SINGASIA Holdings Limited

星亞控股有限公司*

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

2020 Annual 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 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 and 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.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sim Hak Chor
Ms. Serene Tan

Independent non-executive Directors

Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo
Mr. Lim Wee Pin (Appointed on 31 March 2020)

AUDIT COMMITTEE MEMBERS

Mr. Lim Wee Pin *(Chairman)*
Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo

NOMINATION COMMITTEE MEMBERS

Mr. Jong Voon Hoo *(Chairman)*
Mr. Lim Wee Pin
Mr. Lim Cheng Hock, Lawrence
Mr. Sim Hak Chor

REMUNERATION COMMITTEE MEMBERS

Mr. Lim Cheng Hock, Lawrence *(Chairman)*
Mr. Lim Wee Pin
Mr. Jong Voon Hoo
Mr. Sim Hak Chor

COMPLIANCE OFFICER

Mr. Sim Hak Chor

COMPANY SECRETARY

Mr. Sum Loong

AUTHORISED REPRESENTATIVES

Mr. Sim Hak Chor
Mr. Sum Loong

AUDITOR

HLB Hodgson Impey Cheng Limited
31/F, Gloucester Tower, The Landmark
11 Pedder Street
Central, Hong Kong

REGISTERED OFFICE

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

211 New Bridge Road
#03-01 Lucky Chinatown
Singapore 059432

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

Rooms 911-912
9/F, Wing On Centre
111 Connaught Road
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

COMPANY'S WEBSITE

www.singasia.com.sg

STOCK CODE

8293

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of SingAsia Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 July 2020.

REVIEW

The Group achieved revenue of approximately S$15,860,000 for the year ended 31 July 2020 as compared to approximately S$22,872,000 for the year ended 31 July 2019. The decrease in revenue was mainly due to the sharp decline in revenue from manpower outsourcing services in the second half of our financial year brought about by the COVID-19 outbreak in Singapore.

Notwithstanding a decrease in revenue, the Group recorded a net loss of approximately S$935,000 for the year ended 31 July 2020 as compared to a net loss of approximately S$4,103,000 for the year ended 31 July 2019. The decrease in gross profit was offsetted by decrease in administrative expenses following the closure of the Hong Kong office, decrease in staff costs as Singapore operations embarked on cost-savings measures in response to the COVID-19 pandemic as well as cash grant received under the Jobs Support Scheme introduced by the Singapore Government.

OUTLOOK

The COVID-19 pandemic may continue to have major repercussions on the global economy. This difficult situation is further clouded by the possibility of lockdown measures being re-imposed in many countries to combat the resurgence of the COVID-19 virus. The hospitality sector may continue to be adversely affected by the halt in international travels. Majority of our clients are from hospitality sector and this slowdown will have direct impact on the Group's financial performance.

Following the recent announcements by the Singapore Government that capacity limits at weddings and larger-scale meetings, incentives, conventions and exhibitions (Mice) events would be increased to 100 and 250 respectively, the Group is cautiously optimistic that we will see a gradual improvement to demand for our manpower outsourcing services. However, the outlook for next year remains uncertain. The gradual reopening of the Singapore economy and the current low infection rates domestically are encouraging but global headwinds and uncertainty about the ongoing development of the pandemic cloud the outlook significantly.

Given the unpredictable business environment caused by the ongoing COVID-19 pandemic, the Group expects business conditions to be even more challenging. The Group's priority is to ensure there is adequate liquidity to sustain operations and to ride through the crisis as well as to strengthen our business strategy to build a resilient business model for the long-term.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to valued shareholders, customers and business partners for their continued trust and support. Also, I wish to extend our deepest appreciation to our management and staff members for their dedicated service and hard work during this challenging period.

Sim Hak Chor
Chairman and Executive Director

Hong Kong, 29 October 2020

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

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

The COVID-19 pandemic has caused a severe disruption to global and local economic activities. The pandemic has resulted in significant decrease in international visitors into the country, which has put a sizeable dent in the earnings of the hospitality sector. As our customers are in the hospitality sector which is one of the worst-hit industries, we foresee sharp decline in the Group's revenue for the next quarters.

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

FINANCIAL REVIEW

Revenue

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Manpower outsourcing

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

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

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

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

Manpower recruitment

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

Manpower training

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

Gross profit

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

Other income

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

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

Impairment loss on goodwill

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

Administrative expenses

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

Other operating expenses

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

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax

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

Loss for the year

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

Final dividend

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

Liquidity and financial resources

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

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

Capital Structure

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

The completion of the Subscription took place on 25 October 2019. An aggregate of 250,000,000 new ordinary shares of the Company of par value of HK$0.002 each (the "Shares"), representing approximately 16.67% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the Subscription Shares, were allotted and issued to the Subscriber at the Subscription price of HK$0.052 per Subscription share. The gross proceeds from the Subscription amounted to HK$13,000,000 (approximately S$2,257,000) and the net proceeds amounted to approximately HK$12,886,000 (approximately S$2,237,000) after deducting transaction costs.

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

Capital Commitments

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

MANAGEMENT DISCUSSION AND ANALYSIS

Future plans for material investments or capital assets

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

Material acquisitions and disposals of subsidiaries, associates and joint ventures

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

Significant investments held

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

Contingent liabilities

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

Use of proceeds from the Share Offer and the Subscription

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

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

	Adjusted use of proceeds in respect of business objectives from the Listing Date *HK$mil*	**Actual utilised amount up to 31 July 2020** *HK$mil*
Expansion and strengthening of existing manpower outsourcing services	10.7	10.7
Acquisitions of strategic partners	5.0	5.0
Enhancing our information technology software to support the Group's business infrastructure	4.8	4.8
Repayment of loans	3.4	3.4
Working capital and general corporate use	2.2	2.2
	26.1	26.1

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

MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds raised from the Subscription were approximately HK$12,886,000 (approximately S$2,237,000) after deducting transaction costs.

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

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

Charge on assets

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

Exposure to foreign exchange

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

Employee information

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

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

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. Sim Hak Chor (沈學助) ("Mr. Sim"), aged 48, is the founder of the Group, executive Director and chairman of the Board. He is also a member of each of the remuneration committee and the nomination committee of the Board. He was re- designated as executive Director on 20 June 2016. He is responsible for overseeing the overall management, strategic planning and business development of the Group. He has more than 10 years of experience in the workforce solutions industry.

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

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

Ms. Serene Tan (陳雪玲) ("Ms. Tan"), aged 42, is the Group director of finance and executive Director. She was re-designated as executive Director on 20 June 2016. She has been with the Group since August 2004. Being one of the pioneers of the Group, she has been instrumental in building up the finance, accounting and administrative departments of the Group. In her role as the Group director of finance, she is responsible for overseeing the accounting, finance and reporting functions, tax compliance as well as general administration and secretarial affairs of the Group.

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lim Cheng Hock, Lawrence (林清福) ("Mr. Lim CH"), aged 51, was appointed as independent non-executive Director on 20 June 2016. Mr. Lim CH is currently the chairman of the remuneration committee and member of each of the audit committee and nomination committee of the Board. Mr. Lim CH graduated from National University of Singapore with a Bachelor of Laws degree in July 1994. He has been practising as an advocate and solicitor of the Supreme Court of Singapore since April 1995. Mr. Lim CH's areas of practice include company and corporate law, contract, tort and shareholders' disputes.

Mr. Jong Voon Hoo (楊文豪) ("Mr. Jong"), aged 48, was appointed as independent non-executive Director on 20 June 2016. He is currently the chairman of the nomination committee and member of each of the audit committee and remuneration committee of the Board. Mr. Jong graduated from Nanyang Technological University in June 1996 with a bachelor's degree in accountancy and is a chartered accountant and member of the Institute of Singapore Chartered Accountants (ISCA). He has more than 20 years of experience in audit, accounting and finance.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Mr. Lim Wee Pin (林偉彬) ("Mr. Lim WP"), aged 48, was appointed as independent non-executive Director on 31 March 2020. Mr. Lim is currently the chairman of the audit committee and member of each of the nomination committee and remuneration committee of the Board. Mr. Lim WP has over 20 years of experience in corporate finance, accounting, financial advisory and project management. Mr. Lim WP obtained a Bachelor of Accountancy from the Nanyang Technological University in Singapore and has been a Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants. Mr. Lim WP is currently a chief finance officer of C. Melchers GmbH & Co. and an independent non-executive director of Snack Empire Holdings Limited (stock code: 1843). He was the chief financial officer of Aalst Chocolate Pte. Ltd. from March 2015 to March 2017, a chief financial (operating) officer of YSQ International Pte. Ltd. from April 2017 to October 2017 and the finance general manager of Crystal SL Global Pte. Ltd. from March 2018 to September 2019.

SENIOR MANAGEMENT

Mr. Ng Meng Choon, Frey (黃盟春) ("Mr. Ng"), aged 48, was appointed as the general manager of the Group's subsidiaries, SAE Agency Pte. Ltd. and SingAsia Resources Pte. Ltd. in November 2010 and August 2014, respectively. He is responsible for managing and overseeing the overall operations of these two subsidiaries. He has more than 20 years of experience in the retail sector. Prior to joining the Group, Mr. Ng was the general manager for numerous major jewelry brands, and also served as the country manager for an established luxury watch retailer in India.

Mr. Wong Swee Fatt (黃永發) ("Mr. Wong"), aged 49, was appointed as the director of operations of TCC Hospitality Resources Pte. Ltd. in January 2008. He is responsible for managing, executing and coordinating the operations of manpower resource deployment to the Group's customers. Mr. Wong completed GCE"N" level in October 1987. Mr. Wong has more than 15 years of experience in hotel management, F&B operations and training in various 5-star hotels.

Mr. Woo Chee Sin (鄔志新) ("Mr. Woo"), aged 50, was appointed as the Group director of people affairs in August 2014. He is responsible for the Group's human resources matters, company policy making and recruitment. His role includes managing, executing and coordinating for all overseas business opportunities for the Group. Mr. Woo has more than 12 years of working experience in both public and private sectors. Prior to joining the Group, Mr. Woo has served the public sector for 10 years and was involved in a wide range of responsibilities and activities such as office operation, customer relations and public affairs.

COMPANY SECRETARY

Mr. Sum Loong (沈龍) ("Mr. Sum"), aged 58, is the company secretary of the Company (the "Company Secretary"). He was appointed on 19 August 2019. Mr. Sum is not engaged as an employee of the Group, but as an external service provider. Mr. Sum graduated from University of Essex with a Bachelor of Laws degree in 1991 and was admitted as a solicitor of the High Court of Hong Kong in 1994, and of the Supreme Court of England and Wales in 1995. He also obtained a law degree in the China University of Political Science and Law in 1999.

COMPLIANCE OFFICER

Mr. Sim Hak Chor is an executive Director and the compliance officer of the Company. His biographical details and professional qualifications are set out on page 12 of this annual report.

CORPORATE GOVERNANCE REPORT

The Board is committed to maintaining a high standard of corporate governance to cultivate a company culture of accountability and integrity, so as to lead to positive performance and a sustainable business while safeguarding the interest of our stakeholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (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 year ended 31 July 2020, except for Code Provision A.2.1 — segregation of the roles of chairman and chief executive officer.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sim Hak Chor ("Mr. Sim") is the chairman of the Board and the chief executive officer of the Company who is primarily responsible for providing leadership to the Board, directing the Group's business development strategies and supervising the overall operation of the Group. The Board believes that with the support of the management and the Board, vesting the roles of both chairman of the Board and the chief executive officer of the Company in Mr. Sim, the founder of the Group, can facilitate the execution of the Group's business strategies and enhance operational effectiveness and efficiency. In addition, the Board is also supervised by three independent non-executive Directors. The Board considers that the present structure adequately ensures the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by Code Provision A.2.1.

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

The Board formulates overall strategies and sets directions for the Group's activities to develop its business and enhance shareholders' value. The Board is also responsible for performing the corporate governance duties as set out in paragraph D.3.1 of the CG Code which includes the following:

1. to develop and review the Group's policies and practices on corporate governance and make recommendations;

2. to review and monitor the training and continuous professional development of the Directors and senior management;

3. to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and

5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

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

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

Board composition

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

Executive Directors:

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

Independent non-executive Directors:

Mr. Lim Cheng Hock, Lawrence[(Note)]
Mr. Jong Voon Hoo[(Note)]
Mr. Lim Wee Pin (appointed on 31 March 2020)[(Note)]

Note: Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Lim Wee Pin are subject to re-election in the forthcoming annual general meeting.

The biographical details of the Directors are set out in the section headed "Directors and Senior Management Profile" on pages 12 and 13 of this annual report.

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

During the year ended 31 July 2020, the Company at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, accounting for at least one-third of the Board, with at least one independent non-executive Director possessing the appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers all the independent non-executive Directors to be independent and meet the requirements set out in Rule 5.09 of the GEM Listing Rules as at the date of this report.

CORPORATE GOVERNANCE REPORT

Directors' attendance at board meetings

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

For the year ended 31 July 2020, the Board held twenty-one board meetings. The annual general meeting of the Company was held on 23 December 2019 (the "2019 AGM").

The attendance record of each Director at the board meetings and the 2019 AGM is set out in the table below:

Directors	**Number of meetings attended/held** *(Note)*	**Attendance of the 2019 AGM**
Executive Directors		
Mr. Sim Hak Chor	21/21	1/1
Ms. Serene Tan	21/21	1/1
Ms. Wang Chunyang (removed on 13 September 2019)	3/9	N/A
Independent non-executive Directors		
Mr. Lim Cheng Hock, Lawrence	21/21	1/1
Mr. Jong Voon Hoo	21/21	1/1
Mr. Chan Fong Kong Francis (resigned on 31 March 2020)	18/20	1/1
Mr. Lim Wee Pin (appointed on 31 March 2020)	1/1	N/A

Note: Attendances of the Directors during the year ended 31 July 2020 were made by reference to the numbers of such meeting(s) held during their respective tenure.

Practice and guidelines of board meetings

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

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

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

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

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

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

Appointment and re-election of Directors

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

Pursuant to the articles of association of the Company (the "Articles of Association"), any Director appointed by the Board as an addition to the existing Board shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting.

In compliance with Code Provision A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Board diversity policy

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

Directors' training and continuing professional development

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

During the year, all Directors have participated in continuous professional development by attending training course/ seminar or reading relevant materials to develop and refresh their knowledge and skills. All Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefings and professional development to Directors will be arranged whenever necessary. All Directors are also encouraged to attend external training courses at the Company's expense.

CORPORATE GOVERNANCE REPORT

The training record of each Director as at 31 July 2020 is as follows:

Directors	Attending seminar or courses/perusal of materials in relation to business or Directors' duties
Executive Directors	
Mr. Sim Hak Chor	Yes
Ms. Serene Tan	Yes
Ms. Wang Chunyang (removed on 13 September 2019)	Yes
Independent non-executive Directors	
Mr. Lim Cheng Hock, Lawrence	Yes
Mr. Jong Voon Hoo	Yes
Mr. Chan Fong Kong Francis (resigned on 31 March 2020)	Yes
Mr. Lim Wee Pin (appointed on 31 March 2020)	Yes

BOARD COMMITTEES

The Board is supported by three Board Committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within their respective terms of reference. Each Board committee has been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit committee

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

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting system, risk management and internal 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.

