominal as TCCM was in a net liability position. The disposal and acquisition are considered a related party transaction by way of common director.

The details of this acquisition are disclosed in Note 25 to the financial statements.

(d) Brand

The Group uses a common logo and brand. There have been no intercompany charges arising from the use of such brand by the wholly-owned subsidiaries and also TCCS and TCCM in the period when they were not controlled by the Group or the Controlling Shareholder.

27. OPERATING LEASE COMMITMENTS

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties are negotiated for a term of two years, and those for office equipment are for a term of five years, with a renewal option.

At 31 July 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2016 *S$*	2015 *S$*
Within one year	**318,796**	479,376
In the second to fifth years, inclusive	**89,864**	391,060
	408,660	870,436

28. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2016 *S$*	2015 *S$*
Financial assets		
Loans and receivables:		
Trade receivables	**2,824,269**	3,849,716
Financial assets included in prepayments, deposits and other receivables	**112,949**	305,792
Cash and cash equivalents	**8,287,411**	1,031,029
	11,224,629	5,186,537
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	**5,840**	83,906
Financial liabilities included in other payables and accruals	**691,469**	659,383
Interest-bearing bank borrowings	**295,544**	981,698
	992,853	1,724,987

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair value, are as follows:

	2016		2015	
	Carrying amount	Fair value	Carrying Amount	Fair value
	S$	*S$*	*S$*	*S$*
Financial liabilities				
Non-current:				
Interest-bearing bank borrowings	—	—	29,511	26,082

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate their fair values:

The fair values of trade receivables, deposits and other receivables, cash and cash equivalents, trade and other payables, accruals and interest-bearing bank borrowings (current) approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of interest-bearing bank borrowings (non-current) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The financial liabilities for which fair value was disclosed in the financial statements were categorised in level 3 of the fair value hierarchy at the end of the reporting period.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's exposure to credit risk arises primarily from trade receivables and cash and cash equivalents. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For cash and cash equivalents, the Group adopts the policy of dealing only with high credit quality counterparties.

Cash and cash equivalents are placed with reputable financial institutions with high credit ratings.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Credit risk concentration profile

The Group assesses concentration of credit risk by monitoring the individual profile of its trade receivables on an ongoing basis.

As at the end of the reporting period, approximately 30% (2015: 45%) of the Group's trade receivables were due from the top three customers.

(i) Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired relate to a number of independent customers that have good track records with the Group.

(ii) Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 15 to the financial statements.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity risk is to ensure, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, such as maintaining sufficient cash and cash equivalents as disclosed in Note 17 to the financial statements.

Analysis of financial instruments by remaining contractual maturities

The tables below summarise the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations.

	Less than one year *S$*	One to five years *S$*
2016		
Trade payables	**5,840**	—
Financial liabilities includes in other payables and accruals	**691,469**	—
Interest-bearing bank borrowings	**295,544**	—
Total undiscounted financial liabilities	**992,853**	—
2015		
Trade payables	83,906	—
Financial liabilities includes in other payables and accruals	659,383	—
Interest-bearing bank borrowings	1,012,841	31,391
Total undiscounted financial liabilities	1,756,130	31,391

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Foreign currency risk

The Group's foreign currency exposure arises mainly from the exchange rate movements of the Hong Kong dollars against the Singapore dollars.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign currency risk exposure and will consider foreign currency hedging should the need arise.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in Hong Kong dollars exchange rate, with all other variables held constant.

		2016	2015
		Loss before tax	Profit before tax
		S$	*S$*
Hong Kong dollars	— strengthened 5% (2015: Nil)	**49,769**	—
	— weakened 5% (2015: Nil)	**(49,769)**	—

31. CAPITAL MANAGEMENT

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

The Group's objectives for managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to the shareholder, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or procedures for capital management for the years ended 31 July 2016 and 2015.

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

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

The table below shows the Group's capital structure as at the end of the reporting period:

	2016 ***S$***	2015 *S$*
Trade payables	**5,840**	83,906
Other payables and accruals	**1,930,884**	2,289,121
Interest-bearing bank borrowings	**295,544**	981,698
Less: Cash and cash equivalents	**(8,287,411)**	(1,031,029)
Net (cash)/debt	**(6,055,143)**	2,323,696
Equity attributable to owners of the Company	**10,867,261**	2,828,526
Total equity and net (cash)/debt	**4,812,118**	5,152,222

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as at the end of the reporting period is as follows:

	Notes	2016 S$	2015 S$
NON-CURRENT ASSET			
Investment in a subsidiary		**4,730,847**	—
Total non-current asset		**4,730,847**	—
CURRENT ASSETS			
Prepayments, deposits and other receivables		**5,790,830**	—
Cash and cash equivalents		**1,034,185**	—
Total current assets		**6,825,015**	—
CURRENT LIABILITIES			
Other payables and accruals		**989,638**	—
Total current liabilities		**989,638**	—
NET CURRENT ASSETS		**5,835,377**	—
NET ASSETS		**10,566,224**	—
EQUITY			
Share capital	*22*	**433,000**	—
Share premium	*24*	**12,079,017**	—
Accumulated loss		**(1,945,793)**	—
Total equity		**10,566,224**	—

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

Note:

A summary of the Company's share capital and reserves is as follows:

	Share capital	Share premium	Accumulated loss	Total
	S$	*S$*	*S$*	*S$*
At 1 August 2015	—	—	—	—
Total comprehensive loss for the year	—	—	(1,945,793)	(1,945,793)
Issue of 9,999 shares pursuant to the reorganisation *(Notes 2 and 22)*	17	4,730,830	—	4,730,847
Issue of 19,990,000 shares under the Capitalisation Issue *(Note 22)*	346,383	(346,383)	—	—
Issue of 50,000,000 shares under the Share Offer *(Note 22)*	86,600	8,573,400	—	8,660,000
Share issue expenses	—	(878,830)	—	(878,830)
At 31 July 2016	**433,000**	**12,079,017**	**(1,945,793)**	**10,566,224**

33. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 October 2016.

THREE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last three financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

	Year ended 31 July		
	2016	2015	2014
	S$	*S$*	*S$*
RESULTS			
REVENUE	**20,833,182**	19,320,989	13,952,804
Cost of services	**(13,909,372)**	(12,685,622)	(9,549,039)
Gross profit	**6,923,810**	6,635,367	4,403,765
Other income and gains	**333,337**	110,807	345,324
Administrative expenses	**(5,070,557)**	(4,308,665)	(2,086,811)
Other operating expenses	**(3,502,072)**	(116,812)	(228,869)
Finance costs	**(46,685)**	(83,377)	(81,422)
(LOSS)/PROFIT BEFORE TAX	**(1,362,167)**	2,237,320	2,351,987
Income tax credit/(expense)	**65,006**	(126,204)	(103,146)
(LOSS)/PROFIT FOR THE YEAR	**(1,297,161)**	2,111,116	2,248,841
Attributable to:			
Owners of the Company	**(1,297,161)**	2,119,011	2,248,841
Non-controlling interests	**—**	(7,895)	—
	(1,297,161)	2,111,116	2,248,841

	As at 31 July		
	2016	2015	2014
	S$	*S$*	*S$*
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS			
TOTAL ASSETS	**13,261,766**	6,611,861	5,698,326
TOTAL LIABILITIES	**(2,394,505)**	(3,528,609)	(2,707,106)
NON-CONTROLLING INTERESTS	**—**	(254,726)	—
	10,867,261	2,828,526	2,991,220