SINGASIA Holdings Limited

星亞控股有限公司*

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

2021 ANNUAL REPORT

* For identification purpose only.

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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.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sim Hak Chor
Ms. Serene Tan
Mr. Tang Ho Lun Ronald (Appointed on 12 August 2021)

Independent non-executive Directors

Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo
Mr. Lim Wee Pin

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

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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 (the "Group") for the year ended 31 July 2021.

REVIEW

The Group recorded a decrease in revenue of approximately S$10,096,000 or 63.7%, from approximately S$15,860,000 for the year ended 31 July 2020 to approximately S$5,764,000 for the year ended 31 July 2021. In line with the sharp decrease in revenue, gross profit fell by approximately S$2,678,000 or 64.5%, from approximately S$4,155,000 for the year ended 31 July 2020 to approximately S$1,477,000 for the year ended 31 July 2021. Loss for the year ended 31 July 2021 was approximately S$1,344,000 compared to a loss of approximately S$935,000 for the year ended 31 July 2020.

The COVID-19 pandemic started in Singapore in early 2020, with the first set of preventive measures known as "circuit breaker" measures being introduced in April 2020. After the circuit breaker lockdown, a three-phased approach was adopted to resume activities safely with a gradual re-opening of economic and social activities in each phase. Starting from the last quarter of the financial year ended 31 July 2020, the Group's business was adversely affected by the Singapore Government's control measures. Throughout the whole financial year ended 31 July 2021, Singapore was constantly shifting between phase 2 and phase 3 of re-opening. Our customers, who are mainly in the hospitality sector in Singapore, were badly hit by ongoing restrictions on social gatherings, food & beverage establishments and wedding receptions. The hospitality sector was further affected by tight control over short-term social visitors and tourists as well as strict protocols for MICE events.

OUTLOOK

After more than one year, the COVID-19 situation in Singapore remains fluid and uncertain. Although Singapore's population is highly vaccinated, the country has been experiencing record high daily infections due to the emergence of the highly contagious Delta variant. This has resulted in the Singapore Government tightening measures again to slow down the infection rate in order to stabilise the healthcare system. Despite the latest virus wave, Singapore is still pressing ahead with its strategy of "Living with COVID-19". Ongoing domestic restrictions will be relaxed as pressure on the healthcare system eases off. The introduction of several new vaccinated travel lanes is a significant step in the reopening of Singapore's borders. Although it is still a long way before activities returns to pre-COVID levels, there is a glimmer of hope for the battered hospitality industry in Singapore. Barring any new infection surges or emergence of new highly contagious variants, the Group is cautiously optimistic that Singapore will reach a new normal in the next six months. Many countries have already reached this state and we believe that the situation in Singapore is not far off.

Looking ahead, the Group will continue to control its expenditure and ensure that there is adequate liquidity to sustain operations. Faced with the unpredictable future, the Group will continuously monitor market situation and look for opportunities to diversify our existing business.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my deep gratitude to our loyal employees and management team who have stood united with us during this difficult period. To our valued shareholders, customers and business partners, we are appreciative of your continued trust and support, and we remain committed to delivering value to all of you.

Sim Hak Chor
Chairman and Executive Director

Hong Kong, 25 October 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are a Singapore-based workforce solutions provider. During the financial year ended 31 July 2021, the Group maintained its focus on manpower outsourcing services and manpower recruitment services for clients in the hospitality industry in Singapore. Our clients are from the hotel and resort, retail, food and beverage ("F&B") and other sector across Singapore. We provide contingent workforce to complement our clients' changing manpower needs and support their recruitment request.

During the financial year ended 31 July 2021, the Group's operating results had been adversely affected by the COVID-19 pandemic. The Group's revenue decreased by approximately S$10,096,000 from approximately S$15,860,000 for the year ended 31 July 2020 to approximately S$5,764,000 for the year ended 31 July 2021.The decrease in revenue was primarily attributable to the effects of the prolonged COVID-19 situation in Singapore. Our Group's revenue is mostly generated from manpower outsourcing services and our clients for manpower outsourcing services are mostly from the hospitality sector, which is one of the industries most severely affected by the COVID-19 pandemic.

The COVID-19 pandemic has severely disrupted global and domestic economic activities. Hospitality sector has been most severely affected by the COVID-19 pandemic. The number of international visitors to Singapore plummeted following strict travel restrictions. Consumer-facing sectors such as retail and F&B have also been badly affected by the cutbacks in domestic consumption amidst stricter safe management measures.

Despite vaccinations being implemented in many countries, the global and Singapore economies remain fluid. The Group's financial performance will continue to be affected given the uncertainty over the length and severity of the COVID-19 outbreak. Nevertheless, the Group remains cautiously optimistic about a gradual recovery of the Singapore economy next year.

The Group will continue actively seeking new business opportunities to diversify our income stream and to reduce the expenditure of the Group.

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$10,096,000 from approximately S$15,860,000 for the year ended 31 July 2020 to approximately S$5,764,000 for the year ended 31 July 2021. The Group's revenue from all three business segments decreased for the year ended 31 July 2021. The following table sets out the revenue of the Group by business segment for the periods as indicated:

	For the year ended 31 July			
	2021		2020	
	S$'000	***%***	*S$'000*	*%*
Manpower outsourcing	**5,708**	**99.0**	15,588	98.3
Manpower recruitment	**56**	**1.0**	200	1.2
Manpower training	**—**	**—**	72	0.5
	5,764	**100.0**	15,860	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Manpower outsourcing

The Group's revenue from manpower outsourcing services decreased from approximately S$15,588,000 for the year ended 31 July 2020 to approximately S$5,708,000 for the year ended 31 July 2021. The following table sets out the revenue from manpower outsourcing services by sector for the periods as indicated:

	For the year ended 31 July			
	2021		2020	
	S$'000	***%***	*S$'000*	*%*
Hotel and resort	**4,472**	**78.3**	13,921	89.3
F&B	**656**	**11.5**	1,039	6.6
Retail	**366**	**6.4**	620	4.0
Others	**214**	**3.8**	8	0.1
	5,708	**100.0**	15,588	100.0

The decrease in revenue from manpower outsourcing services was mainly due to decrease in revenue derived from hotel and resort, F&B and retail sectors, from approximately S$13,921,000, approximately S$1,039,000 and approximately S$620,000 for the year ended 31 July 2020, respectively to approximately S$4,472,000, approximately S$656,000 and approximately S$366,000 for the year ended 31 July 2021, 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. As global travel and tourism almost reached a standstill and domestic consumption was affected by numerous safe management measures, our customers cut back on their manpower requirements drastically.

Manpower recruitment

The Group's revenue derived from manpower recruitment services decreased by approximately S$144,000 from approximately S$200,000 for the year ended 31 July 2020 to approximately S$56,000 for the year ended 31 July 2021. It is mainly attributable to decrease in demand from our customers for new foreign hires due to travel restrictions imposed by countries to control COVID-19 outbreak as well as tighter foreign employment restrictions in Singapore.

Manpower training

The Group's revenue derived from manpower training services decreased from approximately S$72,000 for the year ended 31 July 2020 to S$nil for the year ended 31 July 2021, because no training projects were being secured for the year ended 31 July 2021 resulted by COVID-19 pandemic.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit

The Group's overall gross profit and gross profit margin was approximately S$1,477,000 and 25.6% for the year ended 31 July 2021. 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			
	2021		2020	
	S$'000	***Gross profit margin%***	*S$'000*	*Gross profit margin%*
Manpower outsourcing	**1,434**	**25.1**	3,970	25.5
Manpower recruitment	**43**	**76.8**	128	64.0
Manpower training	**—**	**—**	57	79.2
	1,477	**25.6**	4,155	26.2

The gross profit margin of manpower outsourcing services remained relatively stable at 25.5% for the year ended 31 July 2020 and 25.1% for the year ended 31 July 2021.

The gross profit margin of manpower recruitment services increased from 64.0% for the year ended 31 July 2020 to 76.8% for the year ended 31 July 2021. 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 2021, manpower recruitment services incurred lower cooperative fees as compared to financial year ended 31 July 2020, resulting in a higher gross profit margin.

The gross profit of manpower training services was S$nil for the financial year ended 31 July 2021 due to nil revenue from manpower training services.

Other income

Other income mainly comprised government grants 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. Employers who have made CPF contributions for their local employees will qualify for payouts under the scheme.

Administrative expenses

Administrative expenses decreased by approximately S$2,665,000, from approximately S$6,322,000 for the year ended 31 July 2020 to approximately S$3,657,000 for the year ended 31 July 2021. The decrease was mainly due to (i) decrease in staff costs of approximately S$1,191,000 as the Singapore operations embarked on cost-savings measures in response to the outbreak of the COVID-19 pandemic; (ii) administrative expenses of approximately S$1,369,000 following the closure of the Hong Kong office which were incurred during the year ended 31 July 2020 and none during the year ended 31 July 2021; and (iii) decrease in incentive and referral fee of approximately S$105,000 due to lower incentive paid during the year ended 31 July 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Other operating expenses

Other operating expenses decreased by approximately S$276,000 from approximately S$394,000 for the year ended 31 July 2020 to approximately S$118,000 for the year ended 31 July 2021. The decrease was mainly due to lower advertisement expenses.

Loss for the year

Due to the combined effect of the aforesaid factors, the Group recorded a loss of approximately S$1,344,000 for the year ended 31 July 2021.

Final dividend

The Board does not recommend the payment of a final dividend for the year ended 31 July 2021 (2020: Nil).

Liquidity and financial resources

As at 31 July 2021, the Group had total assets of approximately S$5,708,000 (2020: S$7,766,000) which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately S$2,713,000 (2020: S$3,428,000) and S$2,995,000 (2020: S$4,338,000), respectively. The current ratio of the Group as at 31 July 2021 was approximately 1.8 times (2020: approximately 2.0 times). The total assets to total equity of the Group as at 31 July 2021 was approximately 1.9 times (2020: approximately 1.8 times).

As at 31 July 2021, the Group had cash and cash equivalents of approximately S$3,392,000 (31 July 2020: S$4,469,000) which were placed with major banks in Singapore. For the year ended 31 July 2021, cash and cash equivalents decreased by approximately S$1,077,000 as compared to the balance at 31 July 2020. The decrease is mainly due to the net effect of (i) net cash outflows from the Group's operating activities; (ii) cash grant received from the Jobs Support Scheme introduced by the Singapore Government; and (iii) proceeds from factoring loans.

Capital Structure

The Company's share capital comprises of ordinary shares. As at 31 July 2021, 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. There has been no change in the capital structure of the Company during the year ended 31 July 2021.

Capital Commitments

As at 31 July 2021, the Group did not have any material capital commitments (2020: 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 2021.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the year ended 31 July 2021, 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 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent liabilities

As at 31 July 2021, the Group did not have any material contingent liabilities (2020: 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 2021 is set out below:

	Adjusted use of proceeds in respect of business objectives from the Listing Date	**Actual utilised amount up to 31 July 2021**	**Balance available as at 31 July 2021**
	HK$mil	*HK$mil*	*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 2021, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the amount utilised up to 31 July 2021 is set out below:

	Allocation of net proceeds	**Amount utilised up to 31 July 2021**	**Balance available as at 31 July 2021**
	HK$'000	*HK$'000*	*HK$'000*
Repayment of other loans	12,000	12,000	—
General working capital	886	886	—

Charge on assets

As at 31 July 2021, the Group's factoring facilities were secured over trade receivables of the Group of approximately S$352,000 (31 July 2020: S$567,000) 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 2021, the Group had an aggregate of 95 employees (2020: 76), comprising of 2 executive Directors (2020: 2), 30 support staff (2020: 40) and 63 full-time deployment staff (2020: 34).