During the year ended 31 July 2020, the Audit Committee held four meetings to consider and approve the following:

(i) to review the quarterly, half-year and annual financial statements before submission to the Board, with a focus on compliance with accounting standards, the GEM Listing Rules and other requirements in relation to financial reporting;

(ii) to review the internal control review report from the external consultant and to discuss the effectiveness of the risk management and internal control systems throughout the Group, including financial, operational and compliance controls; and

(iii) to review the accounting principles and practices adopted by the Group and other financial reporting matters.

The attendance record of each member of the Audit Committee is as follows:

Audit Committee Members	Number of meetings attended/held
Mr. Lim Wee Pin *(Chairman)* (appointed on 31 March 2020)	1/1
Mr. Chan Fong Kong Francis *(Chairman)* (resigned on 31 March 2020)	3/3
Mr. Lim Cheng Hock, Lawrence	4/4
Mr. Jong Voon Hoo	4/4

The Audit Committee has reviewed the Group's annual results for the year ended 31 July 2020.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the year ended 31 July 2020.

Remuneration committee

The Group established a remuneration committee (the "Remuneration Committee") on 20 June 2016 with written terms of reference in compliance with Code Provision B.1.2 of the CG Code. The Remuneration Committee consists of three independent non-executive Directors and an executive Director, namely Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo, Mr. Lim Wee Pin and Mr. Sim Hak Chor. Mr. Lim Cheng Hock, Lawrence serves as the chairman of the Remuneration Committee.

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

For the year ended 31 July 2020, the Remuneration Committee held two meetings to consider and approve the remuneration of the Directors and senior management.

The attendance record of each member of the Remuneration Committee is as follows:

Remuneration Committee Members	Number of meetings attended/held
Mr. Lim Cheng Hock, Lawrence *(Chairman)*	2/2
Mr. Jong Voon Hoo	2/2
Mr. Sim Hak Chor	2/2
Mr. Chan Fong Kong Francis (resigned on 31 March 2020)	2/2
Mr. Lim Wee Pin (appointed on 31 March 2020)	N/A

CORPORATE GOVERNANCE REPORT

Nomination committee

The Group established a nomination committee (the "Nomination Committee") on 20 June 2016 with written terms of reference in compliance with Code Provision A.5 of the CG Code. The Nomination Committee consists of three independent non-executive Directors and an executive Director, namely Mr. Jong Voon Hoo, Mr. Lim Cheng Hock, Lawrence, Mr. Lim Wee Pin and Mr. Sim Hak Chor. Mr. Jong Voon Hoo serves as the chairman of the Nomination Committee.

The primary functions of the Nomination Committee include (i) reviewing the structure, size and composition of the Board; and (ii) making recommendations to the Board regarding candidates to fill vacancies on the Board.

During the year ended 31 July 2020, the Nomination Committee held two meetings to consider and approve the following:

(i) to review the structure, size and composition of the Board;

(ii) to assess the independence of independent non-executive Directors; and

(iii) to recommend to the Board the Directors to retire and be re-elected at the 2019 AGM.

The attendance record of each member of the Nomination Committee is as follows:

Nomination Committee Members	Number of meetings attended/held
Mr. Jong Voon Hoo *(Chairman)*	2/2
Mr. Lim Cheng Hock, Lawrence	2/2
Mr. Sim Hak Chor	2/2
Mr. Chan Fong Kong Francis (resigned on 31 March 2020)	2/2
Mr. Lim Wee Pin (appointed on 31 March 2020)	N/A

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of Directors' remuneration for the year ended 31 July 2020 are set out in note 10 to the consolidated financial statements.

Pursuant to Code Provision B.1.5 of the CG Code, the remuneration of the members of senior management of the Group (excluding the Directors of the Company), whose particulars are contained in the section headed "Directors and Senior Management Profile" of the annual report, for the year ended 31 July 2020 by band is as follows:

Remuneration band (in HK$)	Number of individuals
Nil to HK$1,000,000 (equivalent to Nil to S$173,600)	3

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage, rather than eliminate, risks of failure in operational systems and achievement of the Group's objectives.

The Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle risks. At the first line of defence, business unit heads are responsible for identifying, assessing and monitoring risks associated with business operations and take measures to mitigate risks in day-to-day operations. The finance department, as the second line of defence, defines rule sets and models, oversees and reports risk management matters to the Board. It ensures that risks are within the acceptable range and that the first line of defence is effective. As the final line of defence, an independent consultant assists the Audit Committee to review the first and second lines of defence. The independent consultant will, through a risk-based approach to their work, provide assurance to the Board and Audit Committee. The Audit Committee assists the Board in providing an independent view of the effectiveness of the risk management and internal control systems.

The Group does not have an in-house internal audit function. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and business of the Group, it would be more cost-effective to appoint an independent third-party internal control consultant to, on an annual basis, review and provide recommendations on improving its internal control system in order to manage business risks and to ensure smooth business operations. During the year ended 31 July 2020, the Group engaged an internal control consultant to undertake a review of the internal control system of the Group. The review covered certain operational procedures. The internal control consultant has reported findings and areas of improvement to the Audit Committee and management of the Company. The Board and the Audit Committee are of the view that there are no material internal control defects noted. All recommendations from the internal control consultant will be properly followed up by the Group to ensure that they are implemented within a reasonable time. The Board and Audit Committee will review the need for an internal audit function on an annual basis.

Accordingly, the Board is of the view that the systems of internal control and risk management are effective and there are no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

Procedures and internal controls for the handling and dissemination of Inside Information

The Group complies with requirements of Securities & Futures Ordinance ("SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

The remuneration paid/payable to the Company's external auditors, HLB Hodgson Impey Cheng Limited, for the year ended 31 July 2020, is set out as follows:

	Fees paid/ payable *S$*
— Audit services	120,702

The amount of fees charged by the auditors generally depends on the scope and volume of the auditor's work.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group in accordance with statutory requirements and applicable accounting standards. As at 31 July 2020, the Board was not aware of any material uncertainties relating to any events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Board has prepared the consolidated financial statements on a going concern basis.

A statement by the external auditors about their reporting responsibilities on the consolidated financial statements of the Group is set out in the section headed "Independent Auditors' Report" of this annual report.

COMPANY SECRETARY

Mr. Sum Loong of Wong Heung Sum & Lawyers, an external service provider, has been engaged by the Company as company secretary since 19 August 2019. His primary contact person at the Company is Ms. Serene Tan, an executive Director of the Company. All members of the Board have access to his advice and services. Mr. Sum has confirmed that he has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

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

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

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

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

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Right to convene extraordinary general meeting

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

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

Right to put forward proposals at general meeting

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

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

Right to make enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at Rooms 911-912, 9/F, Wing On Centre, 111 Connaught Road, Central, Hong Kong. Shareholders may also make enquiries to the Board at the general meeting of the Company. In addition, shareholders can contact Union Registrars Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 July 2020, there had been no significant change in the Company's constitutional documents. The Articles of Association are available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Company believes that maintaining effective communication is crucial to having a deeper understanding of the Company's business and its development among investors. To achieve this goal and increase transparency, the Company will continue to adopt proactive measures to foster better investor relations and communications.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Environmental, Social and Governance (ESG) Report (the "Report") of the Group for the year ended 31 July 2020 covers major environmental and social aspects in accordance with the requirements of the Environmental, Social and Governance Reporting Guide stated in Appendix 20 of the GEM Listing Rules. A separate Corporate Governance Report as set out on pages 14 to 23 of this annual report covers the detailed corporate governance policies of the Group.

Scope of the Report

This Report of the Group covers the principal business operations in Singapore. The Group engages in the provision of manpower outsourcing, recruitment and training services in Singapore, which account for all the revenue of the Group. This Report sets out a holistic view of the Group's ESG performance, including strategic management policies, measures and achievements.

Reporting Principle

In preparing this Report, the Group follows these principles:

Materiality: The Group communicates with different stakeholders on a regular basis, so to better understand ESG-related issues that matter most from stakeholders' perspectives. Meanwhile, the Group is also concerned with ESG developments outside and within the industry, trying to align with available global standards as well as incorporating it into the Group's strategic development planning.

Quantitative: Appendix 20 of the GEM Listing Rules guides the Group to prepare measurable KPIs for performance review. Quantitative information presented in this Report is accompanied by narrative, explanation and comparison wherever applicable. The frequency of publication is once a year.

Balance: The Group upholds this reporting principle to prepare ESG reports and strives to disclose both challenges and opportunities of ESG issues that the Group experienced during the year. Pictures, charts and graphs reflect the actual performances of the Group with appropriate presentation formats so to avoid misleading users.

Consistency: The Group adopts consistent methodologies and retrieves social and environmental KPIs from the Group's internal record system. The Group also refers to Appendix 2: Reporting Guidance on Environmental KPIs as well as Appendix 3: Reporting Guidance on Social KPIs to calculate KPIs, so as to make meaningful comparison over the years.

Review and Approval

The Board has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for identifying and evaluating material ESG-related risks and opportunities of the Group. Besides, it also has to ensure that ESG risk management as well as internal control system are effective, appropriate and are in place. This Report was approved by the Board on 29 October 2020.

ESG WORKING GROUP

The Board takes full responsibility for ESG strategies and reporting. As a result, the Board assigns dedicated management members to oversee ESG strategies, organise environmental activities and review ESG performance periodically. The ESG working group comprises employees from People Affairs department and Finance department. It has been formed since 2017 and directly reports to the Board. The ESG working group helps motivate employees, keep them involved, and create an environmentally responsible and a safe working environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

The Group strongly believes that ESG is a prime mover of creating value for stakeholders. The Group aspires to advance corporate sustainability and social responsibility for all. In doing so, the Group tries to channel all we learned and heard into our business and steer the Group to be an environmentally responsible and sustainable enterprise over time. Primarily, there are two main focuses – environment and social.

Environmental goals:

- Incorporate environmental initiatives into business and operations;
- Reduce the use of energy and waste;
- Cut down greenhouse gas emissions continuously; and
- Enhance waste management.

Social goals:

- Respect employees' right and benefits, advocate equal opportunities;
- Protect employees' health and safety in our workplace;
- Adhere to integrity and work ethics; and
- Value social involvement.

Since the outbreak of the COVID-19 pandemic, the Group has been adhering closely to local outbreak prevention measures and advices, which does not only minimise the risks of spreading, but also caring for our employees and the society where we operate our business. During this time, the Group implemented a work-from-home policy to protect our employees while continuously providing outstanding services to clients. For manpower outsourcing, recruitment, and training services, it is a good tipping point to us and even our customers to embrace the opportunity by adopting an innovative and technological way to deliver services.

The Group, like many other companies in the world, has been experiencing a tough and challenging year. Meanwhile, we realise that there are still many challenges ahead. The Group will continue to uphold its environmental and social goals to operate the business sustainably and also provide value to our stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMMUNICATION WITH STAKEHOLDERS

The Group believes that showing respect for stakeholders' opinions, understanding their expectations and treating them with sincerity will gain their trust and support. Their thoughts could prioritise material ESG issues that matter most for the Group and even for the community; thereby assisting the Group to formulate policies. The key stakeholders of the Group include customers, employees and shareholders. The following are areas of concern of the major stakeholders:

Stakeholder	Rank	Concerned ESG aspects	Communication Channels	The Group's responses
Employees	1 2 3	Health and Safety Benefits and compensation Career development opportunities	Trainings, meetings, performance appraisals	The Group offers safety training to new employees, so to increase their understanding of health and safety measures at work. The Group provides protective equipment for all eligible staff as required by the local laws and regulations.
Shareholders	1 2	Environmental issues Financial performances	Quarterly, interim and annual reports, annual general meetings, announcements, circulars, company website	Due to the business nature, the impact on the environment is minimal. The main environmental impact of the business is the paper usage from business activities as well as the carbon generated in daily operations.
Customers	1	Service quality	Meetings and correspondences	The Group regularly seek feedback from customers on their satisfaction toward the services we provided and will follow up if there is any complaint or unfavourable feedback.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(A) ENVIRONMENTAL ASPECTS

The Group has been taking measures to reduce potential environmental impact from the operations of the Group in terms of emissions, use of resources and green commitment. The Group works diligently to continuously improve environmental performance to comply with stringent national environmental legislation and regulations. During the year, there was no reported instances of breaches of any environmental protection laws and regulations in Singapore.

A1. Emissions

The Group's business relates mainly to the provision of manpower services. The nature of the Group's operations does not result in significant air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Climate-related issues do not have significant impact on the Group's business activities. Our Hong Kong office was closed in 2019; therefore, the overall emissions of the Group during the year was lower than that in the previous reporting year.

Greenhouse Gas (GHG) Emissions

GHG emissions is a crucial indicator to assess environmental performance. However, the Group did not emit a large amount of GHG because of its business nature. The source of GHG emissions of the Group is mainly from purchased electricity used in offices, business travels, and consumption of paper. The specific measures taken to reduce the GHG emissions of Scope 2 — Indirect energy emissions and Scope 3 — All other indirect emissions are in the section headed "**Use of Resources**".

Indicator	**Units**	**Total emissions in 2018/19**	**Total emissions in 2019/20**
Scope 1 — Direct emissions	CO_2e tonnes	12	No motor vehicles
CO_2	kg	11,723	NA
CH_4	kg	9	NA
N_2O	kg	601	NA
Scope 2 — Indirect energy emissions	CO_2e tonnes	127	21.81
Scope 3 — All other indirect emissions	CO_2e tonnes	21	8.71
Business Travel	km	70,926	No business travel due to global lockdowns
Paper disposal (Singapore)	kg	1,746	1,815
Paper disposal (Hong Kong)	kg	75	0
Total GHG emissions (scope 1, 2 and 3)	**CO_2e tonnes**	**160**	**30.52**
Intensity of total GHG emissions	**CO_2e tonnes/employee**	**0.57**	**0.40**

Remark 1: GHG emissions calculation is referring to the latest emission factors and the global warming potential.

Remark 2: A significantly drop in Scope 2 and Scope 3 GHG emissions are mainly due to the global lockdowns.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group realises distanced travel is critical to trigger and worsen climate change. The Group encourages employees to be environmentally responsible citizens while commuting by taking public transport for cross-district travel as much as possible and cycling or walking whenever possible. Also, employees are encouraged to reduce or replace non-essential business trips through utilising electronic means of communication, such as using platform like ZOOM, Microsoft Teams, WhatsApp calls, WeChat calls etc. For necessary trips, the Group recommends employees to select accommodation near the working sites and travelling via a high-speed train is preferred whenever available.

