SINGASIA Holdings Limited

星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8293

2019 INTERIM REPORT

* For identification purpose only.

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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 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.

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

HIGHLIGHTS

- The unaudited revenue of the Group amounted to approximately S$12,204,000 for the six months ended 31 January 2019, representing an increase of approximately S$1,966,000 or 19.2% as compared with the six months ended 31 January 2018.

- The unaudited administrative expenses of the Group was approximately S$5,036,000 for the six months ended 31 January 2019, representing an increase of approximately S$892,000 or 21.5% as compared with the six months ended 31 January 2018. The substantial increase was mainly attributable to higher staff costs, motor vehicle expenses, depreciation expenses, professional fees and office rental fee for the Hong Kong office.

- The unaudited loss for the period of the Group was approximately S$2,138,000 for the six months ended 31 January 2019, representing an increase of approximately S$668,000 as compared to the loss for the six months ended 31 January 2018.

- Basic and diluted loss per share was S$0.00171 for the six months ended 31 January 2019 as compared to basic and diluted loss per share of S$0.00118 for the six months ended 31 January 2018.

- The Board does not recommend the payment of interim dividend for the six months ended 31 January 2019.

INTERIM RESULTS

The board (the "Board") of Directors of the Company hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months and six months ended 31 January 2019, together with the unaudited comparative figures for the corresponding period in 2018, as follows:

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

For the three months and six months ended 31 January 2019

		Three months ended 31 January		Six months ended 31 January	
	Notes	**2019 S$ (Unaudited)**	2018 S$ (Unaudited)	**2019 S$ (Unaudited)**	2018 S$ (Unaudited)
REVENUE	4	**6,609,304**	5,492,305	**12,204,234**	10,237,623
Cost of services		**(5,071,146)**	(3,982,657)	**(9,122,555)**	(7,246,936)
Gross profit		**1,538,158**	1,509,648	**3,081,679**	2,990,687
Other income	4	**71,800**	45,260	**106,828**	83,219
Administrative expenses		**(2,660,147)**	(2,145,693)	**(5,035,899)**	(4,143,826)
Other operating expenses		**(94,073)**	(277,116)	**(265,322)**	(407,204)
Finance costs	5	**(6,795)**	—	**(8,291)**	—
LOSS BEFORE TAX	6	**(1,151,057)**	(867,901)	**(2,121,005)**	(1,477,124)
Income tax (expense)/credit	7	**(4,868)**	4,157	**(16,653)**	7,607
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(1,155,925)**	(863,744)	**(2,137,658)**	(1,469,517)
OTHER COMPREHENSIVE (LOSS)/ INCOME					
Exchange differences on translation of foreign operations		**593**	2,475	**(122)**	2,632
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**593**	2,475	**(122)**	2,632

	Notes	Three months ended 31 January **2019** **S$** **(Unaudited)**	2018 S$ (Unaudited)	Six months ended 31 January **2019** **S$** **(Unaudited)**	2018 S$ (Unaudited)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(1,155,332)**	(861,269)	**(2,137,780)**	(1,466,885)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Basic and diluted	8	**(0.00092)**	(0.00069)	**(0.00171)**	(0.00118)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2019

	Notes	31 January 2019 S$ (Unaudited)	31 July 2018 S$ (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**1,045,683**	743,835
Goodwill	11	**905,495**	905,495
Deferred tax assets		**465,198**	438,469
Prepayments, deposits and other receivables	13	**385,921**	428,212
Total non-current assets		**2,802,297**	2,516,011
CURRENT ASSETS			
Trade receivables	12	**4,292,309**	4,118,158
Prepayments, deposits and other receivables	13	**404,304**	458,482
Cash and cash equivalents		**1,445,705**	2,225,478
Total current assets		**6,142,318**	6,802,118
CURRENT LIABILITIES			
Other payables and accruals	14	**2,679,240**	2,092,496
Shareholder's loan	15	**1,195,588**	—
Tax payable		**46,484**	64,550
Total current liabilities		**3,921,312**	2,157,046
NET CURRENT ASSETS		**2,221,006**	4,645,072
NET ASSETS		**5,023,303**	7,161,083
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	16	**433,000**	433,000
Share premium		**12,079,017**	12,079,017
Merger reserve		**(2,379,552)**	(2,379,552)
Other reserve		**(4,958)**	(4,958)
Exchange reserve		**974**	1,096
Accumulated losses		**(5,105,178)**	(2,967,520)
TOTAL EQUITY		**5,023,303**	7,161,083