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 49, 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 43, 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).

Mr. Tang Ho Lun Ronald (鄧浩麟) ("Mr. Tang"), aged 33, was appointed as executive Director on 12 August 2021. Mr. Tang is responsible for exploring new markets and expanding business of the Group.

Mr. Tang graduated from Curtin University, Australia with a bachelor degree in marketing and advertising. Mr. Tang started his career with Asiaray Media Group Co., Ltd. (stock code: 1993) in May 2011. He was promoted to the position of senior sales manager in January 2019 until he left in May 2021. During his employment with Asiaray Media Group Co., Ltd. he was mainly responsible for customer development and sales management.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lim Cheng Hock, Lawrence (林清福) ("Mr. Lim CH"), aged 52, 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 49, 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. He has been an independent director of Sheng Siong Group Ltd., a company listed on the Singapore Exchange (stock code: OV8), since June 2011, a lead independent director of Reclaims Global Limited, a company listed on the Singapore Exchange (stock code: NEX), since January 2019, and an independent non-executive director of Snack Empire Holdings Limited (stock code: 1843) since September 2019.

Mr. Lim Wee Pin (林偉彬) ("Mr. Lim WP"), aged 50, 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.. He was an independent non-executive director of Snack Empire Holdings Limited (stock code: 1843) from September 2019 to August 2021. 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 49, 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 50, 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 51, 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.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

COMPANY SECRETARY

Mr. Sum Loong (沈龍) ("Mr. Sum"), aged 59, 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 applicable code provisions of the CG Code during the year ended 31 July 2021, 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 2021.

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.

CORPORATE GOVERNANCE REPORT

During the year ended 31 July 2021, the Board had reviewed and assessed the Group's corporate governance policies and was satisfied with the effectiveness of these policies.

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 six Directors of which three 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)*[*(Note)*]
Ms. Serene Tan[*(Note)*]
Mr. Tang Ho Lun Ronald *(appointed on 12 August 2021)*[*(Note)*]

Independent non-executive Directors:

Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo
Mr. Lim Wee Pin

Note: Mr. Sim Hak Chor, Ms. Serene Tan and Mr. Tang Ho Lun Ronald 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 2021, 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.

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 2021, the Board held six board meetings. The annual general meeting of the Company was held on 18 December 2020 (the "2020 AGM").

The attendance record of each Director at the board meetings and the 2020 AGM is set out in the table below:

Directors	**Number of meetings attended/held** *(Note)*	**Attendance of the 2020 AGM**
Executive Directors		
Mr. Sim Hak Chor	6/6	1/1
Ms. Serene Tan	6/6	1/1
Mr. Tang Ho Lun Ronald	N/A	N/A
Independent non-executive Directors		
Mr. Lim Cheng Hock, Lawrence	6/6	1/1
Mr. Jong Voon Hoo	6/6	1/1
Mr. Lim Wee Pin	6/6	1/1

Note: Attendances of the Directors during the year ended 31 July 2021 were made by reference to the numbers of such meeting(s) held during their respective tenure.

Practice and guidelines of board meetings

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.

CORPORATE GOVERNANCE REPORT

Minutes of board meetings and board committee meetings should record in sufficient detail the matters considered and decisions reached. 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. Minutes of all board meetings and board committee meeting are duly kept by the Company Secretary.

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 in accordance with the terms of the service contract. 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. The Group continuously updated the Directors with the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, as well as providing Director's training to newly appointed Directors, 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 2021 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
Mr. Tang Ho Lun Ronald (appointed on 12 August 2021)	N/A
Independent non-executive Directors	
Mr. Lim Cheng Hock, Lawrence	Yes
Mr. Jong Voon Hoo	Yes
Mr. Lim Wee Pin	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 2021, 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.

CORPORATE GOVERNANCE REPORT

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)*	4/4
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 2021.

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 2021.

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 2021, 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. Lim Wee Pin	2/2

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 2021, 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 2020 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. Lim Wee Pin	2/2

NOMINATION POLICY

For nomination of new Director, any Board member or Nomination Committee member is welcome to invite and nominate suitable candidates. After evaluating and undertaking adequate due diligence in respect of any such nominee, the Nomination Committee makes recommendations for the Board's consideration and approval. In the context of re-appointment of retiring Director, the Nomination Committee reviews the candidate's overall contribution and performance and makes recommendations to the Board for its consideration for the proposed candidate to stand for re-election at a general meeting.

The Nomination Committee considers the following factors in assessing the suitability of a proposed candidate:

(a) character and integrity;

(b) skills, experience and reputation in the relevant industry and other relevant sectors;

(c) commitment in respect of available time and relevant interest;

CORPORATE GOVERNANCE REPORT

(d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge; and

(e) compliance with the criteria of independence as prescribed under the GEM Listing Rules for the appointment of an independent non-executive Director.

These factors are for reference, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of Directors' remuneration for the year ended 31 July 2021 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 2021 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 2021, 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.

AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's external auditor, HLB Hodgson Impey Cheng Limited, for the year ended 31 July 2021, is set out as follows:

	Fees paid/ payable *S$*
Audit services	113,165

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

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND AUDITOR'S 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 2021, 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 auditor 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, during the year ended 31 July 2021, 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.

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.

CORPORATE GOVERNANCE REPORT

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

There is no provision allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of the Cayman Islands. However, pursuant to the Articles of Association, shareholders who wish to make proposals or move a resolution may convene an extraordinary general meeting in accordance with the "Rights to convene extraordinary general meeting" set out above.

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 2021, 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 essential for investors to have a deeper understanding of the Company's business and its development. 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

REPORTING PERIOD AND SCOPE

This Environmental, Social and Governance ("ESG") Report (the "ESG Report") of the Group covers its principal business operations in Singapore for the period from 1 August 2020 to 31 July 2021 (the "Reporting Year"). The Group engages in the provision of manpower outsourcing services, manpower recruitment services, and manpower training services in Singapore, which account for all the revenue of the Group. This ESG Report describes the management approaches and performances of the Group on ESG related issues. For details on corporate governance, please refer to "Corporate Governance Report" on pages 15 to 25 of this annual report.

REPORTING STANDARD

This ESG report was prepared in accordance with the Environmental, Social, and Governance Reporting Guide (the "Guide") as set out in Appendix 20 of the GEM Listing Rules with contents that comply with the disclosure requirements and principles under the Guide.

REPORTING PRINCIPLE

In preparing this ESG Report, the Group follows these principles:

Materiality: The Group communicates with our major stakeholder groups on a regular basis, so to better identify and assess ESG-related issues that matter most from stakeholders' perspectives. Key ESG issues, identified through stakeholder engagement and materiality assessment, are disclosed in this ESG Report.

Quantitative: Appendix 20 of the GEM Listing Rules guides the Group in preparing measurable KPIs for performance review. Quantitative information presented in this Report is accompanied by narrative, explanation and comparison wherever applicable.

Balance: The Group upholds this reporting principle and strives to disclose both challenges and opportunities of ESG issues that the Group experienced during the Reporting Year so as to present our performance in an objective and unbiased manner.

Consistency: The Group adopts consistent methodologies and retrieves social and environmental KPIs from the Group's internal record system. The scope of reporting and KPIs are consistent with those of the previous report to allow meaningful comparison over time.

REVIEW AND APPROVAL

This ESG Report is prepared based on policies, documents, data and records of the Group and has been approved for release by the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG STRUCTURE

The Board of Directors (the "Board") has assumed 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 in place.

The Board delegates authority to senior management from various departments who have the functional responsibility of carrying out sustainable business practices, collection and monitoring of ESG related data.

BOARD STATEMENT

The Group strongly believes that ESG performance is pivotal in creating value for stakeholders. The Group recognises the importance of stakeholder engagement in the management of the ESG matters. The Group has been maintaining close relationship with various stakeholder groups to obtain feedback and to understand their expectations. Besides, the Group commissioned an external consultant to conduct a questionnaire survey on behalf of the Board to identify the material ESG aspects.

The Group strives to be a business that operates in the best interests of the local and global environment. Primarily, our two main focus areas are environment and social:

Environmental goals:

- Incorporate environmentally-friendly initiatives into business and operations;
- Conserve energy and reduce waste;
- Cut down greenhouse gas (GHG) emissions; and
- Enhance waste management.

Social goals:

- Respect employees' rights and benefits, advocate for equal opportunities;
- Secure health and safety of employees;
- Uphold integrity and work ethics; and
- Engage with communities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Since the outbreak of the COVID-19 pandemic, the Group has been adhering closely to local outbreak prevention measures and guidelines, which not only prevents and minimises the risks of spreading, but also demonstrates care for our employees and the communities. During this time, the Group implemented a work-from-home policy whenever possible, to protect our employees while continuously providing satisfactory services to clients.

The Group has been experiencing a tough and challenging year and we anticipate that there are many challenges ahead. The Group will continue to uphold environmental and social goals to operate the business sustainably, provide a safe and healthy environment for employees and support our local community.

COMMUNICATION WITH STAKEHOLDERS

Stakeholders communication is vital for the Group to achieve its sustainability goals. The Group recognises that showing respect for stakeholders' opinions, and treating them with sincerity will help us gain their trust and support. Our key stakeholders include customers, employees, and shareholders. We strive to understand their expectations through various communication channels to collect constructive feedback on an ongoing basis, so to incorporate their views in the long-term planning of our business direction. Their requirements and feedback help us prioritise material ESG issues that matter most for the Group, thereby assisting the Group to formulate policies, strengthen existing programs, and improve organisational alignment. The following table summarises key sustainability concerns by stakeholder:

Stakeholders	Top Priorities	Areas of Concern	Communication Channels
Employees	1st 2nd 3rd	Occupational Health and Safety Benefits and Compensation Career Development Opportunities	Trainings, meetings, emails and notices, and performance appraisals
Shareholders	1st 2nd	Corporate Governance Financial Performances	Financial reports, annual general meeting, announcements, circulars, and company website
Customers	1st	Service Quality	Meetings, emails and phone calls

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group commissioned an independent consultant to conduct a questionnaire survey with stakeholders to assess materiality of ESG-related issues.

The assessment followed three steps to identify material ESG issues:

First:	Identify ESG issues	We engaged our stakeholders to identify the potential ESG issues of the Group.
Second:	Collect stakeholders' opinions	The Group distributed questionnaires and collected valid responses from suppliers, customers and employees.
Third:	Determine material ESG issues	Each ESG issue is determined based on the importance to internal and external stakeholders, and then a materiality matrix is formulated. ESG issues that were assessed as material were reported accordingly.

