OMNIBRIDGE HOLDINGS LIMITED
橋英控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8462

Annual Report 2018

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on The Stock Exchange of Hong Kong Limited (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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

Contents

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 ADVISOR

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 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

DBS Bank Limited

COMPANY'S WEBSITE

www.omnibridge.com.hk

STOCK CODE

8462

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "**Directors**" and the "**Board**", respectively) of Omnibridge Holdings Limited (the "**Company**"), I am pleased to present the consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2018 (the "**Year**") to the shareholders of the Company (the "**Shareholders**").

REVIEW

For the year ended 31 December 2018, revenue of the Group decreased to approximately S$34.8 million as compared to approximately S$40.0 million for the year ended 31 December 2017, representing a decrease of approximately 13.0%. Decrease in revenue was primarily attributable to decrease in human resources outsourcing services in public sector and the decrease in human resources recruitment services. In line with the decrease in revenue, the Group's gross profit decreased by approximately S$1.8 million from approximately S$7.4 million for the year ended 31 December 2017 to approximately S$5.6 million for the year ended 31 December 2018. Gross profit margin decreased from approximately 18.4% for the year ended 31 December 2017 to approximately 16.0% for the year ended 31 December 2018.

The Group recorded a loss for the year of approximately S$2.5 million for the year ended 31 December 2018 compared to a loss for the year of approximately S$1.3 million for the year ended 31 December 2017. This was mainly due to the combined effect of lower revenue and gross profit exacerbated by higher administrative expenses and lesser government subsidies received.

APPRECIATION

On behalf of the Board and management, I would like to express my sincere gratitude to all 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, 26 March 2019

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

We are a Singapore-based human resources service provider for around 14 years, and we started providing human resources services in Hong Kong in 2009. We are principally engaged in the provision of human resources outsourcing services and human resources recruitment services. For human resources outsourcing services, we source and employ suitable candidates that match the job descriptions specified by our clients and then second them to our clients. For human resources recruitment services, we identify, screen, assess and procure qualified candidates to be employed by our clients generally for positions at all levels, including administrative, executive, managerial and professional, to suit our clients' business needs.

With the Group's experienced management team and reputation in the market, the Directors believe that the Group is well-positioned to compete against our competitors, though we opine that the current financial year and coming years should continue to be challenging for the human resources services sector due to the uncertain global environment and rising costs in Singapore and Hong Kong that may affect the Singapore and Hong Kong's economy. In view of the changing of global business environment, the Directors will constantly review 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 shall 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 decreased by approximately S$5.2 million, or 13.0%, from approximately S$40.0 million for the year ended 31 December 2017 to approximately S$34.8 million for the year ended 31 December 2018. The Group's revenue from human resources outsourcing services decreased by approximately S$4.4 million from approximately S$37.9 million for the year ended 31 December 2017 to approximately S$33.5 million for the year ended 31 December 2018 and human resources recruitment services decreased by approximately S$0.8 million from approximately S$2.0 million for the year ended 31 December 2017 to approximately S$1.2 million for the year ended 31 December 2018.

HUMAN RESOURCES OUTSOURCING SERVICES

The revenue from human resources outsourcing services decreased from approximately S$37.9 million for the year ended 31 December 2017 to approximately S$33.5 million for the year ended 31 December 2018, which represented a drop of approximately 11.6%. The drop in the revenue from human resources outsourcing services was mainly attributable to decrease in demand for our human resources outsourcing services from clients in the public sector and received less job orders from different Singapore Government agencies due to intense price competition.

HUMAN RESOURCES RECRUITMENT SERVICES

The revenue from human resources recruitment services decreased by approximately S$0.8 million or 40.0%, from approximately S$2.0 million for the year ended 31 December 2017 to approximately S$1.2 million for the year ended 31 December 2018, primarily attributable to the decrease in demand on new recruits from our clients in private sector resulting from the intense price competition.

OTHER HUMAN RESOURCES SUPPORT SERVICES

The revenue derived from other human resources support services decreased by approximately S$24,000 or 26.1% from approximately S$92,000 for the year ended 31 December 2017 to approximately S$68,000 for the year ended 31 December 2018, 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 decreased by approximately S$3.4 million, or 10.4%, from approximately S$32.6 million for the year ended 31 December 2017 to approximately S$29.2 million for the year ended 31 December 2018. The labour costs and other related costs were approximately S$33.9 million and S$30.3 million for the year ended 31 December 2017 and 2018 respectively and the aggregate government subsidies received were approximately S$1.3 million and S$1.1 million for the year ended 31 December 2017 and 2018 respectively. Therefore, the cost of services decreased mainly due to the decrease in labour costs paid by approximately S$3.6 million, or 10.6% which was generally in line with the decrease in revenue and partially offset by the decrease in government subsidies received by approximately S$0.2 million, or 15.4%. 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**").

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit decreased by approximately S$1.8 million, or 24.3%, from approximately S$7.4 million for the year ended 31 December 2017 to approximately S$5.6 million for the year ended 31 December 2018, which was mainly due to the decrease in revenue and the decrease in government subsidies received. Our gross profit margin decreased from approximately 18.4% for the year ended 31 December 2017 to approximately 16.0% for the year ended 31 December 2018, which was primarily due to the reasons mentioned above.