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2019

	Attributable to owners of the Company						
	Share capital	**Share premium**	**Merger reserve**	**Other reserve**	**Exchange reserve**	**Accumulated (losses)/ profits**	**Total equity**
	S$	S$	S$	S$	S$	S$	S$
2019							
At 1 August 2018 (audited)	**433,000**	**12,079,017**	**(2,379,552)**	**(4,958)**	**1,096**	**(2,967,520)**	**7,161,083**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(2,137,658)**	**(2,137,658)**
Other comprehensive loss for the period:							
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**(122)**	**–**	**(122)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**(122)**	**(2,137,658)**	**(2,137,780)**
At 31 January 2019 (unaudited)	**433,000**	**12,079,017**	**(2,379,552)**	**(4,958)**	**974**	**(5,105,178)**	**5,023,303**
2018							
At 1 August 2017 (audited)	433,000	12,079,017	(2,379,552)	(4,958)	(376)	116,526	10,243,657
Loss for the period	—	—	—	—	—	(1,469,517)	(1,469,517)
Other comprehensive income for the period:							
Exchange differences on translation of foreign operations	—	—	—	—	2,632	—	2,632
Total comprehensive loss for the period	—	—	—	—	2,632	(1,469,517)	(1,466,885)
At 31 January 2018 (unaudited)	433,000	12,079,017	(2,379,552)	(4,958)	2,256	(1,352,991)	8,776,772

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2019

	Notes	Six months ended 31 January 2019 S$ (Unaudited)	2018 S$ (Unaudited)
OPERATING ACTIVITIES			
Loss before tax		**(2,121,005)**	(1,477,124)
Adjustments for:			
Depreciation		**305,806**	239,220
Loss on disposal of property, plant and equipment		**–**	12,008
Foreign exchange gain, net		**(23,237)**	—
Decrease in provision for impairment of trade receivables	6	**(835)**	—
Interest income		**(17)**	(216)
Cash used in operations before changes in working capital		**(1,839,288)**	(1,226,112)
Trade receivables		**(173,316)**	(640,266)
Prepayments, deposits and other receivables		**96,470**	(70,801)
Trade payables		**–**	45,711
Other payables and accruals		**586,744**	121,932
Cash used in operations		**(1,329,390)**	(1,769,536)
Income tax paid		**(61,448)**	(18,783)
Net cash used in operating activities		**(1,390,838)**	(1,788,319)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(606,024)**	(72,484)
Interest received		**17**	216
Net cash used in investing activities		**(606,007)**	(72,268)

	Six months ended 31 January	
	2019	2018
	S$	S$
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Loan from a shareholder	**1,195,588**	—
Net cash generated from financing activities	**1,195,588**	—
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(801,257)**	(1,860,587)
Cash and cash equivalents at beginning of period	**2,225,478**	6,088,213
Effect of foreign exchange rate changes	**21,484**	2,592
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,445,705**	4,230,218

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange on 15 July 2016. The Company's registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") on 22 December 2015 and the principal place of business registered in Hong Kong is 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong. The head office and principal place of business of the Group is 27 New Bridge Road, Singapore 059391.

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. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the six months ended 31 January 2019 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 GEM of the Stock Exchange.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2018, 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 Companies Ordinance.

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

The accounting policies and methods of computation used in the preparation of these unaudited condensed financial statements are consistent with those used in the consolidated financial statements for the year ended 31 July 2018, except for the adoption of the new/revised IFRSs that are relevant to the Group and effective from the current accounting period.

Annual Improvements to IFRSs	2014–2016 Cycle: IFRS 1 and IAS 28
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRIC-Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of these amendments did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior periods except for IFRS 9 and IFRS 15.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial statements, impairment of financial assets and hedge accounting.