Material ESG issues identified are as follows:

Material ESG issues identified

Product Responsibility
- Intellectual Property Rights Protection
- Responsible selling practices
- Data security and personal data protection
- Customer's benefits and welfare

Supply Chain management
- Green Procurement

Community Engagement
- Caring for the Community

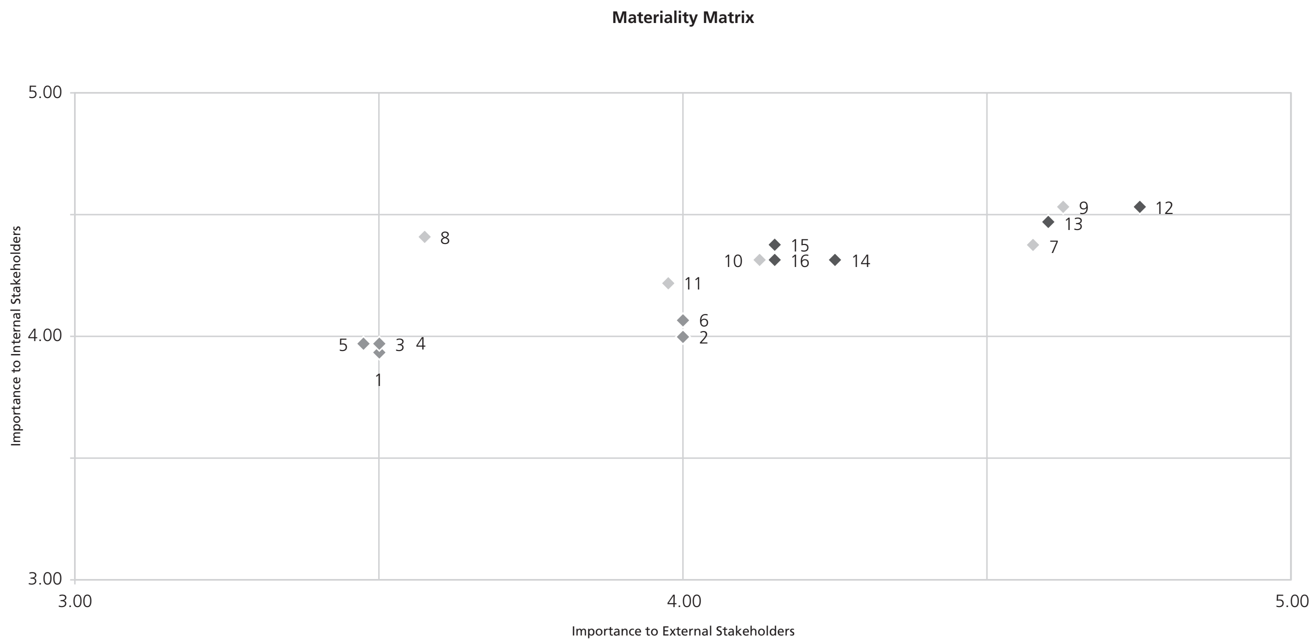
Employment
- Occupational health & safety
- Employee benefits and welfare
- Equal Opportunities
- Talent Management

Corporate Governance
- Corporate governance and risk management

Environment
- Waste and Recyclables Management
- Energy Efficiency
- Water Management
- GHG emissions
- Climate Change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The top two most material ESG issues identified are data security and personal data protection, and occupational health and safety. Customer's benefits and welfare is in the third place. The following materiality matrix illustrates the overall ranking of all issues by internal and external stakeholders:



Legend:

Environmental

1 GHG emissions
2 Waste and Recyclables Management
3 Energy Efficiency
4 Water Management
5 Climate Change
6 Green Procurement

Social

7 Employee benefits and welfare
8 Equal Opportunities
9 Occupational health & safety
10 Talent Management
11 Caring for the Community

Operation

12 Data security and personal data protection
13 Customer's benefits and welfare
14 Intellectual Property Right Protection
15 Responsible selling practices
16 Corporate governance and risk management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE GROUP'S RESPONSES

Based on the materiality assessment conducted for the Reporting Year, the Group identified three main topics: 1. data security and personal data protection; 2. occupational health and safety; 3. customer's benefits and welfare. The table below summaries the Group's responses regarding the top three area of concern of stakeholders. Please refer to the corresponding section of the ESG Report for detailed actions and measures.

Top 3 Material Topics	The Group's responses	Relevant disclosure
Data Security and Personal Data Protection	• The Group is committed to treat all personal data with due confidentiality, in accordance with the relevant data protection laws of Singapore; and • The Group has data security and personal data protection policy in place.	B6. Product Responsibility
Occupational Health and Safety	• Singapore's Workplace Safety and Health Act ("WSH Act") is the legislation relating to the safety, health and welfare of persons at work in a workplace. Under the WSH Act, the Group is required to take reasonably practicable steps for the safety and health of workers and others affected by work; and • Following the COVID-19 outbreak in Singapore, all businesses allowed to operate in Singapore are required to implement Safe Management Measures as required by the Singapore Government.	B2. Health and Safety
Customer's Benefits and Welfare	• No negative feedbacks were received from customers regarding benefits and welfare; and • No significant changes to pricing packages during the Reporting Year.	B6. Product Responsibility

(A) ENVIRONMENTAL ASPECTS

The Group is a Singapore-based workforce solutions provider. Our business activities do not impose significant adverse effects and risks on climate-related issues. The nature of the Group's business operations does not result in substantial polluted air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Nonetheless, the Group has been taking actions to decrease potential environmental impact from the operations of the Group. The Group maintains our historic performance in terms of emissions, use of resources and green commitment. The Group works diligently to comply with stringent national environmental legislation and regulations. During the Reporting Year, there was no instance of non-compliance incident or reported breach with any environment protection laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1. Emissions

Greenhouse Gas (GHG) Emissions

GHG emissions is a crucial parameter for assessing environmental performance. However, the Group does not emit large amounts of GHG emissions across all scopes because of its business nature. Due to severity of the COVID-19 pandemic globally, our employees and directors have been advised against international business travel. The source of GHG emissions of the Group is mainly from the usage of purchased electricity and the consumption of paper in our office operations. During the Reporting Year, 35,567 kWh of electricity and 1.1 tonnes of paper were consumed. 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**". The following table summarises and compares our total emissions:

Indicator	Units	Total emissions in 2019/20	Total emissions in 2020/21
Scope 1 — Direct emissions	CO_2e tonnes	No emissions from motor vehicles	No emissions from motor vehicles
Scope 2 — Indirect energy emissions	CO_2e tonnes	21.81	14.53
Scope 3 — All other indirect emissions	CO_2e tonnes	8.71	5.28
Business Travel	CO_2e tonnes	No emissions from business travel due to global lockdowns	No emissions from business travel due to global lockdowns
Paper disposal (Singapore)	kg	1,815	1,100
Total GHG emissions (scope 1, 2 and 3)	**CO_2e tonnes**	30.52	19.81
The intensity of total GHG emissions	**CO_2e tonnes/employee**	0.40	0.21

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

Remark 2: Scope 2 and Scope 3 GHG emissions are maintained at a low level mainly due to the COVID-19 pandemic.

Air Pollutant Emissions

Since the closure of Hong Kong office in the year of 2018/19, there were no direct GHG emissions (Scope 1) and air pollutants emissions from motor vehicle sources. The Group will consider procuring environmentally friendly vehicles if applicable in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A2. Use of Resources

The Group's business operations do not consume natural resources extensively and do not generate significant amount of waste. The Group is committed to the responsible use of resources in our business operations to balance environmental protection and operating efficiency. To achieve this, we have implemented various measures to promote energy efficiency and minimise paper usage. In the course of our operations, we did not have significant use of packaging materials and water consumption.

Energy Consumption

Energy is a crucial element of the Group's daily operations as well as the main contributor of the Group's GHG emissions. It is one of the important aspects affecting the Group's ESG performance. Consequently, various energy-saving measures are implemented for the office-based business to save energy, for instance:

- Use more environmentally-friendly and energy-saving electrical appliances;
- Activating energy-saving mode and disabling the standby mode for all electrical appliances;
- Encourage employees to turn off computers during lunch or when not in use;
- Close all windows and doors when air-conditioners are in use to better regulate indoor temperature and humidity;
- Disseminating energy-saving message via emails; and
- Placing reminders at prominent locations to remind employees to save energy.

A comparison between the years ended 31 July 2021 and 31 July 2020 shows that we have reduced our total energy consumption and intensity (per employee).

	2019/20		2020/21	
Type of Energy	**Total consumption**	**Energy Intensity**	**Total consumption**	**Energy Intensity**
Electricity	51,399 kWh	676.30 kWh/ employees	35,567 kWh	374.39 kWh/ employees

Remark: The total amount of electricity consumption in the year is based on the electricity bill, which includes lights and electrical appliances only. Electricity consumption of centralised air conditioners in the year was included in rental fees. No specific records on electricity consumption generated by air-conditioning is provided.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Waste Management

Although only a small quantity of waste was generated from the office-based business, environmental pollution remains as one of the key considerations of the Group. Waste reduction at source and the 3Rs (reduce, reuse and recycling) serve as the Group's guiding principles on waste management hierarchy. The generation of non-hazardous waste arises mainly from paper consumption for administrative work. Therefore, the Group is actively implementing waste reduction measures with the target to migrate fully to a paperless operation environment for saving files and communication. The following table summarises our non-hazardous waste:

	2019/20		2020/21	
Category of Waste	**Total discharge**	**Intensity**	**Total discharge**	**Intensity**
Non-hazardous Waste	0.34 tonnes	0.004 tonnes/ employee	0.11 tonnes	0.001 tonnes/ employee

Remark: Our office occupancy rate and associated waste generation were low due to special work arrangements during the COVID-19 pandemic.

With an aim to converse resources, the Group procures equipment or supplies with longer lifespan. Employees are also encouraged to print documents in a duplex format and in grey scale, and use space efficiency formats to optimise the use of paper. Additionally, paper collection boxes are set up near the printers to facilitate employees to reuse single-use paper as far as possible. The office has recycling collection points for glass, aluminium cans, metal and plastics to facilitate waste recovery. All recyclable wastes are handed and treated by a licensed recycling agent. Moreover, clean recycling is indispensable to ensure recyclables are uncontaminated and can be recycled to the fullest. As such, steps to properly clean and meticulously segregate recycle wastepaper and waste plastic materials are taken. In addition, reusable utensils and crockeries are provided at the office to promote green lifestyle options to employees and visitors.

Due to our business nature, the Group does not generate a significant amount of hazardous waste. Office-based business unavoidably produces a small quantity of used compact fluorescent lamps, batteries, cartridges, toners and electronic waste. These wastes are categorised as toxic industrial waste (hazardous waste) in Singapore and shall follow stringent disposal regulations set out by the National Environment Agency. The wastes generated in our premises are handled by a property management company, and therefore no record is available for the Reporting Year. The downstream handling of the wastes is 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)*.

Packaging Materials

The operations of the Group do not involve any packaging of products, and thus key performance indicator A2.5 regarding packaging material used is not applicable and not reported. The focus of the Group is, on the other hand, to minimize the amount of packaging resulted from our procurement of office supplies from various vendors. In order to minimize the generation of waste due to the use of packaging materials, the Group is keen on procuring office supplies, such as stationeries, in bulk. For the remainder that is unavoidable, the durable and recyclable packaging materials are either reused or recycled by licensed recycling agents, whenever applicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Consumption

Other than the above, the Group's offices also produce domestic wastewater. The overall water consumption is relatively low. Although the 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 possible water-saving measures. The Group encourages our employees to adopt water conservation habits to reduce unnecessary wastage. During the Reporting Year, there were no difficulties in sourcing water.

	2019/20		2020/21	
Type of Water	**Total consumption**	**Water Intensity**	**Total consumption**	**Water Intensity**
Water consumption	82.4 m^3	1.08 m^3/ employee	67.8 m^3	0.71 m^3/ employee

Remark: The drop of water consumption compared with last year was mainly because of the COVID-19 outbreak. The occupancy rate of the office and water consumption were maintained at a low level.

