

# OMNIBRIDGE HOLDINGS LIMITED

## 橋英控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8462

2019  
Annual Report

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

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

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

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

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# Corporate Information

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Mr. Chew Chee Kian  
Ms. Yong Yuet Han  
Ms. Lo Wing Yan Emmy

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chew Chee Kian

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fan Chun Wah Andrew, *J.P.*  
Mr. Koh Shian Wei  
Ms. Lam Shun Ka  
(formerly known as Lam Yuk Shan)  
Ms. Liu Daiping

### COMPANY SECRETARY

Ms. Lo Wing Yan Emmy, *CPA*

### COMPLIANCE OFFICER

Mr. Chew Chee Kian

### AUTHORISED REPRESENTATIVES

Mr. Chew Chee Kian  
Ms. Lo Wing Yan Emmy

### AUDIT COMMITTEE

Mr. Fan Chun Wah Andrew, *J.P.*  
(*Chairman*)  
Mr. Koh Shian Wei  
Ms. Lam Shun Ka  
Ms. Liu Daiping

### REMUNERATION COMMITTEE

Mr. Koh Shian Wei (*Chairman*)  
Mr. Fan Chun Wah Andrew, *J.P.*  
Ms. Lam Shun Ka

### NOMINATION COMMITTEE

Ms. Lam Shun Ka (*Chairlady*)  
Mr. Fan Chun Wah Andrew, *J.P.*  
Mr. Koh Shian Wei

### INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng Limited  
Certified Public Accountants

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2701, 69 Jervois Street  
Sheung Wan  
Hong Kong

## LEGAL ADVISER

Loeb & Loeb LLP  
21/F., CCB Tower  
3 Connaught Road Central  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL BANKER

DBS Bank Limited

## COMPANY'S WEBSITE

[www.omnibridge.com.hk](http://www.omnibridge.com.hk)

## STOCK CODE

8462

# Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of Directors, I am pleased to present the consolidated financial results of the Group for the year ended 31 December 2019 (the "**Year**") to the shareholders of the Company (the "**Shareholders**").

## REVIEW

For the year ended 31 December 2019, revenue of the Group increased to approximately S\$36.7 million as compared to approximately S\$34.8 million for the year ended 31 December 2018, representing an increase of approximately 5.5%. Increase in revenue was primarily attributable to increase in human resources outsourcing services in public sector and the increase in human resources recruitment services. In line with the increase in revenue, the Group's gross profit increased by approximately S\$0.1 million from approximately S\$5.6 million for the year ended 31 December 2018 to approximately S\$5.7 million for the year ended 31 December 2019. Gross profit margin decreased from approximately 16.0% for the year ended 31 December 2018 to approximately 15.6% for the year ended 31 December 2019 due to reaction to intense competition within the market by adjustment of our business strategies.

The Group recorded a loss for the year of approximately S\$1.2 million for the year ended 31 December 2019 compared to a loss for the year of approximately S\$2.5 million for the year ended 31 December 2018. This was mainly due to the combined effect of increase in revenue and gross profit exacerbated by lower administrative expenses and lesser government subsidies received.

## APPRECIATION

On behalf of the Board and the management, I would like to express my sincere gratitude to all of our clients, investors, suppliers, business partners and Shareholders for their continued valuable support and trust. I would also like to take this opportunity to thank all of our staff for their tireless efforts, diligence and contribution during the Year.

**Chew Chee Kian**

*Chairman*

Hong Kong, 12 March 2020

# Management Discussion and Analysis

## BUSINESS REVIEW AND OUTLOOK

We are a Singapore-based human resources service provider and we are principally engaged in the provision of human resources outsourcing services and human resources recruitment services.

The Group faced increasing competition in both human resources outsourcing services and human resources recruitment services during the year ended 31 December 2019. In particular, the Group noticed an increased number of competitors and their aggressive pricing strategies in bidding for new projects. Hence, the Group proactively secured new jobs from existing/potential clients by offering competitive pricing in response to the intense market competition to strengthen our market position in the industry.

We believe that the current financial year should continue to be challenging for the human resources services sector due to the uncertain global environment and rising costs in the Republic of Singapore (“**Singapore**”) together with the 2019 social unrest and the uncertain economic slowdown in Hong Kong that may affect the Singapore’s and Hong Kong Special Administrative Region of the People’s Republic of China’s (“**Hong Kong**”) economy. The current outbreak of coronavirus could have a deteriorated impact on the economy of Singapore and Hong Kong due to the increased economic links with the People’s Republic of China (“**China**”) resulting in further decline of mainland tourist arrivals and poor local consumer sentiment. Since the global economic conditions remain volatile, the Directors will constantly review the market condition and adjust the Group’s business strategy to counter the contingent risks.

The Group will explore any business opportunities by investing in new ventures which have strategic and/or operational synergies with the Group to further strengthen our position as an established human resources services provider both in Singapore and in Hong Kong and act prudently and selectively to explore potential investment opportunities in other regions or a better diversified business line at opportune time to leverage the Group’s business.

We will continue to capture market opportunities so as to achieve a sustainable business growth and long-term benefits of our Shareholders.

## FINANCIAL REVIEW REVENUE

The Group’s revenue increased by approximately S\$1.9 million, or 5.5%, from approximately S\$34.8 million for the year ended 31 December 2018 to approximately S\$36.7 million for the year ended 31 December 2019. The Group’s revenue from human resources outsourcing services increased by approximately S\$1.8 million from approximately S\$33.5 million for the year ended 31 December 2018 to approximately S\$35.3 million for the year ended 31 December 2019 and human resources recruitment services increased by approximately S\$0.2 million from approximately S\$1.2 million for the year ended 31 December 2018 to approximately S\$1.4 million for the year ended 31 December 2019.

### HUMAN RESOURCES OUTSOURCING SERVICES

The revenue from human resources outsourcing services increased from approximately S\$33.5 million for the year ended 31 December 2018 to approximately S\$35.3 million for the year ended 31 December 2019, which represented an increase of approximately 5.4%. The increase in the revenue from human resources outsourcing services was mainly attributable to increase in demand for our human resources outsourcing services from clients in the public sector and received more job orders from different Singapore government agencies due to offering competitive pricing in response to the market condition.

### HUMAN RESOURCES RECRUITMENT SERVICES

The revenue from human resources recruitment services increased by approximately S\$0.2 million or 16.7%, from approximately S\$1.2 million for the year ended 31 December 2018 to approximately S\$1.4 million for the year ended 31 December 2019, primarily attributable to the increase in demand on new recruits from our clients in private sector.

# Management Discussion and Analysis

## OTHER HUMAN RESOURCES SUPPORT SERVICES

The revenue derived from other human resources support services decreased by approximately S\$40,000 or 58.8% from approximately S\$68,000 for the year ended 31 December 2018 to approximately S\$28,000 for the year ended 31 December 2019, which was mainly attributable to the decrease in revenue derived from referral services and parking services.

## COST OF SERVICES

The Group's cost of services increased by approximately S\$1.8 million, or 6.2%, from approximately S\$29.2 million for the year ended 31 December 2018 to approximately S\$31.0 million for the year ended 31 December 2019. The labour costs and other related costs were approximately S\$30.3 million and S\$31.9 million for the year ended 31 December 2018 and 2019 respectively and the aggregate government subsidies received were approximately S\$1.1 million and S\$0.9 million for the year ended 31 December 2018 and 2019 respectively. Therefore, the cost of services increase mainly due to the increase in labour costs paid by approximately S\$1.6 million, or 5.3% which was generally in line with the increase in revenue and partially offset by the decrease in government subsidies received by approximately S\$0.2 million, or 18.2%. For details and reasons for such decrease in government subsidies received, please refer to the section headed "Summary — Government subsidies" and "Financial information — Principal components of consolidated statements of profit or loss and other comprehensive income — Cost of Services" in the Company's prospectus dated 28 June 2017 ("**Prospectus**"). The wage credit scheme mentioned therein has been extended to 2020.

## GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit increased by approximately S\$0.1 million, or 1.8%, from approximately S\$5.6 million for the year ended 31 December 2018 to approximately S\$5.7 million for the year ended 31 December 2019, which was mainly due to the combined effect of increase in revenue and the decrease in government subsidies received. Our gross profit margin decreased from approximately 16.0% for the year ended 31 December 2018 to approximately 15.6% for the year ended 31 December 2019, which was primarily due to the reasons mentioned above.

## OTHER INCOME

Other income increased by approximately S\$66,000, or 63.5% from approximately S\$104,000 for the year ended 31 December 2018 to approximately S\$170,000 for the year ended 31 December 2019 due to increase in sundry income and interest income of approximately S\$40,000 and S\$37,000 respectively which are offset by the decrease in service income of approximately S\$11,000 in the year ended 31 December 2019.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by approximately S\$1.1 million, or 13.8%, from approximately S\$8.0 million for the year ended 31 December 2018 to approximately S\$6.9 million for the year ended 31 December 2019, which was mainly due to decrease in marketing expenses and internal staff costs in the year ended 31 December 2019.

## DEPRECIATION

Depreciation expenses of plant and equipment remained relatively stable at approximately S\$0.3 million and S\$0.3 million for the years ended 31 December 2018 and 2019, respectively. Depreciation expenses of right-of-use assets increased by approximately \$1.0 million from approximately S\$Nil for the year ended 31 December 2018 to approximately S\$1.0 million for the year ended 31 December 2019. The increase in depreciation expenses was mainly due to the amortisation arose from initial recognition of right-of-use assets under the International Financial Reporting Standards ("**IFRS**") 16 adopted for the year ended 31 December 2019.

# Management Discussion and Analysis

## LOSS FOR THE YEAR

The loss for the year ended 31 December 2019 was approximately S\$1.2 million, representing a decrease of approximately S\$1.3 million, or 52.0% as compared with loss of approximately S\$2.5 million for the year ended 31 December 2018. The decrease was mainly attributable to the increase in gross profit mainly resulting from the increase in revenue from human resources outsourcing and recruitment service due to offering competitive pricing in response to the market condition and the decrease in government subsidies received and decrease in administrative expenses due to the decrease in marketing expenses and internal staff costs in 2019 as mentioned above.

## FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2019:

- (a) the Group's total assets decreased to approximately S\$20.2 million (2018: approximately S\$21.0 million) while the total equity decreased to approximately S\$15.6 million (2018: approximately S\$17.2 million);
- (b) the Group's current assets decreased to approximately S\$19.6 million (2018: approximately S\$20.7 million) while the current liabilities increased to approximately S\$4.5 million (2018: approximately S\$3.8 million);
- (c) the Group had approximately S\$12.7 million (2018: S\$13.9 million) in cash and cash equivalents available and the current ratio of the Group was approximately 4.3 (2018: approximately 5.5);
- (d) the Group did not have any bank borrowing, amount due to a related company and a director (2018: Nil); and
- (e) the gearing ratio (being the total of bank borrowing, amount due to a related company and a director divided by total equity attributable to the owners of the Company) was not applicable to the Group (2018: N/A).

## CAPITAL EXPENDITURE

Capital expenditure during the year ended 31 December 2019 was primarily related to expenditures on additions of computers and equipment, totalling S\$151,000 (2018: S\$343,000), to cope with our operation needs. As at 31 December 2018 and 2019, the Group did not have any outstanding capital commitments.

## SIGNIFICANT INVESTMENTS

As at 31 December 2019, the Group did not hold any significant investments (2018: Nil).

## CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities (2018: Nil).

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had 60 full-time employees (the "**Employees**") (31 December 2018: 75). Employees are remunerated according to their performance, qualification and work experience. On top of basic salaries, discretionary bonus may be granted to eligible staff by reference to the Group's performance, individual staff's performance and the market conditions. The total staff cost (including remuneration of Directors) amounted to approximately S\$33.9 million for the year ended 31 December 2018 and approximately S\$35.4 million for the year ended 31 December 2019. The dedication and hard work of the Group's staff during the year ended 31 December 2019 are generally appreciated and recognised.

# Management Discussion and Analysis

The Group maintains a share option scheme for the purpose of providing incentives and rewards to the participants for their contributions to the Group. As at the date of this annual report, no option has been granted under the share option scheme.

The Group also provided training and courses to its employees to encourage self-improvement and entrance their professional skills.

## INDEBTEDNESS AND CHARGES ON GROUP ASSETS

As at 31 December 2019, the Group had charges on the fixed deposits of approximately S\$0.1 million (2018: approximately S\$0.1 million).

## MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2019, there had been no other material acquisition or disposal of subsidiaries or associated companies of the Company.

## COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2019, the Group had been in compliance with all the laws and regulations that are applicable to the business operations of the Group.

## FOREIGN EXCHANGE EXPOSURE

The Group transacts mainly in Singapore dollars, which is the functional currency of the majority of the Group's operating subsidiaries. The Group is not exposed to significant foreign exchange risk and has not employed any financial instrument for hedging; however, the Group has retained some proceeds from the Share Offer (as defined below) in Hong Kong dollars which contributed to an unrealised foreign exchange gain of approximately S\$15,000 (2018: unrealised foreign exchange loss of approximately S\$6,000) as Hong Kong dollars strengthened compared with Singapore dollars. The Group will review and monitor from time to time the risk relating to foreign exchange whenever applicable.

## POSSIBLE RISK EXPOSURE

All the risks relating to the Group's business have been set out in the Prospectus under the section headed "Risk factors".

## EVENTS AFTER THE BALANCE SHEET DATE

As from 31 December 2019 to the date of this annual report, no significant events have occurred.

## DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus and in this annual report, the Group did not have other plan for material investments or capital assets as of 31 December 2019.

# Environmental, Social and Governance Report

The Group strives to be an environmentally and socially responsible corporation. We acknowledge the importance of sustainability as one of the key driving forces to the growth of the Group and creation of value to our stakeholders. We believe that the environmental, social and governance (“**ESG**”) areas and aspects listed in Appendix 20 — ESG Reporting Guide to the GEM listing rules (“**ESG Guide**”) are significant considerations for our business planning and operation.

The Group follows the ESG Guide, and its principles of materiality, quantitative, balance and consistency and also the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative to define the report content.

Pursuant to paragraph 12 of the ESG Guide, the main contents of this section of this annual report (the “**ESG Report**”) and/or its summary include but not are limited to the Group’s environmental and social policies and performance, compliance with the relevant laws and regulations, and key relationships with its employees, customers and suppliers and others that have a significant impact on the Group which are herein reviewed.

## REPORTING PERIOD AND SCOPE

Reporting Period: 1 January 2019 to 31 December 2019

Reporting Scope: According to market research, the Group was one of the largest operators in providing human resources outsourcing and recruitment services to Singapore government agencies and non-profit organisations (“**NPOs**”) in terms of revenue generated from the public sector. This ESG Report covers the Group’s principal business of providing human resources services including human resources outsourcing services and human resources recruitment services operating mainly in Singapore and Hong Kong.

## ESG VISION

The Group aims to further strengthen its position in the human resources industry in Singapore and at the same time develop human resources business in the Hong Kong market. We have planned and operated our business under the principles of minimising the risks associated with the ESG areas and aspects listed in the ESG Guide. These principles include but not limited to complying with legal and regulatory requirements, adhering to high ethical standards, stopping and lessening negative impacts on the environment, improving the well-being of the employees, enhancing the relationship with the business counter-parties, offering high quality services to the clients, creating value to the stakeholders and supporting the disadvantaged and the community.

## STAKEHOLDER COMMUNICATION AND MATERIALITY

The Group values inputs and feedbacks of its stakeholders including shareholders/investors, employees, clients, suppliers, service providers, professional advisers, NPO partners and industry associations, and strives to address their concerns. We have established various communication channels in below table to maintain liaison with them:

Stakeholders	Communication Channels
Shareholders/Investors	<ul style="list-style-type: none"><li>• General meetings</li><li>• Information published on websites of the Company or the Stock Exchange of Hong Kong such as annual, interim reports, announcements, circulars, etc.</li><li>• Direct emails or phone enquiries to the Company</li></ul>

# Environmental, Social and Governance Report

Stakeholders	Communication Channels
Employees	<ul style="list-style-type: none"><li>• Direct meeting with management executives</li><li>• Intranet such as email and google hangout</li><li>• Annual Progress review</li><li>• Organised functions and activities for the employees</li></ul>
Clients	<ul style="list-style-type: none"><li>• Day-to-day communication through front line staff</li><li>• Client hotline</li><li>• Official websites</li></ul>
Suppliers/Service providers/ Professional advisers	<ul style="list-style-type: none"><li>• Day-to-day communication through front line staff</li><li>• Regular review of the signed arrangements by the management</li></ul>
NPO partners	<ul style="list-style-type: none"><li>• Volunteer activities</li><li>• Sponsorships and donations</li></ul>
Industry associations	<ul style="list-style-type: none"><li>• Participation in annual and regular meetings and events</li></ul>

Through various means of communication, the Group and its stakeholders have identified the following ESG material areas and aspects:

- Environmental practices and their performance;
- Employment especially on development and training;
- Quality of services and customers satisfaction;
- Customer data and information protection;
- Anti-corruption; and
- Community support and contribution.

