SINGASIA Holdings Limited | 星亞控股有限公司*

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

2020

First Quarterly Report

* For identification purpose only.

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

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

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

This 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$5,409,000 for the three months ended 31 October 2019, representing a decrease of approximately S$186,000 or 3.32% as compared with the three months ended 31 October 2018.

- The unaudited loss for the year of the Group was approximately S$1,495,000 for the three months ended 31 October 2019, compared with the unaudited loss of the Group of approximately S$982,000 for the three months ended 31 October 2018.

- Basic and diluted loss per share was S$0.00118 for the three months ended 31 October 2019 compared with basic and diluted loss per share of S$0.00079 for the three months ended 31 October 2018.

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

FIRST QUARTERLY RESULTS

The board of Directors (the "Board") of the Company hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 31 October 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 ended 31 October 2019

		Three months ended 31 October	
	Notes	**2019 S$ (Unaudited)**	2018 S$ (Unaudited)
REVENUE	5	**5,409,124**	5,594,930
Cost of services		**(4,128,498)**	(4,051,409)
Gross profit		**1,280,626**	1,543,521
Other income	6	**48,410**	35,028
Administrative expenses		**(2,705,064)**	(2,375,752)
Other operating expenses		**(94,503)**	(171,249)
Finance costs		**(18,250)**	(1,496)
LOSS BEFORE TAX	7	**(1,488,781)**	(969,948)
Income tax expense	8	**(6,387)**	(11,785)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(1,495,168)**	(981,733)
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(121)**	(715)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(1,495,289)**	(982,448)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	9	**(0.00118)**	(0.00079)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 October 2019

	Share capital S$	Share premium S$	Merger reserve S$	Other reserve S$	Exchange reserve S$	Accumulated losses S$	Total equity S$
2019 (Unaudited)							
At 1 August 2019	**433,000**	**12,079,017**	**(2,379,552)**	**(4,958)**	**(1,263)**	**(7,089,761)**	**3,036,483**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(1,495,168)**	**(1,495,168)**
Other comprehensive loss for the period: Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**(121)**	**–**	**(121)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**(121)**	**(1,495,168)**	**(1,495,289)**
Issue of ordinary shares (Note 10)	**86,800**	**2,170,000**	**–**	**–**	**–**	**–**	**2,256,800**
Transaction costs attributable to issue of ordinary shares	**–**	**(20,179)**	**–**	**–**	**–**	**–**	**(20,179)**
At 31 October 2019	**519,800**	**14,228,838**	**(2,379,552)**	**(4,958)**	**(1,384)**	**(8,584,929)**	**3,777,815**
2018 (Unaudited)							
At 31 July 2018	433,000	12,079,017	(2,379,552)	(4,958)	1,096	(2,967,520)	7,161,083
Effect of adoption of IFRS 9	—	—	—	—	—	(19,442)	(19,442)
At 1 August 2018	433,000	12,079,017	(2,379,552)	(4,958)	1,096	(2,986,962)	7,141,641
Loss for the period	—	—	—	—	—	(981,733)	(981,733)
Other comprehensive income for the period: Exchange differences on translation of foreign operations	—	—	—	—	(715)	—	(715)
Total comprehensive loss for the period	—	—	—	—	(715)	(981,733)	(982,448)
At 31 October 2018	433,000	12,079,017	(2,379,552)	(4,958)	381	(3,968,695)	6,159,193

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three months ended 31 October 2019

1. CORPORATE INFORMATION

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

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

- manpower outsourcing
- manpower recruitment
- manpower training

2. BASIS OF PREPARATION

Statement of compliance

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

Basis of preparation

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

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

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

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

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

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

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

IFRS 16 Leases

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

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, IFRS 16 requires sales and leaseback transactions to be determined based on the requirements of IFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. IFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

The Group elected the modified retrospective approach for the application of IFRS 16 as lessee and recognized the cumulative effect of initial application without restating comparative information.

4. SEGMENT INFORMATION

The Group is principally engaged in the provision of manpower services. Information reported to the Group's management for the purpose of resource 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 three months ended 31 October 2019, revenue is principally derived from the Group's operations in Singapore.

5. REVENUE

	Three months ended 31 October	
	2019	2018
	S$	S$
	(Unaudited)	(Unaudited)
Revenue from contract with customers recognised at a point in time		
Manpower outsourcing	**5,321,170**	5,368,049
Manpower recruitment	**84,954**	117,475
Manpower training	**3,000**	109,406
	5,409,124	5,594,930

6. OTHER INCOME

	Three months ended 31 October	
	2019	2018
	S$	S$
	(Unaudited)	(Unaudited)
Sundry income	**17,396**	13,407
Foreign exchange gain, net	**16,740**	—
Forfeiture income	**9,975**	13,325
Sale of merchandise	**4,299**	8,294
Interest income	**—**	2
	48,410	35,028

7. LOSS BEFORE TAX

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

	Three months ended 31 October	
	2019	2018
	S$	S$
	(Unaudited)	(Unaudited)
Cost of services	**4,128,498**	4,051,409
Depreciation	**92,465**	154,835
Employee benefits expenses (excluding directors' remuneration):		
— Salaries and bonuses	**4,159,762**	4,454,213
— Contributions to defined contribution plans	**443,409**	437,012
— Foreign Worker Levy	**309,017**	298,555
— Other short-term benefits	**30,086**	31,770

For the three months ended 31 October 2019, cost of services includes S$3,462,734 (2018: S$3,413,737) related to salaries and bonuses, S$373,455 (2018: S$345,310) related to contributions to defined contribution plans and S$272,636 (2018: S$258,702) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

8. INCOME TAX EXPENSE

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

No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong.