A3. The Environment and Natural Resources

The Group's business activities do not have any direct and considerable impacts on the environment and natural resources. Nonetheless, the Group remains committed to the well-being of the environment and strive to save natural resources, by raising awareness of environmental issues among employees through various policies and measures introduced in the office.

A4. Climate Change

The Board is of the view that the Group's business operations are not subject to significant climate-related risks and issues.

In view of tackling climate change, the Group has adopted measures to reduce emissions and energy consumption. You can refer to A1 Emissions and A2 Use of Resources for details. In response to the COVID-19 pandemic, the Group had defaulted work-from-home arrangement as suggested by the Singapore Government. Documents and information are mostly disseminated by electronic means. Video conferencing are used to avoid unnecessary local commute and overseas business travel. In fact, there was no business travel during the Reporting Year. The Group also encourages duplex copying and set printers and computers to default duplex.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(B) SOCIAL ASPECTS

Contributing to the society is always of a high priority of the Group. As a corporate citizen of the community, we strive to fulfil our social responsibilities and endeavours to establish a harmonious environment with employees, customers, and the community. The Group believes that caring about the well-being and development of employees translates to a high standard of service responsibility. We commit to delivering quality service to our customers, as well as to meaningful engagements with the community.

B1. Employment

Our employees are the most valuable assets of the Group. We believe that creating a harmonious workplace built on mutual respect will offer a strong sense of belonging to our employees. We treat all employees equally and value their dedication and commitment to the Group. The Group complies fully with the Employment Act in Singapore. Key provisions in the Employment Act include those related to minimum working age, working hours , paid sick leave, paid holidays and overtime compensation. During the Reporting 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 employment and recruitment policy of the Group emphasise fairness and equality. All job vacancies must go through a standardised and documented recruitment process including job applications, selection of candidates, interviews, approval and job offers. Candidates are evaluated based on their experiences and abilities, and against our business needs, regardless of gender, marital status, pregnancy, disability, age, family status, race, sexual orientation, religion or nationality. All forms of discrimination are prohibited. The Group adheres to the Employment of Foreign Manpower Act in Singapore when the Group recruits, employs and retains foreign manpower in Singapore.

Every employee participates in appraisal annually for performance management and development planning. Employees are encouraged to make use of internal mobility opportunities, and can be promoted or rotated to other positions in accordance with the appraisal results and business needs. Eligible employees attend relevant training to meet business needs and personal career aspirations.

Job advertisement

The Group understands that the accuracy of job advertisement is extremely important for us to recruit suitable candidates for clients and for our own business operations. The Group follows the laws and regulations on recruitment advertisement. 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.

Wages and Dismissal

Our employees are fairly compensated based on their contributions to the business. To attract, retain and motivate employees, the Group continuously enhances the remuneration and benefits package. In recognition of the contributions of employees, the Group annually benchmarks salaries against industry standards to uphold a competitive remuneration package. On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as the individual employee's performance. The Group also complies with the relevant employment laws and regulations when dismissal takes place.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Benefits and Welfare

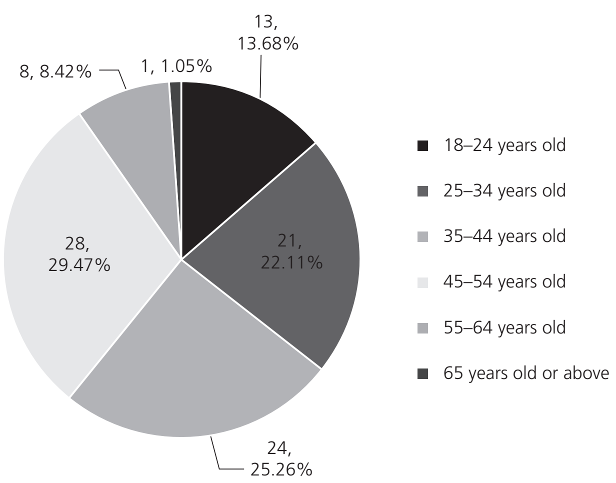
Our Group's benefits and welfare policy covers employees' working hours, rest periods, benefits and welfare including medical insurance, overtime work compensation, retirement benefits through Central Provident Fund, and statutory leave entitlement, in compliance with employment and labour laws and regulations. The Group encourages employees to take adequate rest to sustain a sound body and mind while striking a balance between work and life. 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 also strives to be a family-friendly employer, and thus has implemented some family-oriented employment practices to boost employees' work-life balance and sense of belonging. To exemplify, the Group practices a five-day workweek. Supplementing that are special leaves such as examination leave, marriage leave, and compassionate leave. Moreover, the Group cares and recognises the dedication of working mothers; working mothers in Singapore are entitled to parental and childcare leave.

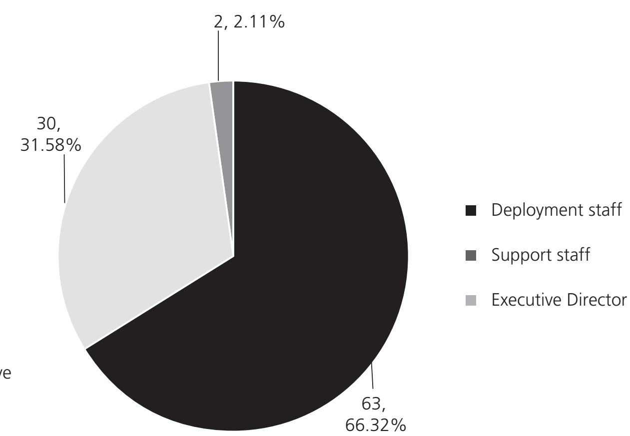
Team structure (as of 31 July 2021)

The Group employs 95 employees, with 46 employees being female and 49 employees being male. 63 of them are full-time deployment staff, 30 of them are support staff and 2 of them are executive directors. They are all based in Singapore. The following detailed breakdowns further illustrate the total workforce:

Total workforce by age groups

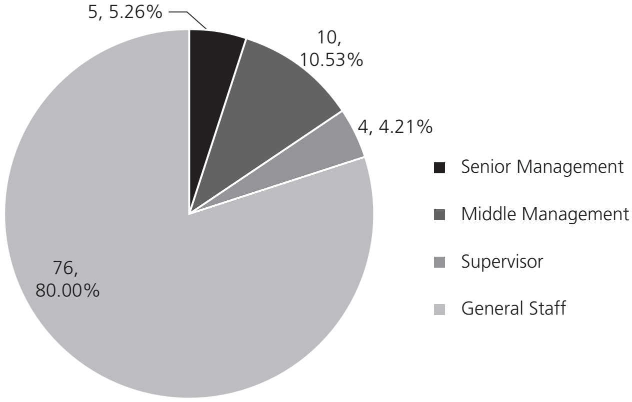


Total workforce by employee type



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total workforce by employment category



During the Reporting Year, the monthly average employee turnover rate was 6.23%.

			Number of leavers	Turnover rate per total workforce (%)
By Gender	No of people	Male	41	43.16
		Female	30	31.58
By age	No. of people	18–24 years old	21	22.11
		25–34 years old	18	18.95
		35–44 years old	17	17.89
		45–54 years old	14	14.74
		55–64 years old	1	1.05
		65 years old or above	0	0.00

B2. Health and Safety

The Group attaches great importance to health and safety of our employees. Health and safety procedures and policies are specified in the employee handbook. All employees undergo safety targets setting exercises, and they are regularly assessed to lessen safety hazards. With an aim to enhance occupational health, ergonomic office equipment such as height-adjustable chairs with adjustable armrest and tilting backrest is provided to all employees. The workplace has sufficient lightings and ventilation systems are regularly maintained and cleaned. Safety incidents, if any, will be reported to the top management. All full-time employees are entitled to a medical plan which covers out-patient clinical visits as well as dental check-ups.

Along with providing suitable office equipment and medical plan to take care of employees' physical health, the Group would also share physical and mental health tips or reminders to employees via emails, online communication platform and phone messages. The Group encourages employees to stay home if they are ill. When work injury happens, the Group would handle it in accordance with the provisions of the law, offering immediate support to the injured and launching investigations to examine the root cause of accidents. Corrective actions and best practice sharings are conducted to avoid reoccurrence of such accidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In response to the COVID-19 pandemic, the Group implemented a Work-from-Home policy to minimise our employees' exposure risk and to prevent cross-infection risks. Also, the Group provides virus protection kits (masks, hand sanitisers) for our employees in the office and constantly reminds them to practice good personal hygiene. Thermometers are available for all employees for their usage. All employees are required to measure their body temperature twice per day to ensure that their temperature is within an appropriate range.

As of 31 July 2021	2020/21 Total	2019/20 Total	2018/19 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)	30	16	64

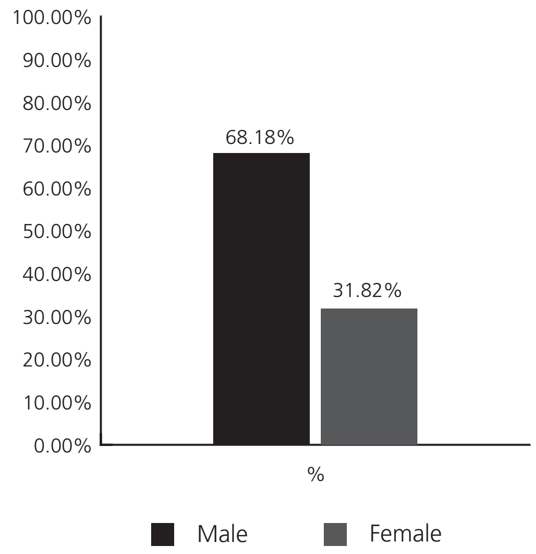
B3. Development and Training

The Group believes that training is essential to improve employees' work quality. To enable employees to cope with the rapidly changing market and accommodate the market's needs, eligible employees are entitled to full subsidy from the Group to acquire job-related knowledge and skills corresponding to their job scope from time to time. In the Reporting Year, employees received a total of 421.5 training hours, the percentage of employees trained was 23.16% and the average employee training hours was 4.4.

Internal training courses cover new listing rule requirements and team discussions on specific topics related to industry trends or job skills. External trainings cover professional training, regulatory updates and listing rules, and ESG reporting. Newcomers are required to read through newcomers handbooks to get familiar with the Group's policy and undergo on-the-job training by experienced employees. Employees in the pursuit of professional and/or certification examinations are granted examination and study leave. The Group may also sponsor the examination fee if employees pass the examination. Through these measures, the Group encourages employees to take part in accredited examinations and join professional bodies.

