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SINGASIA HOLDINGS LIMITED

星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 JULY 2022

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

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

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

This announcement, for which the directors (the "Directors") of SingAsia Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

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

* For identification purposes only

HIGHLIGHTS

- The revenue of the Company and its subsidiaries (collectively the “Group”) amounted to approximately S\$9,787,000 for the year ended 31 July 2022, representing an increase of approximately S\$4,023,000 or 69.8% as compared with the year ended 31 July 2021.
- The loss for the year of the Group was approximately S\$1,717,000 for the year ended 31 July 2022 as compared to approximately S\$1,344,000 for the year ended 31 July 2021.
- The Board does not recommend the payment of a final dividend for the year ended 31 July 2022.

ANNUAL RESULTS

The board (the “Board”) of Directors hereby announces the audited consolidated results of the Group for the financial year ended 31 July 2022, together with comparative figures for the financial year ended 31 July 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 JULY 2022

	Notes	2022 S\$	2021 S\$
REVENUE	5	9,786,667	5,763,711
Cost of services		<u>(7,614,989)</u>	<u>(4,286,297)</u>
Gross profit		2,171,678	1,477,414
Other income	6	374,984	1,035,695
(Allowance for)/reversal of expected credit losses in respect of trade receivables, contract assets, deposits and other receivables, net		(48,572)	6,547
Administrative expenses		(3,917,460)	(3,657,234)
Other operating expenses		(242,128)	(117,694)
Finance costs	7	(73,992)	(89,228)
Share of result of an associate		1,209	—
LOSS BEFORE TAX	8	(1,734,281)	(1,344,500)
Income tax credit	9	16,789	324
LOSS FOR THE YEAR		<u>(1,717,492)</u>	<u>(1,344,176)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(21,379)	1,305
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,738,871)</u>	<u>(1,342,871)</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		(1,716,447)	(1,344,176)
Non-controlling interests		(1,045)	—
		<u>(1,717,492)</u>	<u>(1,344,176)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		(1,737,826)	(1,342,871)
Non-controlling interests		(1,045)	—
		<u>(1,738,871)</u>	<u>(1,342,871)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (Singapore cents)	10	<u>(0.11)</u>	<u>(0.09)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022

	<i>Notes</i>	2022 S\$	2021 S\$
NON-CURRENT ASSETS			
Property, plant and equipment		84,892	233,166
Right-of-use assets		647,128	377,214
Investment in an associate		2,056,057	—
Deferred tax assets		443,406	443,406
		<hr/>	<hr/>
Total non-current assets		3,231,483	1,053,786
CURRENT ASSETS			
Trade receivables	<i>11</i>	2,339,922	774,309
Contract assets		482,482	109,145
Prepayments, deposits and other receivables		272,565	368,480
Tax recoverable		16,512	9,827
Cash and cash equivalents		271,146	3,392,299
		<hr/>	<hr/>
Total current assets		3,382,627	4,654,060
CURRENT LIABILITIES			
Other payables and accruals	<i>12</i>	1,693,836	1,282,978
Contract liabilities		10,536	19,536
Lease liabilities		393,160	334,870
Bank borrowings		978,324	1,002,122
Tax payable		—	119
		<hr/>	<hr/>
Total current liabilities		3,075,856	2,639,625
		<hr/>	<hr/>
NET CURRENT ASSETS		306,771	2,014,435
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,538,254	3,068,221
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	2022 S\$	2021 S\$
NON-CURRENT LIABILITY			
Lease liabilities		<u>265,043</u>	<u>73,392</u>
NET ASSETS		<u>3,273,211</u>	<u>2,994,829</u>
CAPITAL AND RESERVES			
Share capital	<i>13</i>	626,240	519,800
Reserves		<u>2,647,169</u>	<u>2,475,029</u>
Total equity attributable to owners of the Company		3,273,409	2,994,829
Non-controlling interests		<u>(198)</u>	<u>—</u>
TOTAL EQUITY		<u>3,273,211</u>	<u>2,994,829</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

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 Windward 3, Regatta Office Park, 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 60 Paya Lebar Road, #12-29 Paya Lebar Square, Singapore 409051.