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.

	Three months ended 31 October	
	2019	2018
	S$	S$
	(Unaudited)	(Unaudited)
Current income tax:		
Charge for the period	**6,387**	24,882
Deferred income tax:		
Credit for the period	**–**	(13,097)
Total tax expense for the period	**6,387**	11,785

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended 31 October	
	2019	2018
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (S$)	**(1,495,168)**	(981,733)
Weighted average number of shares in issue	**1,269,021,739**	1,250,000,000
Basic and diluted loss per share (S$)	**(0.00118)**	(0.00079)

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 three months ended 31 October 2019 and 2018.

10. SHARE CAPITAL AND SHARE PREMIUM

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

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

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

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

11. DIVIDENDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue comprised of revenue from manpower outsourcing, manpower recruitment and manpower training services. The Group's revenue decreased by approximately S$186,000 from approximately S$5,595,000 for the three months ended 31 October 2018 to approximately S$5,409,000 for the three months ended 31 October 2019. The decrease was mainly due to lower revenue generated from all three business segments due to the slowdown of Singapore's economy.

Gross profit

The Group's overall gross profit and gross profit margin for the three months ended 31 October 2019 were approximately S$1,281,000 and approximately 23.7% respectively.

The Group's overall gross profit margin decreased from approximately 27.6% for the three months ended 31 October 2018 to approximately 23.7% for the three months ended 31 October 2019. This was mainly due to increased labour costs for manpower outsourcing services, higher cooperative fee for manpower recruitment services and less favorable charge rates for training courses for manpower training services.

Other income

Other income increased by approximately S$13,000 from approximately S$35,000 for the three months ended 31 October 2018 to approximately S$48,000 for the three months ended 31 October 2019. The increase was mainly due to unrealised foreign exchange gain and higher sundry income and partially offsetted by decrease in forfeiture income and sale of merchandise.

Administrative expenses

Administrative expenses increased by approximately S$329,000 for the three months ended 31 October 2019. The increase was mainly due to (i) increase in professional fees of approximately S$487,000 arising from the operations of the Hong Kong office and (ii) increase in rental expenses of approximately S$354,000 due to compensation for the early termination of the Hong Kong office and offsetted by (i) decrease in staff costs of approximately S$335,000 as the Group has ceased operations in the Hong Kong office; (ii) decrease in depreciation expenses, motor vehicle expenses, insurance expenses and management expenses collectively amounting to approximately S$177,000 following the closure of the Hong Kong office.

Other operating expenses

Other operating expenses decreased by approximately S$77,000 from approximately S$171,000 for the three months ended 31 October 2018 to approximately S$94,000 for the three months ended 31 October 2019. The decrease was mainly due to lower business development expenses.

Employee information

As at 31 October 2019, the Group had an aggregate of 261 employees (2018: 277), comprising of 2 executive Directors (2018: 4), 83 support staff (2018: 107), and 176 full-time deployment staff (2018: 166).

The Group's remuneration policies are in line with the prevailing market practices and formulated on the basis of job scope and responsibilities. Our employees are also entitled to discretionary bonus which is rewarded on a performance related basis.

Litigation

HCCW 257/2019

This is a winding-up petition by Liu Xinsheng ("Liu") against the Company made on 28 August 2019 (the "Winding-Up Petition"). On 5 November 2019, the court approved a consent summons that leave be granted to Liu to withdraw the Winding-Up Petition with no order as to costs and hearing before the Company Judge scheduled on 11 November 2019 be vacated.

As at the date thereof, there is no outstanding winding-up petition against the Company.

Reference is made to the announcements of the Company dated 8 August, 15 August, 20 August, 28 August, 2 September, 24 September, 23 October and 6 November 2019.

BUSINESS REVIEW AND OUTLOOK

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

The Group recorded a net loss of approximately S$1,495,000 for the three months ended 31 October 2019 mainly due to lower revenue, lower gross profit and higher administrative expenses.

In view of the challenging business environment and uncertain economic situation, the Board will constantly review the Group's business strategy to deepen and broaden our customer base. The Group will also continue to manage the Group's expenditure in order to improve financial performance.

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 October 2019, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

Long Positions in Ordinary Shares of the Company

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

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

Long Position in Ordinary Shares of an Associated Corporation

Name of associated corporation	Name	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital
Centrex Treasure Holdings Limited (Note)	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 October 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 which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

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

As at 31 October 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, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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

Save as disclosed above, as at 31 October 2019, the Directors are not aware of any other person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares and debentures of the Company or its associated corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

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

PURCHASE, 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.

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 5.46 to 5.67 of the GEM Listing Rules (the 'Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and all of them had confirmed their compliance with the Required Standard of Dealings during the period under review.

CORPORATE GOVERNANCE CODE

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

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

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

DIVIDENDS

The Board does not recommend the payment of interim dividend for the three months ended 31 October 2019 (2018: nil).

AUDIT COMMITTEE

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

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

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the three months ended 31 October 2019 and has provided advice and comments thereon.

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

Hong Kong, 11 December 2019

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. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Chan Fong Kong Francis.