

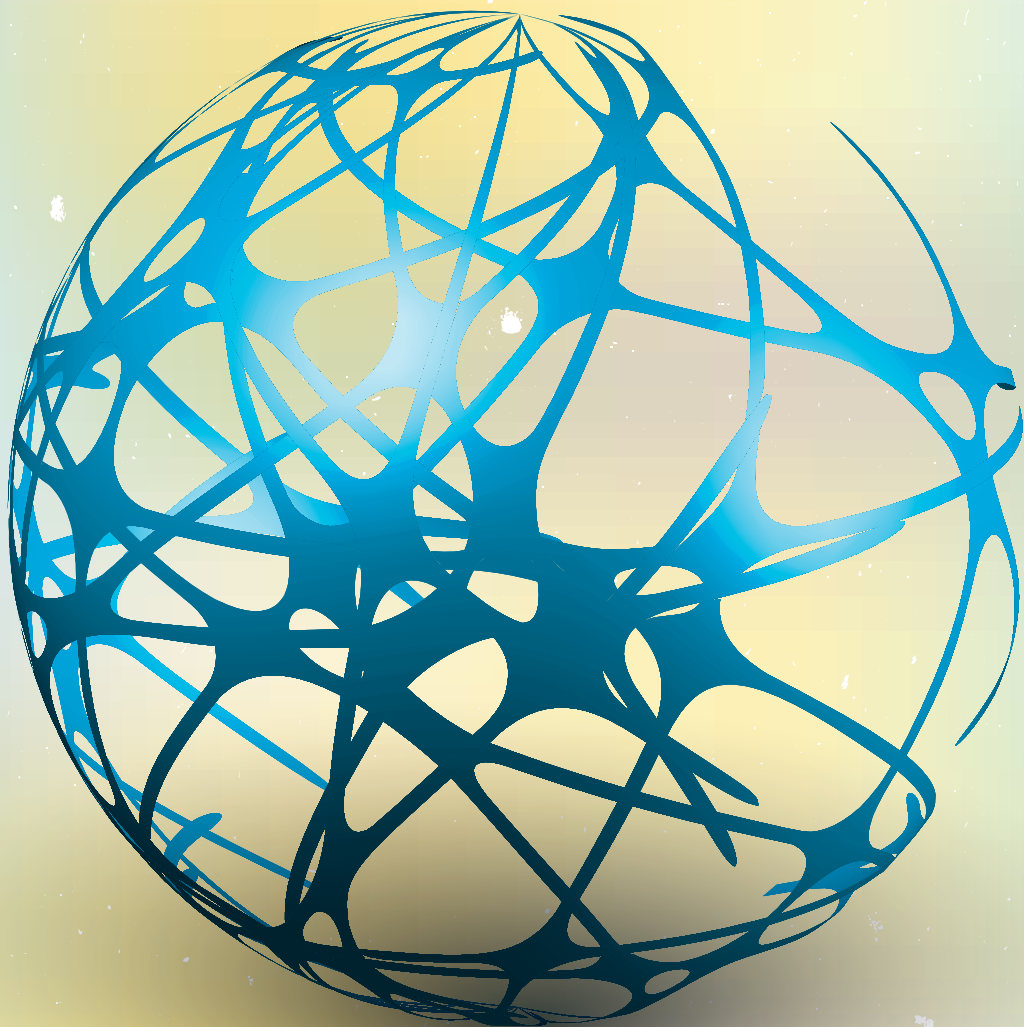


SINGASIA
Holdings Limited

星亞控股有限公司*

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

INTERIM REPORT 2017



*For identification purpose only.

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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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, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

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.