OTHER INCOME

Other income increased by approximately S$7,000, or 7.2% from approximately S$97,000 for the year ended 31 December 2017 to approximately S$104,000 for the year ended 31 December 2018 due to increase in sundry income and interest income of approximately S$35,000 and S$8,000 respectively which are offset by the decrease in service income of approximately S$36,000 in the year ended 31 December 2017.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by approximately S$1.0 million, or 13.9%, from approximately S$7.2 million for the year ended 31 December 2017 to approximately S$8.2 million for the year ended 31 December 2018, which was mainly due to the professional fees incurred in relation to the listing of the Group, increase in allowance for credit losses, increase in marketing expenses and relocation expenses of Hong Kong office in 2018.

DEPRECIATION OF PLANT AND EQUIPMENT

Depreciation expenses remained relatively stable at approximately S$0.2 million and S$0.3 million for the year ended 31 December 2017 and 2018, respectively.

LISTING EXPENSES

There is no non-recurring listing expenses during the year ended 31 December 2018. The Group recognised non-recurring listing expenses of approximately S$1.7 million as expenses in connection with the listing during the year ended 31 December 2017.

Management Discussion and Analysis

LOSS FOR THE YEAR

The loss for the year ended 31 December 2018 was approximately S$2.5 million, representing an increase of approximately S$1.2 million, or 92.3% as compared with loss of approximately S$1.3 million for the year ended 31 December 2017. The increase was mainly attributable to the decrease in gross profit mainly resulting from the decrease in revenue from human resources outsourcing and recruitment service due to intense price competition and the decrease in government subsidies received and increase in administrative expenses due to increase in professional fees incurred in relation to the listing of the Group, increase in allowance for credit losses, the increase in marketing expenses and relocation expenses of Hong Kong office in 2018 as mentioned above.

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2018,

(a) the Group's total assets decreased to approximately S$21.0 million (2017: approximately S$23.6 million) while the total equity decreased to approximately S$17.2 million (2017: approximately S$19.7 million);

(b) the Group's current assets decreased to approximately S$20.7 million (2017: approximately S$23.3 million) while the current liabilities decreased to approximately S$3.8 million (2017: approximately S$3.9 million);

(c) the Group had approximately S$13.9 million (2017: S$15.5 million) in cash and cash equivalents available and the current ratio of the Group was approximately 5.5 (2017: approximately 6.0);

(d) the Group did not have any bank borrowing, amount due to a related company and a director (2017: 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 (2017: N/A).

CAPITAL EXPENDITURE

Capital expenditure during the year ended 31 December 2018 was primarily related to expenditures on additions of leasehold improvement and computers and equipment, total S$343,000 (2017:S$231,000), to cope with our operation needs. As at 31 December 2018 and 2017, the Group did not have any outstanding capital commitments.

SIGNIFICANT INVESTMENTS

As at 31 December 2018, the Group did not hold any significant investments (2017: nil).

CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any significant contingent liabilities (2017: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 75 full-time employees (the "**Employees**") (31 December 2017: 66). 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$37.5 million for the year ended 31 December 2017 and approximately S$33.9 million for the year ended 31 December 2018. The dedication and hard work of the Group's staff during the year ended 31 December 2018 are generally appreciated and recognised.

INDEBTEDNESS AND CHARGES ON GROUP ASSETS

As at 31 December 2018, the Group had charges on the fixed deposits of approximately S$0.1 million (2017: S$0.1 million).

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

To rationalise the structure of the Group for the Listing, the Company underwent a reorganisation ("**Reorganisation**") of the business comprising the Group, pursuant to which the Company became the holding company of the subsidiaries of the Company now comprising the Group. Details of the Reorganisation have been set out in the Prospectus under the section headed "Reorganisation".

During the year ended 31 December 2018, there was 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 2018, the Group was in compliance with all the laws and regulations that are applicable to the business operations of the Group, details of which have been set out in the Prospectus under the section headed "Regulatory Overview", except those non-compliance matters as set out in the Prospectus under the section headed "Summary — Non-compliance incidents".

FOREIGN EXCHANGE EXPOSURE

The Group transacts mainly in Singapore dollars, which is the functional currency of the majority of the Group's operating subsidiaries. However, the Group retain some proceeds from the Share Offer (as defined below) in Hong Kong dollars which contributed to an unrealised foreign exchange loss of approximately S$6,000 (2017: S$214,000) as Hong Kong dollars weakened against Singapore dollars.

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 2018 to the date of this report, no significant events have occurred.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: nil).

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 the Appendix 20 — ESG Reporting Guide of the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and Guidance set out by the Hong Kong Stock Exchange ("**HKEx**") ("**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 Clause 12 of the ESG Guide, the main contents of this 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 2018 to 31 December 2018

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 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 listed ESG areas and aspects 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 advisors, 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	• General meetings • Information published on websites of the Company/HKEx such as annual, interim reports, announcements, circulars, etc. • Direct emails or phone enquiries to the Company

Stakeholders	Communication Channels
Employees	• Direct meeting with management executives • Intranet • Annual and regular appraisal • Organised functions and activities for the employees
Clients	• Day-to-day communication through front line staff • Client hotline • Official websites
Suppliers/Service providers/ Professional advisors	• Day-to-day communication through front line staff • Regular review of the signed arrangements by the management
NPO partners	• Volunteer activities • Sponsorships and donations
Industry associations	• Participation in annual and regular meetings and events

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;
- 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 reporting and re-summarised in below:

The Board of the Group 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 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
- Analyze and report on the compliance and performance of the ESG related issues.

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 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 policies measures to ensure our operation to be energy, water, and resources saving, and without environmental detriment, and has strictly abided 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 NOx, SOx or greenhouse gases namely carbon dioxide ("**CO2**") emissions and wastes. We, however, do indirectly generate CO2 emissions, an important contributor to global warming, through the use of electricity.