Indicator	Units	Total emissions in 2018/19	Total emissions in 2019/20
Nitrogen Oxides (NOx)	kg	1.014	No motor vehicles
Sulfur Oxides (SOx)	kg	0.072	No motor vehicles
Particulate Matter (PM)	kg	0.075	No motor vehicles

Remark: As a result of the Hong Kong office closure in the year of 2018/19, there were no direct GHG emissions (Scope 1) and air pollutants emissions from motor vehicles in the year of 2019/20. The Group will consider procuring environmentally friendly vehicles if applicable in the future.

Waste Management

Despite a small amount of waste generated from the office-based business, one of the principal concerns of the Group about environmental pollution lies in waste management. Waste reduction at source is the principle of the Group on waste management. As a result, the Group is diligently implementing waste reduction measures. The Group carries out a paperless operation in saving files and communication. Also, over the years, the Group requires employees to print documents in a duplex format and in greyscale; use space efficiency formats to optimise the use of paper and procure equipment or supplies with longer life-span.

Furthermore, the Group advocates 3R (reduce, reuse and recycling) approaches to reduce waste by setting up paper recycling boxes near the printers to encourage employees to reuse single-use paper as much as they can. The office has recycling facilities for glass, aluminium cans, metal and plastics that facilitate recycling. A licensed recycling agent is responsible for handling and treating all recyclable waste. Additionally, clean recycling is essential to ensure recyclables can be recycled to the fullest. The Group follows the steps to recycle wastepaper and waste plastic materials. Also, reusable utensils and crockeries are provided at the office to promote a green lifestyle to employees and visitors.

Looking forward to the future, the Group aspires to eliminate the total number of printed copies of the annual report which is accessible for the public on the website.

Due to our business nature, the Group does not generate a significant amount of hazardous waste. The major non-hazardous waste generated was paper waste. In compliance with the environmental laws and regulations in Singapore, all waste is either sent to incineration, to recycling or landfills and handled by licensed waste collectors. They are bound by the governmental laws such as the *Environmental Public Health Act (EPHA), Code of Practice for General Waste Collectors* and the *Environmental Public Health (Toxic Industrial Waste) Regulations (TIWR)*.

	2018/19		2019/20	
Category of Waste	**Total discharge**	**Intensity**	**Total discharge**	**Intensity**
Non-hazardous waste	0.631 tonnes	0.002 tonnes/ employees	0.340 tonnes	0.004 tonnes/ employees

Remark: The closure of the Hong Kong office and the implementation of the work-from-home policy resulted in a decrease in the total amount of non-hazardous waste generated.

A2. Use of Resources

Energy Consumption

Energy is an indispensable component of the Group's daily operations as well as GHG emissions. Energy is one of the significant aspects, contributing to the Group's ESG performance. As a result, various energy-saving measures are necessary for the office-based business to save energy in order to reduce our carbon footprint and our operating costs, for instance:

- Using energy-efficient lightings and equipment with Energy Label in the office;
- Activating energy-saving mode and disabling standby mode for all electrical appliances;
- Turning off lightings, and equipment during non-office hours;
- Switching off air-conditioners when not in use;
- Maintaining indoor room temperature at 24 to 26 Degree Celsius;
- Closing all windows and doors when air-conditioning is turned on;
- Setting applicable energy targets to monitor energy consumption;
- Disseminating energy-saving message via emails; and
- Placing energy-saving reminders at prominent locations to remind employees to save energy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Type of Energy	2018/19 Total consumption	2018/19 Energy Intensity	2019/20 Total consumption	2019/20 Energy Intensity
Electricity	278,312 kWh	980 kWh/ employee	51,399 kWh	676.30 kWh/ employee
Diesel Oil (Mobile sources)	4,485 Litre	16 Litre/ employee	No motor vehicles	NA

Remark: The main reason for the sharp drop in electricity consumption is the exclusion of electricity used for central air-conditioning for the Group's main office for this year. Our main office moved to a new premise and electricity consumption of centralised air conditioners in the year was included in rental fees. No specific records on electricity consumption generated by air-conditioning for the main office was provided for this year. As a result, the total amount of electricity consumption was lower than the previous year.

Water Consumption

Other than the above, the Group's offices also produce domestic wastewater. The overall water consumption is relatively low. Although water control and management of the main office is fully handled by building management and it is not feasible to install an independent water bill, the Group remains highly attentive to any other possible water-saving measures. The Group encourages our employees to adopt water conservation habits to reduce unnecessary wastage. During the year, there were no difficulties in sourcing water.

Type of Water	2018/19 Total consumption	2018/19 Water Intensity	2019/20 Total consumption	2019/20 Water Intensity
Water consumption	1,539 m^3	5.42 m^3/ employee	82.4 m^3	1.08 m^3/ employee

Remark: The main reason for the sharp drop in water consumption is that the total water consumption of the year only represents the water consumption of one office. The main office moved to a new building, and the water bill was included in the rental fee. No specific water consumption records for the main office are provided for this year. As a result, the total water consumption was lower than the previous year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Packaging Materials

Key performance indicators A2.5 regarding the packaging material used is not reported as the Group does not consume packaging materials in the business. However, the Group received a small amount of packaging from suppliers. As a result, the Group procures office equipment such as stationeries in bulk to minimise the use of packaging materials. Durable and recyclable packaging materials are either reused whenever applicable or recycled by licensed recycling agents.

A3. The Environment and Natural Resources

Green commitment

As an office-based company, the green office is important to demonstrate the environmental commitment of the Group. With this in mind, the Group designs an open office in the workplace not only to facilitate air circulation and reduce demand for air-conditioning but also to lower the consumption of energy. Certainly, facilitating communication among employees is also an added value. Moreover, open office concept maximises the use of natural light, reducing the dependency on energy. The Group will continually assess the environmental risks arising from our business operations, review environmental practices and adopt preventive measures if necessary to reduce such risks and to ensure compliance with environmental protection laws and regulations in Singapore.

(B) SOCIAL ASPECTS

The Group, as a corporate citizen of the community, strives to fulfill its social responsibilities and endeavours to establish a harmonious environment with employees, customers, and the community. The Group cares about the well-being and development of employees, ensures a high standard of service responsibility, maintains a transparent relationship with external parties and contributes to the community.

B1. Employment

Employees are the engine of value creation for the business of the Group. This belief drives the Group diligently to create an engaging, harmonious, fair and safe working environment to support the professional and personal development of employees. The Group strictly follows the employment laws and regulations of Singapore. During the year, there was no case of non-compliance regarding compensation and dismissal, recruitment and promotion, equal opportunities, diversity, as well as discrimination.

Recruitment and promotion

The Group adopts a fair and equal employment and recruitment principle. All job vacancies must go through a standardised and documented recruitment process including job applications, candidates' selection, interviews, approval and job offers. The Group only considers candidates' experiences, abilities and business needs, regardless of gender, marital status, pregnancy, disability, age, family status, race, sexual orientation, religion and nationality. Any forms of discrimination are prohibited. Moreover, the Group adheres to the Employment of Foreign Manpower Act in Singapore when the Group recruits, employs and retains foreign manpower in Singapore.

All employees participate in appraisal to review their performance annually. Talented employees can be promoted or rotated to other positions in accordance with the appraisal result, as well as be eligible to attend relevant training to meet business needs and personal career development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Wages and Dismissal

Given that the Group endlessly strives for enhancement in respect of social responsibility, the Group therefore continuously improves the remuneration package and recruitment process. In return for the hard work of employees, the Group benchmarks salaries against industry norms annually to maintain a competitive remuneration package. The Group also complies with the relevant employment laws and regulations when dismissal takes place.

Benefits and Welfare

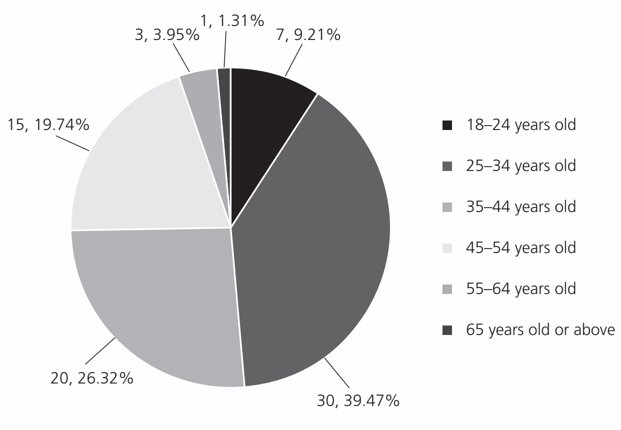
Employees' working hours, rest periods, benefits and welfare including medical insurance, overtime work compensation, retirement benefits through Central Provident Fund, and statutory leave entitlement, are required to comply with employment and labour laws and regulations. Employees of the Group are entitled to various statutory holidays and paid leave which is in full compliance with the Employment Act of Singapore. The Group encourages employees to take sufficient rest to maintain a reasonably sound body and mind while maintaining a work-life balance.

Above all, the Group is committed to becoming a family-friendly employer. It therefore has adopted several family-oriented employment practices to enhance employees' sense of belonging and achieve a work-life balance. For instance, a five-day work-week is in practice in the Group. Special leaves such as examination leave, marriage leave, and compassionate leave are available to employees. Even more, the Group cares and acknowledges the hardship of working mothers; as a result, the working mothers in Singapore are entitled to parental and childcare leave. In addition, recreational activities such as monthly gathering lunch, Christmas lunch and KTV session were also arranged during the year to enrich the life of employees, sharing warmth and happiness among colleagues and their family members.

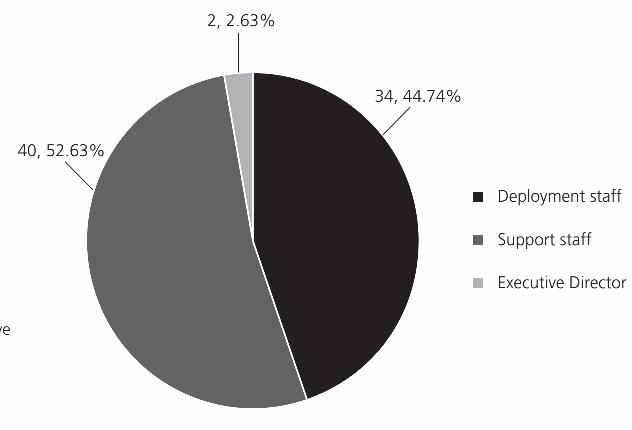
Team structure (as of 31 July 2020)

The Group employs 76 employees, with 29 employees being female and 47 employees being male. All are full-time staff and based in Singapore. The following detailed breakdowns illustrate the total workforce:

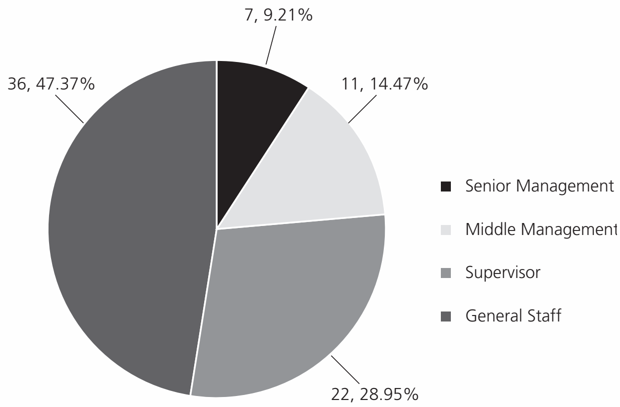
Total workforce by age groups



Total workforce by employee type



Total workforce by employment category



During the year, the monthly average employee turnover rate was 6.25%.

				Turnover rate per total workforce (%)
By gender	No. of people	Male	35	46.05
		Female	22	28.95
By age	No. of people	18–24 years old	21	27.63
		25–34 years old	20	26.32
		35–44 years old	8	10.53
		45–54 years old	1	1.32
		55–64 years old	1	1.32
		65 years old or above	6	7.89

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B2. Health and Safety

The Group remains highly attentive to health and safety. Employee handbook specifies health and safety procedures and policies. All employees have their safety targets, and they are being assessed on a regular basis so to lessen safety hazards. In order to promote occupational health, proper office equipment such as height-adjustable chairs with adjustable armrest and tilting backrest are provided to all employees. The Group ensures the workplace has adequate lightings and ventilation systems are always kept clean and tidy. Safety incidents, if any, will be reported to top management. All full-time employees are entitled to a medical plan, covering out-patient clinical visits as well as dental check-ups.

In addition to offering suitable office equipment and medical plan to take care of employees' physical health, the Group has also shared physical and mental health tips or reminders to employees via emails, online communication platform and phone messages. Due to the pandemic, the Group arranged a Work-from-Home policy to minimise cross-infection risks. Also, the Group provides masks and hand sanitisers for our employees in the office and always reminds them of personal hygiene. All employees are required to measure their body temperature twice per day to ensure the temperature is within an appropriate range and thermometers are available in the office for all employees' usage. The Group encourages employees to stay home if they are ill.

For work-related injuries, the Group will offer immediate support to the injured and launch investigations to examine the root cause of accidents. Corrective actions will be taken to avoid reoccurrence of such accidents.

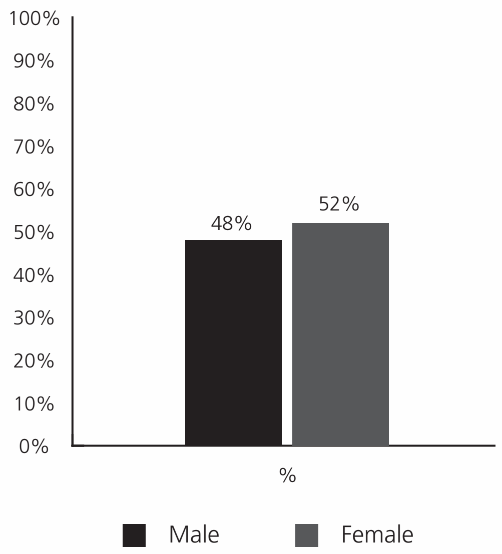
As of 31 July 2020	2019/20 Total	2018/19 Total	2017/18 Total
Number of work-related fatalities (number)	0	0	0
Rate of work-related fatalities (%)	0	0	0
Lost days due to work injury (days)	16	64	0

B3. Development and Training

The Group is devoted to providing adequate training with a full subsidy from the Group to employees, allowing them to be equipped with job-related knowledge and skills corresponding to their job scope from time to time. Training subsidy enables employees to cope with the rapidly changing market and accommodate the market's needs. Training is not limited to internal training courses such as new listing rule requirements, team discussions on specific topics related to industry trends or job skills, but also includes external training such as CPA training, regulatory updates and listing rules, and ESG reporting. Newcomers are required to read through employee handbook to get familiar with the Group's policies and undergo on-the-job training by experienced employees. Also, the Group encourages employees to take part in recognised examinations and join professional bodies. Employees are granted examination and study leave in the pursuit of professional and/or certification examinations. The Group could also sponsor the examination fee if employees pass the examination. During the year, employees received a total of 265 training hours, the percentage of employees trained was 32.90% and the average employee training hours was 10.