(a) Classification

IFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede IAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and the contractual cash flow characteristics of the financial assets.

Trade and other receivables that were accounted for at amortised cost under IAS 39 continue to be accounted for using amortised cost model under IFRS 9.

There was no material effect on the amounts reported set out in these unaudited condensed consolidated financial statements under the new classification of financial assets under IFRS 9.

(b) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model of IAS 39 with a forward-looking expected credit losses ("ECL") model. The ECL model requires an entity to consider historic, current and forward-looking information (including macro-economic data). This will result in the earlier recognition of credit losses as it will no longer be appropriate for entities to wait for an incurred loss event to have occurred before credit losses are recognised.

Measurement of ECLs

Under this new model, expected credit losses are accounted for from the date when financial instruments are first recognised. Entities are required to recognise 12-month expected credit losses, or, where credit risk has increased significantly since initial recognition, lifetime expected credit losses.

Followed by the adoption of IFRS 9, there was no material impact of the change in impairment methodology on the Group's impairment allowance. The Group reviewed and assessed its existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9. The results of the assessment have no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 establishes a comprehensive framework that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

(a) The five-step model framework

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a five-step approach to revenue recognition:

Step 1: Identify the contracts with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

(b) Timing of revenue recognition

Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied, i.e when "control" of goods and services underlying the particular performance obligation is transferred to the customer. This may be single point in time or over time. IFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

(i) Customer simultaneously receives and consumes the benefits provided by entity's performance;

(ii) Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;

(iii) Entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment (for performance completed to date).

Previously, revenue arising from provision of services was recognised over the terms of the service contracts as the work is performed.

The adoption of IFRS 15 did not have material impact on the Group's financial performance.

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 2019, revenue is 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 and Hong Kong.

4. REVENUE AND OTHER INCOME

	Three months ended 31 January		**Six months ended 31 January**	
	2019	2018	**2019**	2018
	S$	S$	**S$**	S$
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue				
Manpower outsourcing	**6,436,534**	5,136,744	**11,804,583**	9,455,242
Manpower recruitment	**112,001**	177,224	**229,476**	296,759
Manpower training	**60,769**	178,337	**170,175**	485,622
	6,609,304	5,492,305	**12,204,234**	10,237,623
Other income				
Government grants	**2,790**	2,520	**2,790**	7,440
Sundry income	**11,892**	10,631	**25,299**	17,076
Foreign exchange gain, net	**24,530**	—	**24,530**	—
Forfeiture income	**17,350**	16,150	**30,675**	31,975
Sale of merchandise	**15,223**	15,826	**23,517**	26,512
Interest income	**15**	133	**17**	216
	71,800	45,260	**106,828**	83,219

5. FINANCE COSTS

	Three months ended 31 January		Six months ended 31 January	
	2019	2018	**2019**	2018
	S$	S$	**S$**	S$
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest expense on shareholder's loan	**6,795**	—	**8,291**	—

6. LOSS BEFORE TAX

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

	Three months ended 31 January		Six months ended 31 January	
	2019	2018	**2019**	2018
	S$	S$	**S$**	S$
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Cost of services	**5,071,146**	3,982,657	**9,122,555**	7,246,936
Depreciation	**150,971**	116,404	**305,806**	239,220
Employee benefit expenses (excluding directors' remuneration):				
— Salaries and bonuses	**5,547,338**	4,401,096	**10,001,551**	8,045,981
— Contributions to defined contribution plans	**550,087**	465,545	**987,099**	837,519
— Foreign Worker Levy	**318,741**	285,728	**617,296**	559,576
— Other short-term benefits	**37,010**	21,602	**68,780**	36,217
Decrease in provision for impairment of trade receivables	**(835)**	—	**(835)**	—

For the six months ended 31 January 2019, cost of services includes S$7,699,683 (2018: S$5,959,721) related to salaries and bonuses, S$793,527 (2018: S$652,430) related to contributions to defined contribution plans and S$532,771 (2018: S$472,320) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

For the three months ended 31 January 2019, cost of services includes S$4,285,946 (2018: S$3,285,125) related to salaries and bonuses, S$448,217 (2018: S$376,198) related to contributions to defined contribution plans and S$274,069 (2018: S$240,783) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

7. 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.