The above ESG material areas and aspects have been strictly managed through the Group's established management structure, process, policies and guidelines as described in last year ESG report and are re-summarised below:

The Board is responsible for formulating and setting goals and targets, approving strategic direction and policies, and monitoring performance including ESG issues and has delegated the chief executive officer of the Company and two executive Directors (collectively, the "**Management Team**") to implement accordingly. In respect of ESG management and reporting, the Management Team has arranged and instructed various departmental managers with the following responsibilities:

- Implement the approved ESG policies, rules and regulations;
- Collect and compile data and statistics on ESG related issues; and
- Analyse and report on the compliance and performance of the ESG related issues.

# Environmental, Social and Governance Report

Upon receiving regular updates and reports on ESG activities and related issues from the departmental managers, the Management Team will make decisions on material changes, improvements and/or solutions. If ESG related weaknesses and problems are identified and special skills are required to resolve them, the Management Team will consult and jointly work with independent professionals and/or consultants.

The Group fully understands that ESG policies and practices may change over time to reflect the changes in business operations, structures, technology, laws and regulations, and environment. The Group has continued to provide adequate resources to monitor the ESG issues, policies and practices and performance on an ongoing basis, and has maintained high ethical standards on conducting business and complying strictly with all relevant laws, rules and regulations to achieve sustainable development of the environment and society and bring benefits to our employees and other stakeholders.

The ESG issues and performance of the Group's operations in Singapore and Hong Kong in particular on the material areas and aspects during the year are summarised below:

## A. ENVIRONMENTAL AREAS AND ASPECTS

### 1.1 ENVIRONMENTAL AREAS

The Group supports a "Green Environment" and has implemented policy measures to ensure our operation to be energy, water, and resources saving, and without environmental detriment, and has strictly abided to the local environmental laws, rules and regulations. We have also continued to work on raising the environmental awareness among our employees and business associates and contacts to protect the environment by implementing green practices.

Since the Group's principal business is to provide human resources services including human resources outsourcing services and human resources recruitment services, our activities are therefore operating under normal in-office environment. We only consume electricity and fresh water, printing paper and office utensils. We do not produce, emit or discharge any hazardous pollutants or polluted water.

### 1.2 ENVIRONMENTAL ASPECTS

#### A1. Emissions and Wastes

As the Group only operates under a normal in-office environment and does not operate any transportation fleet, we therefore do not directly generate any hazardous gases such as NO<sub>x</sub>, SO<sub>x</sub> or greenhouse gases namely carbon dioxide ("CO<sub>2</sub>") emissions and wastes. We, however, do indirectly generate CO<sub>2</sub> emissions, an important contributor to global warming, through the use of electricity.

As means to save costs and to reduce indirect CO<sub>2</sub> emissions and to combat global warming, we target to control our electricity consumption, and have introduced measures to ensure that power is turned off when work is not being carried out, encourage the use of natural ventilation to replace air-conditioning in allowable conditions, and all air-conditioners' temperature should not be lower than 24°C under normal conditions. The Group has also invested in energy saving tools and equipment such as the purchase of energy-saving copier and computers, installation of LED lights, and has encouraged the employees to use teleconferencing to reduce their flight travels, and to use public transport during works in the city.

# Environmental, Social and Governance Report

## (i) Greenhouse Gas Emissions

For the period from 1 January 2019 to 31 December 2019 (the “**2019 Reporting Period**”), a total of approximately 61.15 tonnes of greenhouse gases (mainly CO<sub>2</sub>) were indirectly generated and emitted from our Singapore and Hong Kong offices uses of electricity, which was approximately 2.85 tonnes or approximately 4.45% lower than the period from 1 January 2018 to 31 December 2018 (the “**2018 Reporting Period**”).

If we further consider that the Group’s overall turnover has increased approximately 5.5% in 2019 over that of 2018, this reduction of indirect emission of GHG-CO<sub>2</sub> is even more impressive. It is a solid endorsement to the successful implementation of our energy-saving policies. During the 2019 Reporting Period, in terms of per internal worker per year, we recorded 0.97 tonnes of GHG-CO<sub>2</sub> per year, which was approximately 13.7% higher than the 2018 Reporting Period due to the decrease in headcount from 75 to 63 internal workers. For the coming year, we will continue with our energy-saving measures and target to continuously lower the indirect GHG-CO<sub>2</sub> emission by 1.5%.

## (ii) Polluted Water Discharges

The Group does not generate any hazardous water. We only consume an insignificant amount of water for employees’ daily hygiene needs. The water is sourced and discharged without any problems through the offices centralised water supply and discharge network.

## (iii) Hazardous and Non-hazardous Wastes

The Group’s in-office principal activity of human resources services only produces general office wastes mainly used paper and office utensils. Most of these wastes are non-hazardous. However, a small amount of hazardous wastes such as printer toner cartridges, ink boxes and batteries are generated. For the obsolete and old electronic devices such as computers, we donate them to charity organisations. For the printer toner cartridges and ink boxes, we attempt to reduce them through the minimisation of printing. The remaining wastes are collected regularly by qualified collectors, who disposed of them in an environmentally friendly process.

For the 2019 Reporting Period, same as the 2018 Reporting Period, the Group had no non-compliance or fines or disputes or warning notices received in relation to hazardous and non-hazardous air emissions and wastes disposal, and polluted or clean water discharges. In the coming year, we are confident that our measures in controlling our activities will continue to result with no air, water and wastes pollutant will be unreasonably produced.

# Environmental, Social and Governance Report

## A2. Use of Resources

Given the in-office nature of our business activities, we only consume electricity, fresh water and printing paper and ink. Although we only have a small business operation, we are conscious of our responsibility of conserving natural resources. We have approved and implemented clear environmental policy and measures with the target of a green practices without pollution and saving of scarce resources. Our uses of electricity, printing papers and water for the 2018 Reporting Period and 2019 Reporting Period were recorded in below:

### (i) Efficient Use of Energy

Energy Consumption Sources	Energy Consumption (in kWh) during the Reporting Period		
	2018	2019	(+/-%)
Electricity	81,049	77,406	-4.5%

Electricity is sourced from the city grid line which is the only source of energy used for our offices daily operations. During the 2019 Reporting Period, our offices consumed a total of 77,406 kWh and achieve an approximate 4.5% reduction of electricity consumption when compared to the 2018 Reporting Period. The per internal worker per kWh per year was at 1,228.26 kWh during the 2019 Reporting Period, resulting in an approximate 13.6% increase when compared to the 2018 Reporting Period due to the decrease in headcount from 75 to 63 internal workers. Nevertheless, we have encouraged our employees to use electricity efficiently and in an environmentally friendly manner.

- Turn off electrical appliances, lights in a timely manner and when not in use;
- Install and use energy-saving electrical appliances; and
- Control heating and cooling devices with time controls.

For the coming year, we will persist to enforce energy saving practices and target to lower the electricity consumption by 1.5%.

### (ii) Efficient Use of Paper

For the 2019 Reporting Period, based on our copier reading, a total of 324,336 pieces of printing paper were used, which was 59,999 pieces or approximately 15.6% less than the 2018 Reporting Period. It was an encouraging saving on quantity of printing papers used as well as costs, which showed a success on our implementation of the following paper usage reduction measures:

- Avoid unnecessary printing and print on both sides;
- Use recycled papers and reuse paper-made products such as envelopes and folders; and
- Replace papers communication and files electronically.

# Environmental, Social and Governance Report

## (iii) Consumption of Fresh Water

Fresh water is supplied from the city water system and used mainly for our employees' daily general hygiene needs which the amount used is marginal and determined to be immaterial. We have continued to encourage employees to avoid excessive usage of fresh water.

## A3. The Environment and Natural Resources

Although the Group's business and operations have an insignificant impact on the environment and natural resource usage, the Group still continues to act responsibly to the environment by reducing and saving natural resource consumption, and constantly reviewing ways and means to accomplish further resource savings and environmental protection. It is not just for costs saving, it is also for conserving natural resources and the environment for tomorrow. The Group has always monitored the usage of electricity, water and printing paper, invested in modern technology and equipment with energy saving and resources conservation, educated and alerted our employees awareness on natural resources consumption, stopping pollution, and practicing green.

Throughout the 2019 Reporting Period, same as the 2018 Reporting Period, no irregularities on natural resource consumption were reported and alerted to the management.

## A4. Climate Change

The Group's Management Team identifies global warming and conservation of fresh water as the most significant climatic issues that may impact the Group after communicating with stakeholders and evaluating the Group's operations in light of the current global environmental conditions. These two climatic issues not only affect our environment, they also impinge on the operation costs of the Group.

Global warming is mainly caused by the excessive release of GHG-CO<sub>2</sub> into the atmosphere, which is directly and indirectly the result of uses of fossil fuels for transportation and electricity generation. For the Reporting Period, although the Group's operations and activities did not directly generate any GHG-CO<sub>2</sub> emission, we did generate GHG-CO<sub>2</sub> indirectly by consuming electricity. We have implemented policies and measures, explained in prior sections, to use electricity efficiently in order to reduce our GHG-CO<sub>2</sub> emission. Furthermore, we have supported reforestation and implemented less-paper office to curb our contribution to global warming.

To conserve the consumption of fresh water, one of the most precious natural resources today, the Group has taken measures to encourage employees to use water wisely and responsibly.

For the 2019 Reporting Period, the Group's business operations and activities, except for the above two issues, did not lead to any events or issues that may impact the climate significantly. The Group has also been taking measures to lower the indirect emission of GHG-CO<sub>2</sub> and reduce fresh water consumption for the coming year.

# Environmental, Social and Governance Report

## B. SOCIAL

### 2.1 EMPLOYMENT AND LABOUR PRACTICES AREAS

The Group's business development and growth relies heavily on the commitment, passion and skills of its employees. We value our employees as our most valuable asset. We are committed to complying with all the laws, rules and regulations on the employment arrangements of Singapore and Hong Kong, providing a safe, healthy and equitable working environment, offering equal opportunities to all employees on recruitment, promotion, compensation and benefits. We strive to strengthen our human resources management with employees oriented policies to encourage motivation and innovation, and to protect the interests and legal rights of the employees, and ultimately to achieve a positive, constructive and harmonious relationship with our employees.

### 2.2 EMPLOYMENT AND LABOUR PRACTICES ASPECTS

#### B1. Employment

The Group recognises our employees as one of the most important key contributor to our business and growth, we are committed to ensure a comprehensive, efficient and humanistic approach to manage its human capital such that both the Group and our employees can continue to grow and to prosper together.

The Head of the Human Resources of the Group has been charged with the responsibility and duty to ensure all the statutory obligations of the Group has been fulfilled and complied with in a legitimate manner. As the Group only maintains offices, and mainly provides human resources outsourcing services as well as human resources recruitment services in Singapore and Hong Kong, its employment policies, rules and regulations and contractual arrangements are subject to and in compliance with respective local relevant laws, rules and regulations relating to employment, including but not limited to the Employment Act ("EA") (Chapter 91) and Central Provident Fund Act ("CPFA") (Chapter 36) of Singapore and the Employment Ordinance ("EO") (Chapter 57 of the Laws of Hong Kong) and the Mandatory Provident Fund Schemes Ordinance ("MPFSO") (Chapter 485 of the Laws of Hong Kong) of Hong Kong. The EA and CPFA, and EO and MPFSO set out the basic terms and conditions at work for employees in Singapore and Hong Kong such as payment of salary, paid public holidays, sick leave and maternity leave, rest days, hours of work and other conditions of service such as compensation and dismissal, social insurance, recruitment and promotion, performance assessment, other benefits and welfare, equal opportunities, diversity, anti-discrimination, etc.

On employment, the Group has adopted a mixed policy of external recruitment and internal promotion for vacancies. All vacancies are open to all with equal opportunities, to be decided with no discrimination on sex, religion, gender, age and disability, and to be selected on qualifications skill and competency basis. All successful employees must enter into proper and standardised contracts in written between the respective employees and the Group. Employees' remuneration is determined with reference to the prevailing market level as well as their competence, qualifications and experience. Such employment policies and practices apply not only to employees working directly in the Group, and also to outsourcing employees who are employed by the Group but seconded to work for our clients.

The Group provides and maintains statutory benefits to all qualified employees in accordance with the requirements of the EA and CPSA of Singapore and EO and MPFSO of Hong Kong, and other applicable laws (e.g. Skills Development Levy Act) where appropriate, including but not limited to central provident fund, mandatory provident fund, social security insurance, medical insurance, work injury insurance and compensation and statutory holidays.

Employees' remuneration are determined with reference to the prevailing market level in line with their competency, qualifications and experience. Discretionary bonuses of such amounts and at such intervals for internal employees will be rewarded at the discretion of the top management with consideration on performance.

# Environmental, Social and Governance Report

In short, the Group continues with the employment policies, practices and procedures in relation to recruitment, promotion, dismissal, and anti-discrimination with the purpose to build a fair and equitable work environment for all, regardless of age, gender, family and marital status, sexual orientation, ethnicity, and religion or other characteristics, and to promote team spirit and mutual respect in all our offices, to encourage employees to communicate open-heartedly, which will drive innovation and create win-win relationships.

As at 31 December 2019 the Group employed a total of 1,311 employees, among which 63 worked for itself (as “**Internal Employees**”) and 1,248 were seconded to work for the clients (as “**Outsourced Employees**”). Further analysis of the Group’s employment situations for the 2018 Reporting Period and 2019 Reporting Period are summarised below:

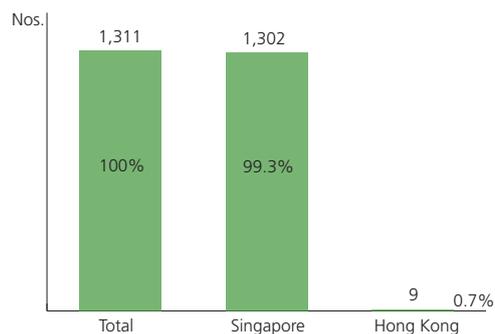


Figure 1: Total Permanent Employees by Region

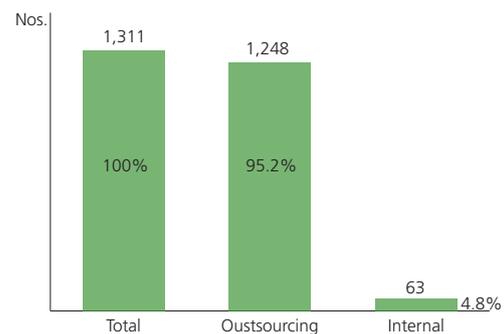


Figure 2: Internal & Outsourcing

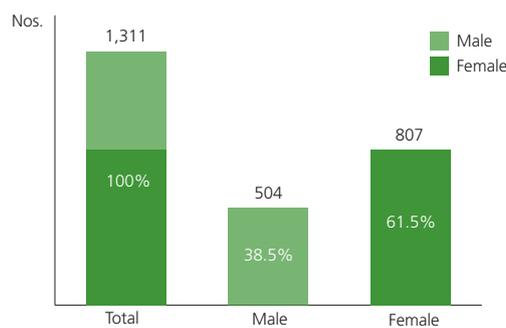


Figure 3: Gender

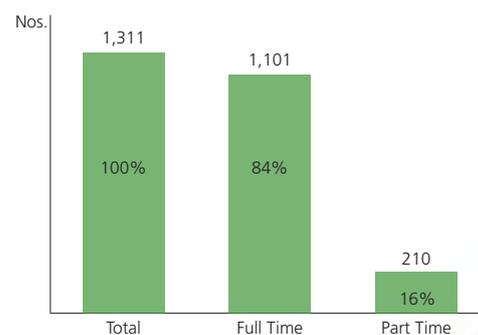


Figure 4: Full Time and Part Time

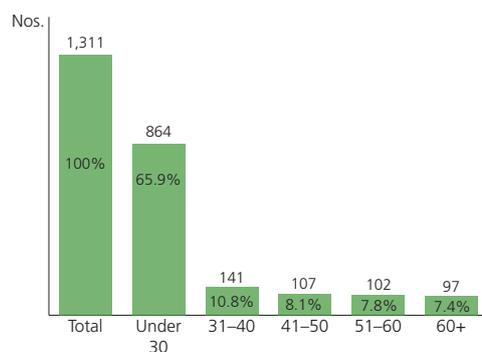


Figure 5: Age Distribution

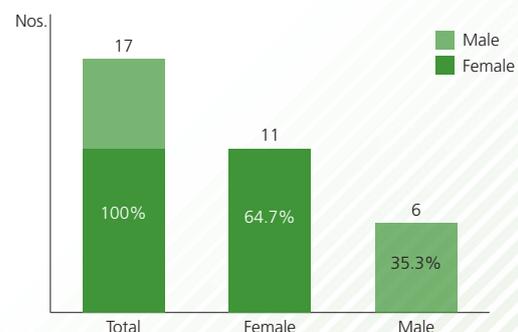


Figure 6: Females and Males in Managerial Positions

# Environmental, Social and Governance Report



Figure 7: Operational vs Managerial Role (only Internal Staff)

Owing to severe market competition, the Group streamlined its business operation and allowed for voluntary departures without replacement. The total number of Internal Employees dropped from 75 at the beginning of 2019 to 63 at the end of 2019.