The Company is an investment holding company. The Group is principally involved in the provision of manpower outsourcing and manpower recruitment services.

The consolidated financial statements are presented in Singapore dollar (“S\$”), which is the functional currency of the Company, unless otherwise stated. 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.

2. BASIS OF PREPARATION

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. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).

Going concern basis

The Group incurred a loss of approximately S\$1,717,492 for the year ended 31 July 2022 and as of that date, the Group's bank borrowings of approximately S\$522,362 as at 31 July 2022 were due for repayment within the next twelve months, while its cash and cash equivalents amounted to S\$271,146 only. These circumstances may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors have prepared the consolidated financial statements based on going concern on the assumptions and measures that:

- (a) The Company has been actively negotiating with various financial institutions and identifying various options for financing the Group's working capital and commitments in the foreseeable future;
- (b) The directors will continue to implement measures aiming at improving the working capital and cash flows of the Group, including closely monitoring general administrative expenses and operating costs; and
- (c) One of the shareholders has committed to provide the finance support to the Group within the next twelve months.

The directors of the Company, including the members of the audit committee, have carried out a detailed review of the cash flow forecast of the Group for the twelve-month period from the date of this announcement.

After taking into account the impact of above measures, the directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements when they fall due in the next twelve months.

Having considered the above measures, it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amount, to provide for future liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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 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.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 August 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendments to IFRS 16	Covid-19 — Related Rent Concessions beyond 30 June 2021

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the IASB issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

The application of the amendments 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.

New and amendments to IFRSs in issue but not yet effective

Amendments to IFRSs issued but not yet effective

The Group has not early adopted the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments ²
Amendments to IFRS 3	Reference to the Conceptual Framework ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current ²
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to IAS 8	Definition of Accounting Estimates ²
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use ¹
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020 ¹

- ¹ Effective for annual periods beginning on or after 1 January 2022
- ² Effective for annual periods beginning on or after 1 January 2023
- ³ Effective for annual periods beginning on or after a date to be determined

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

4. SEGMENT INFORMATION

Information reported internally to the Group's management 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 and recruitment services in Singapore.

Accordingly, the Group does not present separate segment information. No analysis of the Group's results by type of works nor assets and liabilities is regularly provided to the Group's management 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 2022, revenue of S\$4,714,755 (2021: S\$2,595,703) was derived from the provision of manpower services to three major customers who individually contributed over 10% to the Group's total revenue.

Revenue from customers of the corresponding years ended contributing over 10% of the total sales of the Group are as follows:

	For the year ended 31 July	
	2022 S\$	2021 S\$
Customer A (Note)	1,861,155	N/A*
Customer B (Note)	1,812,476	2,595,703
Customer C (Note)	1,041,124	N/A*

Note: Revenue contributed from manpower outsourcing services.

* The revenue contributed by Customer A and C were less than 10% of the total revenue of the Group during the year ended 31 July 2021.

5. REVENUE

	2022 S\$	2021 S\$
Revenue from contract with customers		
Manpower outsourcing	9,670,237	5,707,854
Manpower recruitment	116,430	55,857
	<u>9,786,667</u>	<u>5,763,711</u>

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.

6. OTHER INCOME

	2022 S\$	2021 S\$
Government grants (<i>Note</i>)	252,426	999,701
Sundry income	105,034	21,505
Forfeiture income	13,375	5,700
Sale of merchandise	4,149	8,789
	<u>374,984</u>	<u>1,035,695</u>

Note: During the year ended 31 July 2022, the government grant arising from Job Support Scheme is nil (S\$967,155). The government grants recognised during the year mainly represent Jobs Growth Incentive and other wage support programs from the Singapore government.