No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong. Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the profits tax rate for the first HK$2 million of estimated assessable profits is lowered to 8.25% while the estimated assessable profits above HK$2 million will continue to be subject to the rate of 16.5% for corporations.

Singapore Corporate Income Tax has been provided at the rate of 17% (2018: 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% (2018: 10%) 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 three months and six months ended 31 January 2019 and 2018 are:

	Three months ended 31 January		Six months ended 31 January	
	2019	2018	**2019**	2018
	S$	S$	**S$**	S$
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current income tax:				
Charge for the period	**21,602**	20,161	**46,484**	36,456
Over provision in respect of prior years	**(3,102)**	(3,889)	**(3,102)**	(3,889)
Deferred income tax:				
Credit for the period	**(13,632)**	(20,429)	**(26,729)**	(40,174)
Total tax expense/(credit) for the period	**4,868**	(4,157)	**16,653**	(7,607)

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 31 January		Six months ended 31 January	
	2019	2018	**2019**	2018
	S$	S$	**S$**	S$
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss attributable to owners of the Company (S$)	**(1,155,925)**	(863,744)	**(2,137,658)**	(1,469,517)
Weighted average number of shares in issue	**1,250,000,000**	1,250,000,000	**1,250,000,000**	1,250,000,000
Basic and diluted loss per share	**(0.00092)**	(0.00069)	**(0.00171)**	(0.00118)

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company and the weighted average number of shares in issue which have been adjusted/restated to reflect the effect of share subdivision on 8 March 2018 that each of the existing issued and unissued shares of the Company is subdivided into 5 shares.

The diluted loss per share is the same as the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the six months and three months ended 31 January 2019 and 2018.

9. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2019 (2018: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 January 2019, the Group acquired assets with aggregate cost of S$606,024 (2018: S$72,484).

11. GOODWILL

	S$
As at 31 July 2018 (Audited) and 31 January 2019 (Unaudited)	905,495

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

	S$
Manpower outsourcing	
TCC Hospitality Resources Pte. Ltd and TCC Manpower Pte. Ltd	886,341
Manpower training and recruitment	
TCC Education and Consulting Services Pte. Ltd and TCC Korea Inc.	19,154
	905,495

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

The management considers the major factors and assumptions contributing to the calculation approved for year ended 31 July 2018 including the discount rate, growth rate and gross margin have not changed significantly during the period. No indication of impairment is identified during the period.

12. TRADE RECEIVABLES

	As at 31 January 2019 S$ (Unaudited)	As at 31 July 2018 S$ (Audited)
Third parties	**4,045,168**	3,700,811
Less: Provision for impairment	**(114,943)**	(117,424)
	3,930,225	3,583,387
Unbilled receivables	**362,084**	534,771
	4,292,309	4,118,158

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

All trade receivables are denominated in Singapore dollars.

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

	As at 31 January 2019 S$ (Unaudited)	As at 31 July 2018 S$ (Audited)
Less than 30 days	**2,997,414**	1,691,266
31 to 60 days	**331,367**	684,364
61 to 90 days	**347,610**	259,808
More than 90 days	**253,834**	947,949
	3,930,225	3,583,387

The movements in provision for impairment of trade receivables are as follows:

	As at 31 January 2019 S$ (Unaudited)	As at 31 July 2018 S$ (Audited)
At beginning of period	**117,424**	121,209
(Decrease)/increase in provision (Note 6)	**(835)**	25,398
Written off as uncollectable	**(1,646)**	(29,183)
At end of period	**114,943**	117,424

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of S$114,943 (2018: S$117,424).