The Group honoured all obligations to our employees including the payment of salaries and wages, holidays and leave, compensation, insurance and health benefits without disputes, violations or litigation related to employment and labour for the 2019 Reporting Period as well as the 2018 Reporting Period.

## B2. Health and Safety

The Group at all times provides a safe working environment in its offices to prevent employees from injuries and accidents, and adopts an “employee-oriented” human resources policies which aim to provide a happy, harmonious, safe and healthy working environment to minimise the risk of any occupational hazards. Work safety rules and policies, which are in all material aspects in compliance with all the relevant laws, rules and regulations relating to safety and health requirements of Singapore and Hong Kong including the Work Safety and Health Act (“**WSHA**”) (Chapter 354A) and Work Injury Compensation Act (“**WICA**”) (Chapter 354) of Singapore, and Occupational Safety And Health Ordinance (“**OSHO**”) (Chapter 509 of the Laws of Hong Kong) and Employees Compensation Ordinance (“**ECO**”) (Chapter 282 of the Laws of Hong Kong) of Hong Kong, have been implemented. The Group has assigned safety officers to regularly inspect and to alert employees to take precautionary measures to ensure that the workplace is safe. The Group has also provided regular trainings to employees to perform their jobs safely.

In accordance and in compliance with the statutory requirements of Singapore, the Group has maintained workmen compensation insurance for all the internal employees and outsourced employees employed by the Group in Singapore as stipulated by the Ministry of Manpower of Singapore. In addition, the Group has to cover the medical consultation fee for employees who work at least 3 months with the Group and thus, we have outpatient medical insurance to cover this for all internal employees. Although it is not a statutory requirement, all internal employees employed by the Group are covered with group hospitalisation, surgical and dental policies. For contract workers, they will be covered on a case by case basis. While in Hong Kong, the Group maintains employee compensation insurance that includes work injury for our employees in Hong Kong under regulatory requirements. These policies and insurance compensation cover all qualified employees to protect their safety and health against occupational hazards, accidents and sickness. The Group has also equipped the offices with all the required safety equipment and facilities, and has passed all the governmental safety inspections.

# Environmental, Social and Governance Report

During the 2019 Reporting Period, the Group did not have any injuries or accidents with our internal employees in our offices, but had five cases of injuries (three minor/two medium) with our outsourced employees in Singapore, which were two cases less than the 2018 Reporting Period. All of these injuries were related to sprain, strain and scratches of limbs and backs during the course of works. All of the injured employees had well been taken care under insurance covered. The Group did not have any disputes and litigations with employees on compensation or work related injuries and fatalities, or non-compliance cases in relation to safety laws and regulations for the 2018 Reporting Period and the 2019 Reporting Period.

## B3. Development and Training

The Group understands that human capital plays a large part of our businesses. We support continuous learning and training on the development of the employees. We encourage our employees to proactively identify their training needs and seek development to fulfil their personal and career aspirations and provide educational sponsorship to motivate them to pursue further study.

In relation to training, we have established a series of internal training programmes to ensure all the employees have received a subsistence level of training such as all newly-hired employees will be offered orientation programmes to familiarise with the Group's structure, general working environment and work culture; on-the job programmes and guidance from supervisors will also be provided to enhance their technical or product knowledge. As per clients' request, the Group will provide training programmes to our outsourced employees to prepare them to render quality services to meet our clients' standards. For senior managers, opportunities to attend external training programmes/workshops/seminars are provided to strengthen the consciousness of enterprise management.

The Group is committed to providing training to our employees as evidenced by the increase in the number of both internal and external trainings, as well as the number of employees trained and training hours.

Reporting Period	Types of Training	Employees Trained	Total Employees	Percentage	Total Hours
2019	Internal	0	1,248 (Outsourced)	0%	0
	External	27	63 (Internal)	42.8%	640
2018	Internal	216	1,304 (Outsourced)	16.5%	1,928
	External	29	75 (Internal)	38.6%	801

Given the severe competition in the human resources industry especially in the outsourcing sector, the Group will continue to provide internal and external training programmes to our internal workforce to improve their on-the-job skills in the coming years. The Group is currently reviewing and considering reintroducing certain tailor-made fast track training programmes to our outsourced employees to increase their adaptability and suitability for the latest job vacancies, which will help to improve the competitiveness of our outsourcing workforce.

# Environmental, Social and Governance Report

## B4. Labour Standards

The Group strictly complies with all the relevant laws, rules and regulations including but not limited to the EA and CPFA of Singapore and EO and MPFSO of Hong Kong, and adopts the respective national standards as its minimum labour standard on labour protection and welfare. The Group maintains strict compliance with the laws in relation to equal employment opportunities and prevention of child or forced labour including recruitment, dismissal, promotion, leave, holidays, benefits as well as ensuring equal employment opportunities to all genders, ages, races and religions. The Group is also against any form of child or forced labour. As a legal formality, the Group maintains the private files of the employees on confidential basis. For the 2019 Reporting Period, same as the 2018 Reporting Period, the Group honoured all its obligations towards the employees and has built a safe, healthy, harmonious and pleasant working environment in all our offices, and no labour disputes or litigations was reported.

## 2.3 OPERATION PRACTICES ASPECTS

### B5. Supply Chain Management

Given the nature of our business operation, the Group only needs to purchase general office stationery and supplies, which are small in term of quantities and dollar amount compared to the total operation expenses. We therefore do not require to set up a purchase division and to formulate comprehensive purchase policies, rules and regulations. Our finance and accounting department has taken the general purchases role and normally procures those office items locally.

Although the Group does not make a large amount of purchases, it applies an open, fair and standardised process in procuring goods and services that adheres to our internal control requirements. This helps ensure fair pricing and acquisition of quality supplies and services. Furthermore, the Group tries to purchase items which are environmental-friendly and from official suppliers especially the purchase of professional software. The Group does not see its purchases posing any environmental and social risks to the society at large.

### B6. Product Responsibility

Product responsibility refers to the quality of the products and services provided in relating to health and safety, advertising, labelling and privacy matters. In our case as a human resources provider, no physical product is produced and only services are provided, the key product responsibilities are therefore on providing accurate and useful information, meeting the satisfaction and privacy matters of our clients.

For our human resources outsourcing service business, the important factors are the capability to select suitable employees and train up quality employees for the designated jobs, while for our human resources recruitment service business, the critical factors are the ability to screen and select the right potential candidates for the vacancies. The Group is committed to providing accurate and true service information to customers, and through many years of operation has developed very detailed human resources outsourcing and recruitment processes and systems, which are able to meet the requirements and to give satisfactions to the clients.

For the 2019 Reporting Period, same as the 2018 Reporting Period, the Group continued to provide and maintain good quality services to the clients as the return of sales was so low at only approximately 0.15% (approximately 0.2% in the 2018 Reporting Period) for outsourcing business.

# Environmental, Social and Governance Report

## Intellectual Property Rights

With regard to intellectual property rights (“**IPR**”), the Group acknowledges and complies with all the relevant laws and rules. The Group has registered its own trademark in Singapore and domain name. The Group uses only original software such as Salesforce, Jobsience, Timesoft, SAP, Slack and Tris and pays the licensing fees. For the 2019 Reporting Period, same as the 2018 Reporting Period, there was no infringement by third parties on our IPR or by ourselves to any IPR of third parties reported.

## Privacy

As a human resources services provider, the Group has obtained and possessed a substantial amount of personal data of the individual candidates and the confidential commercial information of the clients in the form of a consolidated database. Pursuant to the Personal Data (Privacy) Ordinance (“**PDPO**”) (Chapter 486 of the Laws of Hong Kong) of Hong Kong and the Personal Data Protection Act 2012 (“**PDPA**”) of Singapore (Chapter 26), the Group is obliged to keep all such data confidential. If there is any breach of confidentiality or failure to comply with the protection, collection, use and disclosure of personal data as prescribed under the PDPA and PDPO, resulting in personal data related to individual candidates being leaked to or obtained by third parties as a result of its breach of confidentiality, individual candidates and the clients may take legal action against the Group for damages and/or compensation for the loss that may have arisen or been incurred therefrom, in addition to being subject to the penalties prescribed under the PDPA and/or PDPO. To safeguard the security and confidentiality of the data and information in its database, the Group has restricted their access only to authorised and approved personnel and stored them in physically secured environment.

For the 2019 Reporting Period, same as the 2018 Reporting Period, there was no privacy information leakage reported.

## B7. Anti-Corruption

The Group has established an “Internal Control System”, under which the audit committee of the Company (“**Audit Committee**”) is authorised by the Board to create an anti-corruption and anti-fraud process and procedure to regulate the conduct and behaviour of employees, create an atmosphere of integrity and honesty, and prevent prejudice to the Group’s interest. The internal control reviewer is responsible for counter-checking and taking up the remedial actions.

Employees are prohibited from receiving any advantages offered by customers, suppliers, colleagues or other parties while they are performing employees duties, and prohibit any activities involving conflicts of interest, bribery, extortion, fraud and money laundering. The employment contracts and Employee Handbook have laid out the Group’s expectation and the Code of Conduct.

With the implementation of clear policies and well-structured processes on sales, operation, database control and finance, and the adoption of a high Code of Conduct, and a zero-tolerance on bribery and corruption in any form or at any level in association with any aspect of the Group’s activities, the Group for the 2019 Reporting Period, same as the 2018 Reporting Period, reported no bribery nor corruption case.

## B8. Community Investment

The Group continues to contribute to the society by providing training and soliciting jobs for hundreds of unskilled and semi-skilled workers, which are improving their lives.

The Group also actively supports and encourages employees and their family members to be involved in charitable, volunteering, cultural, educational and community support services activities. The employees may apply to the management for paid leave to perform those activities.

The Group encourages and educates all employees to practice green and to participate in environmental activities.

# Corporate Governance Report

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

## CORPORATE GOVERNANCE PRACTICES

The Company has adopted and, save for the deviation from code provision A.2.1 of the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules ("**CG Code**") as disclosed in this annual report, has complied with applicable code provisions as set out in the CG Code during the year ended 31 December 2019.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 December 2019.

## BOARD OF DIRECTORS RESPONSIBILITIES

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the Company's articles of association (the "**Articles of Association**"). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of the Stock Exchange and the Company. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

The Directors have full access to information on the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

# Corporate Governance Report

## COMPOSITION

The Company is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

As at the date of this annual report, the Board comprises the following seven Directors:

## EXECUTIVE DIRECTORS

Mr. Chew Chee Kian (*Chairman and Chief Executive Officer*)

Ms. Yong Yuet Han

Ms. Lo Wing Yan Emmy

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fan Chun Wah Andrew, *J.P.*

Mr. Koh Shian Wei

Ms. Lam Shun Ka (formerly known as Lam Yuk Shan)

Ms. Liu Daiping

The biographical details of each of the Directors are set out in the section headed “Directors and Senior Management” of this annual report.

Mr. Chew Chee Kian is an executive Director, chief executive officer of the Company, chairman and compliance officer of the Board, one of the controlling shareholders of the Company and the spouse of Ms. Yong Yuet Han.

Ms. Yong Yuet Han is an executive director, one of the controlling shareholders of the Company and the spouse of Mr. Chew Chee Kian.

Save as disclosed, there was no financial, business, family or other material relationship among the Directors.

The independent non-executive Directors have brought in a wide range of business and financial expertise, experiences and independent judgment to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors will make various contributions to the Company.

Throughout the Year, the Company had four independent non-executive Directors, representing over half of the Board members, which has exceeded the requirement of the GEM Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board members, and has met the requirement that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Company considers that all the independent non-executive Directors are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules from 17 July 2017, on which the shares of the Company, (the “**Share(s)**”) were listed on GEM (the “**Listing Date**”) to the date of this annual report.

Proper insurance coverage in respect of legal actions against the Directors’ liability has been arranged by the Company.

# Corporate Governance Report

## DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of his/her responsibilities under the statutes and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Directors had attended training sessions on obligations, duties and responsibilities of directors conducted by the Company's Hong Kong legal advisers.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the trainings received by each of the Directors during the Year is summarised as follows:

Name of Directors	Type of trainings
Mr. Chew Chee Kian	A, B
Ms. Yong Yuet Han	A, B
Ms. Lo Wing Yan Emmy	A, B
Mr. Pai Chun (appointed on 13 August 2018 and resigned on 15 March 2019)	A, B
Mr. Fan Chun Wah Andrew, J.P.	A, B
Mr. Koh Shian Wei	A, B
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan)	A, B
Ms. Liu Daiping	A, B

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

## MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS

During the Year, the Board held five Board meetings. The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice were given in a reasonable time in advance. The Directors were allowed to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, an agenda and the accompanying Board papers together with all appropriate and relevant information in relation to the matters of the meetings were sent to all Directors at least three days before the intended date of each regular Board Meeting and three days or such other period as agreed before each other Board meeting. All Directors had access to the advice and services of the company secretary of the Company (the "**Company Secretary**") with a view to ensuring that Board procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes were be circulated to the Directors for comments and record within a reasonable time after each meeting and the final version is open for the Directors' inspection. In compliance of the GEM Listing Rules, any Directors and their associates (as defined in the GEM Listing Rules) with a material interest in the transactions discussed at the Board meetings abstained from voting on resolutions approving such transactions and were not counted in the quorum of the meetings, if any.

# Corporate Governance Report

The attendance of each Director at the Board meetings during the Year is as follows:

<b>Name of Directors</b>	<b>No. of attendance/ No. of Meeting</b>
<b>Executive Directors</b>	
Mr. Chew Chee Kian ( <i>Chairman and Chief Executive Officer</i> )	5/5
Ms. Yong Yuet Han	5/5
Ms. Lo Wing Yan Emmy	5/5
Mr. Pai Chun (appointed on 13 August 2018 and resigned on 15 March 2019)	1/5
<b>Independent Non-executive Directors</b>	
Mr. Fan Chun Wah Andrew, <i>J.P.</i>	5/5
Mr. Koh Shian Wei	5/5
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan)	5/5
Ms. Liu Daiping (appointed on 13 August 2018)	4/5

## DIRECTORS' COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the year ended 31 December 2019.

## BOARD DIVERSITY POLICY

During the Year, the Board had adopted a policy of the Board diversity (the "**Board Diversity Policy**") and discussed all measurable objectives set for implementing the Board Diversity Policy.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

## DIVIDEND POLICY

The Group has adopted a dividend policy with effect from 1 January 2019 in compliance with code provision E.1.5 of the CG Code. The dividend policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profit, as dividends to the shareholders of the Company. The Board will review the policy from time to time. Major principles under the dividend policy are set out below:

- The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of Association and all applicable laws and regulations and the factors set out below.

# Corporate Governance Report

- The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends, including financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on payment of dividends and any other factors that the Board may consider relevant.
- Depending on the financial conditions of the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profits that the Board may deem appropriate.
- Any final dividend for a financial year will be subject to shareholders' approval.
- The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.
- Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision A.2.1 of the CG Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, we do not have a separate Chairman and chief executive, and Mr. Chew Chee Kian currently performs these two roles. The Board believes that vesting the roles of both Chairman and chief executive in the same individual has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and chief executive of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

The Company adopted the CG Code as its own code of corporate governance. Save for the deviation from the code provision of A.2.1 of the CG Code, the Board is satisfied that the Company had complied with the code provisions of the CG Code during the Year.

## BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

The written terms of reference for Board Committees are posted on the respective websites of the Stock Exchange and the Company.

# Corporate Governance Report

## AUDIT COMMITTEE

The Company established the Audit Committee on 21 June 2017 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are mainly to make recommendation to the Board on the appointment and removal of external auditors; review of financial statements and provide material advice in respect of financial reporting; and oversee internal control procedures of the Company.

The Audit Committee currently consists of four independent non-executive Directors, namely Mr. Fan Chun Wah Andrew, *J.P.*, Mr. Koh Shian Wei, Ms. Lam Shun Ka and Ms. Liu Daiping. Mr. Fan Chun Wah Andrew, *J.P.* is the chairman of the Audit Committee.