Training Distribution:

Total employees trained by gender per total trained employee

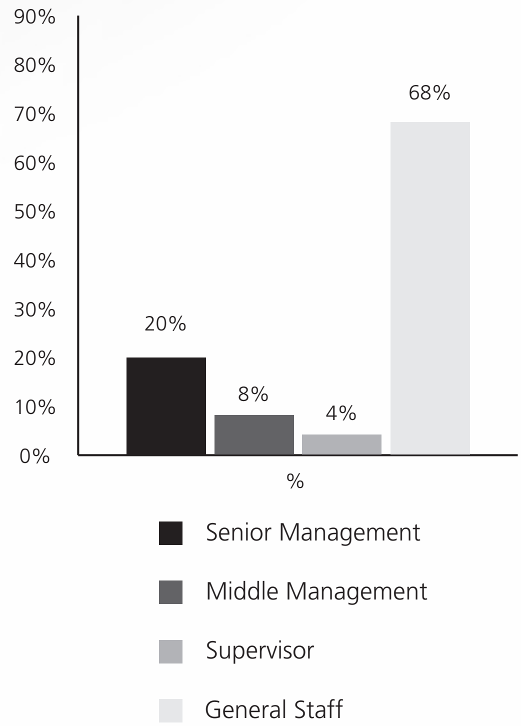


Male: 12 (48%)

Female: 13 (52%)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total employees trained by employment category per total trained employee



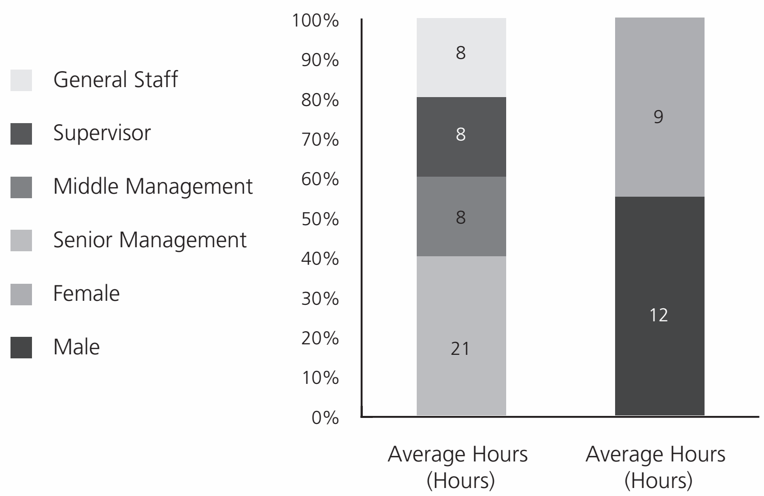
Senior Management: 5 (20%)

Middle Management: 2 (8%)

Supervisor: 1 (4%)

General Staff: 17 (68%)

Average training hours per total trained employees by employment category and gender



B4. Labour Practices

People Affairs department of the Group checks identity card and relevant document of employees and candidates during the recruitment process to ensure the minimum regulatory working age is met. No child labour is allowed. Moreover, all employees will receive a copy of employee handbook which clearly states the policies of the Group, employment guidelines, remuneration package and the Code of Conduct. The Group neither encourages nor forces employees to work overtime and the Group strives to create a fair, respectful and free workplace for employees. Attendance and leave record are useful to ensure working time and rest days of all employees comply with the laws and regulations. For the year ended 31 July 2020, there was no non-compliance incidents about child and forced labour.

B5. Supply Chain Management

Even though the Group does not rely heavily on suppliers to operate businesses, the Group realises supply chain management is vital to ensure service quality. A transparent and fair procurement process has benefits of building a long-term relationship with suppliers, gaining trust and reliability with them, and more importantly, preventing bribery or fraud in the tendering and procurement process. As a result, selection criteria are fundamentally based on product and service quality and prices. Supplier's evaluation is carried out annually to ensure that suppliers' performance meets tender requirements as well as the Group's expectations. Otherwise, the suppliers are being disqualified and removed from the supplier list.

To lead suppliers to great achievements on ESG aspects, the Group gives preference to environmentally responsible suppliers and environmentally friendly products such as paper with FSC logo and other eco-labels. Also, the Group selects suppliers who adopt green policies in their operation. The Group frequently communicates with suppliers to ensure they operate in line with the Group's ESG policy and management. If we discover any of our selected suppliers brings significant negative effects on the environment or community, we will consider ending the collaboration between us. On top of the mentioned policies, the Group facilitates the implementation of green procurement in the office where possible and procure and source general office stationeries and supplies locally for the sake of minimising our environmental impacts as much as we can.

As of 31 July 2020, there were no active suppliers in the Group's daily operation. The Group understands we might have greater cleaning and sterilising needs due to the pandemic; therefore, the Group appointed the property management company of the building to provide cleaning and sterilising services to us. The Group is bound by the procurement process and selection criteria when the Group engages suppliers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B6. Product Responsibility

i. Product Quality

Given the Group's business nature, there are no physical products produced, but the Group renders services and makes conscious efforts to guarantee quality. Suitability of employees is critical to maintain high service quality. As a result, the Group assesses candidate's performance based on ten assessment criteria, including communication skills, attitude, maturity, abilities, etc. Once the job offer is confirmed, the Group ensures the employment complies with local labour laws and checks criminal records, employment history, medical history, and qualifications so to ensure the information provided by candidates are correct and accurate.

We welcome feedback from customers to help us improve our service quality. Operation department is delegated to handle customer enquiries and complaints (if any). Customers can make any comments and feedback related to the services through dedicated service hotline and email. As at 31 July 2020, there was no complaints and no labour disputes and claims regarding services quality. The Group is also delighted to reveal that customers are satisfied with its professionalism and the quality of service.

Moreover, all contracts are reviewed by People Affairs department, Operation department and Finance department to ensure terms and conditions of the contracts. When the Group encounters disputes and grievance, the Group will seeks consultants and external lawyers on advice.

Job advertisement

The Group understands that the accuracy of job advertisement is extremely important for us to recruit suitable candidates. The Group follows the laws and regulations on recruitment advertisements. Prior to recruitment, the Group must have close communication with clients to understand their needs and expectations thoroughly. The Group carefully reviews every advertising material to make sure contents are entirely correct, precise and non-discriminatory. Job centres, social media platforms, internal promotion and employee referral, are frequently used as recruitment channels.

ii. Intellectual Property Rights

The Group does not use any outdated and unauthorised software and uses anti-virus software to prevent data leakage and hackers.

iii. Privacy

Protection of data privacy is pivotal in the business we operate. The Group abides by the Personal Data Protection Act ("PDPA") to take special care of sensitive and personal information. Also, the Group has established a data privacy protection policy to guide employees to handle personal data and standardise the use, collection, and disclosure of the data.

By definition, personal information includes, but is not limited to names, phone numbers, addresses, identification/passport numbers, photos, educational qualifications, employment history, salary information, details of the next-of-kin, spouse, work-related health issues, etc. Data must be collected in a lawful way and directly for recruitment purpose only. All storage and transmission of personal data must be encrypted and with up-to-date antivirus protection. Also, the data shall only be retained for a designated period and specified purposes. The Group takes practicable steps to safeguard the personal data from unauthorised or accidental access, processing, erasure, loss or use by third parties. The Group discloses personal data, both internally and externally on a need-to-know basis.

Personal data policy and practices are known to the public regarding the types of personal data the Group holds and how the data is used. The data can be updated and corrected by the data holders at any time in writing upon request. The Group must be able to provide information on how personal information has been used in the past 12 months upon request.

Only delegated personnel who are well-trained can access to personal data. In Singapore, the Group designates a Data Protection Officer (DPO) and displays his/her business contact information to the data holders for enquiries. Regular data handling training is arranged and scheduled to the DPO to receive latest updates and requirements. Any unlawful and inappropriate actions of individuals are not acceptable in the Group. All suspected and confirmed cases must be reported to the law enforcement agencies. Individuals will be dismissed from the Group if found guilty of any wrongdoings. Meanwhile, the Group must notify clients if their data is being unauthorisedly disclosed, collected or used.

For the year ended 31 July 2020, there were no confirmed non-compliance incidents and complaints about advertising, data privacy and intellectual property rights matters relating to services provided.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B7. Anti-Corruption

The Group is wary of any situation that might tarnish the Group's reputation and trust. Integrity is high on the list of things that we are diligent in maintaining. Rigid laws and regulations on anti-corruption bound the Group. With guidance from the laws and regulations as well as industry standards, the Group sets up anti-corruption policies. The Group has established anti-corruption policies to prohibit employees from receiving any advantages offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties. The Group's policies and attitude against corruption and the code of conduct are communicated clearly to all employees through the employee handbook. Directors also had six hours and employees had eight hours of anti-corruption training to refresh their awareness during the year.

Refresher training is also available to employees in a timely manner to refresh themselves on the laws and regulations as well as to update the latest requirements and with cases sharing. Declaration of interests and whistle-blowing policy are available to employees and customers. They can report any suspected cases to the Board of Directors. The Board of Directors launches an investigation into all reported suspected cases. The audit committee is to supervise the effectiveness of corporate governance performance. The Group will not condone any form of bribery, extortion, fraud and money laundering. The Group has also commissioned with a third-party organisation to review internal controls. During the year, there was no confirmed case or legal cases of bribery, extortion, fraud and money laundering.

B8. Community Investment

The Group is keen on supporting communities in which we operate. Community investment gives the Group advantages to understand the needs of the communities and consider them while organising various types of community activities. The Group also deems community investment neither solely the responsibility of employees nor management, but the responsibility of both management and employees.

- ***Labour Needs***

  The Group endeavours to recruit more residents as workers to not only supports the expansion of the Group's business but also supports the local labour market.

- ***Community Activities***

  The Group encourages employees to be involved in various community activities such as community health initiatives, sports, cultural activities, volunteer work, education and donations.

  The Group understands the significance of community investment and pledges to continue such community activities in the future.

CONCLUSION

In the quest for continuous improvement, the Group will continue to keep abreast on the development of sustainable development and to track the ESG performance and progress regularly. Valuable feedback enables us to improve our performance.

CONTENT INDEX OF ESG REPORTING GUIDE

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
A1	**Emissions**		
A1.1	Types of emissions and respective emissions data	A1. Emissions	
A1.2	Greenhouse gas emissions in total and intensity (if applicable)	A1. Emissions	
A1.3	Total hazardous waste produced and intensity (if applicable)	A1. Emissions	
A1.4	Total non-hazardous waste produced and intensity (if applicable)	A1. Emissions	
A1.5	Description of measures to mitigate emissions and results achieved	A1. Emissions	
A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	A1. Emissions	
A2	**Use of Resources**		
A2.1	Direct and/or indirect energy consumption by type in total and intensity	A2. Use of Resources	
A2.2	Water consumption in total and intensity	A2. Use of Resources	
A2.3	Description of energy use efficiency initiatives and results achieved	A2. Use of Resources	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	A2. Use of Resources	
A2.5	Total packaging material used for finished products and with reference to per unit produced (if applicable)		The Group does not report on this indicator
A3	**The Environment and Natural Resources**		
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	A3. The Environment and Nature Resources	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
B1	**Employment**		
B1.1	Total workforce by gender, employment type, age group and geographical region	B1. Employment	All are full time staff and based in Singapore
B1.2	Employee turnover rate by gender, age group and geographical region	B1. Employment	All are full time staff and based in Singapore
B2	**Health and Safety**		
B2.1	Number and rate of work-related fatalities	B2. Health and Safety	
B2.2	Lost days due to work injury	B2. Health and Safety	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	B2. Health and Safety	
B3	**Development and Training**		
B3.1	The percentage of employees trained by gender and employee category	B3. Development and Training	
B3.2	The average training hours completed per employee by gender and employee category	B3. Development and Training	
B4	**Labour Practices**		
B4.1	Description of measures to review employment practices to avoid child and forced labour	B4. Labour Practices	
B4.2	Description of steps taken to eliminate such practices when discovered	B4. Labour Practices	The Group will work with relevant agencies to assist if necessary.
B5	**Supply Chain Management**		
B5.1	Number of suppliers by geographical region		Due to the business nature, there was no active suppliers.
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	B5. Supply Chain Management	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
B6	**Product Responsibility**		
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons		Due to the business nature, there were no products sold.
B6.2	Number of products and service-related complaints received and how they are dealt with		There was no complaints received during the year.
B6.3	Description of practices relating to observing and protecting intellectual property rights	B6. Product Responsibility	
B6.4	Description of quality assurance process and recall procedures	B6. Product Responsibility	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	B6. Product Responsibility	
B7	**Anti-corruption**		
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the year and the outcomes of the cases		There was no confirmed case or legal cases of bribery, extortion, fraud and money laundering during the year.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	B7. Anti-Corruption	
B8	**Community Investment**		
B8.1	Focus areas of contribution	B8. Community Investment	
B8.2	Resources contributed to the focus area		

REPORT OF THE DIRECTORS

The Board is pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 July 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the activities of its principal subsidiaries are set out in note 16 to the consolidated financial statements. The business of the Group comprises the provision of manpower outsourcing, recruitment and training services. There was no significant change to the Group's principal activities during the year ended 31 July 2020.

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in the section headed "Management Discussion and Analysis" set out on pages 6 to 11 of this annual report. This discussion forms part of this Directors' report.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 July 2020 and the Group's financial position as at that date are set out in the consolidated financial statements on pages 56 to 123.

The Board does not recommend the payment of a final dividend for the year ended 31 July 2020.

SUMMARY FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 124 of this annual report. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company are set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 July 2020 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire shares in, or debentures of, the Company or any other body corporate.

REPORT OF THE DIRECTORS

PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Details of movements in the Group's property, plant and equipment and right-of-use assets during the year ended 31 July 2020 are set out in notes 14 and 15 to the consolidated financial statements.

BANK BORROWINGS

As at 31 July 2020, the Group's bank borrowings comprised of factoring loans and working capital loans as set out in note 24 to the consolidated financial statements.

USE OF PROCEEDS FROM SHARE OFFER

As at 31 July 2020, the Company has fully utilised the net proceeds of approximately HK$26.1 million and HK$12,886,000 raised from the Share Offer and the Subscription. Details of the intended uses and utilised amounts are set out on page 10 of this annual report.