As means to save costs and to reduce indirect CO2 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.

(i) Greenhouse Gas Emissions

For the period from 1 January 2018 to 31 December 2018 ("**2018 Reporting Period**"), a total of 64 tonnes of greenhouse gases (mainly CO2) were indirectly generated and emitted from our Singapore and Hong Kong offices uses of electricity, which was 22 tonnes or 52.3% higher than the period from 1 January 2017 to 31 December 2017 ("**2017 Reporting Period**"). The increase was mainly due to addition of a new office for the recruitment services in 2018 and the full year operation of the administrative office in Hong Kong in 2018 compared to only 2 months operation in 2017 as well as the launching of searched services on 24 hours basis since February 2018. As a more appropriate comparison, the electricity bill during the year of 2017 and 2018 of our administrative office in Hong Kong were SD206/month and SD160/month respectively, which showed that our energy saving and indirect GHG-CO2 measures were successful and effective.

(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 centralized 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. They are collected regularly by qualified collectors who will dispose them in environmental friendly process.

For 2018 Reporting Period, same as 2017 Reporting Period, the Group had no non-compliance or warning notices or fines or disputes in relation to hazardous and non-hazardous air emissions and wastes disposal, and polluted or clean water discharges.

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 were recorded in below:

(i) Efficient Use of Energy

Energy Consumption Sources	**Energy Consumption (in Kwh) during the Reporting Period**		
	2017	**2018**	**(+/-%)**
Electricity	53,348	81,049	+52%

Electricity is sourced from the city grid line which is the only source of energy used for our offices daily operations. As explained before, the increases of electricity consumption in 2018 Reporting Period over 2017 Reporting Period was mainly due to addition of a new office for the recruitment services in 2018, and the full year operation of the administrative office in Hong Kong in 2018 compared to only 2 months operation in 2017 and the launching of searched services on 24 hours basis since February 2018. We have encouraged our employees to use electricity efficiently and environmental friendly.

- 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.

(ii) Efficient Use of Paper

For the 2018 Reporting Period, based on our copier reading, a total of 384,335 pieces of printing paper were used, which was 151,346 pieces or 28.2% less than the 2017 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 envelops and folders;
- Replace papers communication and files electronically

(iii) Consumption of Fresh Water

Fresh water is supplied from the city water system and used mainly for our employees' daily general hygiene needs. 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 2018 Reporting Period, same as the 2017 Reporting Period, no irregularities on natural resource consumption were reported and alerted to the management.

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 Special Administrative Region (HKSAR), 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 LABOR 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 Human Resources Manager 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**") and Central Provident Fund Act ("**CPFA**") of Singapore and the Employment Ordinance ("**EO**") (Cap 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 application 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.

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 2018 the Group employed a total of 1,454 employees, with whom 75 employees worked for itself (as "**Internal Employees**") and 1,379 employees seconded to work for the clients (as "**Outsourced Employees**"). Further analysis of the Group's employment situations for the 2017 Reporting Period and 2018 Reporting Period are summarised in below:

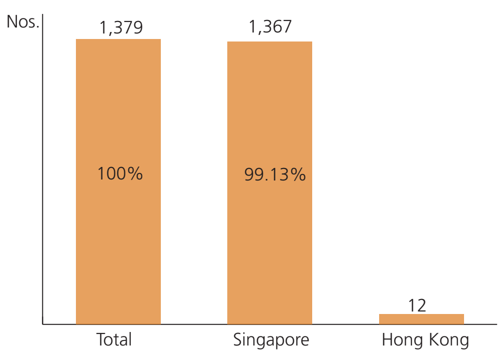

Figure 1: Total Permanent Employees by Region

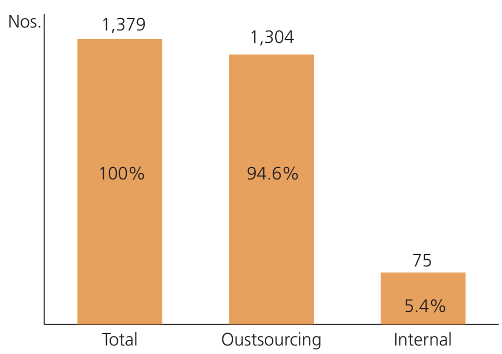

Figure 2: Internal & Outsourcing

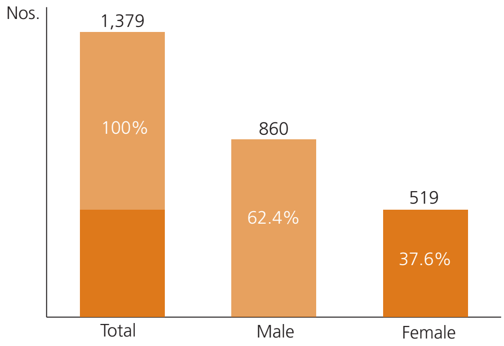

Figure 3: Gender

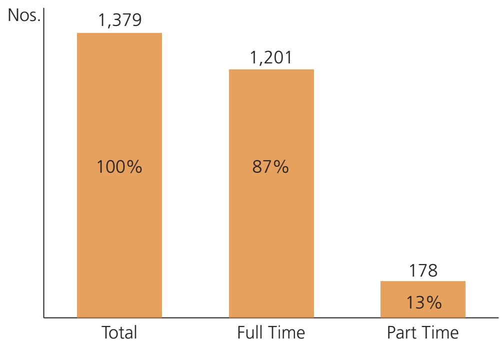

Figure 4: Full Time and Part Time

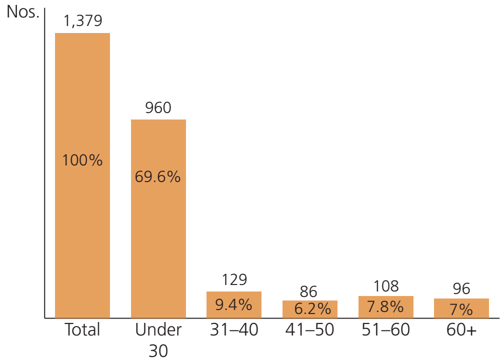

Figure 5: Age Distribution

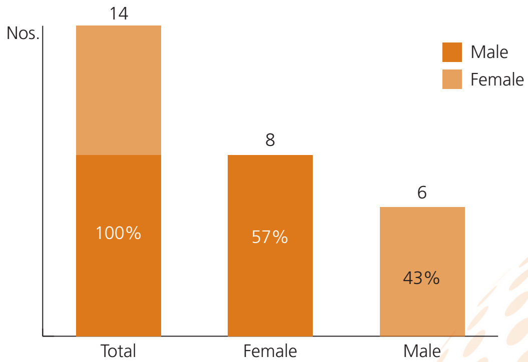

Figure 6: Females and Males in Managerial Positions

The Group honored 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 labor for the 2017 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**") and Work Injury Compensation Act ("**WICA**") (Cap 354) of Singapore, and Occupational Safety And Health Ordinance ("**OSHO**") (Cap 509) 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 group hospitalisation, surgical and dental policies for all the internal employees and outsourced employees employed by the Group in Singapore as stipulated by the Ministry of Manpower of Singapore. 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.

During the 2018 Reporting Period, the Group did not have any injuries or accidents with our internal employees in our offices, but had 7 cases of injuries (2 minor/3 medium/2 serious) with our outsourced employees in Singapore, which were 2 cases more than the 2017 Reporting Period. All of these injuries were related to sprain, strain and scratches of limbs and backs except one case of dog bite 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 2017 Reporting Period and the 2018 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 programs to ensure all the employees have received a subsistence level of training such as all newly-hired employees will be offered orientation programs to familiarise with the Group's structure, general working environment and work culture; on-the job programs and guidance from supervisors will also be provided to enhance their technical or product knowledge. As per clients' request, the Group will provide training programs to our outsourced employees to prepare them to render quality services to meet our clients' standards. For senior managers, opportunities to attend external training programs/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
2017	Internal	188	1,891 (Outsourced)	9.9%	616
	External	24	75 (Internal)	32.0%	814
2018	Internal	216	1,304 (Outsourced)	16.5%	1928
	External	29	75 (Internal)	38.6%	801

B4. Labor 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 labor standard on labor protection and welfare. The Group maintains strict compliance with the laws in relation to equal employment opportunities and prevention of child or forced labor 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 labor. As a legal formality, the Group maintains the private files of the employees on confidential basis. For the 2018 Reporting Period, same as the 2017 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 labor 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.

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 2018 Reporting Period, same as the 2017 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 0.2% (0.1% in the 2017 Reporting Period) for outsourcing business and 0.5% (0.8% in the 2017 Reporting Period) for recruitment services.

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, Jobscience, Timesoft, SAP, Slack and Tris and pays the licensing fees. For the 2018 Reporting Period, same as the 2017 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**") of Hong Kong (Cap 486 of the Laws of Hong Kong) and the Personal Data Protection Act 2012 ("**PDPA**") of Singapore (No. 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 authorized and approved personnel and stored them in physically secured environment.

For the 2018 Reporting Period, same as the 2017 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 is authorised by the Board to create an anti-corruption and anti-fraud process and procedure to regulate the conduct and behavior 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 2018 Reporting Period, same as the 2017 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 Company's shareholders (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 ("**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 2018.

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 regarding securities transactions by the Directors during the year ended 31 December 2018.

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.

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 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 (THE "**INEDs**")

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, an executive director, chief executive officer, chairman and compliance officer of the Board, one of the controlling shareholders and the spouse of Ms. Yong.

Ms. Yong, an executive director, one of the controlling shareholders and the spouse of Mr. Chew.

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

The INEDs 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 INEDs will make various contributions to the Company.

Throughout the Period, the Company had four INEDs, representing over half of the Board members, which has exceeded the requirement of the GEM Listing Rules that the number of INEDs must represent at least one-third of the Board members, and has met the requirement that at least one of the INEDs 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 INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules from 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.

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 the director's responsibilities under the statues 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 ended 31 December 2018 (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 (appointed on 13 August 2018)	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 is given in a reasonable time in advance. The Directors are 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 are 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 should have 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 will 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. According to the GEM Listing Rules, any Directors and their associates (as defined in the GEM Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

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

Name of Directors	**No. of attendance/ No. of Meeting**
Executive Directors	
Mr. Chew Chee Kian *(Chairman and Chief Executive Officer)*	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
INEDs	
Mr. Fan Chun Wah Andrew, *J.P.*	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)	2/5

Apart from the above Board meeting, the chairman of the Board (the "**Chairman**") held no meeting with all the INEDs without the presence of the Executive Directors during the Year.

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 2018.

BOARD DIVERSITY POLICY

During the Year, the Board has 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.

- 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

Pursuant to code provision A.2.1 of the CG Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules, 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 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 of the Board 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 contained in Appendix 15 to the GEM Listing Rules 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 and 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.

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 is the chairman of the Audit Committee.