HIGHLIGHTS

- The unaudited revenue of the Company and its subsidiaries (collectively the “Group”) amounted to approximately S\$9,914,000 for the six months ended 31 January 2017, representing a decrease of approximately S\$2,335,000 or 19.1% as compared with the six months ended 31 January 2016.
- The unaudited loss for the period of the Group was approximately S\$91,000 for the six months ended 31 January 2017, representing a decrease of approximately S\$438,000 as compared to the profit for the six months ended 31 January 2016.
- Basic and diluted loss per share was 0.036 Singapore cents for the six months ended 31 January 2017 as compared to basic and diluted earnings per share of 0.133 Singapore cents for the six months ended 31 January 2016.
- The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2017.



INTERIM RESULTS

The board of Directors (the "Board") of the Company hereby announces the unaudited condensed consolidated results of the Group for the six months ended 31 January 2017, together with the audited comparative figures for the corresponding period in 2016, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 January 2017

| | Notes | Six months ended 31 January | |
|--|-------|--------------------------------|--------------------------|
| | | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| REVENUE | 4 | 9,913,726 | 12,249,116 |
| Cost of services | | (6,796,234) | (8,242,737) |
| Gross profit | | 3,117,492 | 4,006,379 |
| Other income and gains | 4 | 189,460 | 51,979 |
| Administrative expenses | | (3,253,398) | (2,487,285) |
| Other operating expenses | | (137,942) | (1,360,753) |
| Finance costs | | (5,608) | (32,522) |
| (LOSS)/PROFIT BEFORE TAX | 5 | (89,996) | 177,798 |
| Income tax (expense)/credit | 6 | (615) | 169,797 |
| (LOSS)/PROFIT FOR THE PERIOD | | (90,611) | 347,595 |
| OTHER COMPREHENSIVE INCOME | | | |
| Exchange difference on translation of foreign operation | | 442 | — |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | 442 | — |
| TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD | | (90,169) | 347,595 |

| | | Six months ended 31 January | |
|--|-------|--|--------------------------|
| | Notes | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| Attributable to: | | | |
| Owners of the Company | | (89,927) | 266,920 |
| Non-controlling interests | | (242) | 80,675 |
| | | (90,169) | 347,595 |
| (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Basic and diluted (Singapore cents) | 7 | (0.036) | 0.133 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2017

| | Notes | 31 January 2017 S\$ (Unaudited) | 31 July 2016 S\$ (Audited) |
|--|-------|--|-------------------------------------|
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 9 | 880,561 | 895,653 |
| Goodwill | 10 | 910,453 | 886,341 |
| Deferred tax assets | | 126,649 | 142,262 |
| Total non-current assets | | 1,917,663 | 1,924,256 |
| CURRENT ASSETS | | | |
| Trade receivables | 11 | 4,010,897 | 2,824,269 |
| Prepayments, deposits and other receivables | 12 | 305,417 | 225,830 |
| Cash and cash equivalents | | 6,950,722 | 8,287,411 |
| Tax receivable | | 35,323 | — |
| Total current assets | | 11,302,359 | 11,337,510 |
| CURRENT LIABILITIES | | | |
| Trade payables | 13 | 80,045 | 5,840 |
| Other payables and accruals | 14 | 2,281,988 | 1,930,884 |
| Interest-bearing bank borrowings | | — | 295,544 |
| Tax payable | | 23,985 | 76,866 |
| Total current liabilities | | 2,386,018 | 2,309,134 |
| NET CURRENT ASSETS | | 8,916,341 | 9,028,376 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 10,834,004 | 10,952,632 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | | 56,670 | 85,371 |
| | | 56,670 | 85,371 |
| NET ASSETS | | 10,777,334 | 10,867,261 |

| | Notes | 31 January 2017 S\$ (Unaudited) | 31 July 2016 S\$ (Audited) |
|---|-------|--|-------------------------------------|
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 15 | 433,000 | 433,000 |
| Share premium | | 12,079,017 | 12,079,017 |
| Merger reserve | | (2,379,552) | (2,379,552) |
| Retained profits | | 644,427 | 734,796 |
| Exchange fluctuation reserve | | 442 | — |
| | | 10,777,334 | 10,867,261 |
| Total equity | | 10,777,334 | 10,867,261 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2017