7. FINANCE COSTS

	2022 S\$	2021 S\$
Interest expense on:		
— bank borrowings	54,436	75,251
— lease liabilities	19,556	13,977
	<u>73,992</u>	<u>89,228</u>

8. LOSS BEFORE TAX

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

	2022	2021
	S\$	S\$
Employee benefits expenses (excluding directors' remuneration):		
— Salaries and bonuses	8,269,204	5,078,001
— Contributions to defined contribution plans	809,804	602,361
— Foreign worker levy	248,968	240,851
— Other short-term benefits	28,403	—
	<hr/>	<hr/>
Total employee benefits expenses (excluding directors' remuneration)	9,356,379	5,921,213
	<hr/>	<hr/>
Depreciation of property, plant and equipment	177,730	271,877
Depreciation of right-of-use assets	490,409	352,581
Expenses relating to short-term lease	35,154	59,232
Auditors' remuneration		
HLB Hodgson Impey Cheng Limited		
— Audit services	114,140	113,165
Write-off of property, plant and equipment	7,093	—
Gain on deregistration of subsidiaries	—	4,566
	<hr/>	<hr/>

For the year ended 31 July 2022, cost of services includes S\$6,751,170 (2021: S\$3,666,270) related to salaries and bonuses, S\$638,420 (2021: S\$417,357) related to contributions to defined contribution plans and S\$219,342 (2021: S\$189,991) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

9. INCOME TAX CREDIT

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 2022 and 2021.

Singapore Corporate Income Tax has been provided at the rate of 17% (2021: 17%) on the chargeable income arising in Singapore during the year after offsetting any tax losses brought forward.

	2022	2021
	S\$	S\$
Current tax:		
Over-provision in prior years	<u>(16,789)</u>	<u>(6,167)</u>
	<u>(16,789)</u>	<u>(6,167)</u>
Deferred tax:		
Charge for the year	<u>—</u>	<u>5,843</u>
Total tax credit for the year	<u>(16,789)</u>	<u>(324)</u>

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2022	2021
Loss attributable to owners of the Company (S\$)	<u>(1,716,447)</u>	<u>(1,344,176)</u>
Weighted average number of shares in issue	<u>1,526,301,370</u>	<u>1,500,000,000</u>
Basic and diluted loss per share (Singapore cents)	<u>(0.11)</u>	<u>(0.09)</u>

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 2022 and 2021.

11. TRADE RECEIVABLES

	2022 S\$	2021 S\$
Trade receivables	2,383,651	778,050
Less: Allowance for expected credit losses	(43,729)	(3,741)
	<u>2,339,922</u>	<u>774,309</u>

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

As at 31 July 2022, the trade receivables of amount of S\$1,448,064 (2021: S\$352,006) are secured for the factoring loans of the Group.

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:

	2022 S\$	2021 S\$
Less than 30 days	1,924,352	645,436
31 to 60 days	222,914	26,002
61 to 90 days	133,124	24,917
More than 90 days	103,261	81,695
	<u>2,383,651</u>	<u>778,050</u>

12. OTHER PAYABLES AND ACCRUALS

	2022 S\$	2021 S\$
GST payables	212,217	73,485
Accrued casual labour costs	529,931	192,859
Accrued general staff costs	229,737	261,982
Accrued administrative and other operating expenses	446,555	502,114
Other payables	275,396	252,538
	<u>1,693,836</u>	<u>1,282,978</u>

13. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$</i>	<i>Equivalent to S\$</i>
Authorised ordinary shares of HK\$0.002 each:			
At 1 August 2020, 31 July 2021, 1 August 2021 and 31 July 2022	<u>25,000,000,000</u>	<u>50,000,000</u>	
Issued and fully paid:			
As at 1 August 2020, 31 July 2021, 1 August 2021	1,500,000,000	3,000,000	519,800
Issuance of ordinary shares upon acquisition of an associate (<i>Note a</i>)	<u>300,000,000</u>	<u>600,000</u>	<u>106,440</u>
As at 31 July 2022	<u><u>1,800,000,000</u></u>	<u><u>3,600,000</u></u>	<u><u>626,240</u></u>