Audit Committee reviewed the engagement of an external independent consultant "CF Partners Limited" to provide internal audit function for the year ended 31 December 2018, which comprises, *inter alia*, enterprise risk assessment, review the internal control system and corporate governance compliance/practice of the Group.

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

Name of Directors	No. of attendance/ No. of Meeting
Mr. Fan Chun Wah Andrew, *J.P.*	4/4
Mr. Koh Shian Wei	4/4
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan)	4/4
Ms. Liu Daiping	1/4

The Audit Committee held a meeting on 26 March 2019 and reviewed the consolidated financial statements of the Group for the year ended 31 December 2018 and this report and is of the view that such statements and announcement 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

Our Company established a 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 and Corporate Governance Report 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 our Group; review performance based remuneration; and ensure none of our 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 10 November 2017 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 2018.

The Remuneration Committee held a meeting on 26 March 2019 and reviewed and formulated the remuneration policy of the Group and recommended it to the Board for consideration.

NOMINATION COMMITTEE

Our Company established a nomination committee on 21 June 2017 with written terms of reference in compliance with paragraph A.5 of the CG Code and Corporate Governance Report 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 10 August 2018 and a resolution in writing was circulated to the members of the Remuneration Committee for approving the appointment of the Executive Director, Mr. Pai Chun and the INED, Ms. Liu Daiping.

The Nomination Committee held a meeting on 26 March 2019 and among other matters, (i) reviewed the structure, size and composition of the Board; (ii) assessed the independence of the INEDs, (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 ("**AGM**").

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.

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 team 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 INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, 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 AGM 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 AGM 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 contained in the section headed "Directors and Senior Management" in this annual report for the Year by band is set out below:

Remuneration band (in HK$)	**Number of individuals**
Nil to 1,000,000	3
1,000,001 to 1,500,000	–
1,500,001 to 2,000,000	–

INDEPENDENT AUDITORS' REMUNERATION

For the Year, HLB Hodgson Impey Cheng Limited ("**HLB**") was engaged as the Group's independent auditors. Apart from the provision of annual audit services, HLB provided the audit and non-audit services in connection with the listing of the Shares on the GEM on the Listing Date (the "**Listing**").

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

Services	**Fee paid/payable**
	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

It is the responsibility of the Board to ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders' investment and the Group's assets at all times. The Company has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

During the Year, the Board has conducted a review of the effectiveness of the internal control system of the Group through discussion with the Audit Committee on audit findings and control issue.

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 the Executive Director, Chief Financial Officer of the Company and also serves as the secretary of the Audit Committee, the Nomination Committee and the Remuneration Committee. Ms. Lo has complied with the training requirement for the Period 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" on pages 34 of the 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 "Procedures for Shareholders to convene an EGM" set out 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 (presently at Unit 2701, 27/F, 69 Jervois Street, Sheung Wan, Hong Kong) 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 2 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 requisitionist(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.

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, presently at Unit 2701, 27/F, 69 Jervois Street, Sheung Wan, Hong Kong by post or by email to 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 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

Except for the adoption of amended and restated M&A by the Company to comply with the applicable legal and regulatory requirements (including the Listing Rules) on 21 June 2017 in anticipation of the Listing, there were 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.

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. Chew Chee Kian (周志堅), aged 45, was appointed as an executive Director on 8 August 2016. He is the founder of our Group and spouse of Ms. Yong Yuet Han. Mr. Chew is responsible for the overall business development, strategic planning and major decision-making of our Group.

Mr. Chew has over 16 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 39, was appointed as an executive Director on 8 August 2016. She joined our 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 our Group.

Ms. Yong has approximately 17 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, in or about January 2007 to July 2009, and she was responsible for development 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 46, was appointed as the chief financial officer on 8 August 2016 and an executive Director and the company secretary of our Company on 19 September 2016. She joined our Group in August 2016 and is responsible for the overall finance management and company secretarial of our Group.

Ms. Lo has over 16 years of experience in accounting, financial management and restructuring. She accumulated her accounting, restructuring and company secretarial experience from PacificNet Inc (a company listed on United States NASDAQ code of PACT) from September 2000 to August 2003, China Strategic Holdings Limited (a company listed on the Stock Exchange with stock code of 0235), Fortune Sun (China) Holdings Limited (a company listed on the Stock Exchange with stock code of 0352) from October 2007 to September 2008, Global Tech Holdings Limited (a company listed on the Stock Exchange with stock code of 0143 and on the Singapore Stock Exchange with stock code of G11) and Titan Petrochemicals Group Limited (a company listed on the Stock Exchange with stock code of 1192).

Ms. Lo was the independent non-executive director of Birmingham International Holdings Limited which is formerly known as Grandtop International Holdings Limited (a company listed on the Stock Exchange with stock code of 2309) and Miko International Holdings Limited (a company listed on the Stock Exchange with stock code of 1247).

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.

Mr. Pai Chun (白鈞), aged 59, was appointed as executive Director on 13 August 2018 and resigned on 15 March 2019.

Mr. Pai has over 10 years of experience in china investment and financing structuring and providing international consultancy services on acquisition projects and planning of the business development of multinational companies.

Mr. Pai served as an executive director of Guangzhou Carabao Beverage Co., Ltd.* (廣州卡拉寶飲料有限公司) and was responsible for overall strategic planning, staffing solutions and major decisions in the business operations from January 2018 to June 2018. Prior to that, he worked at Guangzhou Quicklink Trading Co., Ltd.* (廣州快聯商貿有限公司) from February 2017 to December 2017.