DISTRIBUTABLE RESERVES

The Company did not have reserves available for cash distribution as at 31 July 2020, calculated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as it has accumulated losses. However, the amount of HK$81.5 million (approximately S$14.2 million) included in the Company's share premium account may be distributed as dividends provided that immediately following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH LAWS AND REGULATIONS

Detailed discussion of the Group's environmental policies and performance are in the Environmental, Social and Governance Report as set out on pages 24 to 43 of this annual report. As far as the Directors are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 51.8% of the total sales and sales to the largest customer included therein amounted to 20.6% of the total sales. Due to the nature of the business, the Group has no major suppliers as 99.3% of the direct costs were mainly comprised of labour and related costs.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers during the year ended 31 July 2020.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors of the Company who held office during the year ended 31 July 2020 and up to this report were:

Executive Directors:

Mr. Sim Hak Chor *(Chairman)*
Ms. Serene Tan
Ms. Wang Chunyang *(removed on 13 September 2019)*

Independent non-executive Directors:

Mr. Chan Fong Kong, Francis *(resigned on 31 March 2020)*
Mr. Lim Cheng Hock, Lawrence*(Note)*
Mr. Jong Voon Hoo*(Note)*
Mr. Lim Wee Pin*(Note)* *(appointed on 31 March 2020)*

Note: Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Lim Wee Pin are subject to re-election in the forthcoming annual general meeting.

One-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and re-election at an annual general meeting of the Company in accordance with the Articles of Association, providing that every Director shall be retired at least once every three years.

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

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 12 to 13 of this annual report.

DIRECTORS' SERVICE CONTRACTS

During the year ended 31 July 2020, the executive Directors, Mr. Sim Hak Chor and Ms. Serene Tan have service contracts with the Company for a fixed term of three years commencing from 20 July 2016 and will continue thereafter until terminated by not less than three months' notice in writing sent by either party to the other. Ms. Wang Chunyang was removed pursuant to Article 105(h) of the Company's Article of Association on 13 September 2019. Details of the removal can be found in the Company's announcement dated 13 September 2019.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Mr. Lim Cheng Hock, Lawrence and Mr. Jong Voon Hoo are appointed on 20 July 2016 with an initial term of two years subject to termination in certain circumstances as stipulated in the relevant letters of appointment. Mr. Lim Wee Pin is appointed with an initial term of two years commencing from 31 March 2020 subject to termination in certain circumstances as stipulated in the letter of appointment. The appointments will continue thereafter until terminated by not less than three months' notice in writing sent by either party or the other.

REPORT OF THE DIRECTORS

Pursuant to the Articles of Association, any Director appointed by the Board as an addition to the existing Board shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting.

In compliance with Code Provision A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the Articles of Association, at each general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

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

DIRECTORS' REMUNERATION

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

The remuneration policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. Details of the remuneration of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in note 10 (for the Directors) and note 11 (for the five highest paid individuals) to the consolidated financial statements.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and/or administration of the whole or any substantial part of the Group's business were entered into or existed during the year ended 31 July 2020.

COMPETING INTERESTS

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

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

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, the holding company of the Company, or any of the Company's subsidiaries was a party at any time during or at the end of the year ended 31 July 2020.

As at 31 July 2020, no contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholder of the Company (as defined in the GEM Listing Rules) or any of its subsidiaries.

REPORT OF THE DIRECTORS

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

As at 31 July 2020, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors referred to in Rule 5.48 to Rule 5.67 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares of the Company

		Number of shares held, capacity and nature of interest			
Name of Director	*Note*	**Directly beneficially owned**	**Through controlled corporation**	**Total**	**Percentage of issued share capital**
Mr. Sim Hak Chor	1	—	399,990,000	399,990,000	26.67%

Note:

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

Long positions in ordinary shares of an associated corporation

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

Note:

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

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 July 2020, none of the Directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors referred to in Rule 5.48 to Rule 5.67 of the GEM Listing Rules.

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

As at 31 July 2020, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

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

Save as disclosed above, as at 31 July 2020, the Directors are not aware of any other person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 14 to 23 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") at its extraordinary general meeting on 14 June 2018. Under the Share Option Scheme, the Directors may grant options to any eligible employee, executive or officer including Directors of the Company and its subsidiaries, to subscribe for shares in the Company. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (if any) shall not in aggregate exceed 10% of the total number of shares of the Company in issue as at 14 June 2018, the date of approval of the adoption of the Share Option Scheme. Unless approved by the shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of shares of the Company in issue. Options granted must be taken up within 21 days of the date of offer, upon payment of HK$1 as consideration per grant. The Board may at its absolute discretion impose any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved by the eligible participant before the option can be exercised. The period during which an option may be exercised will be determined by the Directors at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. The exercise price is determined by the Board, and shall be at least the highest of (a) the closing price of the shares on the Stock Exchange's daily quotation sheets on the date an offer is made; (b) the average of the closing prices of the shares on the Stock Exchange for the five business days immediately preceding the date an offer is made; and (c) the nominal value of a share. As at the date of this report, no options have been granted under the Share Option Scheme.

CONNECTED TRANSACTIONS

Saved as disclosed in note 30 to the consolidated financial statements, no other connected transactions were entered by the Group under the GEM Listing Rules. None of these transactions constitute a discloseable connected transaction or continuing connected transaction as defined under Chapter 20 of the GEM Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 July 2020 were audited by HLB Hodgson Impey Cheng Limited, who will retire at the forthcoming annual general meeting, and being eligible, offer itself for re-appointment. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Sim Hak Chor
Chairman and Executive Director

Hong Kong
29 October 2020

INDEPENDENT AUDITORS' REPORT

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

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

OPINION

We have audited the consolidated financial statements of SingAsia Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 123, which comprise the consolidated statement of financial position as at 31 July 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 July 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Assessment of expected credit losses for trade receivables	
Refer to Note 18 and 33(a) to the consolidated financial statements and the accounting policies in Note 3 to the consolidated financial statements.	
As at 31 July 2020, trade receivables of the Group amounted to S$1,206,039 after allowance for expected credit losses of trade receivables of S$11,885. The Group's trade receivable balance was significant as it represented 15.5% of the total assets of the Group. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. Management applied judgement in assessing the expected credit losses. Trade receivables relating to customers that are individually significant are assessed individually for provision for impairment allowance based on the background and reputation of the customer, its historical settlement records and past experience. Expected credit losses are also estimated by grouping the remaining trade receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, considering the nature of the customers and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the trade receivables. The Group has performed historical analysis and identified key economic variables impacting credit risk and expected credit losses. We focused on this area due to the magnitude of the trade receivables and the estimation and judgement involved in determining the expected credit losses allowance of the trade receivables.	Our procedures in relation to the management's impairment assessment of trade receivables included: • Understanding the key controls that the Group has implemented to manage and monitor its credit risk; • Checking, on a sample basis, the ageing profile of the trade receivables as at 31 July 2020 to the underlying financial records and post year-end settlements to bank receipts; • Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management and understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and • Assessing the appropriateness of the expected credit losses provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses. We found that the management judgment and estimates used to assess the recoverability of the trade receivables and determine the impairment provision to be supportable by available evidence.

KEY AUDIT MATTERS (CONTINUED)

Key audit matters	How our audit address the key audit matters
Impairment assessment on goodwill	
Refer to Note 17 to the consolidated financial statements and the accounting policies in Note 3 to the consolidated financial statements.	
The gross carrying amount of the Group's goodwill as at 31 July 2020 was S$886,341 before impairment provision. The management performed impairment assessments of the cash generating units and concluded that impairment loss for provision of manpower outsourcing service business cash generating units of S$886,341 was recognised during the year ended 31 July 2020. The management performs an annual impairment test on the recoverability of the goodwill which is subjective in nature due to judgments having to be made of future performance. The assessment of goodwill performed by the management based on the value in use calculation. The assessment requires the application of significant judgement and estimation by the management in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The valuation is sensitive to underlying assumptions applied by the valuer such as pre-tax discount rates and growth rate used and cash flow projection which can have a significant impact to the valuation. Independent external valuation was obtained in order to support the management's estimation.	Our procedures in relation to the management's impairment assessment of goodwill included: • Evaluating the competence, capabilities and objectivity of the independent external valuer; • Assessing the appropriateness of the valuation methodology, key assumptions and estimates based on our knowledge of relevant industry and using our valuation experts; • Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; • Checking on sample basis, the accuracy and relevance of the input data used. We found the key assumptions made by the management in relation to value in use calculation and the fair value assessment of goodwill to be supportable by the available evidence.

INDEPENDENT AUDITORS' REPORT

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the annual report of the Company, but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Shek Lui.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Shek Lui
Practising Certificate Number: P05895

Hong Kong, 29 October 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 July 2020

	Notes	2020 S$	2019 S$
REVENUE	6	**15,859,749**	22,871,969
Cost of services		**(11,704,389)**	(16,779,894)
Gross profit		**4,155,360**	6,092,075
Other income	7	**2,568,530**	188,426
Net allowance for expected credit loss in respect of trade receivables, contract assets, deposits and other receivables	33(a)	**(45,303)**	(2,064)
Impairment loss on goodwill	17	**(886,341)**	(19,154)
Administrative expenses		**(6,322,302)**	(9,512,273)
Other operating expenses		**(394,094)**	(745,450)
Finance costs	8	**(51,683)**	(37,228)
LOSS BEFORE TAX	9	**(975,833)**	(4,035,668)
Income tax credit/(expense)	12	**40,425**	(67,131)
LOSS FOR THE YEAR		**(935,408)**	(4,102,799)
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**5**	(2,359)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(935,403)**	(4,105,158)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (Singapore cents)	13	**(0.06)**	(0.33)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2020

	Notes	2020 S$	2019 S$
NON-CURRENT ASSETS			
Property, plant and equipment	14	**496,896**	482,533
Right-of-use assets	15	**561,838**	—
Goodwill	17	**—**	886,341
Deferred tax assets	25	**449,249**	402,998
Deposits	20	**—**	84,034
Total non-current assets		**1,507,983**	1,855,906
CURRENT ASSETS			
Trade receivables	18	**1,206,039**	3,289,855
Contract assets	19	**263,362**	371,417
Prepayments, deposits and other receivables	20	**319,520**	855,719
Tax recoverable		**—**	26,441
Cash and cash equivalents	21	**4,469,347**	1,967,918
Total current assets		**6,258,268**	6,511,350
CURRENT LIABILITIES			
Other payables and accruals	22	**1,460,052**	5,255,434
Contract liabilities	19	**20,536**	14,136
Lease liabilities	23	**340,298**	—
Bank borrowings	24	**1,357,806**	—
Tax payable		**8,727**	61,203
Total current liabilities		**3,187,419**	5,330,773
NET CURRENT ASSETS		**3,070,849**	1,180,577
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,578,832**	3,036,483

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2020

	Notes	2020 S$	2019 S$
NON-CURRENT LIABILITY			
Lease liabilities	*23*	**241,132**	—
NET ASSETS		**4,337,700**	3,036,483
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	*26*	**519,800**	433,000
Reserves	*28*	**3,817,900**	2,603,483
TOTAL EQUITY		**4,337,700**	3,036,483

The consolidated financial statements were approved and authorised for issued by Board of Directors on 29 October 2020 and signed on its behalf by:

Sim Hak Chor
Executive Director

Serene Tan
Executive Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 July 2020

	Share capital S$ (Notes 26)	Share premium S$ (Note 28)	Merger reserve S$ (Note 28)	Other reserve S$ (Note28)	Exchange reserve S$ (Notes 28)	Accumulated losses S$	Total equity S$
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 year	—	—	—	—	—	(4,102,799)	(4,102,799)
Other comprehensive expense for the year:							
Exchange differences arising on translation of foreign operations	—	—	—	—	(2,359)	—	(2,359)
Total comprehensive expense for the year	—	—	—	—	(2,359)	(4,102,799)	(4,105,158)
At 31 July 2019 and 1 August 2019	**433,000**	**12,079,017**	**(2,379,552)**	**(4,958)**	**(1,263)**	**(7,089,761)**	**3,036,483**
Loss for the year	**—**	**—**	**—**	**—**	**—**	**(935,408)**	**(935,408)**
Other comprehensive income for the year:							
Exchange differences arising on translation of foreign operations	**—**	**—**	**—**	**—**	**5**	**—**	**5**
Total comprehensive income/(expense) for the year	**—**	**—**	**—**	**—**	**5**	**(935,408)**	**(935,403)**
Issue of new shares *(note 26)*	**86,800**	**2,170,000**	**—**	**—**	**—**	**—**	**2,256,800**
Transaction costs attributable to issue of new shares	**—**	**(20,180)**	**—**	**—**	**—**	**—**	**(20,180)**
At 31 July 2020	**519,800**	**14,228,837**	**(2,379,552)**	**(4,958)**	**(1,258)**	**(8,025,169)**	**4,337,700**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 July 2020

	Notes	2020 S$	2019 S$
OPERATING ACTIVITIES			
Loss before tax		**(975,833)**	(4,035,668)
Adjustments for:			
Depreciation of property, plant and equipment	*9*	**358,837**	568,854
Depreciation of right-of-use assets	*9*	**318,023**	—
Finance costs	*8*	**51,683**	37,228
Write off of property, plant and equipment	*9*	**1,876**	412,410
Unrealised foreign exchange gain		**—**	(7,295)
Net allowances for expected credit losses in respect of trade receivables, contract assets, deposits and other receivables	*33(a)*	**45,303**	2,064
Impairment of goodwill	*9*	**886,341**	19,154
Interest income	*7*	**(4)**	(30)
Operating cash flows before changes in working capital		**686,226**	(3,003,283)
Decrease in trade receivables		**2,091,112**	273,215
Decrease/(increase) in prepayments, deposits and other receivables		**567,420**	(180,999)
Decrease in contract assets		**108,255**	162,666
(Decrease)/increase in other payables and accruals		**(1,362,478)**	656,619
Increase in contract liabilities		**6,400**	4,386
Cash generated from/(used in) operations		**2,096,935**	(2,087,396)
Income tax paid		**(31,861)**	(61,448)
Net cash generated from/(used in) operating activities		**2,065,074**	(2,148,844)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(375,735)**	(543,196)
Proceed on disposal of property, plant and equipment		**646**	—
Interest received		**4**	30
Net cash used in investing activities		**(375,085)**	(543,166)
FINANCING ACTIVITIES			
Proceeds from other loans		**—**	2,433,025
Repayment of other loans		**(2,433,025)**	—
Proceeds from bank borrowings		**5,344,358**	—
Repayment of bank borrowings		**(3,986,552)**	—
Repayment of lease liabilities		**(319,950)**	—
Net proceeds from issuance of ordinary shares		**2,236,620**	—
Interest paid		**(30,164)**	—
Net cash generated from financing activities		**811,287**	2,433,025
NET INCREASES/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,501,276**	(258,985)
Cash and cash equivalents at beginning of year		**1,967,918**	2,225,478
Effect of foreign exchange rate changes		**153**	1,425
CASH AND CASH EQUIVALENTS AT END OF YEAR	*21*	**4,469,347**	1,967,918

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

1. CORPORATE INFORMATION

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

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

The Company is an investment holding company and the principal activities of its subsidiaries (collectively, the "Group") are detailed in Note 16 to the consolidated financial statements.