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 January 2019 S$ (Unaudited)	As at 31 July 2018 S$ (Audited)
Current:		
Deposits		
— Rental	**91,194**	125,129
— Others	**99,978**	74,868
	191,172	199,997
Other receivables	**74,339**	42,729
Prepayments	**138,793**	215,756
	404,304	458,482
Non-current:		
Deposits		
— Rental	**383,237**	299,069
— Others	**2,684**	129,143
	385,921	428,212

14. OTHER PAYABLES AND ACCRUALS

	As at 31 January 2019 S$ (Unaudited)	As at 31 July 2018 S$ (Audited)
GST payables	**446,818**	326,658
Accrued casual labour costs	**547,483**	723,832
Accrued general staff costs	**1,006,025**	719,162
Accrued administrative and other operating expenses	**593,958**	300,802
Other payables	**84,956**	22,042
	2,679,240	2,092,496

15. SHAREHOLDER'S LOAN

The shareholder's loan bears a fixed interest rate at 3% per annum, is unsecured and repayable on demand.

16. SHARE CAPITAL

	Number of shares	HK$	Equivalent to S$
Authorised ordinary shares of HK$0.002 each (HK$0.01 as at 1 August 2017, and HK$0.002 as at 31 July 2018, 1 August 2018 and 31 January 2019):			
At 1 August 2017	5,000,000,000	50,000,000	
Increase upon share subdivision on 8 March 2018	20,000,000,000	—	
At 31 July 2018, 1 August 2018 and 31 January 2019	25,000,000,000	50,000,000	
Issued and fully paid:			
At 1 August 2017	250,000,000	2,500,000	433,000
Increase upon share subdivision on 8 March 2018	1,000,000,000	—	—
At 31 July 2018, 1 August 2018 and 31 January 2019	1,250,000,000	2,500,000	433,000

17. RELATED PARTY TRANSACTIONS

(A) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Three months ended 31 January		Six months ended 31 January	
	2019	2018	**2019**	2018
	S$	S$	**S$**	S$
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Salaries and bonuses	**213,893**	282,699	**578,093**	546,317
Contributions to defined contribution plans	**16,885**	17,734	**33,746**	34,596
	230,778	300,433	**611,839**	580,913

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.

(B) INTEREST PAYABLE ON SHAREHOLDER'S LOAN

	Three months ended 31 January		Six months ended 31 January	
	2019	2018	**2019**	2018
	S$	S$	**S$**	S$
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest expense	**6,795**	—	**8,291**	—

18. EVENTS AFTER THE REPORTING PERIOD

On 21 February 2019, the Company established a wholly-owned subsidiary, 星亞控股(深圳)有限公司 (Singasia Holdings (Shenzhen) Limited*) ("Singasia Shenzhen") in Shenzhen in response to the Guangdong-Hong Kong-Macao Greater Bay Area development strategy advocated by the People's Republic of China (the "PRC"), in order to seek business opportunities in the Mainland China. Further details are set out in the Company's announcement dated 26 February 2019.

FINANCIAL REVIEW

REVENUE

The Group's unaudited revenue increased by approximately S$1,966,000 or 19.2% from approximately S$10,238,000 for the six months ended 31 January 2018 to approximately S$12,204,000 for the six months ended 31 January 2019. The increase was principally due to increase in revenue from manpower outsourcing services and partially offset by decrease in revenue from manpower training and manpower recruitment services.

Revenue from our manpower outsourcing services increased from approximately S$9,455,000 for the six months ended 31 January 2018 to approximately S$11,805,000 for the six months ended 31 January 2019, which represented a growth of approximately 24.9%. The growth in revenue from manpower outsourcing services was mainly attributable to increase in demand for our services from our existing customers in the hotel and resort sector.

GROSS PROFIT

The Group's overall gross profit increased by approximately S$91,000 from approximately S$2,991,000 for the six months ended 31 January 2018 to approximately S$3,082,000 for the six months ended 31 January 2019, which is in line with increase in revenue. Our overall gross profit margin decreased from approximately 29.2% for the six months ended 31 January 2018 to approximately 25.2% for the six months ended 31 January 2019. Our decrease in gross profit margin was mainly attributable to our increase in labour cost from manpower outsourcing services.