Note a: On 10 December 2021, the Company entered into a sale and purchase agreement with Mr. Cheung Chim Pan (the "Vendor"), being an independent third party to the Group. Pursuant to the agreement, the Company agreed to purchase 49% equity shareholding of YESINSPACE Limited, settled by issue of 300,000,000 ordinary shares (the "Consideration Shares") under the General Mandate. The acquisition was completed on 30 June 2022 and share premium of S\$1,969,140 was recognised. On the same day, the Vendor made a written notice to the Company indicating the intent of transfer of the entire Consideration Shares to his nominee, Ms. Huang Weiyan.

As a result of the abovementioned acquisition, the total number of issued ordinary shares of the Company increased from 1,500,000,000 ordinary shares to 1,800,000,000 ordinary shares.

For further details, please refer to the Company's announcements dated 10 December 2021, 26 January 2022, 13 June 2022 and 30 June 2022.

14. MATERIAL RELATED PARTY TRANSACTION AND CONNECTED TRANSACTION

(a) Transactions with related parties and connected party

	2022 S\$	2021 S\$
Manpower outsourcing services income from <i>(Note i)</i> :		
— The Ramen Stall Pte. Ltd. (“Ramen Stall”)	—	31,792
— The Ramen Stall (NBR) II Pte. Ltd. (“Ramen Stall II”)	—	34,992
— The Dim Sum Place Pte. Ltd. (“Dim Sum Place”)	—	33,292
— G7 Sin Ma Live Seafood Restaurant Pte. Ltd. (“G7”)	5,552	89,324
— The Dim Sum Place (CCP) II Pte. Ltd. (“Dim Sum Place CCP”)	—	9,416
	<u>5,552</u>	<u>198,816</u>

Note i: The Group has ongoing manpower outsourcing service agreements with Ramen Stall, Ramen Stall II, Dim Sum Place, G7 and Dim Sum Place CCP. Mr. Sim Hak Chor became a director and ultimate shareholder of these companies with effect from 31 December 2020. Mr. Sim Hak Chor is the Chairman and executive director of the Group. As a result, these companies became connected person under Chapter 20 of the GEM Listing Rules. These transactions constituted as a connected transaction but was exempt from the reporting and announcement requirements under Chapter 20 of the GEM Listing Rules as de minimis transactions.

(b) Compensation of key management personnel

	2022 S\$	2021 S\$
Salaries and bonuses	1,079,414	932,041
Contributions to defined contribution plans	69,180	70,233
	<u>1,148,594</u>	<u>1,002,274</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of specialised workforce solutions, helping customers improve growth and performance by providing manpower outsourcing services and manpower recruitment services in Singapore. The Group's workforce solutions meet customers' needs for a reliable and efficient workforce in the hotel and resort, retail, food and beverage ("F&B") and other sectors (including event organisers, facility management and various industries) across Singapore.

During the financial year ended 31 July 2022, the Group continued to focus on developing business opportunities with existing customers as well as potential customers especially from the hospitality sector. At the same time, the Group continues to review its business strategies to expand the types of workforce solutions when opportunities arise.

To diversify the Group's business, the Group acquired 49% equity shareholdings in YESINSPACE Limited and 100% equity interest in Hai Tao Healthcare Technology Limited during the financial year ended 31 July 2022. Details of these acquisitions are set out in Note 17 (for YESINSPACE Limited) and Note 37 (for Hai Tao Healthcare Technology Limited) in the Annual Report.

The Group's revenue increased by approximately S\$4,023,000 from approximately S\$5,764,000 for the financial year ended 31 July 2021 to approximately S\$9,787,000 during the financial year ended 31 July 2022. Our Group recorded higher net loss of approximately S\$1,717,000 during the financial year ended 31 July 2022 as compared with net loss of approximately S\$1,344,000 for the financial year ended 31 July 2021. The reasons of such changes are set out in the section Financial Review below.