Mr. Pai obtained a master degree in accounting in September 1989 from California State University, Los Angeles and a bachelor of arts degree in June 1981 from Chinese Culture University. He holds a certificate of Certified Public Accountant issued by the California State Board of Accountancy in the United States of America.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fan Chun Wah Andrew (范駿華), *J.P.*, aged 40, is a practising certified public accountant in Hong Kong with over 13 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 twelveth 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 (a company listed on the Stock Exchange with stock code of 1982), Culturecom Holdings Limited (a company listed on the Stock Exchange with stock code of 0343), Fulum Group Holdings Limited (a company listed on the Stock Exchange with stock code of 1443), Sinomax Group Limited (a company listed on the Stock Exchange with stock code of 1418), Chuang's China Investments Limited (a company listed on the Stock Exchange with stock code of 0298) and Space Group Holdings Limited (a company listed on the Stock Exchange with stock code of 2448), which are companies listed on the Stock Exchange. He also act as independent non-executive director of Sanbase Corporation Limited (a company listed on the Stock Exchange with stock code of 8501) and CNC Holdings Limited (a company listed on the Stock Exchange with stock code of 8356), which are companies listed on GEM of the Stock Exchange. He had been an Independent Non-executive Director of Hong Kong Resources Holdings Company Limited from August 2015 to May 2017, (a company listed on the Stock Exchange with Stock code of 2882) LT Commercial Real Estate Limited (a company listed on the Stock Exchange with stock code of 0112) from March 2013 to December 2016.

Mr. Koh Shian Wei (許峴瑋), aged 46 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.

Ms. Lam Shun Ka (林汛珈) (formerly known as Lam Yuk Shan (林玉珊)), aged 47, 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 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 (a company listed on the GEM of Stock Exchange with Stock Code of 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 49, 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. Goh Mui Hoon (吳美芬), aged 43, was appointed as a division director in April 2013. She is responsible for strategy formulation and business development of the Group.

Ms. Goh has approximately 11 years of experience in sales and business development. She joined our Group in April 2008 as team leader. She was later promoted to division director in April 2013. Prior to joining our Group, she had worked as a manager of Estetica Beaute Pte Ltd., a beauty service provider established in Singapore, from November 2003 to January 2008, and was responsible for managing the operations and sales of the outlets. She was a consultant in Slimfit Spa, a beauty salon between the period of February 2001 to February 2002 and a sales executive in Sijori Resort (Sentosa), a hotel, from February 2000 to February 2001. Her main responsibilities in both jobs involved products and service promotion.

Ms. Goh was awarded a diploma in business from the Temasek Polytechnic (Singapore) in August 1996. She graduated from Curtin University of Technology (Australia) with a degree of bachelor of commerce, management and marketing through distance learning in December 2000.

Ms. Lee Gek Lin (李玉玲), aged 46, 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 our 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 specializing 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 44, 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 and oversaw the operations and business development. In December 2008, she was tasked to set up BGC HK 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 our 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 ''Directors and Senior Management" in this section of the annual report.

COMPLIANCE OFFICER

Mr. Chew Chee Kian is the Chairman, Chief Executive Officer and Executive Director and the compliance officer of the Company. Please refer to Mr. Chew's biography as disclosed in the paragraph headed "Directors and Senior Management" in this section of the annual report.

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

LISTING

Following the Share Offer of 15,000,000 public offer shares and 135,000,000 placing shares of the Company (the "**Shares**"), the Company was listed on the GEM of the Stock Exchange on 17 July 2018 (the "**Listing Date**" and the "**Listing**", respectively).

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 30 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of 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 2018 are set forth in the consolidated financial statements on pages 50 to 103 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2017: nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 20 May 2019 to Thursday, 23 May 2019, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 17 May 2019.

USE OF PROCEEDS FROM THE SHARE OFFER

The Company was successfully listed on the GEM of the Stock Exchange 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.

An analysis of the amount utilised up to 31 December 2018 is set out below:

	Planned use of net proceeds (as stated in the Prospectus) in respect of business objectives from the Listing Date to 31 December 2018	Actual utilised amount up to 31 December 2018
	HK$ million	HK$ million
Expanding our human resources outsourcing and recruitment services in Singapore	12.2	6.5
Expanding our human resources recruitment services in Hong Kong	3.0	2.3
Enhancing our brand awareness	3.8	1.7
Enhancing our IT system to support our business operations	5.1	0.8
Working capital and other general corporate purposes	4.1	2.4
	28.2	13.7

During the period from the Listing Date to 31 December 2018, our net proceeds from the Listing 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 experienced difficulties in 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) our 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 2018. As at the date of this report, the Directors do not anticipate any material change to the plan as to the use of proceeds. Should our Directors decide to reallocate the planned use of net proceeds to other business plans and/or new projects of our Group to a material extent, we will make appropriate announcement(s) in due course.

The remaining net proceeds as at 31 December 2018 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 104 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.

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the movements in share capital and share option scheme of the Company during the Year are set out in notes 20 and 21 to the consolidated financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (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 existing shareholders of the Company (the "**Shareholders**").

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

During the year ended 31 December 2018, 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 24 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2018, the Group's reserves available for distribution to equity holders comprising share premium and retained earnings amounted to approximately S$14,762,000 (2017: approximately S$17,266,000) 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$1,000 (2017: Nil).

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 public sector comprise Singapore 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 52.3% (2017: 47.3%) and 16.4% (2017: 14.9%) of the total revenue of the Group, respectively.

Due to the nature of the business of the Group, there is no major suppliers during the Year (2017: 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 and suppliers, respectively.

RELATED PARTIES TRANSACTIONS

Related parties transactions of the Group during the Year are disclosed in note 27 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.