OTHER INCOME

Other income increased by approximately S$24,000 or 28.9% for the six months ended 31 January 2019. The increase was mainly due to unrealised exchange gain on bank balances which are denominated in Hong Kong dollars.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately S$892,000, from approximately S$4,144,000 for the six months ended 31 January 2018 to approximately S$5,036,000 for the six months ended 31 January 2019. The substantial increase was mainly attributable to (i) increase in staff costs by approximately S$294,000; (ii) increase in office rental fee due to new tenancy agreement for office premise for the Hong Kong office of approximately S$380,000 offset by decrease in management fees by approximately S$100,000 for the rental payments for the Hong Kong office before the relocation; (iii) increase in legal and professional fees for the proposed acquisition of equity interests in Mobile Medical International Holdings Limited of approximately S$103,000; and (iv) depreciation expenses and motor vehicle expenses fees collectively increased by approximately S$123,000.

OTHER OPERATING EXPENSES

Other operating expenses decreased from approximately S$407,000 for the six months ended 31 January 2018 to approximately S$265,000 for the six months ended 31 January 2019. The decrease was mainly due to lower unrealised exchange loss on bank balances which are denominated in Hong Kong dollars and lower business development expenses.

FINANCE COSTS

The Group recorded finance costs of approximately S$8,300 for the six months ended 31 January 2019. It was attributable to the incurrence of interest expenses on the loan from a shareholder.

LOSS FOR THE PERIOD

The Group's manpower outsourcing business segment is profitable for the six months ended 31 January 2019. However, the Group incurred significant staff costs, administrative expenses and business development expenses for our negotiating potential investments. As a result, the Group recorded a net loss of approximately S$2,138,000 for the six months ended 31 January 2019 as compared to net loss of approximately S$1,470,000 for the six months ended 31 January 2018.

GOODWILL IMPAIRMENT ASSESSMENT

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amounts of cash-generating units have been measured based on value in use method.

Based on the value in use calculation of the both CGUs to which the goodwill is allocated for the years ended 31 July 2018, the key assumptions for the value in use calculations are those relating to the discount rate, growth rate and gross margin which are not significantly deteriorated during the period since the last assessment in year ended 31 July 2018. Any reasonably possible change to the above key assumptions applied is not likely to cause the recoverable amounts of the both CGUs in exceeding of their respective carrying amount for the six months ended 31 January 2019. Therefore, no impairment of goodwill needed for the six months ended 31 January 2019.

EMPLOYEE INFORMATION

As at 31 January 2019, the Group had an aggregate of 295 employees (2018: 265), comprising of 4 executive Directors (2018: 4), 93 support staff (2018: 112) and 198 full-time deployment staff (2018: 149).

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

EVENTS AFTER THE REPORTING PERIOD

On 21 February 2019, the Company established a wholly-owned subsidiary, 星亞控股(深圳)有限公司 (Singasia Holdings (Shenzhen) Limited*) ("Singasia Shenzhen") in Shenzhen in response to the Guangdong-Hong Kong-Macao Greater Bay Area development strategy advocated by the PRC, in order to seek business opportunities in the Mainland China. Further details are set out in the Company's announcement dated 26 February 2019.

LIQUIDITY AND FINANCIAL RESOURCES

At 31 January 2019, the Group had cash and cash equivalents of approximately S$1,446,000 which were placed with major banks in Singapore and Hong Kong. Cash and cash equivalents decreased by approximately S$779,000 or 35.0% as compared to balance at 31 July 2018. The decrease in cash and cash equivalents was mainly due to funds used to finance the Group's operations.

As at 31 January 2019, there was a shareholder's loan of approximately S$1,196,000. The borrowing was denominated in Hong Kong dollars. The loan from a shareholder bears a fixed interest rate at 3% per annum, is unsecured and repayable on demand. The loan was taken to finance the operations of the holding company.

USE OF PROCEEDS FROM THE SHARE OFFER

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

An analysis of the amount utilised up to 31 January 2019 is set out below:

	Use of net proceeds as set out in the prospectus (adjusted on a pro rata basis based on the actual net proceeds) HK$mil	Actual use of proceeds from the Listing Date up to 31 January 2019 HK$mil	Remaining unutilised net proceeds as at 31 January 2019 HK$mil
Expansion and strengthening of existing manpower outsourcing services	10.7	10.7	—
Acquisitions of strategic partners	5.0	3.4	1.6
Enhancing our information technology software to support the Group's business infrastructure	4.8	2.6	2.2
Repayment of loans	3.4	1.7	1.7
Working capital and general corporate use	2.2	2.2	—
	26.1	20.6	5.5

The remaining net proceeds as at 31 January 2019 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong.