The Group expects revenue will continue increasing in the coming months as many countries are lifting travel restrictions and opening their borders. Going forward, the Group will continue to implement new business strategies to remain competitive in the market, manage its expenditure and undertake a series of measures to increase our resilience and protect the interest of all our stakeholders.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 July 2022.

Opinion

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 2022, 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.

Material uncertainty related to going concern

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a loss of approximately S\$1,717,492 for the year ended 31 July 2022 and, as of that date, the Group's bank borrowings of approximately S\$552,362 as at 31 July 2022 were due for repayment within the next twelve months, while its cash and cash equivalents amounted to S\$271,146 only. These circumstances may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

FINANCIAL REVIEW

Revenue

During the financial year ended 31 July 2022, the Group's revenue was generated from manpower outsourcing and manpower recruitment services. The Group's revenue increased by approximately S\$4,023,000 for the year ended 31 July 2022. The revenue from both business segments increased during the year ended 31 July 2022. The following table sets out the revenue of the Group by business segment for the periods as indicated:

	For the year ended 31 July			
	2022		2021	
	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>
Manpower outsourcing	9,670	98.8	5,708	99.0
Manpower recruitment	117	1.2	56	1.0
	<u>9,787</u>	<u>100.0</u>	<u>5,764</u>	<u>100.0</u>

Manpower outsourcing

The Group's revenue from manpower outsourcing services increased from approximately S\$5,708,000 for the year ended 31 July 2021 to approximately S\$9,670,000 for the year ended 31 July 2022. The following table sets out the revenue from manpower outsourcing services by sector for the periods as indicated:

	For the year ended 31 July			
	2022		2021	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Hotel and resort	6,388	66.1	4,472	78.3
F&B	695	7.2	656	11.5
Retail	413	4.2	366	6.4
Others	2,174	22.5	214	3.8
	<u>9,670</u>	<u>100.0</u>	<u>5,708</u>	<u>100.0</u>

The revenue from manpower outsourcing services had increased in all sectors. Highest growth was recorded in the hotel and resort and facility management sectors, from approximately S\$4,472,000 and approximately S\$214,000 respectively for the financial year ended 31 July 2021 to approximately S\$6,388,000 and approximately S\$2,174,000 respectively for the financial year ended 31 July 2022. The lifting of most Covid-19 restrictions and re-opening of Singapore's borders to fully vaccinated travellers have generally improved the business for all sectors, leading to greater demand for our manpower outsourcing services.

Manpower recruitment

The Group's revenue derived from manpower recruitment services increased by approximately S\$61,000 from approximately S\$56,000 for the year ended 31 July 2021 to approximately S\$117,000 for the year ended 31 July 2022. It was mainly attributable to increase in demand from our customers for new foreign hires due to travel restrictions lifted by various countries and reopening of borders.

Gross profit

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			
	2022		2021	
	<i>S\$'000</i>	Gross profit margin %	<i>S\$'000</i>	Gross profit margin %
Manpower outsourcing	2,061	21.3	1,434	25.1
Manpower recruitment	111	94.8	43	76.8
	<u>2,172</u>	<u>22.2</u>	<u>1,477</u>	<u>25.6</u>

The Group's overall gross profit increased by approximately 47.1% from approximately S\$1,477,000 for the financial year ended 31 July 2021 to approximately S\$2,172,000 for the financial year ended 31 July 2022 which is in tandem with the increase in revenue.

The Group's overall gross profit margin decreased from approximately 25.6% for the financial year ended 31 July 2021 to approximately 22.2% for the financial year ended 31 July 2022. The Group's gross profit margin for manpower outsourcing services decreased from approximately 25.1% for the financial year ended 31 July 2021 to approximately 21.3% for the financial year ended 31 July 2022. It was mainly due to increase in labour cost from manpower outsourcing services which resulted by labour crunch in Singapore. The Group offered higher rates to retain and attract workers while charging competitive rates to customers to stay relevant in the market.