CONTINUING CONNECTED TRANSACTIONS

On 21 June 2017, a shared services agreement was entered into between the Company, and PT Bridging Growing Careers in Indonesia ("**BGC Indonesia**") and Agensi Pekerjaan BGC Group (Malaysia) SDN. BHD. ("**BGC Malaysia**"), the then controlling shareholder 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 and 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 is no other transaction for the year ended 31 December 2018, 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 the remuneration of 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 a share option 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 21 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.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS (THE "INEDS"):

Mr. Fan Chun Wah Andrew, *J.P.*
Mr. Koh Shian Wei
Ms. Lam Shun Ka
Ms. Liu Daiping (appointed on 13 August 2018

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, Ms. Yong Yuet Han, Mr. Koh Shian Wei 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 INEDs, 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 INEDs 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.

CHANGES IN INFORMATION OF DIRECTORS

The changes in Directors' information 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	Appointed as an independent non-executive director of Space Group Holdings Limited, company listed on the main board of the Stock Exchange (Stock code: 2448), with effect from 20 December 2017. Appointed as an independent non-executive director of CNC Holdings Limited and Sanbase Corporation Limited, companies listed on the Growth Enterprise Market of the Stock Exchange (Stock code: 8356 and 8501 respectively) with effect from 5 January 2018 and 8 December 2017 respectively.

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 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 INEDs 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.

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 2018, 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, 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	Interest in a controlled corporation (note 2)	306,000,000	51%
Ms. Yong	Interest of spouse (note 2)	306,000,000	51%

notes:

(1) All interests stated are long positions.

(2) Mr. Chew and Ms. Yong are deemed to be interested in the Shares held by Omnipartners Holdings Limited under the SFO. Mr. Chew is the spouse of Ms. Yong and both of them are executive Directors. The entire issued share capital of Omnipartners Holdings Limited is owned as to 80% by Mr. Chew and 20% by Ms. Yong.

(3) On 27 November 2018 and 4 December 2018, Omnipartners Holding Limited disposed 4.75% and 9.50% respectively of the issued share capital of the Company to independent third parties.

Save as disclosed above, as at 31 December 2018, 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

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 2018, 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 (note 1)	306,000,000	51%
Mr. Chew	Interest in a controlled corporation (note 2)	306,000,000	51%
Ms. Yong	Interest of spouse (note 2)	306,000,000	51%

notes:

(1) The entire issued share capital of Omnipartners Holdings Limited is owned as to 80% by Mr. Chew and 20% by Ms. Yong.

(2) Mr. Chew and Ms. Yong are deemed to be interested in the Shares held by Omnipartners Holdings Limited under the SFO. Mr. Chew is the spouse of Ms. Yong and both of them are executive Directors.

(3) On 14 March 2018, Lotus Global Investments Ltd. has disposed 9.75% of the issued share capital of the Company to independent third parties.

(4) On 27 November 2018 and 4 December 2018, Mr. Chew disposed 4.75% and 9.50% respectively of the issued share capital of the Company to independent third parties.

Save as disclosed above, as at 31 December 2018, 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 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, 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.

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 Share Option 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.

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 INED 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 2018.

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 the deed of non-competition dated 21 June 2017 entered into by the controlling shareholders in favour of our 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 2018. 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.

INTERESTS OF COMPLIANCE ADVISER

As at 31 December 2018, as notified by the Company's compliance adviser, CLC International Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement dated 21 June 2017 and entered into between the Company and the Compliance Adviser, neither the Compliance Adviser 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 the section headed "Material Related Parties Transactions" in note 27 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 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 Hodgson Impey Cheng Limited (the "**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 three members, all being INEDs, 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, 26 March 2019

Independent Auditors' Report

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

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

TO THE SHAREHOLDERS OF 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 103, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, 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 ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the 'Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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 5 and Note 15 to the consolidated financial statements.*	
As at 31 December 2018, trade receivables of the Group amounted to approximately S$6,176,000 (2017: S$7,061,000) after allowance for credit losses of trade receivables of approximately S$100,000. The Group's trade receivable balance was significant as it represented approximately 29.5% (2017: 29.9%) 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 2018 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.

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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional 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.

- 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, 26 March 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	Notes	**2018** **S$'000**	2017 S$'000
REVENUE	8	**34,786**	39,978
Cost of services		**(29,213)**	(32,625)
Gross profit		**5,573**	7,353
Other income	8	**104**	97
Administrative expenses		**(8,181)**	(7,198)
Listing expenses		**–**	(1,696)
LOSS BEFORE TAX	9	**(2,504)**	(1,444)
Income tax credit	12	**–**	158
LOSS FOR THE YEAR		**(2,504)**	(1,286)
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		**(6)**	(214)
Other comprehensive loss for the year, net of tax		**(6)**	(214)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(2,510)**	(1,500)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(2,504)**	(1,286)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(2,510)**	(1,500)
Loss per share			
— Basic and diluted (Singapore cents)	13	**(0.42)**	(0.24)

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

Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	2018 S$'000	2017 S$'000
ASSETS			
NON-CURRENT ASSET			
Plant and equipment	14	**313**	287
CURRENT ASSETS			
Trade receivables	15	**6,176**	7,061
Prepayments, deposits and other receivables	16	**622**	786
Cash and cash equivalents	17	**13,857**	15,452
		20,655	23,299
CURRENT LIABILITIES			
Accrued labour costs		**2,668**	2,851
Other payables and accruals	18	**1,095**	1,019
Tax payables		**–**	1
		3,763	3,871
NET CURRENT ASSETS		**16,892**	19,428
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,205**	19,715
NON-CURRENT LIABILITY			
Deferred tax liabilities	19	**24**	24
NET ASSETS		**17,181**	19,691
EQUITY			
Share capital	20	**1,053**	1,053
Reserves		**16,128**	18,638
TOTAL EQUITY		**17,181**	19,691