| | Attributable to owners of the Company | | | | | | Total equity |
|--|---------------------------------------|-------------------|--------------------|------------------|------------------------------|---------------------------|-------------------|
| | Share capital | Share premium | Merger reserve | Retained profits | Exchange fluctuation reserve | Non-controlling interests | |
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| 2017 (Unaudited) | | | | | | | |
| At 1 August 2016 | 433,000 | 12,079,017 | (2,379,552) | 734,796 | — | — | 10,867,261 |
| Acquisition of a subsidiary | — | — | — | — | — | 17,172 | 17,172 |
| Loss for the period | — | — | — | (90,369) | — | (242) | (90,611) |
| Acquisition of non-controlling interests without a change in control | — | — | — | — | — | (16,930) | (16,930) |
| Exchange difference on translation of foreign operation | — | — | — | — | 442 | — | 442 |
| At 31 January 2017 | 433,000 | 12,079,017 | (2,379,552) | 644,427 | 442 | — | 10,777,334 |
| 2016 (Audited) | | | | | | | |
| At 1 August 2015 | — | — | 977,295 | 1,851,231 | — | 254,726 | 3,083,252 |
| Total comprehensive income for the period | — | — | — | 266,920 | — | 80,675 | 347,595 |
| At 31 January 2016 | — | — | 977,295 | 2,118,151 | — | 335,401 | 3,430,847 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 31 January 2017*

| | Six months ended 31 January | |
|--|--|--------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/profit before tax | (89,996) | 177,798 |
| Adjustments for: | | |
| Depreciation | 191,022 | 142,629 |
| Finance costs | 5,608 | 32,522 |
| Foreign exchange gain | (53,305) | — |
| Interest income | (92) | — |
| | 53,237 | 352,949 |
| Increase in trade receivables | (1,186,186) | (489,915) |
| Increase in prepayments, deposits and other receivables | (57,374) | (230,303) |
| Increase in trade payables | 74,205 | 77,156 |
| Increase in other payables and accruals | 252,484 | 812,916 |
| Cash (used in)/from operations | (863,634) | 522,803 |
| Income tax paid | (101,907) | (35,379) |
| Net cash flows (used in)/from operating activities | (965,541) | 487,424 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (174,460) | (189,099) |
| Acquisition of a subsidiary | 51,067 | — |
| Repayment from related parties | — | 70,700 |
| Advances to related parties | — | (224,255) |
| Interest received | 92 | — |
| Net cash flows used in investing activities | (123,301) | (342,654) |



**Six months ended
31 January**

| | 2017 | 2016 |
|---|--------------------|-------------|
| | S\$ | S\$ |
| | (Unaudited) | (Audited) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of bank borrowings | (2,537,754) | (6,424,509) |
| Proceeds from bank borrowings | 2,242,210 | 5,890,438 |
| Interest paid | (5,608) | (32,522) |
| Repayment of loan from a director | — | (787,498) |
| Advances from a director | — | 1,751,454 |
| Advances from related parties | — | 10,782 |
| Net cash flows (used in)/from financing activities | (301,152) | 408,145 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents at beginning of period | (1,389,994) | 552,915 |
| Effect of foreign exchange rate changes on the balance of cash held in a foreign currency | 8,287,411 | 1,031,029 |
| | 53,305 | — |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 6,950,722 | 1,583,944 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 January 2017

1. GENERAL

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 shares of the Company were listed on GEM on 15 July 2016.

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

2. REORGANISATION AND BASIS OF PREPARATION

Prior to the Reorganisation (as defined below), all the entities comprising the Group were under the common control of Mr. Sim Hak Chor ("Mr. Sim" or the "Controlling Shareholder") and held by him directly or indirectly. In preparation for the listing (the "Listing") of the Company's shares on GEM of the Stock Exchange, the entities now comprising the Group underwent a group reorganisation (the "Reorganisation") to enable the Company to become the holding company of the Group. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Group Structure" in the listing prospectus of the Company dated 5 July 2016 (the "Prospectus").