The Audit Committee reviewed the engagement of an external independent consultant to provide internal audit function for the year ended 31 December 2019, which comprises, *inter alia*, enterprise risk assessment, review the internal control system and corporate governance compliance/practice of the Group. The Audit Committee also reviewed the quarterly, half-yearly and annual results of the Group for the year ended 31 December 2019, and is of the view that such statements and reports have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

The attendance of each member at the Audit Committee meeting during the Year is as follows:

<b>Name of Directors</b>	<b>No. of attendance/ No. of meeting(s)</b>
Mr. Fan Chun Wah Andrew, <i>J.P.</i>	4/4
Mr. Koh Shian Wei	4/4
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan)	4/4
Ms. Liu Daiping	3/4

The Audit Committee held a meeting on 12 March 2020 and reviewed the consolidated financial statements of the Group for the year ended 31 December 2019 and this annual report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

## REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 21 June 2017 with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph B.1 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our remuneration committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; review performance based remuneration; and ensure none of the Directors determine their own remuneration. Our remuneration committee consists of three members, namely Mr. Koh Shian Wei, Mr. Fan Chun Wah Andrew, *J.P.* and Ms. Lam Shun Ka. Mr. Koh Shian Wei is the chairman of the remuneration committee.

During the Year, one Remuneration Committee meeting was held on 26 March 2019 and a resolutions in writing was circulated to the members of the Remuneration Committee for approving the Directors' remuneration and the salary package of the senior management in 2019. The remuneration policy of the Group were also reviewed and formulated and recommended to the Board for consideration in the same meeting.

# Corporate Governance Report

The attendance of each member at the Remuneration Committee meeting during the Year is as follows:

<b>Name of Directors</b>	<b>No. of attendance/ No. of meeting(s)</b>
Mr. Fan Chun Wah Andrew, <i>J.P.</i>	1/1
Mr. Koh Shian Wei	1/1
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan)	1/1

## NOMINATION COMMITTEE

The Company established the Nomination Committee on 21 June 2017 with written terms of reference in compliance with paragraph A.5 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of our nomination committee are to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or reappointment of Directors. Our nomination committee consists of three members, namely Ms. Lam Shun Ka, Mr. Fan Chun Wah Andrew, *J.P.*, and Mr. Koh Shian Wei. Ms. Lam Shun Ka is the chairlady of the nomination committee.

During the Year, one Nomination Committee meeting was held on 26 March 2019 and among other matters, (i) reviewed the structure, size and composition of the Board; (ii) assessed the independence of the Independent non-executive Directors, (iii) reviewed the Board Diversity Policy; and (iv) recommended to the Board for consideration the re-appointment of the three retiring Directors at the forthcoming annual general meeting (the “**AGM**”).

The attendance of each member at the Nomination Committee meeting during the Year is as follows:

<b>Name of Directors</b>	<b>No. of attendance/ No. of meeting(s)</b>
Mr. Fan Chun Wah Andrew, <i>J.P.</i>	1/1
Mr. Koh Shian Wei	1/1
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan)	1/1

## CORPORATE GOVERNANCE FUNCTIONS

The Board recognises that corporate governance should be the collective responsibility of the Directors which include, but are not limited to:

- developing and reviewing the Company’s policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company’s compliance with the CG Code and disclosure in the corporate governance report.

# Corporate Governance Report

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company for an initial period from 21 June 2017 to the Listing Date and (renewable automatically for successive term of one year unless terminated in accordance with the terms of the service agreement) from the Listing Date.

Each of Mr. Fan Chun Wah Andrew, *J.P.*, Mr. Koh Shian Wei and Ms. Lam Shun Ka has signed a letter of appointment with the Company for an initial term of three years commencing on the Listing Date (renewable automatically for successive terms of one year unless terminated in accordance with the terms of the letter of appointment). Ms. Liu Daiping has signed with the Company for an initial term of three years commencing on 13 August 2018 (renewable automatically for successive terms of one year unless terminated in accordance with the terms of the letter of appointment).

Save as disclosed aforesaid, none of the Directors has a service contract/letter of appointment with the Company or any of its subsidiaries other than contracts/letters of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

All the Directors, including Independent non-executive Directors, are subject to retirement by rotation and eligible for re-election in accordance with 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) will retire from office by rotation provided that every Director will be subject to retirement at the annual general meeting at least once every three years. A retiring Director will be eligible for re-election and will continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year 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 the senior management (other than the Directors) whose particulars are set out in the section headed "Directors and senior management — Senior management" in this annual report for the Year by band is set out below:

<b>Remuneration band (in HK\$)</b>	<b>Number of individuals</b>
Nil to 1,000,000	2

# Corporate Governance Report

## INDEPENDENT AUDITORS' REMUNERATION

For the Year, HLB Hodgson Impey Cheng Limited ("**HLB**") was engaged as the Group's independent auditors to provide audit and non-audit services.

The remuneration paid/payable to HLB for the Year is set out below:

<b>Services</b>	<b>Fee paid/payable</b>
	S\$'000
Audit services — annual audit services	200
Non-audit services	3
Total	203

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group for the Year, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flow for the Year and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

In addition, HLB has stated in the independent auditor's report its reporting responsibilities on the Company's consolidated financial statements for the Year.

## INTERNAL CONTROL AND RISK MANAGEMENT

The Board has an overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholders' investments and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Group recognises that good risk management is essential for the long-term development on the Group's business. Management is responsible for establishing, implementing, reviewing and evaluating a sound and effective internal control system underpinning the risk management framework. All employees of the Group are committed to implement the risk management framework into the daily operation.

The Company has not established a standalone internal audit department, however, the Group engaged an external consulting firm as the Group's internal control adviser, CF Partners Limited (the "**Internal Control Adviser**") to conduct a yearly review on the internal control systems which included financial, operational, compliance, procedural and risk management functions. The Directors confirm that issues identified by the Internal Control Adviser have been properly addressed and/or resolved and that the current internal control and risk management mechanisms are effective, adequate and appropriate for the Group's operations.

# Corporate Governance Report

## COMPANY SECRETARY

The Company has appointed Ms. Lo Wing Yan Emmy (“**Ms. Lo**”) as the Company Secretary with effect from 19 September 2016. She is also an executive Director, the chief financial officer of the Company and the secretary of the Audit Committee, the Nomination Committee and the Remuneration Committee. Ms. Lo has complied with the training requirement for the Year under Rule 5.15 of the GEM Listing Rules.

All members of the Board have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary are subject to the Board’s approval.

The biological details of the company secretary are set out in the section headed “Directors and senior management” of this annual report.

## SHAREHOLDERS’ RIGHTS

### PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS’ MEETINGS

There are no provisions allowing Shareholders to make proposals or move resolutions at the general meetings under the memorandum of the Company and the Articles of Association (the “**M&A**”) or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the “**EGM**”) in accordance with the paragraphs headed “Procedures for Shareholders to convene an EGM” below.

### PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings of the Company (the “**Eligible Shareholder(s)**”) shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong (Unit 2701, 27/F, 69 Jervois Street, Sheung Wan, Hong Kong as at the date of this annual report) for the attention of the Company Secretary.

The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder(s) will be verified with the Company’s branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of the outcome and accordingly, the Board will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board fails to proceed to convene such meeting, the requisitioner(s) himself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

# Corporate Governance Report

## **PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRES TO THE BOARD**

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong, Unit 2701, 27/F, 69 Jervois Street, Sheung Wan, Hong Kong as at the date of this annual report by post or by email to [ir@omnibridge.com.hk](mailto:ir@omnibridge.com.hk).

Upon receipt of the enquiries, the Company Secretary will forward the communications relating to:

1. matters within the Board's purview to the executive Directors;
2. matters within a Board committee's area of responsibility to the chairman of the appropriate Board committee; and
3. ordinary business matters, such as suggestions, enquiries and consumer complaints, to the appropriate management of the Company.

## **COMMUNICATION WITH THE SHAREHOLDERS**

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders can have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and to allow them to engage actively with the Company.

Information will be communicated to the Shareholders through the Company's financial reports, AGMs and other general meetings that may be convened, as well as all the disclosures submitted to the Stock Exchange.

## **CONSTITUTIONAL DOCUMENTS**

There had been no changes in the constitutional documents of the Company during the Year.

The amended and restated M&A is available on the respective websites of the Stock Exchange and the Company.

# Directors and Senior Management

## CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

**Mr. Chew Chee Kian (周志堅)**, aged 46, was appointed as an executive Director, the chairman of Board and the chief executive officer of the Company on 8 August 2016. He is the founder of the Group and spouse of Ms. Yong Yuet Han. Mr. Chew is responsible for the overall business development, strategic planning and major decision-making of the Group.

Mr. Chew has over 17 years of experience in the human resources outsourcing and recruitment industry. He worked for Recruit Express Pte. Ltd, which mainly provides staffing solutions, from April 1997 to September 2001, and he last served as a team leader responsible for supervising recruitment services to corporate clients. He was a founding partner of Bridgegate Consultancy Pte Ltd., which mainly provides recruitment services to corporate clients, from November 2001 to December 2004, and he was responsible for business development. Bridgegate Consultancy Pte Ltd. was dissolved pursuant to section 344 of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"). It is confirmed by Mr. Chew that the dissolution of Bridgegate Consultancy Pte Ltd. was voluntary by way of submitting an application to the Registrar on 29 December 2008 because it had ceased to carry on business or operation for more than three months immediately before the relevant application.

Mr. Chew graduated from the Management Development Institute of Singapore (Singapore) with a diploma degree in computing with management in November 2000. He has been a member of Entrepreneurs' Organisation in Singapore since 2009.

## EXECUTIVE DIRECTORS

**Ms. Yong Yuet Han (熊悦涵)**, aged 40, was appointed as an executive Director on 8 August 2016. She joined the Group in August 2009. She is the spouse of Mr. Chew Chee Kian. She is responsible for the overall business development, strategic planning and major decision-making of the Group.

Ms. Yong has approximately 18 years of experience in human resources outsourcing and recruitment industry. She was an assistant manager of Recruit Express Pte Ltd, which is a recruitment firm, in or about June 2000 to August 2005, and she was responsible for providing recruitment services to corporate clients in information communication and technology sector. She was a regional business development manager of IQPC Worldwide Pte Ltd, which mainly organises worldwide conferences, in or about April 2005 to June 2007, and she was responsible for regional business development. She was a principal consultant of Pentasia iGaming Recruitment, which mainly provides recruitment consultancy services, from January 2007 to July 2009, and she was responsible for development of business relationship and strategic planning.

Ms. Yong graduated from Ngee Ann Polytechnic (Singapore) with a diploma degree in building and real estate management in August 2000.

**Ms. Lo Wing Yan Emmy (盧詠欣)**, aged 47, was appointed as the chief financial officer on 8 August 2016 and an executive Director and the Company Secretary on 19 September 2016. She joined the Group in August 2016 and is responsible for the overall finance management and company secretarial of the Group.

Ms. Lo has over 17 years of experience in accounting, financial management and restructuring. She accumulated her accounting, restructuring and company secretarial experience from PacificNet Inc, the shares of which are listed on United States NASDAQ (stock code: PACT) from September 2000 to August 2003, China Strategic Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 0235), Fortune Sun (China) Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 0352) from October 2007 to September 2008, Guoan International Limited (formerly known as Global Tech Holdings Limited), the shares of which are company listed on the Stock Exchange (stock code: 0143) and the Singapore Stock Exchange (stock code: G11) from October 2008 to June 2013 and Titan Petrochemicals Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1192) from July 2013 to July 2016.

## Directors and Senior Management

Ms. Lo was also the independent non-executive director of Miko International Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1247), from April 2016 to July 2017.

Ms. Lo obtained a master degree in Applied Finance in September 2004 from University of Western Sydney (Australia). She has been a member of Hong Kong Institute of Public Accountants (HKICPA) since April 2001.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Fan Chun Wah Andrew (范駿華)**, *J.P.*, aged 42 was appointed as our independent non-executive Director on 21 June 2017.

Mr. Fan is a practising certified public accountant in Hong Kong with over 14 years of experience. He holds a bachelor degree of business administration (accounting and finance) from The University of Hong Kong and a bachelor degree in laws from the University of London. Mr. Fan is a member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants. He is also a committee member of the tenth, eleventh and twelfth Chinese People's Political Consultative Conference of the Zhejiang Province, the fourth and fifth Chinese People's Political Consultative Conference of Shenzhen, the chairman of the 23rd council of Hong Kong United Youth Association and the vice chairman the tenth and eleventh committee of Zhejiang Province United Young Association. Mr. Fan is currently an independent non-executive director of Nameson Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1982), Culturecom Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 0343), Fulum Group Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1443), Sinomax Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1418), Chuang's China Investments Limited, the shares of which are listed on the Stock Exchange (stock code: 0298), Space Group Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 2448) and Universal Star (Holdings) Limited, the shares of which are listed on the Stock Exchange (stock code: 2346). He also act as independent non-executive director of CNC Holdings Limited, the shares of which are listed on GEM (stock code: 8356). He had been an Independent Non-executive Director of Sanbase Corporation Limited, the shares of which are listed on GEM (stock code: 8501) from 8 December 2017 to 31 December 2019 and Hong Kong Resources Holdings Company Limited, the shares of which are listed on the Stock Exchange (stock code: 2882) from August 2015 to May 2017 and LT Commercial Real Estate Limited, the shares of which are listed on the Stock Exchange (stock code: 0112) from March 2013 to December 2016.

**Mr. Koh Shian Wei (許峴璋)**, aged 48 was appointed as our independent non-executive Director on 21 June 2017.

Mr. Koh was formerly the Honorary Consulate-General of Papua New Guinea in Singapore from October 2004 to December 2013. He was awarded the Public Service Medal in 2008 for his contribution to the relationship and business between Singapore and Papua New Guinea as a Member of Logohu. Mr. Koh has more than 20 years of international business experience in marketing, sales, business and market development in Asia. He is currently the director of Milne International Pte Ltd since April 2002, distributing timber and panel products to Europe and Asia region. He is concurrently the managing director of Access Air Cargos Pte Ltd, which is an airfreight wholesaler in Singapore since March 2013, and he is responsible for sales and marketing operations. He was a director of Foodworkz International Pte Ltd and Easstern International Pte Ltd, both of which were investment holding companies, from August 2006 to March 2012 and from December 2006 to July 2013 respectively, and his major duty in both companies was overall management. He was a director of Petromin PNG Holdings (S) Ltd from June 2010 to January 2016, a subsidiary created by the State of Papua New Guinea to hold state mineral and petroleum assets, and he acted as an adviser to the CEO assisting the management with Asia regional business. He was a director of Couturier Gallery Pte Ltd, whose principal business was general wholesale trade, from October 2012 to August 2013.

Mr. Koh graduated with a Bachelor's degree in Business Administration from the University of La Trobe University (Australia) in September 1999.

## Directors and Senior Management

**Ms. Lam Shun Ka (林汛珈)** (formerly known as Lam Yuk Shan (林玉珊)), aged 48, was appointed as our independent non-executive Director on 21 June 2017.

Ms. Lam has 13 years of experience in sales channel development. Ms. Lam acted as a manager of business development in Vigers Ltd., the principal business of which is surveying and property related consultancy services, from September 2001 to November 2003, and she focused on business development by proposing appropriate services for different clients. Ms. Lam was an administrative specialist at IBM China/Hong Kong Limited from January 2005 to November 2005, a sales operation at the same company from April 2006 to March 2007 and a business operations professional in IBM Software Sales Department of IBM China/Hong Kong Limited from March 2007 to February 2016. Ms. Lam is currently a contract agent and a licensed representative (Type 1) of Nerico Brothers Limited (formerly known as Glory Sky Global Markets Limited), a licensed entity in Hong Kong regulated by the Securities and Futures Commission of Hong Kong. Ms. Lam has been an independent non-executive director of Kinetix Systems Holdings Limited, the shares of which are listed on GEM (stock code: 8606) since 7 March 2019.

Ms. Lam obtained a bachelor of social science degree, majoring in government and public administration from The Chinese University of Hong Kong in December 1995. She obtained a bachelor of laws degree from the Manchester Metropolitan University (United Kingdom) through distance learning in September 2004.

**Ms. Liu Daiping (劉代萍)**, aged 51, was appointed as our independent non-executive Director on 13 August 2018.

Ms. Liu, has over 8 years of experience in investment and merger and acquisition activities and has extensive experience in fund raising, investment, management, capital withdrawal of funds and equity and debt financing. She graduated from the Management School of Wuhan University (武漢大學) with a bachelor's degree in international finance in June 1990.

Ms. Liu has been the general manager of Shanghai Yitu Investment Management Co., Ltd\* (上海逸途投資管理有限公司) since May 2013 and participated in investment and merger and acquisition transaction. From August 2010 to October 2014, she served as a general manager of the investment department of DaCity Holding Hungary Kft (Hungary) and was responsible for the Talentis project.

\* The English translation of certain Chinese entities which are marked with "\*" is for identification purpose only under the section headed "Directors and Senior Management" of this annual report .

# Directors and Senior Management

## SENIOR MANAGEMENT

**Ms. Lee Gek Lin (李玉玲)**, aged 47, was appointed as a corporate services director in August 2018. She is responsible for the management of Corporate Services which includes financial management, company secretarial, human resources, office administration, talent management and legal support activities.