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

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

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

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

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

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

IFRS 16 Leases

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

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

IFRS 16 Leases (Continued)

Definition of a lease

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

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

As a lessee

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

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

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

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

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

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

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

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

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

IFRS 16 Leases (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied is 3%. The following table reconciles the operating lease commitments as disclosed in Note 29 to the opening balance for lease liabilities recognised as at 1 August 2019:

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

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

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

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

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

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

IFRS 16 Leases (Continued)

As a lessee (Continued)

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

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

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

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

New and amendments to IFRSs in issue but not yet effective

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

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

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 June 2020
3 Effective for annual periods beginning on or after 1 January 2021
4 Effective for annual periods beginning on or after 1 January 2022
5 Effective for annual periods beginning on or after 1 January 2023
6 Business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
7 Effective for annual period beginning on or after a date to be determined

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *"Share-based Payment"*, leasing transactions that are accounted for in accordance with IFRS 16 (since 1 August 2019) or IAS 17 (before applications of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *"Inventories"* or value in use in IAS 36 *"Impairment of Assets"*.

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

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

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

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

The principal accounting policies are set out below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries (Continued)

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss and other comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

In the Company's statement of financial position, which is presented within these notes, an investment in subsidiaries is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policy adopted by the Group.

Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *"Income Taxes"* and IAS 19 *"Employee Benefits"* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *"Share-based Payment"* at the acquisition date;

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequence reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment that are held for use in production or supply of goods or services, or for administrative purposes are stated in the consolidated statements of financial position at cost less accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use and depreciates on the same basis as other property assets.

Depreciation is provided to write off the cost of items of property, plant and equipment, using the straight-line method, over its estimated useful life. The principal annual rates are as follows:

Furniture and fittings	20%
Computers and equipment	20% to 33%
Renovation	20% to 50%
Motor vehicles	20%

The gain or loss on disposal or retirement of an item of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated statement of profit and loss and other comprehensive income.

Impairment on property, plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets with finite useful lives. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any) recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Financial assets

(i) Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised Cost and Interest Income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ("ECL") on investments in debt instruments that are measured at amortised cos and trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets (Continued)

(a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets (Continued)

(a) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,

(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(b) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets (Continued)

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 365 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets (Continued)

(e) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and retention receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities including other payables and accruals, lease liabilities and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts, if any.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The Group recognises revenue from the following major source which was recognised over the terms of the services contracts as the work is performed:

(a) Provision of manpower outsourcing service

Service attributable mainly to Singapore hotel and resort, food and beverage and retail sector in sourcing and employing suitable candidates that match the Company's client job requirement to perform duties under the customers' direct instructions. The customers are usually billed on monthly basis for the service fee calculated based on pre-agreed unit rate per employee. The revenue is recognised on gross basis over time as the customers simultaneously receive and consume the benefits provided by the Group's performance.

(b) Provision of manpower recruitment and training services

Service attributable to Singapore hotel and resort, food and beverage and retail sector in assessing and procuring qualified candidates to be employed in order to suit the Company's clients' business need. The revenue is recognised at point in time when services are rendered.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the currency of Singapore dollars ("S$"), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency of each of the Group's entities using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

— Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of reporting period;

— Income and expenses for each statement of profit or loss and other comprehensive income are translated at average rates;

— All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

— On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;

— On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss;

— On all other partial disposals, which includes partial disposal of associates that do not result in the Group losing significant influence, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset in by equal annual instalments. Government grants in the form of a transfer of non-monetary assets are measured at cost.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

Equity-settled share-based payment transactions

Shares/Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When shares options are exercised, the amount previously recognised in share option reserve will be transferred to share premium.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Share capital

Ordinary shares are classified as equity.

Leases

Definition of a lease (upon application of IFRS 16 in accordance with transitions in Note 2)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in Note 2) Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of carpark that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liabilities is presented as a separate line item in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Leasing (prior to adoption of IFRS 16 on 1 April 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated statement of profit or loss and other comprehensive income.

Rental payable under operating leases are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the terms of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognized as a reduction of rental expense over the lease term on a straight-line basis.

Employee benefits

Short-term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement scheme and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (Continued)

Defined contribution plans

The obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of the parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies: (Continued)

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

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, which are described above, management has made various estimates and judgements which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements are continually evaluated. The key source of estimation uncertainty and accounting judgements, that result in significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year or significantly affect the amounts recognised in the consolidated financial statements are discussed below:

(a) Deferred tax assets

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

The carrying value of deferred tax assets relating to tax losses, excess of tax values over net book values of property, plant and equipment and accruals as at 31 July 2020 was in aggregate of S$449,249 (2019: S$402,998). The amount of unrecognised deferred tax assets relating to tax losses as at 31 July 2020 in aggregate of was S$1,895,201 (2019: S$1,222,736). Further details are contained in Note 25 to the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

(b) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows further impairment loss may arise. As at 31 July 2020, the carrying amount of goodwill is S$nil (2019: S$886,341) (net of accumulated impairment loss of S$905,495 (2019: S$19,154). Details of the recoverable amount calculation are disclosed in Note 17.

(c) Allowance for ECL on trade receivables, contract asset and other financial assets

Trade receivables, contract assets and other financial assets with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses simplified approach to calculate ECL for the trade receivables and contract assets which are individually insignificant. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The simplify approach is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables, contract assets and other financial assets are disclosed in note 33(a).

(d) Useful lives and impairment of property, plant and equipment and right-of-use assets

The management reviews the useful lives and depreciation method of property, plant and equipment and right-of-use assets at the end of each reporting period, through careful consideration with regards to expected usage, wear-and-tear and potential technical obsolescence to usage of the assets.

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined based on the higher of the value in use and fair value less costs of disposal. Value in use is determined using the discounted cash flow method.

5. SEGMENT INFORMATION

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

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

Geographical information

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

Information about major customers

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

6. REVENUE

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

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

Accounting policies for revenue recognition are disclosed in Note 3 to the consolidated financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

7. OTHER INCOME

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

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

8. FINANCE COSTS

	2020	2019
	S$	*S$*
Interest expense on bank borrowings	**30,164**	—
Interest expense on other loans	**—**	37,228
Interest expense on lease liabilities	**21,519**	—
	51,683	37,228

9. LOSS BEFORE TAX

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

	Note	2020 S$	2019 S$
Employee benefits expenses (excluding directors' remuneration *(Note 10)*):			
— Salaries and bonuses		**11,806,790**	18,238,524
— Contributions to defined contribution plans		**1,313,426**	1,758,331
— Foreign worker levy		**655,088**	1,301,743
— Other short-term benefits		**93,825**	122,240
Total employee benefits expenses (excluding directors' remuneration)		**13,869,129**	21,420,838
Depreciation of property, plant and equipment	*14*	**358,837**	568,854
Depreciation of right-of-use assets	*15*	**318,023**	—
Operating lease charges			
— Equipment		**—**	25,200
— Premises		**—**	1,292,381
Expenses relating to short-term lease		**74,040**	—
Auditors' remuneration			
HLB Hodgson Impey Cheng Limited			
— Audit services		**120,702**	122,500
Other auditor			
— Audit services		**—**	40,200
— Non-audit services		**—**	107,890
Written off of property, plant and equipment		**1,876**	412,410
Impairment loss on goodwill		**886,341**	19,154

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

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Year ended 31 July 2020

10. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

Year ended 31 July 2020

	Fee *S$*	Salaries allowance and benefits in kind *S$*	Bonus *S$*	Contributions to defined contribution plans *S$*	Total *S$*
Executive directors					
Mr. Sim Hak Chor	—	367,500	4,375	12,984	384,859
Ms. Serene Tan	—	262,500	3,125	12,771	278,396
Ms. Wang Chunyang (removed on 13 September 2019)	—	11,835	—	1,823	13,658
Independent non-executive directors					
Mr. Chan Fong Kong, Francis (resigned on 31 March 2020)	26,526	—	—	—	26,526
Mr. Lim Cheng Hock, Lawrence	23,750	—	—	—	23,750
Mr. Jong Voon Hoo	23,750	—	—	—	23,750
Mr. Lim Wee Pin (appointed on 31 March 2020)	5,040	—	—	—	5,040
	79,066	641,835	7,500	27,578	755,979

10. DIRECTORS' REMUNERATION (CONTINUED)

Year ended 31 July 2019

	Fee *S$*	Salaries allowance and benefits in kind *S$*	Bonus *S$*	Contributions to defined contribution plans *S$*	Total *S$*
Executive directors					
Mr. Sim Hak Chor	—	325,100	17,500	15,215	357,815
Ms. Serene Tan	—	263,600	12,500	14,365	290,465
Mr. Yeung Chun Sing Standly (resigned on 29 July 2019)	—	153,901	22,373	3,131	179,405
Ms. Wang Chunyang (removed on 13 September 2019)	—	93,933	—	3,131	97,064
Independent non-executive directors					
Mr. Chan Fong Kong, Francis	41,748	—	—	—	41,748
Mr. Lim Cheng Hock, Lawrence	30,000	—	—	—	30,000
Mr. Jong Voon Hoo	30,000	—	—	—	30,000
	101,748	836,534	52,373	35,842	1,026,497

For the years ended 31 July 2020 and 2019, no emoluments were paid by the Group to any of the directors as an inducement to join the Group or upon joining the Group or as compensation for loss of office.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2019: three directors), details of whose remuneration are set out in Note 10 to the consolidated financial statements. Details of the remuneration for the year of the remaining three (2019: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2020 ***S$***	2019 *S$*
Salaries and bonuses	**390,877**	321,875
Contributions to defined contribution plans	**37,287**	26,669
	428,164	348,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

11. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

The emoluments of the above three (2019: two) individuals for the year were within the following bands:

	Number of employees	
	2020	2019
Nil to HK$1,000,000	**3**	1
HK$1,000,001 to HK$1,500,000	**—**	1
	3	2

During the year and in the prior year, no emoluments were paid by the Group to the above three (2019: two) non-director and non-chief executive highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX (CREDIT)/EXPENSE

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

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

The Group considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided since no assessable profit arose in Hong Kong for the years ended 31 July 2020 and 2019.

Singapore Corporate Income Tax has been provided at the rate of 17% (2019: 17%) on the chargeable income arising in Singapore during the year after offsetting any tax losses brought forward.

	2020 ***S$***	2019 *S$*
Current tax:		
Charge for the year	**8,727**	60,480
Over-provision in prior years	**(2,901)**	(28,820)
	5,826	31,660
Deferred tax *(Note 25)*:		
(Credit)/charge for the year	**(46,251)**	35,471
Total tax (credit)/expense for the year	**(40,425)**	67,131

12. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

Reconciliation of tax (credit)/expense

The Group's loss before tax is reconciled to the tax (credit)/expense for the year as follows:

	2020	2019
	S$	*S$*
Loss before tax	**(975,833)**	(4,035,668)
Tax calculated at the tax rate applicable to the relevant tax jurisdictions	**(165,892)**	(686,064)
Over-provision in prior years	**(2,901)**	(28,820)
Expenses not deductible for tax purposes	**457,092**	728,444
Income not subject to tax	**(415,614)**	—
Effect of partial tax exemption	**(26,167)**	(36,620)
Tax rebate	**(2,909)**	(15,120)
Tax losses not recognised	**114,319**	67,647
Utilisation of previously unrecognised tax losses	**(117)**	(5,752)
Others	**1,764**	43,416
Tax (credit)/expense for the year	**(40,425)**	67,131

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

Tax rebate refers to the corporate income tax rebate which allows a 20% corporate income tax rebate capped at S$10,000 per year for the year of assessment 2019; and a 25% corporate income tax rebate capped at S$15,000 per year for the year of assessment 2020.

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

The diluted loss per share is the same as the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 July 2020 and 2019.

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Year ended 31 July 2020

14. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fitting S$	Computers and equipment S$	Renovation S$	Motor vehicle S$	Total S$
Cost:					
At 1 August 2018	25,708	2,327,888	120,085	125,033	2,598,714
Additions	27,221	76,953	709,689	—	813,863
Disposal	—	—	—	(125,033)	(125,033)
Written-off	—	(33,095)	(582,010)	—	(615,105)
Exchange realignment	(81)	(170)	—	—	(251)
At 31 July 2019 and 1 August 2019	52,848	2,371,576	247,764	—	2,672,188
Additions	—	375,735	—	—	375,735
Disposal	—	(19,500)	—	—	(19,500)
Written-off	(1,553)	(3,442)	—	—	(4,995)
Exchange realignment	(10)	(22)	—	—	(32)
At 31 July 2020	**51,285**	**2,724,347**	**247,764**	**—**	**3,023,396**
Accumulated depreciation:					
At 1 August 2018	18,040	1,731,620	96,882	8,337	1,854,879
Charge for the year	4,138	318,325	223,470	22,921	568,854
Disposal	—	—	—	(31,258)	(31,258)
Written-off	—	(13,068)	(189,627)	—	(202,695)
Exchange realignment	(8)	(117)	—	—	(125)
At 31 July 2019 and 1 August 2019	22,170	2,036,760	130,725	—	2,189,655
Charge for the year	7,473	308,804	42,560	—	358,837
Disposals	—	(18,854)	—	—	(18,854)
Written-off	(285)	(2,834)	—	—	(3,119)
Exchange realignment	(2)	(17)	—	—	(19)
At 31 July 2020	**29,356**	**2,323,859**	**173,285**	**—**	**2,526,500**
Net carrying amounts:					
At 31 July 2020	**21,929**	**400,488**	**74,479**	**—**	**496,896**
At 31 July 2019	30,678	334,816	117,039	—	482,533

15. RIGHT-OF-USE ASSETS

	Office equipment *S$*	Leased property *S$*	Total *S$*
Cost:			
As at 1 August 2019	—	853,921	853,921
Additions	25,940	—	25,940
As at 31 July 2020	25,940	853,921	879,861
Accumulated depreciation:			
As at 1 August 2019	—	—	—
Charge for the year	5,188	312,835	318,023
As at 31 July 2020	5,188	312,835	318,023
Net carrying amounts:			
As at 31 July 2020	20,752	541,086	561,838

Lease liabilities of S$581,430 are recognised with related right-of-use assets of S$561,838 as at 31 July 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of total cash outflow of leases for the year ended 31 July 2020 is set out in the consolidated statement of cash flows.