Training Distribution:

Total employees trained by gender

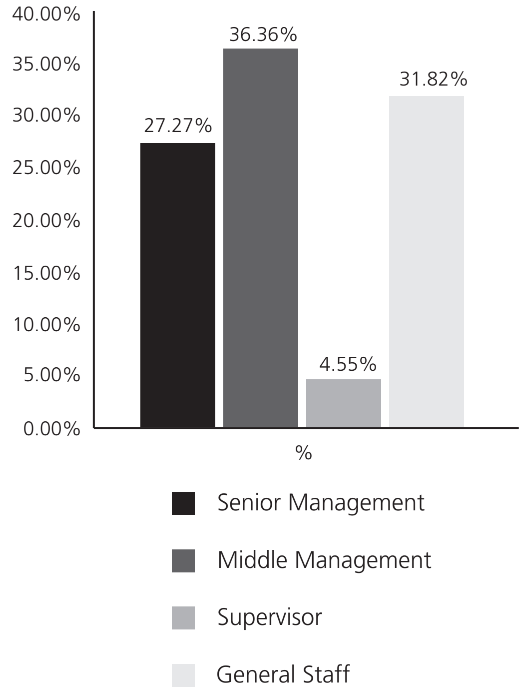


Male: 15 (68.18%)

Female: 7 (31.82%)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total employees trained by employment category



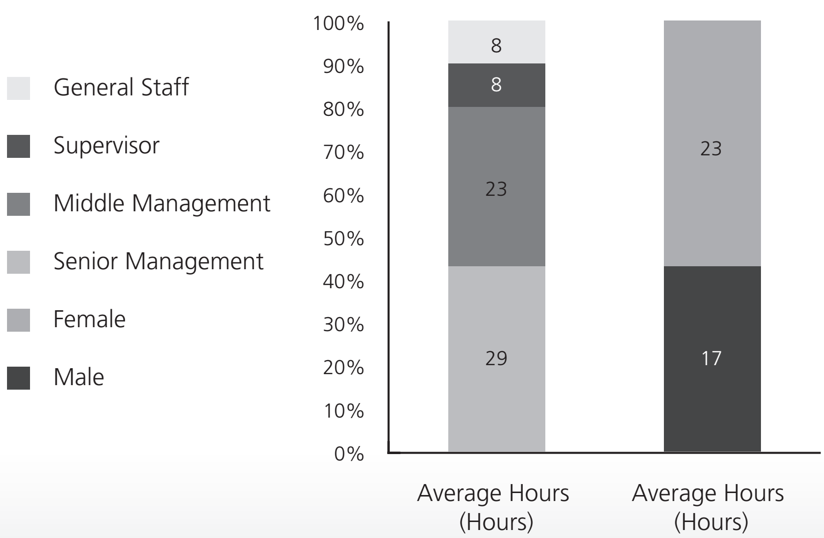
Senior Management: 6 (27.27%)

Middle Management: 8 (36.36%)

Supervisor: 1 (4.55%)

General staff: 7 (31.82%)

Average training hours completed per employee by employment category and gender



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B4. Labour Standards

The Group specifically forbids forced labour and child labour, and takes its prevention very seriously. People Affairs department of the Group checks identity card and age-related documents of employees and candidates during the recruitment process to verify that the minimum statutory working age is met. Furthermore, all employees receive a copy of the employee handbook which clearly states the policies, employment guidelines, remuneration package and Code of Conduct of the Group.

With an emphasis on work-life balance, the Group neither encourages nor forces employees to work overtime. The Group strives to create a fair, respectful and free workplace for employees. The Group keeps record of attendance and leave to ensure working time and rest days of all employees comply with the laws and regulations. For the Reporting Year, there was no non-compliance incident about child and forced labour.

B5. Supply Chain Management

Due the nature of our business, the Group does not have any major suppliers. The Group's service providers mainly provide information technology and communication service, legal and professional services as well as office supplies. Service providers are selected based on their pricing, reliability, experience and reputation. The Group regularly evaluates the quality and pricing of services received.

B6. Product Responsibility

I. Quality Customer Service

Customer satisfaction is correlated to quality of our services, so the Group sees customer feedback as a valuable tool for improving our service. We take customer feedback seriously and have in place procedures to ensure that feedback and complaints from customers get handled in a timely and appropriate manner.

Operations department is assigned to handle customer enquiries and complaints, if any. Dedicated service hotline and email are provided to customers to make any comments and feedback related to our services. Our management and Executive Directors are highly involved in day-to-day business operations and are able to handle customer's complaints on a timely basis. As at the end of the Reporting Year, there were no complaints and no labour disputes and claims regarding services quality. The Group is also delighted to reveal that the customers are satisfied with its professionalism and the quality of services.

II. Intellectual Property Rights

The Group respects intellectual property rights. We do not use any outdated and unauthorised software and uses anti-virus software to prevent data leakage and hackers. Employees are required to seek permission from management before installing software on their laptops and desktops. All employees are expected to protect intellectual property rights and avoid any infringement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

III. Privacy

Protection of data privacy is crucial in the business we operate. 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, and abides by the Personal Data Protection Act ("PDPA") to take special care of sensitive and personal information. 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 and work-related health issues. The Group takes practicable steps to safeguard the personal data from unauthorised or accidental access, processing, erasure, loss or use by third parties. 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 protected with up-to-date antivirus protection. The data shall only be retained for a designated period and specified purposes. 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 can be used appropriately. 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 the personal information has been used in the past 12 months upon request.

The Group designates a Data Protection Officer (DPO) in Singapore and displays his/her business contact information to the data holders for enquiries. The DPO receives regular data handling training and is scheduled to receive latest updates and requirements on data handling and protection. Only delegated personnel who are well-trained can access to personal data. Any illegal and improper 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 the clients if their data is being disclosed, collected or used without authorisation.

For the year ended 31 July 2021, there were no confirmed non-compliance incidents and complaints about advertising, data privacy and intellectual property rights matters relating to products and services provided.

B7. Anti-Corruption

The Group adopts a zero-tolerance approach to bribery and corruption and is committed to doing business ethically and in compliance with applicable laws and regulations. The Group sets up an anti-corruption policy with reference to the laws and regulations as well as industry standards. The anti-corruption policies prohibit employees from receiving any advantages offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties. The Group clearly stated its policies and attitude against corruption and the code of conduct is stated in the employee handbook.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employees are also provided with refresher training in a timely manner on the latest updates on the laws and regulations, as well as up-to-date cases sharing. Directors also had seven hours and certain employees had eight hours of anti-corruption training to refresh their awareness during the year. Declaration of interests and whistle-blowing policy are available to employees and customers. They can report on any suspected cases. The Board of Directors is responsible for launching investigations when necessary, and following up in a highly involved manner. The Group has also commissioned with a third-party organisation to review internal controls.

The Group does not condone any form of bribery, extortion, fraud and money laundering. We strictly adhere to relevant laws and regulations, such as the Prevention of Corruption Act of Singapore. In the Reporting Year, there was no confirmed case or public legal case of bribery, extortion, fraud and money laundering.

B8. Community Investment

The Group is eager to support communities in which we operate. The Group explores collaboration with reputable organizations to support community programmes. We also encourage employees to participate in community services in order to give back to the society. The Group implements community investment with the following approaches:

- ***Labour Needs***

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

- ***Community Activities***

  The Group encourages employees to take part 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

The Group will strive to be a sustainable business that earns profits while being socially responsible and protecting the use of our planet's resources. The Group will continuously publish its ESG report on a regular basis, so as to continuously track and regularly review our ESG performance and progress. The Group also treasures feedbacks from stakeholders which help to improve our performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG REPORTING GUIDE INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Sections in this Report	Remarks
A.1	**Emissions**		
A1.1	Types of emissions and respective emissions data	A1. Emissions	No emissions from motor vehicles
A1.2	Greenhouse gas emissions in total and intensity (if applicable)	A1. Emissions	
A1.3	Total hazardous waste produced and intensity (if applicable)	A2. Use of Resources	
A1.4	Total non-hazardous waste produced and intensity (if applicable)	A2. Use of Resources	
A1.5	Description of emissions target(s) set and steps taken to achieve them	A1. Emissions & A2. Use of Resources	
A1.6	Description of how hazardous and non-hazardous wastes are handled,and a description of reduction target(s) set and steps taken to achieve them	A2. Use of Resources	
A.2	**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 target(s) set and steps taken to achieve them	A2. Use of Resources	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	A2. Use of Resources	
A2.5	Total packaging material used for finished products and with reference to per unit produced (if applicable)	A2. Use of Resources	The Group does not report on this indicator
A.3	**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 Natural Resources	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Sections in this Report	Remarks
A.4	**Climate Change**		
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	A4. Climate Change	
B.1	**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.
B.2	**Health and Safety**		
B2.1	Number and rate of work-related fatalities in each of the past three years including the reporting year	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	
B.3	**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	
B.4	**Labour Practices**		
B4.1	Description of measures to review employment practices to avoid child and forced labour	B4. Labour standards	
B4.2	Description of steps taken to eliminate such practices when discovered		The Group will invite relevant agencies to assist when discovered.
B.5	**Supply Chain Management**		
B5.1	Number of suppliers by geographical region	B5. Supply Chain Management	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		Relevant Sections in this Report	Remarks
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	B5. Supply Chain Management	Due to the business nature, supply chain plays a minimal role in the Group.
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	B5. Supply Chain Management	
B.6	**Product Responsibility**	B6. Product Responsibility	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons		There was no recall due to safety and health reasons during the year.
B6.2	Number of products and service-related complaints received and how they are dealt with		There were 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	
B.7	**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 public 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	
B7.3	Description of anti-corruption training provided to directors and staff	B7. Anti-Corruption	
B.8	**Community Investment**		
B8.1	Focus areas of contribution	B8. Community Investment	Due to the COVID-19 pandemic, community activities have been ceased.
B8.2	Resources contributed to the focus area		Due to the COVID-19 pandemic, community activities have been ceased.

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 2021.

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 2021.

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 2021 and the Group's financial position as at that date are set out in the consolidated financial statements on pages 58 to 121 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 July 2021.

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 122 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 during the year ended 31 July 2021 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 2021, 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 2021 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

PROPERTY, 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 2021 are set out in notes 14 and 15 to the consolidated financial statements.

BANK BORROWINGS

As at 31 July 2021, 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 AND SUBSCRIPTION

As at 31 July 2021, 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 respectively. 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 2021, 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 26 to 46 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.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During the year ended 31 July 2021, there were no material and significant disputes between the Group and its employees, customers and suppliers.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 July 2021, sales to the Group's five largest customers accounted for 74.9% of the total sales and sales to the largest customer included therein amounted to 45.5% of the total sales. Due to the nature of the business, the Group has no major suppliers as 99.7% 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 2021.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors of the Company who held office during the year ended 31 July 2021 and up to this report were:

Executive Directors:

Mr. Sim Hak Chor *(Chairman)*[(Note)]
Ms. Serene Tan[(Note)]
Mr. Tang Ho Lun Ronald *(appointed on 12 August 2021)*[(Note)]

Independent non-executive Directors:

Mr. Lim Cheng Hock, Lawrence
Mr. Jong Voon Hoo
Mr. Lim Wee Pin

Note: Mr. Sim Hak Chor, Ms. Serene Tan and Mr. Tang Ho Lun Ronald 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

All executive Directors currently in office have entered into service contracts with the Company for an initial term of three years commencing from the appointment date and shall continue unless terminated in accordance with the terms of the service contracts.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of two years commencing from the date of appointment, which may be terminated by either party giving no less than three month's written notice served by either party on the other.

The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles of Association and the GEM Listing Rules.

Saved as disclosed above, 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.

REPORT OF THE DIRECTORS

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 remunerations are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of 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.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's remuneration policy and structure for all remuneration of the Directors and senior management of the Group. The remuneration policy of the Group is based on qualifications and contributions to the Group, having regard to the Group's operating results, economic situation, market condition and comparable market practices.

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 2021.

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 2021.

PERMITTED INDEMNITY PROVISION

The Articles provides that the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty by any of the Directors.

REPORT OF THE DIRECTORS

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 2021.

As at 31 July 2021, 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.

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 2021, 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 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 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares of the Company

		Number of shares held, capacity and nature of interest			
Name of Director	*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.

REPORT OF THE DIRECTORS

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.