Ms. Lee has over 20 years of experience in accounting, financial reporting and auditing. She joined the Group in November 2008 as financial manager and was promoted to financial controller in February 2016 and subsequently to corporate services director in August 2018. From January 1995 to July 1995, Ms. Lee was an audit assistant with Deloitte Touche Tohmatsu International which provided accounting services, and she was primarily responsible for audit works for companies of various sizes. From February 1996 to November 2003, she worked as an accountant in Bayer (Southeast Asia) Pte. Ltd., a member company of Bayer AG which is a life science company specialising in healthcare and agricultural products, and she was responsible for various financial reporting and accounting management. From September 2006 to October 2008, Ms. Lee was employed by Fuchs Lubricants Pte Ltd., a lubricant manufacturer, as the finance and administrative manager, and she was primarily responsible for overall financial management, administration and human resources matters. From June 2004 to September 2006, Ms. Lee served as a senior accountant, responsible for the inter-company accounting management (including managing the accounts payable) across different regions in a digital security firm, Gemplus Technologies Asia Pte Ltd., a subsidiary of Gemplus International S.A. (which merged with Axalto Holding N.V. in 2006 and became Gemalto NV (ISIN: NL0000400653)).

Ms. Lee obtained a degree of bachelor of accountancy from Nanyang Technological University (Singapore) in July 1994. She has been a chartered accountant of Singapore since July 2013.

**Ms. Ng Beng Li (黃明莉)**, aged 45, was appointed as a country manager, Hong Kong in January 2009. She is responsible to oversee strategic business operational performance formulation and business development in Hong Kong.

In May 2007, Ms. Ng joined as recruitment consultant in BGC Group Pte. Ltd. and oversaw the operations and business development. In December 2008, she was tasked to set up BGC Group (HK) Limited with our executive Director, Mr. Chew and was promoted to country manager of BGC HK in January 2009 following the opening of the Hong Kong office. Prior to joining the Group, Ms. Ng was the Operations Manager at Mandarin Oriental, Singapore. Over a period of 10 years, she led the hotel through an extensive renovation, hotel renaming exercise and instrumental for Oriental Club lounge renovation and repositioning as one of the leading luxury hotels in Singapore and across Southeast Asia.

## COMPANY SECRETARY

**Ms. Lo Wing Yan Emmy (盧詠欣)**, is the company secretary of the Company. Please refer to Ms. Lo's biography as disclosed in the paragraph headed "Executive Directors" in this section of the annual report.

## COMPLIANCE OFFICER

Mr. Chew Chee Kian is the Chairman, the chief executive officer of the Company, an executive Director and the compliance officer of the Company. Please refer to Mr. Chew Chee Kian's biography as disclosed in the paragraph headed "Chairman, chief executive officer and executive Director" in this section of the annual report.

# Report of the Directors

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

## LISTING

Following the Share Offer (as defined below) of 15,000,000 public offer Shares and 135,000,000 placing Shares, the Company was listed on GEM on 17 July 2017.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the provision of human resources outsourcing services and human resources recruitment services. The principal activities of the Company's principal subsidiaries are set forth in note 33 to the consolidated financial statements.

## BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections headed "Chairman's statement" and "Management discussion and analysis" of this annual report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has implemented various environmental policies. For details of such policies and relevant performance, please refer to the ESG Report in this annual report.

## RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the financial position of the Company and the Group as at 31 December 2019 are set forth in the consolidated financial statements on pages 50 to 101 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2018: nil).

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrars in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 18 May 2020.

## USE OF PROCEEDS FROM THE SHARE OFFER

The Company was successfully listed on GEM on 17 July 2017 by way of share offer of 150,000,000 public offer Shares and 135,000,000 placing Shares at the price of HK\$0.45 per Share (the "**Share Offer**"). The net proceeds raised from the Share Offer were approximately HK\$43.4 million (approximately S\$7.7 million) after deducting listing-related expenses.

# Report of the Directors

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

	<b>Planned use of net proceeds (as stated in the Prospectus) in respect of business objectives from the date of listing of the Shares (i.e. 17 July 2017) to 31 December 2019</b>	<b>Actual utilised amount up to 31 December 2019</b>
	HK\$ million	HK\$ million
Expanding our human resources outsourcing and recruitment services in Singapore	23.0	7.1
Expanding our human resources recruitment services in Hong Kong	5.0	3.6
Enhancing our brand awareness	5.8	2.7
Enhancing our IT system to support our business operations	5.5	2.1
Working capital and other general corporate purposes	4.1	2.5
	43.4	18.0

During the period from the date of listing of the Shares (i.e. 17 July 2017) to 31 December 2019, our net proceeds from the listing of the Shares on GEM had not been fully utilised in accordance with the proposed applications set out in the Prospectus under the section headed "Future Plans and Use of Proceeds". Given that (i) the Group kept recruiting suitable staff at an acceptable salary level for expansion of the human resources outsourcing and recruitment teams in Singapore and Hong Kong; (ii) our brand awareness has already been enhanced by our marketing activities since Listing; and (iii) the Group is still in the process of upgrading our current IT system and exploring a more advance IT system to support our business operations, the respective amount of net proceeds had not been fully utilised in accordance with the Group's plans set out in the Prospectus up to 31 December 2019. As at the date of this annual report, the Directors do not anticipate any material change to the plan as to the use of proceeds except that in light of the sluggish economic condition, the Group will utilise the balance of fund in a conservative manner. Should the Directors decide to reallocate the planned use of net proceeds to other business plans and/or new projects of the Group to a material extent, we will make appropriate announcement(s) in due course.

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

## SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five years, as extracted from the audited consolidated financial statements of the Company or the Prospectus, is set out on page 102 of this annual report. This summary does not form part of the consolidated financial statements for the Year.

## PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

# Report of the Directors

## SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the movements in share capital and share option scheme of the Company (the “**Scheme**”) during the Year are set out in notes 22 and 23 to the consolidated financial statements, respectively.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

## PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## RESERVES

Details of movements in the reserves of the Company and of the Group during the Year are set out in note 26 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

## DISTRIBUTABLE RESERVES

At 31 December 2019, the Group’s reserves available for distribution to equity holders comprising share premium and retained earnings amounted to approximately S\$13,170,000 (2018: approximately S\$14,762,000) calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

## CHARITABLE CONTRIBUTIONS

During the Year, the Group make charitable contributions of S\$Nil (2018: S\$1,000).

## MAJOR CUSTOMERS AND SUPPLIERS

As a human resources outsourcing and recruitment services provider, the Group had a large and diversified customer bases. Over 90% of the Group’s customers are in the public sector comprising government agencies and non-profit organisations in Singapore. The Group did not rely on any single customer during the Year. For the Year, the five largest customers and the single largest customer of the Group accounted for approximately 52.9% (2018: approximately 52.3%) and 17.9% (2018: approximately 16.4%) of the total revenue of the Group, respectively.

Due to the nature of the business of the Group, there is no major supplier during the Year (2018: Nil).

Save as disclosed above, during the Year, none of the Directors, their associates or any Shareholders (which, to the best knowledge of the Directors, owned more than 5% of the Company’s issued share capital) had any beneficial interest in the Group’s five largest customers, respectively.

## RELATED PARTIES TRANSACTIONS

Related parties transactions of the Group during the Year are disclosed in note 29 to the consolidated financial statements. They did not constitute connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

# Report of the Directors

## CONTINUING CONNECTED TRANSACTIONS

On 21 June 2017, the Company entered into a shared services agreement with, among others, PT Bridging Growing Careers in Indonesia (“**BGC Indonesia**”) and Agensi Pekerjaan BGC Group (Malaysia) SDN. BHD. (“**BGC Malaysia**”), with one of the controlling shareholders of the Company owning approximately 49.0% and 49.5% respectively of the then issued share capital of the BGC Indonesia and BGC Malaysia. BGC Indonesia and BGC Malaysia were connected persons of the Company accordingly. Pursuant to the agreement, the Company agreed to provide finance, human resources and other administrative services to BGC Indonesia and BGC Malaysia for a period from 21 June 2017 to 31 December 2019.

On 21 June 2017, a referral agreement was entered into between the Group, and BGC Malaysia. Pursuant to the agreement, the Group agreed to provide referral services such as referring suitable candidates sourced by the Group in Singapore to BGC Malaysia, and the Group has also engaged BGC Malaysia to refer suitable candidates sourced by BGC Malaysia in Malaysia to the Group for a period from 21 June 2017 to 31 December 2019.

On 10 October 2017, BGC Malaysia and the Company entered into the recruitment agreement, pursuant to which BGC Malaysia agreed to provide the recruitment services to the Group.

On 10 October 2017, BGC Malaysia and the Company entered into the administrative service agreement, pursuant to which BGC Malaysia agreed to provide the administrative services to the Group.

Details of the abovementioned transactions are set out in the section headed “Connected transaction” in the Prospectus and the announcement issued by the Company dated 10 October 2017 (the “**Announcement**”). As disclosed in the Prospectus and the Announcement, such transactions constitute de minimis continuing connected transactions and are fully exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

Save as disclosed above, there had been no other material transaction for the year ended 31 December 2019, including those disclosed as related party transactions elsewhere in the consolidated financial statements, under the definition of connected transactions or continuing connected transactions pursuant to Chapter 20 of the GEM Listing Rules. The Company confirms that it has complied with the applicable disclosure requirements in accordance with chapter 20 of the GEM Listing Rules.

## DIRECTORS’ REMUNERATIONS

Details of remuneration of the Directors are set out in note 10 to the consolidated financial statements.

## DIRECTORS’ EMOLUMENT POLICY

The Remuneration Committee was established for reviewing the Group’s emolument policy and structure for all remuneration of the Directors and senior management of the Group having regard to the Group’s operating results, individual performance and comparable market standard and practices. The Company has adopted the Scheme as an incentive to the Directors and eligible employees, details of which are set out in the section headed “Share option scheme” below and in note 23 to the consolidated financial statements, respectively.

## PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director’s and officers’ liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

Pursuant to the Articles of Association, 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 reason of any act done, concurred in or omitted in or about the execution of their duty.

# Report of the Directors

## DIRECTORS

The Directors since the Listing Date and as at the date of this annual report were as follows:

### CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR:

Mr. Chew Chee Kian

### EXECUTIVE DIRECTORS:

Ms. Yong Yuet Han

Ms. Lo Wing Yan Emmy

Mr. Pai Chun (appointed on 13 August 2018 and resigned on 15 March 2019)

### INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Fan Chun Wah Andrew, *J.P.*

Mr. Koh Shian Wei

Ms. Lam Shun Ka

Ms. Liu Daiping

Article 83(3) of the Articles of Association provides that any Director appointed to fill a casual vacancy on the Board shall hold office until the first general meeting of the Company after his/her appointment and shall then be eligible for re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

Article 84(1) of the Articles of Association provides that at each 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 provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, Mr. Chew Chee Kian, Ms. Lam Shun Ka and Ms. Liu Daiping. will retire at the forthcoming AGM and all of them, being eligible, will offer themselves for re-election thereat.

The Company has received written confirmations of independence from each of the independent non-executive Directors, namely Mr. Fan Chun Wah Andrew, *J.P.*, Mr. Koh Shian Wei, Ms. Lam Shun Ka and Ms. Liu Daiping, pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this annual report, the Company still considers the independent non-executive Directors to be independent.

## BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are set out under the section headed "Directors and senior management" of this annual report.

# Report of the Directors

## CHANGES OF DIRECTORS AND INFORMATION OF DIRECTORS

The changes in Directors and information of the Directors subsequent to the Listing Date, as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules, are set out below:

Name of Director	Details of Changes
Mr. Fan Chun Wah Andrew, <i>J.P.</i>	<p>Appointed as an independent and non-executive director of Universal Star (Holdings) Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2346), with effect from 4 April 2019.</p> <p>Resigned as an independent non-executive director of Sanbase Corporation Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8501) with effect from 1 January 2020.</p>
Mr. Pai Chun	<p>As disclosed in the Company's announcement dated 15 March 2019, Mr. Pai Chun had resigned as an executive Director due to his personal reasons in order to devote more time to his family and other commitment.</p>

## DIRECTORS' SERVICE CONTRACTS

Each of Mr. Chew Chee Kian, Ms. Yong Yuet Han and Ms. Lo Wing Yan Emmy entered into a service agreement with the Company on 21 June 2017 for an initial period from 21 June 2017 to the Listing Date and three years from the Listing Date (renewable automatically for successive terms of one year unless terminated in accordance with the terms of the service agreement). Mr. Pai Chun, who resigned on 15 March 2019, entered into a service agreement with the Company for a term of one year commencing from 13 August 2018. Each of them are subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Their emolument were determined by the Board by reference to their experience, responsibilities and duties with the Company and shall be reviewed annually by the Remuneration Committee.

Each of Mr. Fan Chun Wah Andrew, *J.P.*, Mr. Koh Shian Wei and Ms. Lam Shun Ka signed a letter of appointment with the Company for an initial term of three years commencing on the Listing Date (renewable automatically for successive terms of one year unless terminated in accordance with the terms of the letter of appointment). Ms. Liu Daiping signed with the Company for an initial term of three years commencing on 13 August 2018. All independent non-executive Directors are subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. Their emolument were determined by the Board by reference to their experience, responsibilities and duties with the Company and shall be reviewed annually by the Remuneration Committee.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## Report of the Directors

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

As at 31 December 2019, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### LONG POSITION IN SHARES

Name of Directors	Capacity/Nature of interest	Number of Shares held (note 1)	Percentage of issued share capital of the Company
Mr. Chew Chee Kian	Interest in a controlled corporation (note)	306,000,000	51.00%
Ms. Yong Yuet Han	Interest of spouse (note)	306,000,000	51.00%

Note:

These Shares are held by Omnipartners Holdings Limited, which is owned as to 80% by Mr. Chew Chee Kian and 20% by Ms. Yong Yuet Han. Mr. Chew Chee Kian is the spouse of Ms. Yong Yuet Han and both of them are executive Directors. Mr. Chew Chee Kian and Ms. Yong Yuet Han are deemed to be interested in the Shares held by Omnipartners under the SFO.

Save as disclosed above, as at 31 December 2019, none of the Directors and the chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or were required, pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

# Report of the Directors

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

So far as the Directors are aware of as at 31 December 2019, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company or any other members of the Group:

### LONG POSITION IN THE SHARES

Name	Capacity/ Nature of interest	Number of Shares held	Percentage of issued share capital of the Company
Omnipartners Holdings Limited	Beneficial owner <sup>(Note)</sup>	306,000,000	51.00%

Note:

The entire issued share capital of Omnipartners Holdings Limited is owned as to 80% by Mr. Chew Chee Kian and 20% by Ms. Yong Yuet Han.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any persons who/entities which had any interest or short position in the securities in the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Register required to be kept under section 336 of the SFO.

### SHARE OPTION SCHEME

The Company adopted the Scheme on 21 June 2017 (the "**Adoption Date**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

As at 31 December 2019, a total of 60,000,000 Shares, representing 10% of the issued Shares, were available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2019.

Principal terms of the Scheme are set out below:

#### 1. PURPOSE

The purpose of the Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to eligible persons as incentives or rewards for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

# Report of the Directors

## 2. PARTICIPANTS OF THE SCHEME

The eligible persons of the Scheme to whom options may be granted by the Board shall include (collectively the “Eligible Persons”):

- (i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group;
- (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group; any provider of goods and/or services to the Group; any customer of the Group; or any holder of securities issued by any member of the Group; and
- (iii) any other person, who at the sole discretion of the Board, has contributed to the development and growth of the Group.

## 3. LIFE OF THE SCHEME

The Scheme shall be valid and effective for a period of ten years commencing from the Adoption Date, after which period no further options will be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the Scheme. The remaining life of the Scheme was approximately seven years as at the date of this annual report.

## 4. SUBSCRIPTION PRICE

The subscription price in respect of any option shall, subject to any adjustments made pursuant to the terms of the Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of:

- (i) the closing price per Share as stated in the Stock Exchange’s daily quotation sheet on the offer date for the grant of the option (which is deemed to be the date of grant if the offer for the grant of the option is accepted by the Eligible Person), which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the closing prices per Share as stated in the Stock Exchange’s daily quotation sheets for the five business days (any days on which securities are traded on the Stock Exchange) immediately preceding the offer date; or
- (iii) the nominal value of the Share.

## 5. ACCEPTANCE OF OFFERS

An offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than 21 days after the offer date by which the Eligible Person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after the Scheme has been terminated in accordance with the provisions of the Scheme.

The amount payable by the grantee to the Company on acceptance of the offer shall be HK\$1.00.

## 6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

The total number of Shares 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 10% of the total number of Shares in issue as at the Listing Date (i.e. 60,000,000 Shares).

# Report of the Directors

## 7. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (except for any independent non-executive director or substantial shareholder of the Company) (including both exercised and outstanding options under the Scheme) in the twelve-month period expiring on the offer date must not exceed 1% of the issued Shares.