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 condensed consolidated financial statements have been prepared to include the results 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, or since their respective dates of incorporation, 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 condensed consolidated financial statements for the six months ended 31 January 2017 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2016, which 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. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 July 2016.

All IFRSs effective for the accounting period commencing from 1 August 2016, together with the relevant transitional provisions, have been adopted by the Group in preparation of these condensed consolidated financial statements. The adoption of these new/revised IFRSs does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.

The condensed consolidated financial statements have been prepared under the historical cost convention. The condensed consolidated financial statements are presented in Singapore dollars (“S\$” or “\$”) except when otherwise indicated.

3. SEGMENT INFORMATION

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

During the six months ended 31 January 2017, revenue, operating expenses, assets and liabilities are mainly derived from the Group's operations in Singapore.

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

4. REVENUE, OTHER INCOME AND GAINS

| | Six months ended 31 January | |
|-------------------------------|--|--------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| Revenue | | |
| Manpower outsourcing | 8,958,110 | 11,038,401 |
| Manpower recruitment | 380,724 | 514,542 |
| Manpower training | 574,892 | 696,173 |
| | 9,913,726 | 12,249,116 |
| Other income and gains | | |
| Government grants | 19,875 | 16,378 |
| Sundry income | 31,735 | 27,436 |
| Foreign exchange gain | 53,305 | 8,165 |
| Forfeiture income | 45,750 | — |
| Sale of merchandise | 38,703 | — |
| Interest income | 92 | — |
| | 189,460 | 51,979 |



5. (LOSS)/PROFIT BEFORE TAX

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

| | Six months ended 31 January | |
|---|--|--------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| Cost of services | 6,796,234 | 8,242,737 |
| Depreciation | 191,022 | 142,629 |
| Auditors' remuneration | 119,503 | 24,750 |
| Employee benefit expense (excluding Directors' remuneration): | | |
| — Salaries and bonuses ⁽¹⁾ | 7,134,782 | 7,837,352 |
| — Central Provident Fund contributions ⁽²⁾ | 785,435 | 847,842 |
| — Foreign Worker Levy ⁽³⁾ | 542,200 | 584,942 |
| — Short-term benefits | 47,122 | 41,584 |
| Listing expenses | — | 1,285,966 |

- (1) Salaries and bonuses included casual labour costs of S\$5,522,756 (2016: S\$6,478,972) for the six months ended 31 January 2017. These amounts have been included in the cost of services.
- (2) Central Provident Fund ("CPF") contributions included casual labour costs of S\$614,075 (2016: S\$710,410) for the six months ended 31 January 2017. These amounts have been included in the cost of services.
- (3) Foreign Worker Levy included casual labour costs of S\$441,616 (2016: S\$492,983) for the six months ended 31 January 2017. These amounts have been included in the cost of services.

6. INCOME TAX EXPENSE/(CREDIT)

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 operated.

Singapore corporate tax has been provided at the rate of 17% (2016: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.

For the subsidiary operating in Republic of Korea, corporate tax has been provided at the rate of 10% (2016: Nil) on the estimated assessable profit for the period.

Major Components of Income Tax Expense/(Credit)

The major components of income tax expense/(credit) for the six months ended 31 January 2017 and 2016 are:

| | Six months ended 31 January | |
|--|--|--------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| Current income tax: | | |
| Charge for the period | 13,702 | 119,248 |
| Over provision in respect of prior years | — | (5,458) |
| Deferred income tax: | | |
| Credit for the period | (13,087) | (283,587) |
| Total tax expense/(credit) for the period | 615 | (169,797) |