Save as disclosed above, as at 31 July 2021, 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 5.46 to Rule 5.67 of the GEM Listing Rules.

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

As at 31 July 2021, 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 2021, 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 15 to 25 of this annual report.

REPORT OF THE DIRECTORS

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.

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 29 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 2021 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 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
25 October 2021

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 58 to 121, which comprise the consolidated statement of financial position as at 31 July 2021, 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 2021, 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 32(a) to the consolidated financial statements and the accounting policies in Note 3 to the consolidated financial statements.	
As at 31 July 2021, trade receivables of the Group amounted to S$774,309 after allowance for expected credit losses of trade receivables of S$3,741. The Group's trade receivable balance was significant as it represented 13.6% 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 2021 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.

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.

INDEPENDENT AUDITORS' REPORT

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, actions taken to eliminate threats or safeguards applied.

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, 25 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 July 2021

	Notes	**2021** **S$**	2020 S$
REVENUE	*6*	**5,763,711**	15,859,749
Cost of services		**(4,286,297)**	(11,704,389)
Gross profit		**1,477,414**	4,155,360
Other income	*7*	**1,035,695**	2,568,530
Reversal of/(allowance for) expected credit loss in respect of trade receivables, contract assets, deposits and other receivables, net	*32(a)*	**6,547**	(45,303)
Impairment loss on goodwill	*17*	**—**	(886,341)
Administrative expenses		**(3,657,234)**	(6,322,302)
Other operating expenses		**(117,694)**	(394,094)
Finance costs	*8*	**(89,228)**	(51,683)
LOSS BEFORE TAX	*9*	**(1,344,500)**	(975,833)
Income tax credit	*12*	**324**	40,425
LOSS FOR THE YEAR		**(1,344,176)**	(935,408)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**1,305**	5
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(1,342,871)**	(935,403)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted *(Singapore cents)*	*13*	**(0.09)**	(0.06)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2021

	Notes	2021 S$	2020 S$
NON-CURRENT ASSETS			
Property, plant and equipment	*14*	**233,166**	496,896
Right-of-use assets	*15*	**377,214**	561,838
Deferred tax assets	*25*	**443,406**	449,249
Total non-current assets		**1,053,786**	1,507,983
CURRENT ASSETS			
Trade receivables	*18*	**774,309**	1,206,039
Contract assets	*19*	**109,145**	263,362
Prepayments, deposits and other receivables	*20*	**368,480**	319,520
Tax recoverable		**9,827**	—
Cash and cash equivalents	*21*	**3,392,299**	4,469,347
Total current assets		**4,654,060**	6,258,268
CURRENT LIABILITIES			
Other payables and accruals	*22*	**1,282,978**	1,460,052
Contract liabilities	*19*	**19,536**	20,536
Lease liabilities	*23*	**334,870**	340,298
Bank borrowings	*24*	**1,002,122**	1,357,806
Tax payable		**119**	8,727
Total current liabilities		**2,639,625**	3,187,419
NET CURRENT ASSETS		**2,014,435**	3,070,849
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,068,221**	4,578,832

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2021

	Notes	2021 S$	2020 S$
NON-CURRENT LIABILITY			
Lease liabilities	23	**73,392**	241,132
NET ASSETS		**2,994,829**	4,337,700
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	26	**519,800**	519,800
Reserves	28	**2,475,029**	3,817,900
TOTAL EQUITY		**2,994,829**	4,337,700

The consolidated financial statements were approved and authorised for issued by Board of Directors on 25 October 2021 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 2021

	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 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
At 31 July 2020 and 1 August 2020	**519,800**	**14,228,837**	**(2,379,552)**	**(4,958)**	**(1,258)**	**(8,025,169)**	**4,337,700**
Loss for the year	**—**	**—**	**—**	**—**	**—**	**(1,344,176)**	**(1,344,176)**
Other comprehensive income for the year:							
Exchange differences arising on translation of foreign operations	**—**	**—**	**—**	**—**	**1,305**	**—**	**1,305**
Total comprehensive income/(expense) for the year	**—**	**—**	**—**	**—**	**1,305**	**(1,344,176)**	**(1,342,871)**
Deregistration of a subsidiary	**—**	**—**	**—**	**4,958**	**—**	**(4,958)**	**—**
At 31 July 2021	**519,800**	**14,228,837**	**(2,379,552)**	**—**	**47**	**(9,374,303)**	**2,994,829**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 July 2021

	Notes	2021 S$	2020 S$
OPERATING ACTIVITIES			
Loss before tax		**(1,344,500)**	(975,833)
Adjustments for:			
Depreciation of property, plant and equipment	*9*	**271,877**	358,837
Depreciation of right-of-use assets	*9*	**352,581**	318,023
Finance costs	*8*	**89,228**	51,683
Write off of property, plant and equipment	*9*	**—**	1,876
(Reversal of)/allowances for expected credit losses in respect of trade receivables, contract assets, deposits and other receivables, net	*32(a)*	**(6,547)**	45,303
Impairment of goodwill	*9*	**—**	886,341
Interest income	*7*	**—**	(4)
Operating cash flows before changes in working capital		**(637,361)**	686,226
Decrease in trade receivables		**439,874**	2,091,112
(Increase)/decrease in prepayments, deposits and other receivables		**(51,453)**	567,420
Decrease in contract assets		**154,589**	108,255
Decrease in other payables and accruals		**(176,160)**	(1,362,478)
(Decrease)/increase in contract liabilities		**(1,000)**	6,400
Cash (used in)/generated from operations		**(271,511)**	2,096,935
Income tax paid		**(12,268)**	(31,861)
Net cash (used in)/generated from operating activities		**(283,779)**	2,065,074
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(8,147)**	(375,735)
Proceed on disposal of property, plant and equipment		**—**	646
Interest received		**—**	4
Net cash used in investing activities		**(8,147)**	(375,085)
FINANCING ACTIVITIES			
Repayment of other loans		**—**	(2,433,025)
Proceeds from bank borrowings		**3,241,609**	5,344,358
Repayment of bank borrowings		**(3,597,293)**	(3,986,552)
Repayment of lease liabilities		**(355,102)**	(319,950)
Net proceeds from issuance of ordinary shares		**—**	2,236,620
Interest paid		**(75,251)**	(30,164)
Net cash (used in)/generated from financing activities		**(786,037)**	811,287
NET (DECREASE)/INCREASES IN CASH AND CASH EQUIVALENTS		**(1,077,963)**	2,501,276
Cash and cash equivalents at beginning of year		**4,469,347**	1,967,918
Effect of foreign exchange rate changes		**915**	153
CASH AND CASH EQUIVALENTS AT END OF YEAR	*21*	**3,392,299**	4,469,347

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

1. CORPORATE INFORMATION

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

The Company is an investment holding company 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 AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the Amendments to Reference to the Conceptual Framework in IFRS Standards and the following amendments to IFRS issued by International Accounting Standards Board ("IASB") for the first time in the current year:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IFRS 16	COVID-19 — Related Rent Concessions

The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or the disclosures set out in these consolidated financial statements.

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

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:

IFRSs 17	Insurance Contracts and the related Amendments[1]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 16	COVID-19 — Related Rent Concessions Beyond 30 June 2021[5]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2[4]
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[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 June 2022
3 Effective for annual periods beginning on or after a date to de determined
4 Effective for annual periods beginning on or after 1 January 2021
5 Effective for annual periods beginning on or after 1 April 2021

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

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 GEM listing rules ("GEM Listing Rules").

Going concern assessment

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.

The principal accounting policies are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010).

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

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%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases

Definition of a lease

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, 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.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

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 machinery and equipment 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 other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lease modifications

Except for Covid-19-related rent concessions in which the Group applied the practical expedient, 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.

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Interest income which are not derived from the Group's ordinary course of business are presented as "other income".

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, deposits and contract assets) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done 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 conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

(a) Significant increase in credit risk (Continued)

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;

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract 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 and contract 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.

(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 and 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. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

(e) Measurement and recognition of ECL (Continued)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- 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 receivables and contract assets, other receivables and deposits 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.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

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;

— 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 not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Share-based payments

Equity-settled share-based payment transactions

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefit costs

The obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

Central Provident Fund

The Group participates in the Central Provident Fund Scheme ("CPF Scheme"), which is a state-managed retirement benefit scheme operated by Singapore Government. The Group is required to make monthly contributions to CPF in respect of each employee, who is either a citizen or permanent resident of Singapore.

CPF contributions are required for both ordinary wages and additional wages (subject to any ordinary wages ceiling) of employees at the contribution rates prescribed under the Central Provident Fund Act (Cap 36) of Singapore ("CPFA"). Employer must make payment for both employer's and employee's share of the monthly contribution. Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee. The only obligation of the Group with respect to the CPF Scheme is to make the specified contributions. The Group has no further payment obligations once the contributions have been paid.

Mandatory Provident Fund

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

There were no forfeited contributions utilised by the Group to reduce existing level of contributions for the years ended 31 July 2020 and 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

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.

Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the consolidated statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

(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 2021 was in aggregate of S$443,406 (2020: S$449,249). The amount of unrecognised deferred tax assets relating to tax losses as at 31 July 2021 in aggregate of was S$3,517,035 (2020: S$1,698,693). Further details are contained in Note 25 to the consolidated financial statements.

(b) 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 32(a).

(c) 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 2021, revenue of S$2,595,703 (2020: S$3,270,616) 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

	2021 *S$*	2020 *S$*
Revenue from contract with customers		
Manpower outsourcing	**5,707,854**	15,587,582
Manpower recruitment	**55,857**	200,013
Manpower training	**—**	72,154
	5,763,711	15,859,749

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 statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

7. OTHER INCOME

	2021 **S$**	2020 S$
Government grants *(note)*	**999,701**	2,443,949
Sundry income	**21,505**	77,791
Forfeiture income	**5,700**	32,400
Sale of merchandise	**8,789**	14,386
Interest income	**—**	4
	1,035,695	2,568,530

note: The government grants mainly represent the cash grant received under Job Support Scheme amount of S$967,155 (2020: S$2,346,463) 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 conditions related to the amount of government grants.

8. FINANCE COSTS

	2021 **S$**	2020 S$
Interest expense on bank borrowings	**75,251**	30,164
Interest expense on lease liabilities	**13,977**	21,519
	89,228	51,683

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

9. LOSS BEFORE TAX

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

	Note	2021 S$	2020 S$
Employee benefits expenses			
(excluding directors' remuneration *(Note 10)*):			
— Salaries and bonuses		**5,078,001**	11,806,790
— Contributions to defined contribution plans		**602,361**	1,313,426
— Foreign worker levy		**240,851**	655,088
— Other short-term benefits		**—**	93,825
Total employee benefits expenses (excluding directors' remuneration)		**5,921,213**	13,869,129
Depreciation of property, plant and equipment	*14*	**271,877**	358,837
Depreciation of right-of-use assets	*15*	**352,581**	318,023
Expenses relating to short-term lease		**59,232**	74,040
Auditors' remuneration			
HLB Hodgson Impey Cheng Limited			
— Audit services		**113,165**	120,702
Written off of property, plant and equipment		**—**	1,876
Impairment loss on goodwill		**—**	886,341
Gain on deregistration of subsidiaries		**4,566**	—

For the year ended 31 July 2021, cost of services includes S$3,666,270 (2020: S$9,544,650) related to salaries and bonuses, S$417,357 (2020: S$1,052,320) related to contributions to defined contribution plans and S$189,991 (2020: S$585,699) related to foreign worker levy, which amounts are also included in the respective total amounts disclosed separately above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

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 2021

	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	—	298,629	17,500	15,215	331,344
Ms. Serene Tan	—	213,306	12,500	14,365	240,171
Mr. Tang Ho Lun Ronald (appointed on 12 August 2021)	—	—	—	—	—
Independent non-executive directors					
Mr. Lim Cheng Hock, Lawrence	15,000	—	—	—	15,000
Mr. Jong Voon Hoo	15,000	—	—	—	15,000
Mr. Lim Wee Pin	15,000	—	—	—	15,000
	45,000	511,935	30,000	29,580	616,515

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

For the years ended 31 July 2021 and 2020, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2020: two 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 (2020: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2021	2020
	S$	*S$*
Salaries and bonuses	**390,106**	390,877
Contributions to defined contribution plans	**40,653**	37,287
	430,759	428,164

The emoluments of the above three (2020: three) individuals for the year were within the following bands:

	Number of employees	
	2021	2020
Nil to HK$1,000,000	**3**	3
	3	3

During the year and in the prior year, no emoluments were paid by the Group to the above three (2020: three) 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

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 2021 and 2020.