Where any further grant of options to an Eligible Person would result in excess of such limit shall be subject to the approval of the Shareholders at general meeting with such Eligible Person and his associates abstaining from voting. In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

## 8. THE PERIOD WITHIN WHICH THE SECURITIES MUST BE EXERCISED UNDER AN OPTION

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be notified by the Board to the grantee which the Board may in its absolute discretion determine, save that such period shall not be more than ten years from the date of acceptance of the offer.

## 9. THE MINIMUM PERIOD, IF ANY, FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

There is no minimum period for which an option granted must be held before it can be exercised unless otherwise imposed by the Directors.

## COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the year ended 31 December 2019.

As set out in the Prospectus, the Company has adopted, among others, the following measures to manage the conflict of interests arising from competing business and to safeguard the interests of the shareholders: (i) the company will disclose decisions on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the deed of non-competition dated 21 June 2017 entered into by the controlling shareholders in favour of the Company competing interests ("**Deed of Non-competition**") in our annual report; and (ii) the controlling shareholders will make confirmation on compliance with their undertaking under the Deed of Non-competition in our annual report.

The Board would like to clarify that there were no conflicts of interests between the controlling shareholders and the Group arising from competing business for the year ended 31 December 2019. As such, the controlling shareholders confirmed that they have complied with their undertaking under the Deed of Non-competition.

The independent non-executive Directors have reviewed and confirmed that the controlling shareholders have complied with the non-competition undertaking under the Deed of Non-competition.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# Report of the Directors

## INTERESTS OF COMPLIANCE ADVISER

The Company and CLC International Limited (“**CLC**”) reached an agreement to terminate the compliance adviser agreement dated 21 June 2017 entered into between the Company and CLC (the “**CLC Compliance Adviser Agreement**”) on or about 31 July 2019. Such termination became effective on 1 August 2019. Advent Corporate Finance Limited (“**Advent**”) has been appointed as the new compliance adviser to the Company pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 30 August 2019. For further details, please refer to the announcement of the Company dated 4 September 2019. As at 31 December 2019, as notified by the Company’s previous compliance adviser, CLC, except for the CLC Compliance Adviser Agreement, neither CLC nor its directors, employees, or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. Also as notified by the Company’s new compliance adviser, Advent, as at 31 December 2019, except for the compliance adviser agreement dated 30 August 2019 entered into between the Company and Advent, neither Advent nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors, there has been a sufficient float of the issued Shares as required under the GEM Listing Rules (i.e. at least 25% of the Company’s total issued Shares in public hands) throughout the period from the Listing Date to the date of this annual report.

## CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 29 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group’s business in which the Company or any its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

## INDEPENDENT AUDITORS

The consolidated financial statements for the Year were audited by HLB, the independent auditors, who shall retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. The Board has taken the recommendation of the Board that a resolution for the re-appointment of HLB as the independent auditors will be proposed at the forthcoming AGM.

## REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises four members, all being independent non-executive Directors, namely Mr. Fan Chun Wah Andrew, *J.P.* (chairman of the Audit Committee), Mr. Koh Shian Wei, Ms. Lam Shun Ka and Ms. Liu Daiping. It has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters, including review of the audited consolidated financial statements of the Group for the Year.

On behalf of the Board

**Chew Chee Kian**

*Chairman*

Hong Kong, 12 March 2020

# Independent Auditors' Report



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

## **TO THE SHAREHOLDERS OF OMNIBRIDGE HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

### **OPINION**

We have audited the consolidated financial statements of Omnibridge Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 50 to 101, which comprise the consolidated statement of financial position as at 31 December 2019, 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 December 2019, 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 (the "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 ("HKSA") 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.

# Independent Auditors' Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

### Key audit matter

### How our audit addressed the key audit matter

#### Impairment of trade receivables

*Refer to Note 4 and Note 16 to the consolidated financial statements.*

As at 31 December 2019, trade receivables of the Group amounted to approximately S\$5,979,000 (2018: approximately S\$6,176,000) after allowance for expected credit losses of trade receivables of approximately S\$147,000 (2018: approximately S\$100,000). The Group's trade receivable balance was significant as it represented approximately 29.6% (2018: 29.5%) of the total assets of the Group. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. Management applied judgement in assessing the expected credit losses. Trade receivables relating to customers that are individually significant are assessed individually for provision for impairment allowance based on the background and reputation of the customer, its historical settlement records and past experience. Expected credit losses are also estimated by grouping the remaining trade receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account 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 and evaluating the key controls that the Group has implemented to manage and monitor its credit risk, and validating the control effectiveness on a sample basis;
- Checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2019 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 with supporting evidence, such as performing public search of credit profile of selected customers, 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 the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon ("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 HKSAAs 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 HKSAAs, we exercise professional judgment 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

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

From the matters communicated with 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 Kwok Tsz Chun.

### **HLB Hodgson Impey Cheng Limited**

*Certified Public Accountants*

#### **Kwok, Tsz Chun**

Practicing Certificate Number: P06901

Hong Kong, 12 March 2020

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Notes	2019 S\$'000	2018 S\$'000
REVENUE	7	<b>36,745</b>	34,786
Cost of services		<b>(31,029)</b>	(29,213)
Gross profit		<b>5,716</b>	5,573
Other income	7	<b>170</b>	104
Allowance for expected credit losses, net		<b>(47)</b>	(183)
Administrative expenses		<b>(6,948)</b>	(7,998)
<b>LOSS FROM OPERATIONS</b>		<b>(1,109)</b>	(2,504)
Finance costs	8	<b>(83)</b>	–
<b>LOSS BEFORE TAX</b>	9	<b>(1,192)</b>	(2,504)
Income tax expense	12	<b>(27)</b>	–
<b>LOSS FOR THE YEAR</b>		<b>(1,219)</b>	(2,504)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		<b>15</b>	(6)
Other comprehensive income /(loss) for the year, net of tax		<b>15</b>	(6)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(1,204)</b>	(2,510)
<b>LOSS FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(1,219)</b>	(2,504)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(1,204)</b>	(2,510)
Loss per share			
— Basic and diluted (Singapore cents)	13	<b>(0.20)</b>	(0.42)

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

# Consolidated Statement of Financial Position

As at 31 December 2019

	Notes	2019 S\$'000	2018 S\$'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	14	191	313
Right-of-use assets	15	460	–
		<b>651</b>	313
<b>CURRENT ASSETS</b>			
Trade receivables	16	5,979	6,176
Prepayments, deposits and other receivables	17	862	622
Cash and cash equivalents	18	12,714	13,857
		<b>19,555</b>	20,655
<b>CURRENT LIABILITIES</b>			
Accrued labour costs		2,821	2,668
Other payables and accruals	19	971	1,095
Lease liabilities	20	689	–
Tax payables	21(a)	27	–
		<b>4,508</b>	3,763
<b>NET CURRENT ASSETS</b>		<b>15,047</b>	16,892
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>15,698</b>	17,205
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	20	70	–
Deferred tax liabilities	21(b)	24	24
		<b>94</b>	24
<b>NET ASSETS</b>		<b>15,604</b>	17,181
<b>EQUITY</b>			
Share capital	22	1,053	1,053
Reserves		14,551	16,128
<b>TOTAL EQUITY</b>		<b>15,604</b>	17,181

Approved and authorised for issue by the board of directors on 12 March 2020 and signed on its behalf by:

**Chew Chee Kian**  
Executive Director

**Lo Wing Yan Emmy**  
Executive Director

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

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Share capital S\$'000	Share premium S\$'000	Other reserves S\$'000	Exchange reserves S\$'000	Retained earnings S\$'000	Total S\$'000
As at 1 January 2018	1,053	10,715	1,650	(278)	6,551	19,691
Loss for the year	–	–	–	–	(2,504)	(2,504)
Other comprehensive loss for the year	–	–	–	(6)	–	(6)
Total comprehensive loss for the year	–	–	–	(6)	(2,504)	(2,510)
As at 31 December 2018	1,053	10,715	1,650	(284)	4,047	17,181
Impact on initial application of IFRS 16 (note 2)	–	–	–	–	(373)	(373)
As at 1 January 2019 (Restated)	1,053	10,715	1,650	(284)	3,674	16,808
Loss for the year	–	–	–	–	(1,219)	(1,219)
Other comprehensive income for the year	–	–	–	15	–	15
Total comprehensive loss for the year	–	–	–	15	(1,219)	(1,204)
<b>As at 31 December 2019</b>	<b>1,053</b>	<b>10,715</b>	<b>1,650</b>	<b>(269)</b>	<b>2,455</b>	<b>15,604</b>

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

# Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	<b>(1,192)</b>	(2,504)
<b>Adjustments for:</b>		
Allowance for expected credit losses on trade and other receivables (note 5)	<b>47</b>	183
Depreciation of plant and equipment (note 14)	<b>273</b>	313
Depreciation of right-of-use assets (note 15)	<b>1,026</b>	–
Finance costs (note 8)	<b>83</b>	–
Loss on disposal of plant and equipment (note 9)	<b>–</b>	4
Interest income (note 7)	<b>(58)</b>	(21)
Operating cash flows before movements in working capital	<b>179</b>	(2,025)
Decrease in trade receivables	<b>150</b>	785
(Increase)/decrease in prepayments, deposits and other receivables	<b>(240)</b>	81
Increase/(decrease) in accrued labour costs	<b>153</b>	(183)
(Decrease)/increase in other payables and accruals	<b>(168)</b>	76
Cash generated from/(used in) operating activities	<b>74</b>	(1,266)
Income tax paid	<b>–</b>	(1)
<b>Net cash generated from/(used in) operating activities</b>	<b>74</b>	(1,267)

# Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment (note 14)	<b>(151)</b>	(343)
Interest income (note 7)	<b>58</b>	21
<b>Net cash used in investing activities</b>	<b>(93)</b>	(322)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Repayments of lease liabilities	<b>(1,139)</b>	–
<b>Net cash used in financing activity</b>	<b>(1,139)</b>	–
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the year	<b>13,857</b>	15,452
Effect of foreign exchange rate changes	<b>15</b>	(6)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>12,714</b>	13,857

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 1. GENERAL INFORMATION

Omnibridge Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 August 2016. Its parent company is Omnipartners Holdings Limited (“**Omnipartners**”), a company incorporated in the British Virgin Islands. Its ultimate controlling parties are Mr. Chew Chee Kian (“**Mr. Chew**”) and Ms. Yong Yuet Han (“**Ms. Yong**”), who are also the executive directors of the Company. The Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) on 18 August 2016. Its shares (the “**Shares**”) were initially listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 July 2017.

The Company’s registered office address is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Group is at 10 Collyer Quay Centre, #06-07/08/09/10, Ocean Financial Centre, Singapore, 049315.

The Company is an investment holding company and its subsidiaries (the “**Group**”) are principally engaged in the provision of human resources outsourcing services and human resources recruitment services. The consolidated financial statements are presented in Singapore dollars (“**S\$**”), which is the functional currency of its principal subsidiaries. All values are rounded to the nearest thousand (“**S\$’000**”), except when otherwise indicated.

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

### NEW AND AMENDMENTS TO IFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### IFRS 16 LEASES

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

### DEFINITION OF A LEASE

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

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

### AS A LESSEE

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

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

- (i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment; and
- (iv) relied on the assessment of whether leases are onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 5.9%.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

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

### IFRS 16 LEASES (Continued)

#### A. LESSEE ACCOUNTING AND TRANSITIONAL IMPACT

To ease the transition to IFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of IFRS 16:

- (i) the Group elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) when measuring the lease liabilities at the date of initial application of IFRS 16, the Group applied a single discount rate to a portfolio of lease with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of IFRS 16, the group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if IFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying IFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

The following table summarises the impact of transaction to IFRS 16 on retained earnings as at 1 January 2019:

	<b>1 January 2019 S\$'000</b>
Retained earnings as at 31 December 2018	<b>4,047</b>
Adjustments under IFRS 16	<b>(373)</b>
Retained earnings as at 1 January 2019 (Restated)	<b>3,674</b>

The following table reconciles the operating lease commitments as disclosed in annual report as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

	<b>1 January 2019 S\$'000</b>
Operating lease commitments disclosed as at 31 December 2018	<b>1,940</b>
Less: Total future interest expenses	<b>(80)</b>
Present value of remaining lease payments, discounted using the incremental borrowing rate of at the date of initial application (i.e. 1 January 2019)	<b>1,860</b>
Analysed as:	
— Current	<b>1,101</b>
— Non-current	<b>759</b>
Total lease liabilities recognised as at 1 January 2019	<b>1,860</b>

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 December 2018.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

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

### IFRS 16 LEASES (Continued)

#### A. LESSEE ACCOUNTING AND TRANSITIONAL IMPACT (Continued)

The carrying amounts of right-of-use assets as at 1 January 2019 comprises the following:

	<b>Right-of-use assets S\$'000</b>
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	1,487
<b>By class:</b>	
Office premises	1,487

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

	<b>Carrying amount previously reported at 31 December 2018 S\$'000</b>	<b>Adjustments S\$'000</b>	<b>Carrying amount under IFRS 16 at 1 January 2019 S\$'000</b>
Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16:			
Right-of-uses assets	–	1,487	1,487
<b>Total non-current assets</b>	<b>313</b>	<b>1,487</b>	<b>1,800</b>
Lease liabilities (current)	–	1,101	1,101
<b>Current liabilities</b>	<b>3,763</b>	<b>1,101</b>	<b>4,864</b>
<b>Net current assets</b>	<b>16,892</b>	<b>(1,101)</b>	<b>15,791</b>
<b>Total assets less current liabilities</b>	<b>17,205</b>	<b>386</b>	<b>17,591</b>
Lease liabilities (non-current)	–	759	759
<b>Total non-current liabilities</b>	<b>24</b>	<b>759</b>	<b>783</b>
<b>Net assets</b>	<b>17,181</b>	<b>(373)</b>	<b>16,808</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) *(Continued)*

### NEW AND AMENDMENTS TO IFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

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

IAS 1 and IAS 8 (Amendments)	Definition of Material <sup>2</sup>
IFRS 3 (Amendments)	Definition of a Business <sup>1</sup>
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
IFRS 17	Insurance Contracts <sup>3</sup>
IFRS 9, IAS 39 and IFRS 7 (Amendments)	Interest Rate Benchmark Reform <sup>2</sup>

<sup>1</sup> Effective for business combination and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2020.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of 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

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with IFRSs, which collective term includes all International Accounting Standards (“**IAS**”) and related Interpretations, as issued by the IASB. In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and by the Hong Kong Companies Ordinance.

### BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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 takes into account 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

For the year ended 31 December 2019

## 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 (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.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### 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.

### REVENUE FROM CONTRACTS WITH CUSTOMERS

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

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct 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 service.

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

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.

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price 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:

- Provision of human resources outsourcing services (note (a))
- Provision of human resources recruitment services (note (b))

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)* REVENUE FROM CONTRACTS WITH CUSTOMERS *(Continued)*

notes:

- (a) Provision of human resources outsourcing service  
Service attributable mainly to Singapore Government agencies in sourcing and employing suitable candidates that match the Company's client job requirement.
- (b) Provision of human resources recruitment services  
Service attributable to private sector in assessing and procuring qualified candidates to be employed in order to suit the Company's clients' business need.

### LEASES (UPON APPLICATION OF IFRS 16 IN ACCORDANCE WITH TRANSITIONS IN NOTE 2)

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

#### THE GROUP AS LESSEE

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) or leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

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

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### LEASES (UPON APPLICATION OF IFRS 16 IN ACCORDANCE WITH TRANSITIONS IN NOTE 2)

*(Continued)*

#### THE GROUP AS LESSEE *(Continued)*

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured 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 did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Right-of-use Assets' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### LEASES (PRIOR TO 1 JANUARY 2019)

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

#### THE GROUP AS LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into SGD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in exchange reserves.

#### BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are included.

#### EMPLOYEE BENEFITS

##### DEFINED CONTRIBUTION PLANS

The Group makes contributions to the Central Provident Fund ("**CPF**") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which they become payable in accordance with the scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, employees are required to contribute 5% of their monthly salaries or up to a maximum of HK\$1,500 and they can choose to make additional contributions. Employers' monthly contributions are calculated at 5% of the employee's monthly salaries or up to a maximum of HK\$1,500 (the "**mandatory contributions**"). Employees are entitled to 100% of the employer's mandatory contributions upon their retirement at the age of 65, death or total incapacity.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### TAXATION

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

#### (A) CURRENT INCOME TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the consolidated statement of profit or loss and other comprehensive income because of items 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.

#### (B) DEFERRED TAX

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

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

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

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

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

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

#### (C) CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### TAXATION *(Continued)*

#### (D) 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.

### PLANT AND EQUIPMENT

Plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of 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 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.

The plant and equipment are depreciated over their estimated useful lives on a straight-line basis as follow:

Leasehold improvement	3 years
Computers and equipment	2–3 years
Furniture and fixtures	3 years

### IMPAIRMENT OF PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS OTHER THAN GOODWILL

At the end of each reporting period, the Group reviews the carrying amounts of its plant and equipment and right-of-use assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an plant and equipment and right-of-use assets (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the plant and equipment and right-of-use assets (or a cash-generating unit) 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 cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 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 the 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 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 derecognised 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 (“**FVTPL**”)) 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 FVTPL 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 is recognised on an effective interest basis for debt instruments.