Relationship between Income Tax Expense/(Credit) and Accounting (Loss)/Profit

A reconciliation between income tax expense/(credit) and the product of accounting (loss)/profit multiplied by the applicable corporate tax rates for the six months ended 31 January 2017 and 2016 are as follows:

| | Six months ended 31 January | |
|--|--|--------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| (Loss)/profit before tax | (89,996) | 177,798 |
| Tax calculated at the domestic rates applicable to profits in the countries where the Group operates | (24,022) | 30,226 |
| Adjustments in respect of prior periods: | | |
| — Current tax | — | (5,458) |
| Adjustments in respect of deferred tax of prior periods | — | (284,879) |
| Income not subject to tax | — | (1,388) |
| Expenses not deductible for tax | 55,300 | 219,447 |
| Effect of partial tax exemption | (4,888) | (37,228) |
| Tax rebate | (2,018) | (25,226) |
| Enhanced allowances and deductions | (31,216) | (9,518) |
| Tax losses not recognised | 11,166 | — |
| Tax losses and capital allowances utilised from prior periods | — | (43,152) |
| Others | (3,707) | (12,621) |
| Income tax expense/(credit) | 615 | (169,797) |

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

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

| | Six months ended 31 January | |
|---|--|--------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| (Loss)/profit attributable to owners of the Company (S\$) | (89,927) | 266,920 |
| Weighted average number of shares in issue | 250,000,000 | 200,000,000 |
| Basic and diluted (loss)/earnings per share (Singapore cents) | (0.036) | 0.133 |

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the period 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 six months ended 31 January 2016 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 was effective on 1 August 2015.

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 six months ended 31 January 2017 and 2016.

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2017 (2016: Nil).

9. PLANT AND EQUIPMENT

During the six months ended 31 January 2017, the Group acquired assets with aggregate cost of S\$174,460 (2016: S\$189,099).



10. GOODWILL

| | S\$ |
|--|---------|
| At 1 August 2015, 31 July 2016 and 1 August 2016 (Audited) | 886,341 |
| Acquisition of a subsidiary | 24,112 |
| Accumulated impairment | — |
| At 31 January 2017 (Unaudited) | 910,453 |

11. TRADE RECEIVABLES

| | As at 31 January 2017 S\$ (Unaudited) | As at 31 July 2016 S\$ (Audited) |
|------------------|---|--|
| Third parties | 3,427,673 | 2,471,287 |
| Unbilled revenue | 583,224 | 352,982 |
| | 4,010,897 | 2,824,269 |

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

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

| | As at 31 January 2017 S\$ (Unaudited) | As at 31 July 2016 S\$ (Audited) |
|-------------------|---|--|
| Less than 30 days | 1,627,485 | 1,213,664 |
| 31 to 60 days | 962,549 | 542,188 |
| 61 to 90 days | 230,621 | 219,887 |
| More than 90 days | 607,018 | 495,548 |
| | 3,427,673 | 2,471,287 |

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 31 January 2017 S\$ (Unaudited) | As at 31 July 2016 S\$ (Audited) |
|-------------------|--|--|
| Deposits | 132,378 | 86,735 |
| Other receivables | 20,264 | 26,214 |
| Prepayments | 152,775 | 112,881 |
| | 305,417 | 225,830 |

13. TRADE PAYABLES

| | As at 31 January 2017 S\$ (Unaudited) | As at 31 July 2016 S\$ (Audited) |
|----------------|--|--|
| Trade payables | 80,045 | 5,840 |

Trade payables are non-interest-bearing and are generally settled on 14-day terms.