During the current year, the Group leases properties for its operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 July 2020 are as follows:

Name	Place of incorporation/ Principal place of business	Issued share capital	Percentage of equity attributable to the Company Direct %	Percentage of equity attributable to the Company Indirect %	Principal activities
TCC Hospitality Resources Pte. Ltd. ("TCCHR")	Singapore	S$500,000	—	100	Provision of manpower outsourcing services
TCC Manpower Pte. Ltd. ("TCCM")	Singapore	S$20,000	—	100	Provision of manpower outsourcing and recruitment services
TCC Cleaning & Hospitality Services Pte. Ltd. ("TCCCH") (formerly known as Aegis Cleaning & Maintenance Services Pte. Ltd.)	Singapore	S$100,000	—	100	Provision of manpower outsourcing and cleaning services
TCC Education and Consulting Services Pte. Ltd. ("TCCECS")	Singapore	S$1,000	—	100	Provision of manpower training and recruitment services
SAE Agency Pte. Ltd. ("SAE")	Singapore	S$100,000	—	100	Provision of manpower outsourcing and recruitment services
SingAsia Resources Pte. Ltd. ("SAR")	Singapore	S$200,000	—	100	Provision of manpower outsourcing and cleaning services
Aegis Resource Management Pte. Ltd. ("ARM")	Singapore	S$100,000	—	100	Provision of manpower outsourcing and cleaning services
SingAsia Cleaning Services Pte. Ltd	Singapore	S$100,000	—	100	Provision of manpower outsourcing and cleaning services

17. GOODWILL

	S$
Cost:	
At 1 August 2018, 31 July 2019, 1 August 2019 and 31 July 2020	**905,495**
Accumulated impairment losses:	
At 1 August 2018	—
Impairment loss recognised during the year	**(19,154)**
At 31 July 2019 and 1 August 2019	**(19,154)**
Impairment loss recognised during the year	**(886,341)**
At 31 July 2020	**(905,495)**
Net carrying amount:	
As at 31 July 2020	—
As at 31 July 2019	**886,341**

Impairment testing of goodwill

Goodwill arose because the consideration paid for the acquisitions effectively included amount in relation to the benefit from that business combination. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Management assessed the outlook and performance of the Group's cash-generating unit ("CGU") and determined the recoverable amount of this CGU is lower than its carrying amount. Accordingly, a full impairment of S$886,341 was recognised in the consolidated statement of profit or loss for the year ended 31 July 2020.

The carrying amount of goodwill was allocated to the Group's CGUs as follows:

	2020 S$	2019 S$
Manpower outsourcing		
TCCHR and TCCM	—	886,341

17. GOODWILL (CONTINUED)

Manpower outsourcing

The recoverable amounts of the manpower outsourcing CGU have been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the directors. The pre-tax discount rate applied to the cash flow projections for the impairment testing of goodwill as at 31 July 2020 is 14.57% (2019: 13.00%). The growth rate of the projected revenue for the forecasted was prepared based on (i) budgeted revenue for the year ending 31 July 2021 with rate of decline 57.86% due to the significant impact of COVID-19 pandemic; (ii) budgeted revenue for the year ending 31 July 2022 will be recovered to the dropped revenue affect by COVID-19 pandemic on 31 July 2021 (iii) average growth rate is 7.88% per year for the year ending 31 July 2023 to year ended 31 July 2025 to recover the dropped revenue affect by COVID-19 pandemic on 31 July 2020 (2019: 0% growth rate).

The estimated forecasted revenue and growth rate of the CGU was prepared by the management of the Company after considering (i) historical operation data; (ii) budgeted revenue; (iii) market development and (iv) the expected market development in future. The forecast was made after due care and on a prudence basis. The average gross margin applied is 25.9% (2019: 26.0%). The terminal growth rate used in determining the terminal value of the CGUs is 1.5% (2019: 1.0%) and this is within the industry growth rate.

As the recoverable amount of the CGU was calculated to be lower than its carrying amount, an impairment loss on goodwill of amount S$886,341 (2019: S$19,154) was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 July 2020. The impairment loss arose because of management expectations that the decrease in revenue from manpower outsourcing services which was particularly caused by challenging market conditions which was further exacerbated by economic effects of the COVID-19 pandemic and the revenue from manpower outsourcing services are mostly from hospitality sector which is the one of the industries that is most affected by the COVID-19. Thus, goodwill related to the manpower outsourcing CGU has been fully impaired.

Key assumptions

Key assumptions were used in the value in use calculation of the CGUs for the years ended 31 July 2020 and 2019. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

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

Growth rate — The forecasted growth rate is based on past performance and expected future market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit. The values assigned to key assumptions are consistent with external information sources.

18. TRADE RECEIVABLES

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

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

As at 31 July 2020, the trade receivables of amount of S$566,746 (2019: S$Nil) are secured for the factoring loans of the Group (Note 24).

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

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

Details of expected credit loss assessment of trade receivables are set out in Note 33(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

19. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2020 S$	2019 S$
Contract assets:		
Manpower outsourcing service	**263,850**	372,105
Less: Allowance for credit loss	**(488)**	(688)
	263,362	371,417
Contract liabilities:		
Manpower training service	**20,536**	14,136

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

The Group receives certain portion of contract amounts when signing the contracts with customers on rendering manpower training service. The transaction price allocated to these sales is recognised as a contract liability at the time of initial sales transaction, revenue recognised that was included in the contract liabilities balance at the beginning of the year was S$14,136 (2019: S$9,750). The Group considers the advance payments schemes does not contain significant financing component and accordingly the amount of consideration is not adjusted for the effects of the time value of money taking into consideration that the payment terms were not structured primarily for the provision of finance to the Group. The contract liabilities will be recognised as revenue when the Group provided manpower training services.

The balance of contract assets, contact liabilities are expected be recovered/settled within one year.

Details of expected credit loss assessment of the contract assets are set out in Note 33(a).

The following tables shows how much of the revenue recognised related to carried-forward contract liabilities.

	S$
As at 1 August	9,750
Consideration received from customers	14,136
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(9,750)
As at 31 July 2019 and 1 August 2019	14,136
Consideration received from customers	20,536
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(14,136)
As at 31 July 2020	**20,536**

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020 S$	2019 S$
Current:		
Deposits	**200,180**	429,205
Other receivables	**124,329**	116,844
Prepayments	**48,311**	310,037
Less: Allowance for credit losses	**(53,300)**	(367)
	319,520	855,719
Analysis as:		
Non-current	—	84,034
Current	**319,520**	855,719
	319,520	939,753

The financial assets included in the net balances relate to receivables for which there was no recent history of default.

Details of expected credit loss assessment of the deposits and other receivables are set out in Note 33(a).

21. CASH AND CASH EQUIVALENTS

	2020 S$	2019 S$
Cash at bank and on hand	**4,469,347**	1,967,918

Cash at banks earns interest at floating rates based on daily bank deposit rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

21. CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation of liabilities arising from financial activities.

	Bank borrowings *S$*	Other loans *S$*	Lease liabilities *S$*	Total *S$*
As at 1 August 2018	—	—	—	—
Change from financing cash flow:				
Proceeds from other loans	—	2,433,025	—	2,433,025
As at 31 July 2019	—	2,433,025	—	2,433,025
Impact on adoption of IFRS 16 *(Note 2)*	—	—	853,921	853,921
As at 1 August 2019	—	2,433,025	853,921	3,286,946
Change from financing cash flow:				
Repayment of other loans	—	(2,433,025)	—	(2,433,025)
Proceeds from bank borrowings	5,344,358	—	—	5,344,358
Repayment of bank borrowings	(3,986,552)	—	—	(3,986,552)
Repayment of lease liabilities	—	—	(319,950)	(319,950)
Interest paid	(30,164)	—	—	(30,164)
Total changes from financing cash flows	1,327,642	(2,433,025)	(319,950)	(1,425,333)
Other changes:				
New lease entered	—	—	25,940	25,940
Interest expenses	30,164	—	21,519	51,683
Total other changes	30,164	—	47,459	77,623
As at 31 July 2020	**1,357,806**	**—**	**581,430**	**1,939,236**

22. OTHER PAYABLES AND ACCRUALS

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

23. LEASE LIABILITIES

	2020 S$
Minimum lease payments due:	
— within one year	325,211
— more than one year but not more than two year	272,324
— more than two years but not later than five year	—
— more than five year	—
	597,535
Less: future finance charges	(16,105)
Present value of lease liabilities	581,430
Less: Amount due for settlement with 12 months shown under current liabilities	(340,298)
Amount due for settlement after 12 months shown under non-current liabilities	241,132

The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 August 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Comparative information as at 31 July 2019 has not been restated. Further details on the impact of the transition to IFRS 16 are set out in Note 2.

24. BANK BORROWINGS

	2020 S$	2019 S$
Secured bank loans	1,052,953	—
Secured factoring loans	304,853	—
	1,357,806	—

24. BANK BORROWINGS (CONTINUED)

The carrying amounts of secured bank loans and secured factoring loans that contain a repayment on demand clause but repayable:*

	2020 S$	2019 S$
Within one year	500,520	—
Within a period of more than one year but not exceeding two years	206,676	—
Within a period of more than two years but not exceeding five years	650,610	—
	1,357,806	—
Less:		
Amounts due within one year shown under current liabilities with repayment on demand clause	(500,520)	—
Amounts due over one year shown under current liabilities with repayment on demand clause	(857,286)	—
Amounts shown under non-current liabilities	—	—

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 31 July 2020, the secured factoring loans of amount of S$304,853 (2019: S$Nil) are payable on demand and secured over certain trade receivables of the Group (Note 18) and corporate guarantee by the Company. The directors of the Company consider that the financial guarantee liabilities to the Company was insignificant. The effective interest rate per annum of the factoring loans is 5%. The interest rate was fixed.

As at 31 July 2020, the secured bank loans of amount S$1,052,953 (2019: S$Nil) are secured by corporate guarantee by the Company. The directors of the Company consider that the financial guarantee liabilities to the Company was insignificant. The effective interest rate of the secured bank loans is 6.5% per annum with repayment period of five year. The interest rate was fixed.

25. DEFERRED TAX ASSETS

The components of deferred tax assets and the movements during the year is as follows:

	Excess of tax values over net book values of property, plant and equipment S$	Tax losses S$	Accruals S$	Total S$
At 1 August 2018	428,689	—	9,780	438,469
(Charged)/credited to profit or loss during the year *(Note 12)*	(43,334)	—	7,863	(35,471)
At 31 July 2019 and 1 August 2019	385,355	—	17,643	402,998
Credited/(charged) to profit or loss during the year *(Note 12)*	50,209	5,113	(9,071)	46,251
At 31 July 2020	**435,564**	**5,113**	**8,572**	**449,249**

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Year ended 31 July 2020

25. DEFERRED TAX ASSETS (CONTINUED)

At the end of the reporting period, the Group has unused tax losses of S$1,925,277 (2019: S$1,222,736) available for offset against future profits. A deferred tax asset has been recognised in respect of S$30,076 (2019: S$Nil) of such losses. No deferred tax asset has been recognised in respect of the unutilised tax losses of S$1,895,201 (2019: S$1,222,736) as at 31 July 2020 that due to the unpredictability of future profit streams.

26. SHARE CAPITAL

	2020			2019		
	Number of shares	*HK$*	*Equivalent to S$*	*Number of shares*	*HK$*	*Equivalent to S$*
Authorised ordinary shares of HK$0.002 each:						
At 1 August 2018, 31 July 2019, 1 August 2019 and 31 July 2020	**25,000,000,000**	**50,000,000**		25,000,000,000	50,000,000	
Issued and fully paid:						
At 1 August 2018, 31 July 2019 and 1 August 2019	**1,250,000,000**	**2,500,000**	**433,000**	1,250,000,000	2,500,000	433,000
Issuance of ordinary shares on 25 October 2019 *(note a)*	**250,000,000**	**500,000**	**86,800**	—	—	—
At the end of year	**1,500,000,000**	**3,000,000**	**519,800**	1,250,000,000	2,500,000	433,000

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

The completion of the Subscription took place on 25 October 2019. An aggregate of 250,000,000 new ordinary shares of the Company of par value of HK$0.002 each (the "Shares"), representing approximately 16.67% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the Subscription Shares, were allotted and issued to the Subscriber at the Subscription price of HK$0.052 per Subscription share. The gross proceeds from the Subscription amounted to HK$13,000,000 (approximately S$2,256,800) and the net proceeds amounted to approximately HK$12,886,000 (approximately S$2,237,000) after deducting transaction costs.

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

27. DIVIDENDS

No dividends have been declared or paid during the year ended 31 July 2020 (2019: Nil).

28. RESERVES

(i) Share premium

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

(ii) Merger reserve

Merger reserve represents the difference between the underlying net assets of the subsidiaries which was acquired by the Group pursuant to the reorganisation for rationalising the corporate structure in preparation for the initial listing of the Company's shares on GEM of the Stock Exchange in 2016 (the "Reorganisation") and the total par value and share premium amount of the shares issued. Prior to the Reorganisation, merger reserve represented the aggregate issued paid-up capital of the subsidiaries now comprising the Group.

(iii) Other reserve

The other reserve has been set up to deal with the changes in ownership interests in subsidiaries that do not result in a loss of control. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised in other reserve.

(iv) Exchange reserve

Exchange reserve has been set up and is dealt with the accounting policies adopted for foreign currency translation as set out in Note 3 to the consolidated financial statements.

29. OPERATING LEASE COMMITMENTS

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

At 31 July 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2019 *S$*
Within one year	1,089,304
In the second to fifth years, inclusive	547,092
Over five years	—
	1,636,396

The Group is the lessee in respect of a number of offices premises which were previously classified as operating leases under IAS 17. The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 August 2019 to recognise lease liabilities relating to these leases (Note 2). From 1 August 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 3, and the details regarding the Group's future lease payments are disclosure in Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

30. MATERIAL RELATED PARTY TRANSACTION AND CONNECTED TRANSACTION

(a) In addition to the related party information disclosed elsewhere in these consolidated financial statements, the following transactions between the Group and its related parties took place on terms agreed between the parties during the years ended 31 July 2020 and 2019:

Compensation of key management personnel

	2020	2019
	S$	*S$*
Salaries and bonuses	**1,040,211**	1,324,345
Contributions to defined contribution plans	**64,865**	75,524
	1,105,076	1,399,869

Further details of directors' remuneration are included in Note 10 to the consolidated financial statements.

(b) Transaction with connected party

	2020	2019
	S$	*S$*
Expense relating to advertising service provided by shareholder	**170,877**	N/A

The Group had entered into an advertising service transaction with an independent third party which, upon subscription of shares in the Company on 25 October 2019, subsequently became connected person under Chapter 20 of the GEM Listing Rules. This transaction constituted as a connected transaction but was exempt from the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules due to de minimis, and the transaction was completed on 24 June 2020.

31. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2020 *S$*	2019 *S$*
Financial assets		
Measured at amortised cost:		
Trade receivables	**1,206,039**	3,289,855
Deposits and other receivables	**271,209**	629,716
Cash and cash equivalents	**4,469,347**	1,967,918
	5,946,595	5,887,489
Financial liabilities		
Measured at amortised cost:		
Other payables and accruals	**1,311,942**	4,924,268
Lease liabilities	**581,430**	—
Bank borrowings	**1,357,806**	—
	3,251,178	4,924,268

32. FAIR VALUE

Management has assessed that the fair value of trade receivables, deposits and other receivables, cash and cash equivalents, other payables and accruals, lease liabilities and bank borrowings approximate to their carrying amounts.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk and impairment assessment

The credit risk of the Group mainly arises from bank balances, trade and other receivables and deposits and contract assets. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 31 July 2020 and 2019.