### FINANCIAL ASSETS

#### (i) Classification and subsequent measurement of financial assets

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### FINANCIAL ASSETS *(Continued)*

(i) Classification and subsequent measurement of financial assets *(Continued)*

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting 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.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### 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

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### FINANCIAL ASSETS *(Continued)*

(ii) Impairment of financial assets

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

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a the relevant instrument. In contrast, 12-month 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.

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

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

(a) Significant increase in credit risk

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### FINANCIAL ASSETS *(Continued)*

##### (ii) Impairment of financial assets *(Continued)*

##### (a) Significant increase in credit risk *(Continued)*

- an actual or expected significant deterioration in the operating results of the 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.

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 debt instrument is determined to have low credit risk if:

- (1) It has a low risk of default,
- (2) The borrower 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 debt instrument to have low credit risk when it has internal or 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### FINANCIAL ASSETS *(Continued)*

(ii) Impairment of financial assets *(Continued)*

(c) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 90 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. A write-off constitutes derecognition event. 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 adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### FINANCIAL ASSETS *(Continued)*

##### (ii) Impairment of financial assets *(Continued)*

##### (e) Measurement and recognition of ECL *(Continued)*

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

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

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

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

Except for investments in debt instruments/receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and retention receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

##### (iii) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### FINANCIAL LIABILITIES AND EQUITY

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.

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

(i) Financial liabilities at amortised cost

Financial liabilities including trade payables are subsequently measured at amortised cost, using the effective interest method.

(ii) 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.

### RELATED PARTIES TRANSACTIONS

A party is considered to be related to the Group if:

(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 a parent of the Group.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### RELATED PARTIES TRANSACTIONS *(Continued)*

- (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 subsidiaries is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (on an associate or joint venture of a member of a group 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.
  - (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 the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influence by, that person in their dealing with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

### CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

### DIVIDENDS

Dividends proposed by the Directors are classified as a separate allocation of retained earnings within the equity section of the consolidated statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgments, apart from those involving estimations, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

### KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (A) DETERMINING THE LEASE TERM

As explained in note 3, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

### KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

#### (B) IMPAIRMENT OF PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The Group reviews its plant and equipment and right-of-use assets for indications of impairment at each reporting period. In analysing potential impairments identified, the Group uses projections of future cash flows from the assets based on management's assignment of a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

#### (C) PROVISION OF ALLOWANCE FOR CREDIT LOSSES FOR TRADE RECEIVABLE

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix 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. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 16.

#### (D) DEPRECIATION

Items of plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

#### (E) INCOME TAXES

The Group has exposure to income taxes in Singapore and Hong Kong. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and applicable tax incentives. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the year in which such determination is made. The carrying amounts of the Group's current income tax liabilities and deferred tax liabilities as at 31 December 2018 and 2019 were approximately Nil and S\$27,000 S\$24,000 and S\$24,000 respectively.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 5. FINANCIAL INSTRUMENTS

### (A) CATEGORIES OF FINANCIAL INSTRUMENTS

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
<b>Financial assets</b>		
Amortised cost:		
— Trade receivables	<b>5,979</b>	6,176
— Deposits and other receivables	<b>560</b>	346
— Cash and cash equivalents	<b>12,714</b>	13,857
	<b>19,253</b>	20,379
	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
<b>Financial liabilities</b>		
Amortised cost:		
— Accrued labour costs	<b>2,821</b>	2,668
— Other payables and accruals	<b>971</b>	1,095
— Lease liabilities	<b>759</b>	–
	<b>4,551</b>	3,763

### (B) FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The directors of the Company monitor and manage the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group's major financial instruments include trade receivables, other receivables, deposit, cash and cash equivalents, accrued labour costs, other payables and accruals and lease liabilities. Details of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 5. FINANCIAL INSTRUMENTS *(Continued)*

### (B) FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

#### FOREIGN CURRENCY RISK

The Group's foreign currency exposure arises mainly from the exchange rate movements of the Hong Kong dollars against the Singapore dollars.

The Group's currently does not have a foreign currency hedging policy. However, the management monitors foreign currency risk exposure and will consider foreign currency hedging should the need arise.

#### *Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the Hong Kong dollar exchange rate, with all other variables held constant.

	<b>2019</b>	2018
	<b>Decrease/ (increase)</b>	Decrease/ (increase)
	<b>in loss</b>	in loss
	<b>before tax</b>	before tax
	<b>S\$'000</b>	S\$'000
Hong Kong dollars — strengthened 5% (2018: 5%)	<b>(55)</b>	(63)
— weakened 5% (2018: 5%)	<b>55</b>	63

#### INTEREST RATE RISK

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets, mainly the interest bearing bank balances. The Group monitors the interest rate exposure on a continuous basis and adjusts the portfolio of bank saving balances where necessary.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 5. FINANCIAL INSTRUMENTS *(Continued)*

### (B) FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

#### CREDIT RISK

The credit risk of the Group mainly arises from bank balances and deposits, trade receivables and other receivables. 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 December 2018 and 2019.

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.

As at 31 December 2018 and 2019, trade receivables that are individually significant have been separately assessed for impairment. 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 rendering of human resource services. The Group's trade receivables arise from rendering of human resources services. As at the end of the year, the top three debtors and the largest debtor accounted for approximately 32.3% and 17.9% (2018: approximately 63.3% and 15.0%), 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 receivable disclosed in the below. Management makes periodic assessment on the recoverability of the trade and other receivables based on historical payment records, the length of overdue period, the financial strength of the debtors and whether there are any disputes with the debtors.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 5. FINANCIAL INSTRUMENTS (Continued)

### (B) FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### CREDIT RISK (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	<b>Average expected loss rate</b> %	<b>Gross carrying amount allowance</b> S\$'000	<b>Loss allowance</b> S\$'000
31 December 2019			
Neither past due nor impaired	<b>0.9%</b>	<b>3,953</b>	<b>34</b>
Less than 30 days past due	<b>1.3%</b>	<b>1,920</b>	<b>25</b>
31 to 60 days past due	<b>15.5%</b>	<b>116</b>	<b>18</b>
61 days to 90 days past due	<b>34.8%</b>	<b>66</b>	<b>23</b>
More than 90 days past due	<b>66.2%</b>	<b>71</b>	<b>47</b>
		<b>6,126</b>	<b>147</b>
31 December 2018			
Neither past due nor impaired	0.6%	3,770	22
Less than 30 days past due	1.1%	2,370	26
31 to 60 days past due	16.5%	81	13
61 days to 90 days past due	92.7%	35	32
More than 90 days past due	35.6%	20	7
		6,276	100

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	<b>Lifetime ECL (not credit-impaired)</b> S\$'000
As at 1 January 2018	–
Allowance for expected credit losses recognised	100
As at 31 December 2018 and 1 January 2019	100
Allowance for expected credit losses recognised	47
As at 31 December 2019	147

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 5. FINANCIAL INSTRUMENTS *(Continued)*

### (B) FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

#### CREDIT RISK *(Continued)*

Other receivables with significant outstanding balances or credit impaired as at 31 December 2019 were assessed individually. During the year ended 31 December 2019, no allowance for credit losses was recognised by the Group (2018: approximately S\$83,000).

The following table shows reconciliation of loss allowances that has been recognised for other receivables :

	<b>Lifetime ECL (credit- impaired)</b> S\$'000
As at 1 January 2018	–
Allowance for expected credit losses recognised	83
As at 31 December 2018 and 1 January 2019	83
Allowance for expected credit losses recognised	–
As at 31 December 2019	83

Trade and other 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 90 days past due.

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

#### LIQUIDITY RISK

The Group is exposed to minimal liquidity risk as a substantial portion of its financial assets and financial liabilities are due within one year and it can finance its operations from existing shareholders' funds and internally generated cash flows.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effect of fluctuations in cash flows. Management monitors current and expected liquidity requirements on a regular basis.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 5. FINANCIAL INSTRUMENTS *(Continued)*

### (B) FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

#### LIQUIDITY RISK *(Continued)*

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

	Weighted average effective interest rate %	On demand or within one year S\$'000	More than one year but less than two years S\$'000	More than two years but less than five years S\$'000	Total undiscounted cash flow S\$'000	Carrying amount S\$'000
<b>31 December 2018</b>						
<b>Financial liabilities:</b>						
Accrued labour costs	-	2,668	-	-	2,668	2,668
Other payables and accruals	-	1,095	-	-	1,095	1,095
		3,763	-	-	3,763	3,763
<b>31 December 2019</b>						
<b>Financial liabilities:</b>						
Accrued labour costs	-	2,821	-	-	2,821	2,821
Other payables and accruals	-	971	-	-	971	971
Lease liabilities	5.9	709	71	-	780	759
		4,501	71	-	4,572	4,551

## 6. SEGMENT INFORMATION

The Group mainly provides human resources outsourcing services and human resources recruitment services. Information reported to the Group's management for the purpose of resources allocation and performance assessment presents the operating results of the Group as a whole since the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

In addition, the Group's operation is principally situated in Singapore during the years ended 31 December 2018 and 2019 and most of the Group's assets and liabilities are located in Singapore. Accordingly, no geographical segment information is presented.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 6. SEGMENT INFORMATION *(Continued)*

### INFORMATION ABOUT MAJOR CLIENTS

For the years ended 31 December 2018 and 2019, revenue generated from two and two clients of the Group which has individually accounted for over 10% of the Group's total revenue respectively. No other single client contributed 10% or more to the Group's revenue for the years ended 31 December 2018 and 2019.

Revenue from major clients, which contribute to 10% or more of the Group's revenue is set out below:

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Client A	<b>6,629</b>	5,166
Client B	<b>6,020</b>	5,696

## 7. REVENUE AND OTHER INCOME

An analysis of revenue and other income are as follows:

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
<b>A point in time of revenue recognition:</b>		
• Human resources outsourcing services	<b>35,340</b>	33,534
• Human resources recruitment services	<b>1,377</b>	1,184
• Other human resources support services (note)	<b>28</b>	68
	<b>36,745</b>	34,786

note: Other human resources support services included referral services and parking services.

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.

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
<b>Other income</b>		
Service income	<b>21</b>	32
Interest income	<b>58</b>	21
Sundry income	<b>91</b>	51
	<b>170</b>	104

## 8. FINANCE COSTS

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Interest on lease liabilities	<b>83</b>	–

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 9. LOSS BEFORE TAX

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

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Cost of services		
Salaries and bonuses	<b>26,597</b>	25,212
Defined contribution retirement plan	<b>3,442</b>	3,214
Short-term benefits	<b>990</b>	787
	<b>31,029</b>	29,213
Directors' emoluments (note 10)	<b>942</b>	897
Other staff costs (excluding directors' emoluments)		
Salaries and bonuses	<b>2,898</b>	3,141
Defined contribution retirement plan	<b>376</b>	417
Short-term benefits	<b>193</b>	261
	<b>3,467</b>	3,819
Total staff costs	<b>35,438</b>	33,929
Auditors' remuneration		
— Audit services:		
Annual audit services	<b>200</b>	200
— Non-audit services	<b>3</b>	3
Depreciation of plant and equipment	<b>273</b>	313
Depreciation of right-of-use assets	<b>1,026</b>	–
Loss on disposal of plant and equipment	–	4
Operating lease rental expenses in respect of:		
— rented premises	–	1,103

## 10. DIRECTORS' EMOLUMENTS

Directors' emoluments for the years ended 31 December 2018 and 2019, disclosed pursuant to the GEM Listing Rules, sections 383(1)(a), (b), (c), and (f) of the Companies Ordinance (chapter 622 of the laws of Hong Kong) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (chapter 622G of the laws of Hong Kong), are as follows:

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Directors' fees	<b>178</b>	151
Other emoluments:		
Salaries and bonuses	<b>737</b>	719
Defined contribution retirement plan	<b>27</b>	27
	<b>764</b>	746
	<b>942</b>	897

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 10. DIRECTORS' EMOLUMENTS (Continued)

Details for the emoluments of each director of the Company for the years ended 31 December 2018 and 2019 are as follows:

	Directors' fees S\$'000	Salaries and bonuses S\$'000	Defined contribution retirement plan S\$'000	Other short-term benefits S\$'000	Total S\$'000
<b>2019</b>					
<b>Executive Directors:</b>					
Mr. Chew	-	295	12	-	307
Ms. Yong	-	167	12	-	179
Ms. Lo Wing Yan Emmy ("Ms. Lo")	-	258	3	-	261
Mr. Pai Chun ("Mr. Pai") (note (a))	-	17	-	-	17
<b>Independent Non-executive Directors:</b>					
Mr. Fan Chun Wah Andrew, J.P. ("Mr. Fan")	63	-	-	-	63
Mr. Koh Shian Wei ("Mr. Koh")	42	-	-	-	42
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan) ("Ms. Lam")	42	-	-	-	42
Ms. Liu Daiping ("Ms. Liu") (note (b))	31	-	-	-	31
	<b>178</b>	<b>737</b>	<b>27</b>	<b>-</b>	<b>942</b>

	Directors' fees S\$'000	Salaries and bonuses S\$'000	Defined contribution retirement plan S\$'000	Other short-term benefits S\$'000	Total S\$'000
<b>2018</b>					
<b>Executive Directors:</b>					
Mr. Chew	-	278	12	-	290
Ms. Yong	-	154	12	-	166
Ms. Lo	-	255	3	-	258
Mr. Pai (note (a))	-	32	-	-	32
<b>Independent Non-executive Directors:</b>					
Mr. Fan	57	-	-	-	57
Mr. Koh	41	-	-	-	41
Ms. Lam	41	-	-	-	41
Ms. Liu (note (b))	12	-	-	-	12
	<b>151</b>	<b>719</b>	<b>27</b>	<b>-</b>	<b>897</b>

Notes:

- (a) Mr. Pai was appointed as an executive director of the Company on 13 August 2018 and resigned on 15 March 2019.
- (b) Ms. Liu was appointed as an independent non-executive director of the Company on 13 August 2018.

The Company's executive directors' emoluments shown were mainly for their service in connection with the management of the affairs of the Company and the Group.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 10. DIRECTORS' EMOLUMENTS (Continued)

The Company's independent non-executive Directors' emoluments shown was mainly for their services as directors of the Company.

The remuneration shown above represents remuneration received and receivable from the Group by these directors in their capacity as employees to the Group and/or in their capacity as directors of the Company during the years ended 31 December 2018 and 2019 respectively. None of the directors agreed to waive or waived any emoluments during the year (2018: Nil). The Company's executive directors' emoluments shown were mainly for their service in connection with the management of the affairs of the Company and the Group.

## 11. EMPLOYEES EMOLUMENTS AND SENIOR MANAGEMENT EMOLUMENTS

The five highest paid individuals included three and three executive directors of the Company for the years ended 31 December 2018 and 2019, respectively, details of whose emoluments are set out in note 10 above. The emoluments of the remaining two and two individuals for the years ended 31 December 2018 and 2019 disclosed as follows:

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Salaries and bonuses	<b>298</b>	310
Defined contribution retirement plan	<b>28</b>	32
	<b>326</b>	342

The number of non-director highest paid employees whose emoluments fell within the following bands is as follows:

	<b>2019</b>	2018
	<b>Number of individuals</b>	Number of individuals
Nil to HK\$1,000,000	<b>2</b>	2
	<b>2</b>	2

The number of senior management (excluding directors) whose emoluments fell within the following bands is as follows:

	<b>2019</b>	2018
	<b>Number of individuals</b>	Number of individuals
Nil to HK\$1,000,000	<b>2</b>	3
	<b>2</b>	3

During the years ended 31 December 2018 and 2019, no emoluments were paid by the Group to the two (2018: three) highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the two (2018: three) highest paid individuals have waived any remuneration during both the years.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 12. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

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 December 2018 and 2019.

The Singapore statutory income tax rate was 17% during the years ended 31 December 2018 and 2019. Income tax expense for the Group relates wholly to the profits of the subsidiaries, which were taxed at a statutory tax rate of 17% in Singapore.

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Current tax — Singapore:		
Charge for the year	<b>27</b>	–
Deferred tax	<b>–</b>	–
Income tax expense	<b>27</b>	–

The income tax expense can be reconciled to the loss before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Loss before tax	<b>(1,192)</b>	(2,504)
Tax at the applicable income tax rate	<b>(208)</b>	(420)
Income not subject to tax	<b>(6)</b>	(49)
Expenses not deductible for tax	<b>81</b>	231
Effect of partial tax exemption	<b>(18)</b>	–
Enhanced allowances and deductions	<b>(50)</b>	(33)
Tax losses not recognised	<b>228</b>	271
Income tax expense	<b>27</b>	–

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 13. LOSS PER SHARE

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Loss for the year attributable to the owners of the Company	<b>(1,219)</b>	(2,504)
	<b>'000</b>	'000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (note)	<b>600,000</b>	600,000

note: The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of approximately S\$1,219,000 (2018: approximately S\$2,504,000) and the weighted average number of 600,000,000 (2018: 600,000,000) ordinary shares in issue during the year ended 31 December 2019.