12. INCOME TAX CREDIT (CONTINUED)

Singapore Corporate Income Tax has been provided at the rate of 17% (2020: 17%) on the chargeable income arising in Singapore during the year after offsetting any tax losses brought forward.

	2021 S$	2020 S$
Current tax:		
Charge for the year	—	8,727
Over-provision in prior years	(6,167)	(2,901)
	(6,167)	5,826
Deferred tax *(Note 25)*:		
Charge/(credit) for the year	5,843	(46,251)
Total tax credit for the year	(324)	(40,425)

Reconciliation of tax credit

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

	2021 S$	2020 S$
Loss before tax	(1,344,500)	(975,833)
Tax calculated at the tax rate applicable to the relevant tax jurisdictions	(228,565)	(165,892)
Over-provision in prior years	(6,167)	(2,901)
Expenses not deductible for tax purposes	76,010	457,092
Income not subject to tax	(164,416)	(415,614)
Effect of partial tax exemption	—	(26,167)
Tax effect of deductible temporary difference not recognised	13,696	—
Tax effect of tax losses not recognised	309,118	114,319
Utilisation of previously unrecognised tax losses	—	(117)
Others	—	(1,145)
Tax credit for the year	(324)	(40,425)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2021	2020
Loss attributable to owners of the Company *(S$)*	**(1,344,176)**	(935,408)
Weighted average number of shares in issue	**1,500,000,000**	1,441,939,890
Basic and diluted loss per share *(Singapore cents)*	**(0.09)**	(0.06)

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 2021 and 2020.

14. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fitting *S$*	Computers and equipment *S$*	Renovation *S$*	Total *S$*
Cost:				
At 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 and 1 August 2020	51,285	2,724,347	247,764	3,023,396
Additions	1,509	6,638	—	8,147
At 31 July 2021	**52,794**	**2,730,985**	**247,764**	**3,031,543**
Accumulated depreciation:				
At 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
Disposal	—	(18,854)	—	(18,854)
Written-off	(285)	(2,834)	—	(3,119)
Exchange realignment	(2)	(17)	—	(19)
At 31 July 2020 and 1 August 2020	29,356	2,323,859	173,285	2,526,500
Charge for the year	7,332	221,985	42,560	271,877
At 31 July 2021	**36,688**	**2,545,844**	**215,845**	**2,798,377**
Net carrying amounts:				
At 31 July 2021	**16,106**	**185,141**	**31,919**	**233,166**
At 31 July 2020	21,929	400,488	74,479	496,896

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. RIGHT-OF-USE ASSETS

	Office equipment *S$*	Leased property *S$*	Total *S$*
Cost:			
At 1 August 2019	—	853,921	853,921
Additions	25,940	—	25,940
At 31 July 2020 and 1 August 2020	25,940	853,921	879,861
Additions	—	167,957	167,957
At 31 July 2021	**25,940**	**1,021,878**	**1,047,818**
Accumulated depreciation:			
At 1 August 2019	—	—	—
Charge for the year	5,188	312,835	318,023
At 31 July 2020 and 1 August 2020	5,188	312,835	318,023
Charge for the year	5,188	347,393	352,581
At 31 July 2021	**10,376**	**660,228**	**670,604**
Net carrying amounts:			
At 31 July 2021	**15,564**	**361,650**	**377,214**
At 31 July 2020	20,752	541,086	561,838

Lease liabilities of S$408,262 (2020: S$581,430) are recognised with related right-of-use assets of S$377,214 (2020: S$561,838) as at 31 July 2021. 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 2021 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

16. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 July 2021 are as follows:

Name	Place of incorporation/ Principal place of business	Issued share capital	Percentage of equity attributable to the Company Direct %	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. ("SAC")	Singapore	S$100,000	—	100	Provision of manpower outsourcing and cleaning services

17. GOODWILL

	S$
Cost:	
At 1 August 2019, 31 July 2020, 1 August 2020 and 31 July 2021	**905,495**
Accumulated impairment losses:	
At 1 August 2019	**(19,154)**
Impairment loss recognised in year-ended 31 July 2020	**(886,341)**
At 31 July 2020, 1 August 2020 and 31 July 2021	**(905,495)**
Net carrying amount:	
As at 31 July 2020 and 31 July 2021	**—**

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:

	2021 S$	2020 S$
Manpower outsourcing		
TCCHR and TCCM	**—**	—

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%. 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 ending 31 July 2025 to recover the dropped revenue affect by COVID-19 pandemic on 31 July 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

17. GOODWILL (CONTINUED)

Manpower outsourcing (Continued)

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%. The terminal growth rate used in determining the terminal value of the CGUs is 1.5% 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 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 during the year ended 31 July 2020.

Key assumptions

Key assumptions were used in the value in use calculation of the CGUs for the years ended 31 July 2020. 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

	2021	2020
	S$	*S$*
Trade receivables	**778,050**	1,217,924
Less: Allowance for expected credit losses	**(3,741)**	(11,885)
	774,309	1,206,039

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

As at 31 July 2021, the trade receivables of amount of S$352,006 (2020: S$566,746) are secured for the factoring loans of the Group (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. TRADE RECEIVABLES (CONTINUED)

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:

	2021 S$	2020 S$
Less than 30 days	**645,436**	753,259
31 to 60 days	**26,002**	41,120
61 to 90 days	**24,917**	45,092
More than 90 days	**81,695**	378,453
	778,050	1,217,924

Details of expected credit loss assessment of trade receivables are set out in Note 32(a).

19. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2021 S$	2020 S$
Contract assets:		
Manpower outsourcing service	**109,261**	263,850
Less: Allowance for expected credit loss	**(116)**	(488)
	109,145	263,362
Contract liabilities:		
Manpower training service	**19,536**	20,536

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$nil (2020: S$14,136). No revenue was recognised that was included in the contract liabilities balance at the beginning of the year during the year ended 31 July 2021 as all training courses were suspended due to COVID-19 pandemic. The Directors consider the courses would be resumed in coming year and the revenue would be recognised in 2022. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

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 32(a).

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

	S$
As at 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 and 1 August 2020	20,536
Consideration refunded to customers	(1,000)
As at 31 July 2021	**19,536**

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 **S$**	2020 S$
Current:		
Deposits	**114,275**	200,180
Other receivables	**220,459**	124,329
Prepayments	**35,740**	48,311
Less: Allowance for expected credit losses	**(1,994)**	(53,300)
	368,480	319,520
Analysis as:		
Current	**368,480**	319,520

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 32(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

21. CASH AND CASH EQUIVALENTS

	2021 S$	2020 S$
Cash at bank and on hand	**3,392,299**	4,469,347

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

Reconciliation of liabilities arising from financial activities.

	Bank borrowings S$	Other loans S$	Lease liabilities S$	Total S$
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 and 1 August 2020	1,357,806	—	581,430	1,939,236
Change from financing cash flow:				
Proceeds from bank borrowings	3,241,609	—	—	3,241,609
Repayment of bank borrowings	(3,597,293)	—	—	(3,597,293)
Repayment of lease liabilities	—	—	(355,102)	(355,102)
Interest paid	(75,251)	—	—	(75,251)
Total changes from financing cash flows	(430,935)	—	(355,102)	(786,037)
Other changes:				
New lease entered	—	—	167,957	167,957
Interest expenses	75,251	—	13,977	89,228
Total other changes	75,251	—	181,934	257,185
As at 31 July 2021	**1,002,122**	**—**	**408,262**	**1,410,384**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

22. OTHER PAYABLES AND ACCRUALS

	2021 S$	2020 S$
Goods and Services Tax payables	**73,485**	148,110
Accrued casual labour costs	**192,859**	180,302
Accrued general staff costs	**261,982**	465,609
Accrued administrative and other operating expenses	**502,114**	431,516
Interest payables	**4,400**	2,339
Other payables *(note i)*	**248,138**	232,176
	1,282,978	1,460,052

note i: Included in other payables, there was an amount of S$35,545 (2020: S$42,756) related to amounts due to the directors. The amount was interest-free, unsecured and repayable on demand.

23. LEASE LIABILITIES

	2021 S$	2020 S$
Lease liabilities payables:		
Within one year	**334,870**	340,298
Within a period of more than one year but not exceeding two years	**73,392**	241,132
Within a period of more than one year but not later than five years	**—**	—
Within a period of more than five year	**—**	—
	408,262	581,430
Less: Amounts due for settlement within 12 months show under current liabilities	**(334,870)**	(340,298)
Amounts due for settlement after 12 months		
Amount due for settlement after 12 months shown under non-current liabilities	**73,392**	241,132

The weighted average incremental borrowing rate applied to lease liabilities is 3% (2020: 3%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

24. BANK BORROWINGS

	2021 *S$*	2020 *S$*
Secured bank loans	**857,289**	1,052,953
Secured factoring loans	**144,833**	304,853
	1,002,122	1,357,806

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

	2021 *S$*	2020 *S$*
Within one year	**353,509**	500,520
Within a period of more than one year but not exceeding two years	**222,651**	206,676
Within a period of more than two years but not exceeding five years	**425,962**	650,610
	1,002,122	1,357,806
Less:		
Amounts due within one year shown under current liabilities with repayment on demand clause	**(353,509)**	(500,520)
Amounts due over one year shown under current liabilities with repayment on demand clause	**(648,613)**	(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 2021, the secured factoring loans of amount of S$144,833 (2020: S$304,853) are payable on demand and secured over certain trade receivables of the Group (Note 18) and corporate guarantee by the Company. The effective interest rate per annum of the factoring loans is 5% (2020: 5%). The interest rate was fixed.

As at 31 July 2021, the secured bank loans of amount S$857,289 (2020: S$1,052,953) are secured by corporate guarantee by the Company. The effective interest rate of the secured bank loans is 6.5% (2020: 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 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 and 1 August 2020	435,564	5,113	8,572	449,249
Charged to profit or loss during the year *(Note 12)*	—	—	(5,843)	(5,843)
At 31 July 2021	**435,564**	**5,113**	**2,729**	**443,406**

At the end of the reporting period, the Group has unused tax losses of S$3,517,035 (2020: S$1,698,693) available for offset against future profits. A deferred tax asset has been recognised in respect of S$30,076 (2020: S$30,076) of such losses. No deferred tax asset has been recognised in respect of the remaining $S3,486,959 (2020: S$1,668,617) due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary difference of S$1,237,823 (2020: S$1,157,260). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilissed.