In respect of the other receivables and deposits, the credit quality has been assessed by general approach with reference to historical information about the counterparties default rate range from 0.3%–100% (2019: 0.03%–0.3%) and financial position of the counterparties. The Group recognised the allowance for expected credit losses by assessing the credit risk characteristics of other receivables and deposits, discount rate and the likelihood of recovery and considering the prevailing economic conditions. During the year end 31 July 2020, the Group net provision of the allowance for the expected credit loss related to the other receivables and deposits was amount of S$52,799 (2019: net reversal of allowance for the expected credit loss: S$53).

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience. Majority of the Group's revenue is received from individual customers in relation to manpower outsourcing, recruitment and training service. The Group's trade receivables and contract assets arise from manpower outsourcing,recruitment and training service. As at 31 July 2020, the top three debtors accounted for approximately 52.2% (2019: 37.8%) of the Group's trade receivables balance. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these debtors saved for the debtor related to the impaired trade receivables disclosed in the below.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk and impairment assessment (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

As at 31 July 2020

Trade receivables credit risk assessment	Expected loss rate %	Gross carrying amount S$	Loss allowance S$
Current (not past due)	0.19	753,259	1,393
1–30 days past due	0.26	41,120	105
31–60 days past due	0.79	45,092	358
Over 60 days past due	2.65	378,453	10,029
		1,217,924	11,885

Contract assets credit risk assessment	Expected loss rate %	Gross carrying amount S$	Loss allowance S$
Current (not past due)	0.19	263,850	488

As at 31 July 2019

Trade receivables credit risk assessment	Expected loss rate %	Gross carrying amount S$	Loss allowance S$
Current (not past due)	0.18	1,855,378	3,432
1–30 days past due	0.26	743,897	1,899
31–60 days past due	0.79	267,060	2,119
Over 60 days past due	2.65	442,701	11,731
		3,309,036	19,181

Contract assets credit risk assessment	Expected loss rate %	Gross carrying amount S$	Loss allowance S$
Current (not past due)	0.18	372,105	688

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk and impairment assessment (Continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 2 year past due.

Expected credit loss on trade receivables are presented as net allowance for expected credit loss within operating profit. Subsequent recoveries of amounts previously written off are credited to profit/loss.

The closing allowances for expected credit losses of trade receivables, contract assets and deposits and other receivables at amortised cost as at 31 July 2020 reconcile to the opening allowances for expected credit losses as follows:

	Trade receivables Lifetime ECL (not credit-impaired)	Trade receivables Lifetime ECL (credit-impaired)	Contract assets	Deposits and other receivables	Total
	S$	*S$*	*S$*	*S$*	*S$*
As at 31 July 2019	17,999	117,424	889	554	136,866
Provision/(reversal) of allowance for expected credit losses during the year, net	1,182	1,136	(201)	(53)	2,064
Written off as uncollectable	—	(118,560)	—	—	(118,560)
As at 1 August 2019	19,181	—	688	501	20,370
Provision/(reversal) of allowance for expected credit losses during the year, net	(7,296)	—	(200)	52,799	45,303
As at 31 July 2020	**11,885**	**—**	**488**	**53,300**	**65,673**

Allowance for expected credit losses of trade receivables, contract assets and deposits and other receivables are presented as net allowance for expected credit losses within operating profit. Subsequent recoveries of amounts previously written off are credited to profit/loss.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

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

The following tables detail Group's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities which are the earliest dates of the Group can be required to pay. The tables include both interest and principal cash flows.

	Weight average effective interest rate	**On demand or within 1 year**	**Over 1 year**	**Total undiscounted cash flow**	**Carrying amount**
	%	*S$*	*S$*	*S$*	*S$*
As at 31 July 2020					
Other payables and accruals	**—**	**1,311,942**	**—**	**1,311,942**	**1,311,942**
Lease liabilities	**3.0**	**325,211**	**272,324**	**597,535**	**581,430**
Bank borrowing	**6.17**	**1,364,856**	**—**	**1,364,856**	**1,357,806**
		3,002,009	**272,324**	**3,274,333**	**3,251,178**

	Weight average effective interest rate	On demand or within 1 year	Over 1 year	Total undiscounted cash flow	Carrying amount
	%	*S$*	*S$*	*S$*	*S$*
As at 31 July 2019					
Other payables and accruals	—	2,491,243	—	2,491,243	2,491,243
Other loans	3.0	2,506,016	—	2,506,016	2,433,025
		4,997,259	—	4,997,259	4,924,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Bank borrowing with a repayment on demand clause are included in the "on demand or within one year" time band in the above maturity analysis. As at 31 July 2020, the aggregate carrying amounts of these bank borrowing amounted to S$1,357,806 (2019: Nil). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowing will be repaid five year after the end of the reporting period in accordance with the scheduled repayment dates set out in the borrowing agreements, details of which are set out in the table below:

Maturity Analysis — Bank borrowing with a repayment on demand clause based on scheduled repayments:

	Less than 1 year S$	1 to 2 year S$	2 to 5 year S$	Over 5 years S$	Total undiscounted cash outflow S$	Carrying amount S$
At 31 July 2020	**578,384**	**258,288**	**710,158**	—	**1,546,830**	**1,357,806**

(c) Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The main operations of the Group were in Singapore and most of the transactions were denominated in Singapore dollar. Foreign exchange risk arises from the foreign currency denominated of commercial transactions, assets and liabilities. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency as the functional currency of each entity of the Group.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(d) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (Note 24) and lease liabilities (Note 23). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 21). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group aims at keeping borrowings at fixed rates. The management will review the proportion of borrowings in fixed rates and ensure they are within reasonable range.

The directors consider the impact of the bank balances that were exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

34. CAPITAL MANAGEMENT

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

The Group's objectives for managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to the shareholders, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or procedures for capital management for the years ended 31 July 2020 and 2019.

The capital structure of the Group consists of net debt, which includes other payables and accruals, lease liabilities and bank borrowing less cash and cash equivalents, and equity attributable to owners of the Company.

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

The gearing ratio at the end of the reporting period was as follow:

	2020 *S$*	2019 *S$*
Other payables and accruals	**1,460,052**	5,255,434
Lease liabilities	**581,430**	—
Bank borrowings	**1,357,806**	—
Less: Cash and cash equivalents	**(4,469,347)**	(1,967,918)
Net (asset)/debt	**(1,070,059)**	3,287,516
Equity	**4,337,700**	3,036,483
Net debt to equity ratio	**N/A**	1.08

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2020 S$	2019 S$
NON-CURRENT ASSET			
Investments in subsidiaries		**4,036,276**	4,036,276
CURRENT ASSETS			
Prepayments, deposits and other receivables		**81,201**	477,595
Amounts due from subsidiaries		**14,836**	369,694
Cash and cash equivalents		**4,340**	1,178
Total current assets		**100,377**	848,467
CURRENT LIABILITIES			
Other payables and accruals		**394,011**	3,694,088
Amounts due to subsidiaries		**2,096,846**	109,487
Total current liabilities		**2,490,857**	3,803,575
NET CURRENT LIABILITIES		**(2,390,480)**	(2,955,108)
NET ASSETS		**1,645,796**	1,081,168
EQUITY			
Share capital	*26*	**519,800**	433,000
Share premium	*28*	**14,228,837**	12,079,017
Accumulated losses		**(13,102,841)**	(11,430,849)
TOTAL EQUITY		**1,645,796**	1,081,168

Note:

A Summary of the Company's reserves is as follows:

	Share premium S$ (Note 28)	Accumulated losses S$	Total S$
As at 1 August 2018	12,079,017	(6,657,530)	5,421,487
Loss and total comprehensive loss for the year	—	(4,773,319)	(4,773,319)
As at 31 July 2019 and 1 August 2019	12,079,017	(11,430,849)	648,168
Issue of new shares	2,170,000	—	2,170,000
Transaction costs attributable to issue of new shares	(20,180)	—	(20,180)
Loss and total comprehensive loss for the year	—	(1,671,992)	(1,671,992)
As at 31 July 2020	**14,228,837**	**(13,102,841)**	**1,125,996**

36. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 14 June 2018. The purpose of the Scheme is to enable the Company to grant options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Company.

Participants include full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group or any person who, in the sole discretion of the board of directors or a duly authorised committee, has contributed or may contribute to the Group.

The directors may, at their discretion, invite any participant to take up options. Options may be granted to participants under the Scheme during the period of 10 years commencing on the effective date of the Scheme. An option is deemed to have been granted and accepted by the grantee upon the duplicate letter comprising acceptance of the option duly signed by the grantee and paying HK$1 by way of consideration for the grant thereof.

Any grant of options to a connected person (including but not limited to a director or substantial shareholder) or its associates must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the GEM Listing Rules) of the Company or an independent non-executive director or their respective associates and if such grant would result in the total number of shares issued and to be issued upon exercise of the options granted and to be granted (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total issued shares and having an aggregate value, based on the closing price of these securities at the date of each grant, in excess of HK$5 million, then the proposed grant must be subject to the approval of shareholders taken on a poll in a general meeting. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting.

The subscription price of the share options will be determined by the board and shall not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer for the grant of the relevant option (the "Offer Date"), which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the Offer Date; and (c) the nominal value of a share on the Offer Date.

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time. The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 125,000,000 shares of the Company, being 10% of the total number of shares of the Company in issue as at the date of approval of the Scheme unless shareholders' approval has been obtained. An option may be exercised during a period to be determined by the directors in their absolute discretion and in any event such period shall not be later than 10 years after the date of grant of the option.

36. SHARE OPTION SCHEME (CONTINUED)

The maximum entitlement for any participant is that the total number of shares issued and to be issued upon exercise of the options granted to each participant under the Scheme in any 12-month period shall not exceed 1 percent of the total number of shares in issue of the Company. Any further grant of options in excess of the 1 percent limit shall be subject to certain requirements provided under the GEM Listing Rules.

The summary of the principal terms of the Scheme is disclosed in the Company's circular dated 18 May 2018. No share option has been granted under the Scheme since its adoption.

37. LITIGATION

HCSD 36/2019 and HCCW 257/2019

(a) HCSD 36/2019

This is an application commenced by the Company to set aside the statutory demand issued by Liu Zinsheng (劉新生), also known as Liu Xinsheng ("Liu") on 25 July 2019. This application has been withdrawn pursuant to the Order of Deputy High Court Judge MK Liu on 17 September 2019.

(b) HCCW 257/2019

This is a winding up petition by Liu against the Company made on 28 August 2019 (the "Winding Up Petition"). In the said petition, Liu claims against the Company for a debt in the sum of HK$12,000,000. The Winding Up Petition was fixed to be heard on 23 October 2019. At the hearing on 23 October 2019, the parties informed the Court that the parties were having settlement negotiation and, to facilitate the settlement arrangement, the Court adjourned the hearing to 11 November 2019. On 30 October 2019, a solicitors' cheque of HK$12,000,000 was delivered to the solicitors acting for Liu for the payment of the settlement sum through its solicitors.

On 5 November 2019, the Court approved a consent summons that leave be granted to Mr. Liu to withdraw Liu's Petition against the Company with no order as to costs.

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

37. LITIGATION (CONTINUED)

HCA1381/2019

This is an application commenced by Perfect Win Properties Limited, landlord of the Company's office at Lee Garden One (the "Premises"), on 30 July 2019 for, inter alia, vacant possession of the Premises, the sum of HK$914,077, interest, rent and/or mesne profit at the rate of HK$386,492.50 per month from 1 August 2019 to the date when vacant possession of the Premises is delivered up, operating charges at the rate of HK$45,382 per month from 1 August 2019 to the date when vacant possession of the Premises is delivered up, provisional government rates at the rate of HK$19,325 per month from 1 August 2019 to the date when vacant possession of the Premises is delivered up, damages for the Company's breach of the lease to be assessed and other reliefs. The parties have already reached a full and final settlement with the landlord and pursuant to the settlement, the full settlement sum of HK$2,269,961.50 (after offsetting the deposit in the sum of HK$1,790,834) had been made to the landlord through its solicitors on 4 October 2019.

Reference is made to the announcement of the Company dated 15 August 2019.

HCCW 236/2019

This is a winding up petition by K W Nelson Interior Design and Contracting Limited against the Company made on 8 August 2019. The parties have already reached a settlement and the winding-up petition has been withdrawn pursuant to the Order made by Master J Wong on 20 September 2019.

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

38. EVENTS AFTER REPORTING PERIOD

Outbreak on Novel Coronavirus ("COVID-19")

Since early 2020, the COVID-19 pandemic has rapidly spread across the world and severely disrupted global economic activities. The directors consider that the Group have sufficient liquidity to sustain operations and to ride through the crisis. The Group will closely monitor the development of the COVID-19 and continue to evaluate its impact on the financial position and operating results of the Group.

39. COMPARATIVE FIGURES

The Group has initially applied IFRS 16 at 1 August 2019. Under the transition methods, comparative information is not restated.

FIVE YEAR FINANCIAL SUMMARY

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

RESULTS

	Year ended 31 July				
	2020	2019	2018	2017	2016
	S$	*S$*	*S$*	*S$*	*S$*
RESULTS					
REVENUE	**15,859,749**	22,871,969	20,295,350	18,654,727	20,833,182
Cost of services	**(11,704,389)**	(16,779,894)	(14,443,002)	(12,770,833)	(13,909,372)
Gross profit	**4,155,360**	6,092,075	5,852,348	5,883,894	6,923,810
Other income and gains	**2,568,530**	188,426	152,865	223,920	333,337
Net provision of impairment loss	**(45,303)**	(2,064)	—	—	—
Impairment loss on goodwill	**(886,341)**	(19,154)	—	—	—
Administrative expenses	**(6,322,302)**	(9,512,273)	(8,376,838)	(6,539,173)	(5,070,557)
Other operating expenses	**(394,094)**	(745,450)	(729,194)	(460,724)	(3,502,072)
Finance costs	**(51,683)**	(37,228)	—	(5,608)	(46,685)
LOSS BEFORE TAX	**(975,833)**	(4,035,668)	(3,100,819)	(897,691)	(1,362,167)
Income tax credit/(expense)	**40,425**	(67,131)	16,773	279,179	65,006
LOSS FOR THE YEAR	**(935,408)**	(4,102,799)	(3,084,046)	(618,512)	(1,297,161)
Attributable to:					
Owners of the Company	**(935,408)**	(4,102,799)	(3,084,046)	(618,270)	(1,297,161)
Non-controlling interests	**—**	—	—	(242)	—
	(935,408)	(4,102,799)	(3,084,046)	(618,512)	(1,297,161)

	As at 31 July				
	2020	2019	2018	2017	2016
	S$	*S$*	*S$*	*S$*	*S$*
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**7,766,251**	8,367,256	9,318,129	12,153,421	13,261,766
TOTAL LIABILITIES	**(3,428,551)**	(5,330,773)	(2,157,046)	(1,909,764)	(2,394,505)
NON-CONTROLLING INTERESTS	**—**	—	—	—	—
	4,337,700	3,036,483	7,161,083	10,243,657	10,867,261