As at the date of this report, the Board does not anticipate any change to the plan as to the use of the proceeds.

CAPITAL STRUCTURE

The Group's operations is being financed by internally generated cash flow and fund raised from capital market. As at 31 January 2019, the Group's capital structure consisted of capital attributable to equity holders of the Company, comprising share capital, share premium, and reserves.

EXPOSURE TO FOREIGN EXCHANGE

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

CHARGES ON ASSETS

As at 31 January 2019, the Group did not have any charges on assets.

CONTINGENT LIABILITIES

As at 31 January 2019, the Group did not have any significant contingent liabilities.

BUSINESS REVIEW AND OUTLOOK

During the reporting period, the Group continued to seek potential investments and explore new business opportunities in order to maintain business competitiveness, enhance shareholder's value and ensure long-term sustainable growth.

On 16 January 2019, the Group has entered into a non-legally binding strategic cooperation framework agreement with 發碼行實業(上海)有限公司 (Code Center Industrial (Shanghai) Limited*), proposing to establish a joint venture in the PRC and start a series of businesses which collect patent license royalties from domestic ventures and organisations, thereby developing and expanding the scope of the Group's business.

On 21 February 2019, the Company established a wholly-owned subsidiary in Shenzhen and recruited two senior management with rich experience in the PRC business market and therefore provides strong shield in supporting the development of the new business in the PRC.

Looking ahead, the Group will carry on its journey to seek a delicate balance in deploying its resources between maintaining the manpower businesses and exploring new businesses and investments. Our investment team will take positive and optimistic attitude with extra caution in selecting cooperation partners and investment projects to adapt to the ever-changing market environment, with an aim to maximise the efficiency and effectiveness of our investments.

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 2019, 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	**Directly beneficially owned**	**Through controlled corporation**	**Total**	**Percentage of the issued share capital**
Mr. Sim Hak Chor (Note)	—	400,000,000	400,000,000	32%

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

Long Positions in Ordinary Shares of Associated Corporation

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

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

Save as disclosed above, as at 31 January 2019, 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 2019, 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:

	Number of shares held, capacity and nature of interest				
Name	Directly beneficially owned	Interest of spouse	Through controlled corporation	Total	Percentage of the issued share capital
Centrex Treasure Holdings Limited	400,000,000	—	—	400,000,000	32.00%
Mr. Yeung Chun Wai, Anthony	35,905,000 (Note 1)	150,895,000	—	186,800,000	14.94%
Ms. Lui Lai Yan	22,785,000 (Note 1)	35,905,000	128,110,000	186,800,000	14.94%
Rising Elite Global Limited	128,110,000 (Note 2)	—	—	128,110,000	10.25%
Mr. Li Haifeng	168,390,000	—	—	168,390,000	13.47%

Notes:

(1) Mr. Yeung Chun Wai, Anthony is the spouse of Ms. Lui Lai Yan. Mr. Yeung Chun Wai, Anthony is deemed to be interested in all the shares of the Company in which Ms. Lui Lai Yan is interested under Part XV of the SFO.

(2) Rising Elite Global Limited is beneficially wholly-owned by Ms. Lui Lai Yan. Under the SFO, Ms. Lui Lai Yan is deemed to be interested in all the shares of the Company held by Rising Elite Global Limited.

Save as disclosed above, as at 31 January 2019, 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.

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 Hak Chor ("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 2019.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2019.

AUDIT COMMITTEE

The Group established an audit committee (the "Audit Committee") on 20 June 2016 with written terms of reference in compliance with Rule 5.28 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. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis. Mr. Chan Fong Kong Francis, the Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting 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 2019 and has provided advice and comments thereon.

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

Hong Kong, 14 March 2019

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