The gross profit margin of manpower recruitment services increased from approximately 76.8% for the year ended 31 July 2021 to approximately 94.8% for the year ended 31 July 2022. For manpower recruitment services, we pay fees to our cooperative partners 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 2022, manpower recruitment services incurred lower cooperative fees as compared to financial year ended 31 July 2021, resulted in a higher gross profit margin.

Other income

The Group's other income decreased by approximately S\$661,000 from approximately S\$1,036,000 for the financial year ended 31 July 2021 to approximately S\$375,000 for the financial year ended 31 July 2022. The Group received government grants under the Jobs Support Scheme ("JSS") during the financial year ended 31 July 2021. This was introduced by the Singapore Government to help businesses to retain their local employees and to provide cash flow support to businesses during the pandemic outbreak. There were no such government grants received during the financial year ended 31 July 2022.

Administrative expenses

Administrative expenses increased by approximately S\$260,000, from approximately S\$3,657,000 for the year ended 31 July 2021 to approximately S\$3,917,000 for the year ended 31 July 2022. The increase was mainly due to i) increase in staff costs due to increase in number of staff as the Group regained business which resulted from lifting of travel restrictions and reopening of borders worldwide; and ii) increase in referral fee paid to existing staff and casual workers for referral of new staff and casual workers to the Group.

Other operating expenses

Other operating expenses increased by approximately S\$124,000 from approximately S\$118,000 for the year ended 31 July 2021 to approximately S\$242,000 for the year ended 31 July 2022. The increase was mainly due i) relocation expenses incurred from moving of principal place of business in Singapore, ii) rental expenses from short-term leases in relation to staff accommodations; and iii) business development expenses.

Loss for the year

The Group recorded a loss of approximately S\$1,717,000 for the year ended 31 July 2022 due to the combined effect of the aforesaid factors.

Final dividend

The Board does not recommend the payment of a final dividend for the year ended 31 July 2022 (2021: Nil).

Liquidity and financial resources

As at 31 July 2022, the Group had total assets of approximately S\$6,614,000 (2021: S\$5,708,000) which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately S\$3,341,000 (2021: S\$2,713,000) and S\$3,273,000 (2021: S\$2,995,000), respectively. The current ratio of the Group as at 31 July 2022 was approximately 1.1 times (2021: approximately 1.8 times). The total assets to total equity of the Group as at 31 July 2022 was approximately 2.0 times (2021: approximately 1.9 times).

As at 31 July 2022, the Group had cash and cash equivalents of approximately S\$271,000 (31 July 2021: S\$3,392,000) which were placed with major banks in Singapore. For the year ended 31 July 2022, cash and cash equivalents decreased by approximately S\$3,121,000 as compared to the balance at 31 July 2021. The decrease is mainly due to cash outflows from the Group's operating activities.

Capital Structure

On 10 December 2021, the Company entered into a sale and purchase agreement with Mr. Cheung Chim Pan (the "Vendor"), an independent third party to the Group. Pursuant to the agreement, the Company agreed to purchase 49% equity shareholding of YESINSPACE Limited at a consideration of HK\$20,100,000, settled by the allotment and issuance of 300,000,000 shares at issue price of HK\$0.067 per new share by the Company.

The completion of the acquisition of 49% equity shareholding of YESINSPACE Limited took place on 30 June 2022. An aggregate of 300,000,000 new ordinary shares of the Company of par value of HK\$0.002 each, representing approximately 16.7% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the new shares, were allotted and issued to the Vendor at the issue price of HK\$0.067 per new share.

The Company's share capital comprises of ordinary shares. As at 31 July 2022, the Company's issued share capital was HK\$3,600,000 (equivalent to S\$626,240) and the number of its ordinary shares was 1,800,000,000 of HK\$0.002 each.

Capital Commitments

As at 31 July 2022, the Group did not have any material capital commitments (2021: nil).