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

| | As at 31 January 2017 S\$ (Unaudited) | As at 31 July 2016 S\$ (Audited) |
|-------------------|--|--|
| Less than 30 days | 23,945 | 5,840 |
| 31 to 60 days | 56,100 | — |
| | 80,045 | 5,840 |



14. OTHER PAYABLES AND ACCRUALS

| | As at 31 January 2017 S\$ (Unaudited) | As at 31 July 2016 S\$ (Audited) |
|-----------------------------|--|--|
| GST payables | 321,580 | 216,030 |
| Accrued casual labour costs | 627,165 | 508,322 |
| Accrued staff costs | 573,253 | 515,063 |
| Other payables | 759,990 | 691,469 |
| | 2,281,988 | 1,930,884 |

15. 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. Serene Tan, Mr. Ng Meng Choon, Mr. Woo Chee Sin and Mr. Wong Swee Fatt, which was satisfied by (i) allotment and issuance of 9,999 new shares of the Company to Centrex Treasure (as the nominee of each of Mr. Sim, Ms. Serene Tan, Mr. Ng Meng Choon, Mr. Woo Chee Sin and Mr. Wong Swee Fatt) 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 at par.

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 | 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 and 31 January 2017 | 250,000,000 | 433,000 |

16. RELATED PARTY TRANSACTIONS

Compensation of Key Management Personnel

| | Six months ended 31 January | |
|----------------------|--|--------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Audited) |
| Salaries and bonuses | 405,360 | 353,040 |
| CPF contributions | 30,600 | 24,242 |
| | 435,960 | 377,282 |

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

17. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred since the end of the interim period for the six months ended 31 January 2017.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The unaudited revenue of the Group amounted to approximately S\$9,914,000 for the six months ended 31 January 2017, representing a decrease of approximately S\$2,335,000 or 19.1% as compared with the six months ended 31 January 2016.

Revenue of the Group for the six months ended 31 January 2017 continued to be impacted by the global economic slowdown. Consumers were cautious and conservative in their spending amid the uncertain economic conditions.

This had a negative impact on the Group's business as changes in customers' spending power affect our revenue from manpower outsourcing services which are mainly derived from the hotel and resort, food and beverage ("F&B") and retail sectors.

Gross Profit

As a result of decrease in sales, the Group's gross profit decreased by approximately S\$889,000 or 22.2% from approximately S\$4,006,000 for the six months ended 31 January 2016 to approximately S\$3,117,000 for the six months ended 31 January 2017.

The overall gross profit margin decreased slightly from 32.7% for the six months ended 31 January 2016 to 31.4% for the six months ended 31 January 2017. The gross profit margin for manpower outsourcing services was lower for the six months ended 31 January 2017 as we had to charge more competitive prices amid the sluggish economic conditions. The lower gross profit margin for manpower outsourcing services was offset by better gross profit margin from both manpower recruitment and manpower training services as we generated more agency fees with high gross profit margin during this period.

Other Income and Gains

Other income and gains increased by approximately S\$137,000 from approximately S\$52,000 for the six months ended 31 January 2016 to approximately S\$189,000 for the six months ended 31 January 2017 due to unrealised foreign exchange gain on bank balances which are denominated in Hong Kong dollars, forfeiture income and income from sale of merchandise.

Administrative Expenses

Administrative expenses increased by approximately S\$766,000 or 30.8% from approximately S\$2,487,000 for the six months ended 31 January 2016 to approximately S\$3,253,000 for the six months ended 31 January 2017. The increase in administrative expenses is mainly due to our business expansion as well as higher professional fees incurred after the listing of the Company's shares on the Stock Exchange. The increase was primarily due to i) increase in professional fees of approximately S\$159,000 due to payments made for compliance advisory, company secretarial, financial report printing and various other services required by the Company after its Listing; ii) increase in staff costs of approximately S\$355,000 due to expansion of the manpower outsourcing services operations team as well as payment of staff bonus; and iii) increase in auditor's remuneration of approximately S\$95,000 after the Company's Listing.

Other Operating Expenses

Other operating expenses for the six months ended 31 January 2016 included approximately S\$1,286,000 non-recurring listing expenses. Excluding the one-off listing expenses, other operating expenses increased by approximately S\$63,000 from approximately S\$75,000 for the six months ended 31 January 2016 to approximately S\$138,000 for the six months ended 31 January 2017 mainly due to higher transport and travelling expenses.