The dilutive loss per share is the same as the basic loss per share as there was no potential dilutive ordinary shares in issue during both years.

## 14. PLANT AND EQUIPMENT

	<b>Leasehold improvement</b>	<b>Computers and equipment</b>	<b>Furniture and fixtures</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost</b>				
As at 1 January 2018	517	1,120	206	1,843
Additions	198	145	–	343
Disposal	–	(17)	–	(17)
Exchange realignment	2	1	–	3
As at 31 December 2018 and 1 January 2019	717	1,249	206	2,172
Additions	–	151	–	151
As at 31 December 2019	717	1,400	206	2,323

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 14. PLANT AND EQUIPMENT (Continued)

	Leasehold improvement S\$'000	Computers and equipment S\$'000	Furniture and fixtures S\$'000	Total S\$'000
<b>Accumulated depreciation</b>				
As at 1 January 2018	381	970	205	1,556
Provided for the year	167	145	1	313
Disposal	–	(13)	–	(13)
Exchange realignment	2	1	–	3
As at 31 December 2018 and 1 January 2019	550	1,103	206	1,859
Provided for the year	132	141	–	273
As at 31 December 2019	682	1,244	206	2,132
<b>Net book values</b>				
As at 31 December 2019	35	156	–	191
As at 31 December 2018	167	146	–	313

## 15. RIGHT-OF-USE ASSETS

	Offices premises S\$'000
<b>Cost</b>	
As at 31 December 2018 (Audited)	–
Impact on initial application of IFRS 16 (note 2)	1,487
As at 1 January 2019 (Restated)	1,487
Exchange realignment	(2)
As at 31 December 2019	1,485
<b>Accumulated depreciation</b>	
As at 31 December 2018 (Audited)	–
Impact on initial application of IFRS 16 (note 2)	–
As at 1 January 2019 (Restated)	–
Provided for the year	1,026
Exchange realignment	(1)
As at 31 December 2019	1,025
<b>Net book value</b>	
As at 31 December 2019	460

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 16. TRADE RECEIVABLES

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Trade receivables	<b>6,126</b>	6,276
Less: Allowance for expected credit losses	<b>(147)</b>	(100)
	<b>5,979</b>	6,176

Trade receivables are non-interest-bearing and are generally allows a credit period of 30–60 days to its clients.

An aged analysis of the trade receivables, net of allowance for expected credit losses, as at 31 December 2018 and 2019, based on the invoice date, is as follows:

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Less than 30 days	<b>3,522</b>	3,288
31 to 60 days	<b>2,102</b>	2,528
61 to 90 days	<b>250</b>	263
More than 90 days	<b>105</b>	97
Total	<b>5,979</b>	6,176

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	<b>Lifetime ECL (not credit- impaired)</b>
	S\$'000
As at 1 January 2018	–
Allowance for expected credit losses recognised	100
As at 31 December 2018 and 1 January 2019	100
Allowance for expected credit losses recognised	47
As at 31 December 2019	147

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Prepayments	<b>302</b>	276
Deposits	<b>462</b>	306
Other receivables (note)	<b>181</b>	123
	<b>945</b>	705
Less: Allowance for expected credit loss	<b>(83)</b>	(83)
	<b>862</b>	622

During the year ended 31 December 2019, no allowance for expected credit losses on other receivables was provided (2018: approximately S\$83,000) as detailed in note 5.

note:

As at 31 December 2019, there was amounts due from related companies of approximately S\$44,000 (2018: approximately S\$40,000) included in prepayments, deposits and other receivables of the Group. The amounts due from related companies was in trade nature is unsecured, interest-free and repayable on demand.

## 18. CASH AND CASH EQUIVALENTS

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Hong Kong dollars	<b>4,633</b>	5,547
Singapore dollars	<b>8,081</b>	8,310
	<b>12,714</b>	13,857

Cash at banks carrying interest at variable rates which range from 0.71% to 1.75% per annum for the year ended 31 December 2019 (2018: 0.01% to 0.86% per annum).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 19. OTHER PAYABLES AND ACCRUALS

	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Other payables	<b>56</b>	91
GST payables	<b>384</b>	431
Receipt in advance	<b>–</b>	5
Other accrued expenses	<b>531</b>	568
	<b>971</b>	1,095

## 20. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities as at 31 December 2019:

	<b>As at 31 December 2019</b>	
	<b>Present value of the minimum lease payments S\$'000</b>	<b>Total minimum lease payments S\$'000</b>
Within 1 year	<b>689</b>	<b>709</b>
After 1 year but within 2 years	<b>70</b>	<b>71</b>
	<b>759</b>	<b>780</b>
Less: total future interest expenses		<b>(21)</b>
Present value of lease liabilities		<b>759</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 21. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### (a) Tax payables in the consolidated statement of financial position represents:

	2019 S\$'000	2018 S\$'000
As at 1 January	–	–
Provision for Singapore Profit tax for the year	27	–
As at 31 December	27	–

### (b) Deferred tax liabilities recognised

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Excess of net book values of plant and equipment over tax value S\$'000	Total S\$'000
As at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	24	24

## 22. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of shares	Amount	
		HK\$'000	S\$'000
Authorised:			
As at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	1,500,000,000	15,000	2,632
Issued and fully paid:			
As at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	600,000,000	6,000	1,053

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 23. SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”) on 21 June 2017 (the “**Adoption Date**”). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

As at 31 December 2018 and 2019, a total of 60,000,000 Shares, representing 10% of the issued Shares, were available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2018 and 2019.

Principal terms of the Scheme are set out below:

### 1. PURPOSE

The purpose of the Scheme is to advance the interests of the Company and the shareholders by enabling the Company to grant options to eligible persons as incentives or rewards for their contribution to the Group and by enabling such persons’ contribution to further advance the interests of the Group.

### 2. PARTICIPANTS OF THE SCHEME

The eligible persons of the Scheme to whom options may be granted by the Board shall include (collectively the “**Eligible Persons**”):

- (i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group;
- (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group; any provider of goods and/or services to the Group; any customer of the Group; or any holder of securities issued by any member of the Group; and
- (iii) any other person, who at the sole discretion of the Board, has contributed to the development and growth of the Group.

### 3. LIFE OF THE SCHEME

The Scheme shall be valid and effective for a period of ten years commencing from the Adoption Date, after which period no further options will be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the Scheme.

### 4. SUBSCRIPTION PRICE

The subscription price in respect of any option shall, subject to any adjustments made pursuant to the terms of the Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of:

- (i) the closing price per share as stated in the Stock Exchange’s daily quotation sheet on the offer date for the grant of the option (which is deemed to be the date of grant if the offer for the grant of the option is accepted by the Eligible Person), which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the closing prices per Share as stated in the Stock Exchange’s daily quotation sheets for the five business days (any days on which securities are traded on the Stock Exchange) immediately preceding the offer date; or
- (iii) the nominal value of the Share.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 23. SHARE OPTION SCHEME *(Continued)*

### 5. ACCEPTANCE OF OFFERS

An offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than 21 days after the offer date by which the Eligible Person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after the Scheme has been terminated in accordance with the provisions of the Scheme.

The amount payable by the grantee to the Company on acceptance of the offer shall be HK\$1.00.

### 6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

The total number of shares 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 10% of the total number of Shares in issue as at the listing date (i.e. 60,000,000 Shares).

### 7. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

The total number of shares issued and to be issued upon exercise of the options granted to each Eligible Person (except for any independent non-executive director or substantial shareholder of the Company) (including both exercised and outstanding options under the Scheme) in the twelve-month period expiring on the offer date must not exceed 1% of the issued shares.

Where any further grant of options to an Eligible Person would result in excess of such limit shall be subject to the approval of the shareholders at general meeting with such Eligible Person and his associates abstaining from voting. In seeking such approval, a circular must be sent to the shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

### 8. THE PERIOD WITHIN WHICH THE SECURITIES MUST BE EXERCISED UNDER AN OPTION

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be notified by the Board to the grantee which the Board may in its absolute discretion determine, save that such period shall not be more than ten years from the date of acceptance of the offer.

### 9. THE MINIMUM PERIOD, IF ANY, FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

There is no minimum period for which an option granted must be held before it can be exercised unless otherwise imposed by the Directors.

## 24. DIVIDENDS

The directors of the Company do not propose any payment of final dividend for the years ended 31 December 2018 and 2019.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 25. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2019 S\$'000	2018 S\$'000
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment in a subsidiary		–	–
<b>CURRENT ASSETS</b>			
Prepayments		36	26
Amounts due from subsidiaries		1,494	1,469
Cash and cash equivalents		4,197	5,281
		<b>5,727</b>	6,776
<b>CURRENT LIABILITIES</b>			
Accruals		336	352
Amounts due to subsidiaries		65	79
		<b>401</b>	431
<b>NET CURRENT ASSETS</b>		<b>5,326</b>	6,345
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,326</b>	6,345
<b>NET ASSETS</b>		<b>5,326</b>	6,345
<b>EQUITY</b>			
Share capital	22	1,053	1,053
Reserves	26	4,273	5,292
<b>TOTAL EQUITY</b>		<b>5,326</b>	6,345

The financial statement was approved and authorised for issue by the board of directors of the Company on 12 March 2020 and are signed on its behalf by:

**Chew Chee Kian**  
Executive Director

**Lo Wing Yan Emmy**  
Executive Director

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 26. RESERVES OF THE COMPANY

	Share premium	Exchange reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2018	10,715	(136)	(4,302)	6,277
Loss and total comprehensive loss for the year	–	–	(985)	(985)
As at 31 December 2018 and 1 January 2019	10,715	(136)	(5,287)	5,292
Loss and total comprehensive loss for the year	–	–	(1,019)	(1,019)
As at 31 December 2019	10,715	(136)	(6,306)	4,273

## 27. OPERATING LEASE COMMITMENTS

As at 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	Offices premises
	S\$'000
Within one year	1,132
In the second to fifth years, inclusive	808
	1,940

The Group is the lessee in respect of a number of offices premises which were previously classified as operating leases under IAS 17. The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (note 2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 3, and the details regarding the Group's future lease payments are disclosure in note 20.

## 28. RETIREMENT BENEFIT PLANS

The Group operates 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 (2018: HK\$30,000). Contributions to the plan vest immediately.

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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 28. RETIREMENT BENEFIT PLANS *(Continued)*

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 of approximately S\$3,658,000 and S\$3,845,000 respectively, represent contributions paid and/or payable to the scheme by the Group for the years ended 31 December 2018 and 2019 respectively.

## 29. MATERIAL RELATED PARTIES TRANSACTIONS

**(A)** In addition to the transactions detailed elsewhere in this consolidated financial statements, the Group has the following transactions with related parties during the reporting period.

Name of related company	Nature	Relationship with the Group	Notes	2019 S\$'000	2018 S\$'000
<b>Recurring:</b>					
BGC Malaysia	Referral fee income	Common director	(ii)	-	22
BGC Malaysia	Service income (note 7)	Common director	(iii)	21	7
<b>Non-recurring:</b>					
PayrollHero	Service income (note 7)	Common director	(i)	-	25
PayrollHero	Professional fee	Common director	(i)	8	-

Notes:

- (i) Mr. Chew is the director of BGC Malaysia, Payroll Hero and the Company.
- (ii) BGC Malaysia is owned as to 49.5% by Mr. Chew. On 21 June 2017, the Company entered into a referral agreement with BGC Malaysia for the referral services. This transaction falls within the de minimis criteria of a connected transaction and is fully exempt from the reporting and shareholders approval requirements in the GEM Listing Rules. In the opinion of the directors of the Company, the transaction was conducted in the normal course of business and based on the terms mutually determined and agreed by the respective parties.
- (iii) BGC Malaysia is owned as to 49.5% respectively by Mr. Chew. On 21 June 2017, the Company entered into a shared service agreement with, among others, BGC Malaysia for the shared services. This transaction falls within the de minimis criteria of a connected transaction and is fully exempt from the reporting and shareholders approval requirements in the GEM Listing Rules. In the opinion of the directors of the Company, the transaction was conducted in the normal course of business and based on the terms mutually determined and agreed by the respective parties.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 29. MATERIAL RELATED PARTIES TRANSACTIONS *(Continued)*

### (B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and chief executive of the Company who are key management personnel are disclosed in note 10 to the consolidated financial statements.

## 30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the reporting period.

The capital structure of the Group consists of total borrowings and equity attributable to owners of the Company, comprising share capital, reserves and retained earnings as disclosed in the consolidated financial statements.

The directors of the Company review the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and balance its overall capital structure through the payment of dividends and injection of capital.

	<b>As at 31 December</b>	
	<b>2019</b>	2018
	<b>S\$'000</b>	S\$'000
Total borrowings	–	–
Total equity (note)	<b>15,604</b>	17,181
Gearing ratio	<b>N/A</b>	N/A

note: Total equity includes share capital and reserves at the end of each reporting period.

## 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	<b>Lease liabilities</b>
	S\$'000
	(note 20)
As at 31 December 2018	–
Impact on initial application of IFRS 16 (note 2)	1,860
As at 1 January 2019 (Restated)	1,860
Changes from financing cash flows:	
Repayments of lease liabilities	(1,139)
Other changes:	
Interest on lease liabilities	83
Accrued lease rentals payment	(44)
Exchange realignment	(1)
	38
As at 31 December 2019	759

note: The Group has initially applied IFRS 16 using the modified retrospective method and adjusted the opening balances as at 1 January 2019 to recognise the lease liabilities relating to leases which were previously classified as operating lease under IAS 17.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

## 32. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group had no significant event occurred.

## 33. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at the end of the reporting period are as follows:

Name of company	Place and date of incorporation	Issued and fully paid share capital	Equity interest and voting power directly attributable to the Company		Principal activity
			2019	2018	
<b>Directly held:</b>					
Omniconnect Holdings Limited ("Omniconnect")	The British Virgin Islands (the "BVI"), 8 August 2016	Ordinary share US\$1	100%	100%	Investment holdings
<b>Indirectly held:</b>					
BGC Group Pte. Ltd. ("BGC Group")	Singapore, 18 March 2005	Ordinary shares S\$1,500,000	100%	100%	Provision of human resources outsourcing services and recruitment services in Singapore
A Very Normal Company Pte. Ltd. ("AVNC")	Singapore, 29 July 2009	Ordinary shares S\$150,000	100%	100%	Provision of human resources outsourcing services and recruitment services in Singapore
BGC Group (HK) Limited ("BGC HK")	Hong Kong, 10 December 2008	Ordinary shares HK\$2	100%	100%	Provision of human resources outsourcing services and recruitment services in Hong Kong

## 34. COMPARATIVE FIGURES

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in annual report.

In addition, certain comparative figure have been reclassified to be consistent with the current period's presentation.

## 35. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board on 12 March 2020.

## Five-Year Financial Summary

A summary of the results, and of the assets, liabilities and non-controlling interest of the Group for the last five financial years, as extracted from the published audited financial statements or published prospectus of the Company is set out below.

	<b>2019</b> <b>S\$'000</b>	<b>Year ended 31 December</b>			
		2018 S\$'000	2017 S\$'000	2016 S\$'000	2015 S\$'000
<b>RESULTS</b>					
REVENUE	<b>36,745</b>	34,786	39,978	43,699	45,195
Cost of services	<b>(31,029)</b>	(29,213)	(32,625)	(33,993)	(35,867)
Gross profit	<b>5,716</b>	5,573	7,353	9,706	9,328
Other income	<b>170</b>	104	97	949	203
Allowance for expected credit loss, net	<b>(47)</b>	(183)	–	–	–
Administrative expenses	<b>(6,948)</b>	(7,998)	(7,198)	(7,358)	(7,226)
Listing expenses	<b>–</b>	–	(1,696)	(1,519)	–
Finance costs	<b>(83)</b>	–	–	–	(3)
(LOSS)/PROFIT BEFORE TAXATION	<b>(1,192)</b>	(2,504)	(1,444)	1,778	2,302
Income tax (expense)/credit	<b>(27)</b>	–	158	(355)	(284)
(LOSS)/PROFIT FOR THE YEAR	<b>(1,219)</b>	(2,504)	(1,286)	1,423	2,018
Attributable to:					
Owners of the Company	<b>(1,219)</b>	(2,504)	(1,286)	1,423	2,018
<b>ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS</b>					
TOTAL ASSETS	<b>20,206</b>	20,968	23,586	16,223	15,890
TOTAL LIABILITIES	<b>(4,602)</b>	(3,787)	(3,895)	(5,410)	(5,362)
TOTAL EQUITY	<b>15,604</b>	17,181	19,691	10,813	10,528

\* The shares of the Company were initially listed on the GEM of The Stock Exchange of Hong Kong Limited on 17 July 2017.