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 2022.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the year ended 31 July 2022, except for the acquisition of YESINSPACE Limited and Hai Tao Healthcare Technology Limited, 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 other significant investments during the year ended 31 July 2022.

Contingent liabilities

As at 31 July 2022, the Group did not have any material contingent liabilities (2021: 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.

Use of proceeds from the Share Offer and the Subscription

An analysis of the amount utilised up to 31 July 2022 is set out below:

	Adjusted use of proceeds in respect of business objectives from the Listing Date <i>HK\$mil</i>	Actual utilised amount up to 31 July 2022 <i>HK\$mil</i>	Balance available as at 31 July 2022 <i>HK\$mil</i>
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	—
	<u>26.1</u>	<u>26.1</u>	<u>—</u>

As at 31 July 2022, 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.

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 "Subscription shares") were allotted and issued to Eden Publishing Pte. Ltd. at the Subscription price of HK\$0.052 per Subscription share (the "Subscription"). The gross proceeds from the Subscription amounted to HK\$13,000,000 (approximately S\$2,257,000) and 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 2022 is set out below:

	Allocation of net proceeds <i>HK\$'000</i>	Amount utilised up to 31 July 2022 <i>HK\$'000</i>	Balance available as at 31 July 2022 <i>HK\$'000</i>
Repayment of other loans	12,000	12,000	—
General working capital	886	886	—

Charge on assets

As at 31 July 2022, the Group's factoring facilities were secured over trade receivables of the Group of approximately S\$1,448,000 (31 July 2021: S\$352,000) 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 Group's operating subsidiaries. However, the Group incurred some expenses denominated in Hong Kong dollars and United States dollars. Currently, the Group does not have a foreign currency hedging policy. However, the Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.

Employee information

As at 31 July 2022, the Group had an aggregate of 129 employees (2021: 95), comprising of 3 executive Directors (2021: 2), 31 support staff (2021: 30) and 95 full-time deployment staff (2021: 63).

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2022, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or 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

Name of Director	Note	Number of shares held, capacity and nature of interest		Total	Percentage of issued share capital
		Directly beneficially owned	Through controlled corporation		
Mr. Sim Hak Chor	1	—	399,990,000	399,990,000	22.22%

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 (<i>Note 1</i>)	Mr. Sim Hak Chor	Beneficial owner	4,826	94.89%
Centrex Treasure Holdings Limited (<i>Note 1</i>)	Ms. Serene Tan	Beneficial owner	109	2.14%

Note:

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

Save as disclosed above, as at 31 July 2022, 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 2022, 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	22.22%
Huang Weiyang	136,555,000	7.59%
Goh Guan Chua	124,525,000	6.92%

Save as disclosed above, as at 31 July 2022, the Directors were 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.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling Shareholders of the Company or any of their respective close associates (as defined in 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 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 July 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

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 dealings 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 2022.

CORPORATE GOVERNANCE CODE

The Company’s corporate government practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) in Appendix 15 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code during the period under review except the following:

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

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

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Neither a Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the 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 period under review.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 July 2022.

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 D.3.3 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 include, among others, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; (b) review the Group’s financial statements and periodic reports and accounts, and to review significant financial reporting judgements contained therein; and (c) review the Group’s financial reporting controls, risk management and internal control systems.

The Audit Committee has reviewed the Group's annual results for the year ended 31 July 2022.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 July 2022 as set out in this announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("HLB"). The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB on this announcement.

APPRECIATION

The Board would like to extend its sincere appreciation to our shareholders, customers and business partners for their valuable support to the Group. We would also like to take this opportunity to thank the management team and all staff members for the dedication and commitment they have demonstrated throughout the year.

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

Hong Kong, 25 October 2022

As at the date of this announcement, the executive Directors are Mr. Sim Hak Chor, Ms. Serene Tan, Mr. Tang Ho Lun Ronald and Mr. Lam Chun Yip; and the independent non-executive Directors are Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Lim Wee Pin.