26. SHARE CAPITAL

	2021			2020		
	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 2019, 31 July 2020, 1 August 2020 and 31 July 2021	**25,000,000,000**	**50,000,000**		25,000,000,000	50,000,000	
Issued and fully paid:						
At beginning of the years	**1,500,000,000**	**3,000,000,000**	**519,800**	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 years	**1,500,000,000**	**3,000,000,000**	**519,800**	1,500,000,000	3,000,000	519,800

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

27. DIVIDENDS

No dividends have been declared or paid during the year ended 31 July 2021 (2020: Nil).

28. RESERVES

a. Share premium

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

b. 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.

c. Other reserve

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.

d. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

29. MATERIAL RELATED PARTY TRANSACTION AND CONNECTED TRANSACTION

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 2021 and 2020:

(a) Transactions with related parties and connected party

	2021 S$	2020 S$
Manpower outsourcing services income from *(note 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")	**89,324**	—
— The Dim Sum Place (CCP) II Pte. Ltd. ("Dim Sum Place CCP")	**9,416**	—
	198,816	—
Expense relating to advertising service provided by shareholder *(note ii)*	**—**	170,877

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.

note ii: 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.

(b) Compensation of key management personnel

	2021 S$	2020 S$
Salaries and bonuses	**932,041**	1,040,212
Contributions to defined contribution plans	**70,233**	64,865
	1,002,274	1,105,077

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

30. 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:

	2021	2020
	S$	*S$*
Financial assets		
Measured at amortised cost:		
Trade receivables	**774,309**	1,206,039
Deposits and other receivables	**332,740**	271,209
Cash and cash equivalents	**3,392,299**	4,469,347
	4,499,348	5,946,595
Financial liabilities		
Measured at amortised cost:		
Other payables and accruals	**1,209,493**	1,311,942
Lease liabilities	**408,262**	581,430
Bank borrowings	**1,002,122**	1,357,806
	2,619,877	3,251,178

31. 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.

32. 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 2021 and 2020.

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 0.01% to 3.99% (2020: 0.3%–100%) 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.

In respect of the trade receivables and contract assets, 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 2021, the top three debtors accounted for approximately 62.2% (2020: 52.2%) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk and impairment assessment (Continued)

Provision matrix — debtors' ageing

As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment for its customers in relation to its manpower outsourcing, recruitment and training service because these customers consist of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at 31 July 2021 and 2020 within lifetime ECL. 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 2021

Trade receivables credit risk assessment	Expected loss rate %	Gross carrying amount S$	Loss allowance S$
Current (not past due)	0.12	645,436	755
1–30 days past due	0.15	26,002	39
31–60 days past due	0.41	24,917	103
Over 60 days past due	3.48	81,695	2,844
		778,050	3,741

Contract assets credit risk assessment	Expected loss rate %	Gross carrying amount S$	Loss allowance S$
Current (not past due)	0.11	109,261	116

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk and impairment assessment (Continued)

Provision matrix — debtors' ageing (Continued)

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk and impairment assessment (Continued)

Internal credit risk grading categories

The Group's internal credit risk grading assessment comprises the following categories:

Stage 1	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs
Written-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 July 2021 and 2020.

	12-month ELCs Stage 1	Lifetime ECLs Stage 2 (non-credit impaired) *S$*	Lifetime ECLs Stage 3 (credit impaired) *S$*	Simplified approach *S$*	Total *S$*	Allowance ECL *S$*	Average loss rate *%*
As at 31 July 2021							
Trade receivables	—	—	—	778,050	778,050	3,741	0.5
Contract assets	—	—	—	109,261	109,261	116	0.1
Deposits and other receivables	334,734	—	—	—	334,734	1,994	0.6
Cash and cash equivalents	3,392,299	—	—	—	3,392,299	—	—
	3,727,033	—	—	887,311	4,614,344	5,851	0.1

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk and impairment assessment (Continued)

Maximum exposure and year-end staging (Continued)

	12-month ELCs Stage 1	Lifetime ECLs Stage 2 (non-credit impaired) S$	Lifetime ECLs Stage 3 (credit impaired) S$	Simplified approach S$	Total S$	Allowance ECL S$	Average loss rate %
As at 31 July 2020							
Trade receivables	—	—	—	1,217,924	1,217,924	11,885	1.0
Contract assets	—	—	—	263,850	263,850	488	0.2
Deposits and other receivables	324,509	—	—	—	324,509	53,300	16.4
Cash and cash equivalents	4,469,347	—	—	—	4,469,347	—	—
	4,793,856	—	—	1,481,774	6,275,630	65,673	1.0

	Trade receivables Lifetime ECL (not credit-impaired) S$	**Trade receivables Lifetime ECL (credit-impaired)** S$	**Contract assets** S$	**Deposits and other receivables** S$	**Total** S$
As at 31 July 2019 and 1 August 2020	19,181	—	688	501	20,370
(Reversal of)/allowance for expected credit losses during the year, net	(7,296)	—	(200)	52,799	45,303
As at 31 July 2020 and 1 August 2020	11,885	—	488	53,300	65,673
(Reversal of)/allowance for expected credit losses during the year, net	(8,144)	—	(372)	1,969	(6,547)
Written off during the year	—	—	—	(53,275)	(53,275)
As at 31 July 2021	**3,741**	**—**	**116**	**1,994**	**5,851**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

32. 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 2021					
Other payables and accruals	**—**	**1,209,493**	**—**	**1,209,493**	**1,209,493**
Lease liabilities	**3.0**	**342,710**	**74,732**	**417,442**	**408,262**
Bank borrowing	**6.2**	**1,113,413**	**—**	**1,113,413**	**1,002,122**
		2,665,616	**74,732**	**2,740,348**	**2,619,877**

	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	6.2	1,364,856	—	1,364,856	1,357,806
		3,002,009	272,324	3,274,333	3,251,178

32. 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 2021, the aggregate carrying amounts of these bank borrowing amounted to S$1,002,122 (2020: S$1,357,806). 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$*	Carrying amount *S$*
As at 31 July 2021	**410,363**	**258,288**	**452,004**	—	**1,120,655**	**1,002,122**
As 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

33. 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 2021 and 2020.

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:

	2021 ***S$***	2020 *S$*
Other payables and accruals	**1,282,978**	1,460,052
Lease liabilities	**408,262**	581,430
Bank borrowings	**1,002,122**	1,357,806
Less: Cash and cash equivalents	**(3,392,299)**	(4,469,347)
Net debt	**(698,937)**	(1,070,059)
Equity	**2,994,829**	4,337,700
Net debt to equity ratio	**N/A**	N/A

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2021 S$	2020 S$
NON-CURRENT ASSET			
Investments in subsidiaries		**4,133,177**	4,036,276
CURRENT ASSETS			
Prepayments, deposits and other receivables		**20,966**	81,201
Amounts due from subsidiaries		**11,854**	14,836
Cash and cash equivalents		**5,099**	4,340
Total current assets		**37,919**	100,377
CURRENT LIABILITIES			
Other payables and accruals		**631,164**	394,011
Amounts due to subsidiaries		**2,320,692**	2,096,846
Total current liabilities		**2,951,856**	2,490,857
NET CURRENT LIABILITIES		**(2,913,937)**	(2,390,480)
NET ASSETS		**1,219,240**	1,645,796
EQUITY			
Share capital	26	**519,800**	519,800
Share premium	28	**14,228,837**	14,228,837
Accumulated losses		**(13,529,397)**	(13,102,841)
TOTAL EQUITY		**1,219,240**	1,645,796

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 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 and 1 August 2020	14,228,837	(13,102,841)	1,125,996
Loss and total comprehensive loss for the year	—	(426,556)	(426,556)
As at 31 July 2021	**14,228,837**	**(13,529,397)**	**699,440**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

35. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 July 2021

35. SHARE OPTION SCHEME (CONTINUED)

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.

36. RETIREMENT BENEFIT PLANS

Hong Kong

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (2020: HK$30,000). Contributions to the plan vest immediately.

Singapore

The CPF is a comprehensive social security system that enables working citizens and permanent residents of Singapore to set aside funds for retirement. We are required to pay monthly to the CPF in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the Central Provident Fund Act (Cap 36) of Singapore ("CPFA"). Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee. Section 7(3) of the CPFA provides that any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPFA and fails to pay the contributions to the CPF within such time as may be prescribed, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding seven (7) years or to both. Section 9 of the CPFA provides that, where the amount of the contributions which an employer is liable to pay in respect of any month is not paid within the prescribed period for payment, the employer shall be liable to pay interest on the amount for every day the amount remains unpaid commencing from the first day of the month succeeding the month in respect of which the amount is payable and the interest shall be calculated at the rate of 1.5% per month or the sum of S$5.00, whichever is the greater. The CPFA provides that in general if any person convicted of an offence under the CPFA for which no penalty is provided shall be liable on conviction to pay a fine not exceeding S$5,000 or to imprisonment for a term not exceeding 6 months or both, and if that person is a repeat offender for the same offence, to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or both.

The total expense recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 31 July 2021 of approximately S$602,361 (2020: S$1,313,426), which represents contributions paid and/or payable to the scheme by the Group.

37. EVENTS AFTER THE REPORTING PERIOD

Up to the date of this report, the Group had no significant events after the reporting period which needs to be disclosed.

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				
	2021	2020	2019	2018	2017
	S$	*S$*	*S$*	*S$*	*S$*
RESULTS					
REVENUE	**5,763,711**	15,859,749	22,871,969	20,295,350	18,654,727
Cost of services	**(4,286,297)**	(11,704,389)	(16,779,894)	(14,443,002)	(12,770,833)
Gross profit	**1,477,414**	4,155,360	6,092,075	5,852,348	5,883,894
Other income and gains	**1,035,695**	2,568,530	188,426	152,865	223,920
Reversal of/(allowance for) expected credit loss in respect of trade receivables, contract assets, deposits and other receivables, net	**6,547**	(45,303)	(2,064)	—	—
Impairment loss on goodwill	**—**	(886,341)	(19,154)	—	—
Administrative expenses	**(3,657,234)**	(6,322,302)	(9,512,273)	(8,376,838)	(6,539,173)
Other operating expenses	**(117,694)**	(394,094)	(745,450)	(729,194)	(460,724)
Finance costs	**(89,228)**	(51,683)	(37,228)	—	(5,608)
LOSS BEFORE TAX	**(1,344,500)**	(975,833)	(4,035,668)	(3,100,819)	(897,691)
Income tax credit/(expense)	**324**	40,425	(67,131)	16,773	279,179
LOSS FOR THE YEAR	**(1,344,176)**	(935,408)	(4,102,799)	(3,084,046)	(618,512)
Attributable to:					
Owners of the Company	**(1,344,176)**	(935,408)	(4,102,799)	(3,084,046)	(618,270)
Non-controlling interests	**—**	—	—	—	(242)
	(1,344,176)	(935,408)	(4,102,799)	(3,084,046)	(618,512)

	As at 31 July				
	2021	2020	2019	2018	2017
	S$	*S$*	*S$*	*S$*	*S$*
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**5,707,846**	7,766,251	8,367,256	9,318,129	12,153,421
TOTAL LIABILITIES	**(2,713,017)**	(3,428,551)	(5,330,773)	(2,157,046)	(1,909,764)
NON-CONTROLLING INTERESTS	**—**	—	—	—	—
	2,994,829	4,337,700	3,036,483	7,161,083	10,243,657