Finance Costs

Finance costs decreased by approximately S\$27,000 from approximately S\$33,000 for the six months ended 31 January 2016 to approximately S\$6,000 for the six months ended 31 January 2017 due to repayment of bank borrowings from the proceeds received from the listing.

Income Tax Expense/(Credit)

The Group recorded a tax expense of approximately S\$600 notwithstanding a loss before tax of approximately S\$90,000 for the six months ended 31 January 2017 because i) 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 operated; and ii) losses incurred by certain entities within the Group that are not subject to income taxes were accordingly not deductible for tax purposes.



Loss for the Period

Due to the combined effect of lower gross profit, higher administrative expenses and partially offset by lower other operating expenses, the unaudited loss for the period of the Group was approximately S\$91,000 for the six months ended 31 January 2017, representing a decrease of approximately S\$438,000 as compared to the profit for the six months ended 31 January 2016.

Employee Information

As at 31 January 2017, the Group had an aggregate of 259 employees (2016: 288), comprising of 2 executive Directors (2016: 2), 98 support staff (2016: 97) and 159 full-time deployment staff (2016: 189).

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 amounted to approximately S\$8,773,000 for the six months ended 31 January 2017 (2016: S\$9,470,000). Total staff costs included casual labour costs of approximately S\$6,578,000 for the six months ended 31 January 2017 (2016: S\$7,682,000) which are also included in the cost of services.

Acquisition of a Subsidiary

On 19 September 2016, the Group acquired 80% of TCC Korea Inc, a private limited liability company incorporated in Republic of Korea which is engaged in the provision of manpower recruitment services, for a cash consideration of approximately S\$88,000.

On 23 November 2016, the Group acquired the remaining 20% of TCC Korea Inc, for a cash consideration of approximately S\$22,000. Following this transaction, TCC Korea Inc became a wholly-owned subsidiary.

BUSINESS REVIEW AND OUTLOOK

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, Mobile Attendance System and Hi-TCC app to streamline administrative tasks for customers and the job-booking process for casual contractors.

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.

In view of mounting global uncertainties, rising interest rates and lacklustre business and consumer sentiment, the Singapore economy is expected to stay sluggish in 2017. The deterioration of the economy, particularly in the services sector, is expected to have an adverse effect on the Group's revenue. As we face falling demand from existing customers and downward price pressure for new customers, the Group expects its revenue and profitability to continue on a decline.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 31 January 2017, 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

| Name of Director | Note | Number of shares held, capacity and nature of interest | | | Percentage of the issued share capital |
|------------------|------|--|--------------------------------|-------------|--|
| | | Directly beneficially owned | Through controlled corporation | Total | |
| 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 Positions in Ordinary Shares of Associated Corporation

| Name of Associated Corporation | Name | Capacity/Nature of interest | Number of Shares held | Approximate percentage of issued share capital |
|--|------------------|-----------------------------|-----------------------|--|
| Centrex Treasure Holdings Limited (Note 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 January 2017, 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 January 2017, 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/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 January 2017, 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.



DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

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

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Grand Vinco Capital Limited, as at 31 January 2017, 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 of 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 during the period under review, except for Code Provision A.2.1 of the CG Code — segregation of the roles of chairman and chief executive officer.

Mr. Sim currently assumes the roles of both chairman and chief executive officer of the Company. 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. The Board will review the need of appointing a suitable candidate to assume the role of chief executive officer when necessary.

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 six months ended 31 January 2017.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Neither 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 during the period.

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2017.

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 the 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 has reviewed the unaudited results for the six months ended 31 January 2017 and has provided advice and comments thereon.

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

Hong Kong, 15 March 2017

As at the date of this report, the executive Directors are Mr. Sim Hak Chor and Ms. Serene Tan; and the independent non-executive Directors are Mr. Tan Eng Ann, Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo.

This report will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This report will also be published on the Company's website at www.singasia.com.sg.