Approved and authorised for issue by the board of directors on 26 March 2019 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 2018

	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 2017	–	1,390	1,650	(64)	7,837	10,813
Loss for the year	–	–	–	–	(1,286)	(1,286)
Other comprehensive loss for the year	–	–	–	(214)	–	(214)
Total comprehensive loss for the year	–	–	–	(214)	(1,286)	(1,500)
Capitalisation issue (note 20(a))	790	(790)	–	–	–	–
Issue of new shares by way of share offer (note 20(b))	263	11,583	–	–	–	11,846
Transaction costs attributable to issue of new shares	–	(1,468)	–	–	–	(1,468)
As at 31 December 2017 and 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**

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	2018 S$'000	2017 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(2,504)**	(1,444)
Adjustments for:		
Allowance for credit losses on trade and other receivables (note 6)	**183**	–
Depreciation of plant and equipment (note 14)	**313**	228
Loss on disposal of plant and equipment (note 9)	**4**	–
Interest income (note 8)	**(21)**	(13)
Operating cash flows before movements in working capital	**(2,025)**	(1,229)
Decrease in trade receivables	**785**	2,033
Decrease in prepayments, deposits and other receivables	**81**	169
Decrease in amount due from a director	**–**	118
Decrease in accrued labour costs	**(183)**	(585)
Increase/(decrease) in other payables and accruals	**76**	(582)
Cash used in operating activities	**(1,266)**	(76)
Income tax paid	**(1)**	(190)
Net cash used in operating activities	**(1,267)**	(266)

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	2018 S$'000	2017 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment (note 14)	**(343)**	(231)
Interest income (note 8)	**21**	13
Net cash used in investing activities	**(322)**	(218)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of new shares by way of share offer	**–**	11,846
Payment for transaction costs attributable to issuance of new shares	**–**	(1,468)
Net cash generated from financing activities	**–**	10,378
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(1,589)**	9,894
Cash and cash equivalents at the beginning of the year	**15,452**	5,772
Effect of foreign exchange rate changes	**(6)**	(214)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**13,857**	15,452

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

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 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. REORGANISATION

Prior to the reorganisation (the "**Reorganisation**") as fully explained in the section headed "Reorganisation" of the Company's prospectus dated 28 June 2017 (the "**Prospectus**"), Mr. Chew held 100% of the equity interests of both BGC Group Pte. Ltd. and BGC Group (HK) Limited and Ms. Yong held 100% of the equity interests of A Very Normal Company Pte. Ltd. (formerly known as BGC Search Pte. Ltd.). Mr. Chew and Ms. Yong (the "**Controlling Shareholders**") are acting in concert, and beyond on their ownerships and exercise their control collectively over the companies now comprising the Group.

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 12 August 2016. The companies now comprising the Group were under the common control of the Controlling Shareholders at the beginning of the reporting period or since their respective date of incorporation where there is a shorter period. Accordingly, the consolidated financial statements have been prepared on the basis by applying the principles of merger accounting as if the Reorganisation has been completed at the beginning of the reporting period.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the reporting period or since their respective date of incorporation, where there is a shorter period.

All intra-group transactions and balances have been eliminated.

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

APPLICATION OF NEW AND REVISED IFRSs — EFFECTIVE ON 1 JANUARY 2018

In the current year, the Group has applied, for the first time, the following new and amendments to the IFRSs (the "**new and revised IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"), which are effective for the Group's financial year beginning from 1 January 2018. A summary of the new and revised IFRSs applied by the Group is set out as follows:

Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IFRSs	Annual Improvements to IFRSs 2014–2016
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
Amendments to IAS 40	Transfers to Investment Property
IFRIC-Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of the new and revised 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 the annual report.

IFRS 9 *FINANCIAL INSTRUMENTS*

In the current year, the Group has applied IFRS 9 *Financial Instruments* and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("**ECL**") for financial assets and (3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised at 1 January 2018. The difference between carrying amounts at 31 December 2017 and the carrying amounts at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of IFRS 9 are disclosed in note 4

There was no impact on the Group's retained earnings as at 1 January 2018 upon adoption of IFRS 9.

(I) CLASSIFICATION AND MEASUREMENT

IFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("**FVOCI**") and at fair value through profit or loss ("**FVPL**"). These supersede IAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial assets is managed and its contractual cash flow characteristics.

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

IFRS 9 *FINANCIAL INSTRUMENTS* (Continued)

(I) CLASSIFICATION AND MEASUREMENT *(Continued)*

Non-equity investments held by the Group are classified into one of the following measurement categories:

— Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

— FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

— FVPL, if the investment does not meet the criteria for being measured at amortise cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

There is no reclassification or remeasurement of the financial assets, including cash and cash equivalent, trade receivables, deposit and other receivables for the adoption of IFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of IFRS 9.

(II) IMPAIRMENT UNDER ECL MODEL

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under IAS 39, have been assessed individually for significant balances.

Except for those which had been determined as credit impaired under IAS 39, ECL for other financial assets at amortised cost, including other receivables and bank balances, are assessed on 12-month ECL ("**12m ECL**") basis as there had been no significant increase in credit risk since initial recognition except for other receivables from related companies which are assessed and measured on lifetime ECL basis as those credit risk had increased significantly since initial recognition.

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

IFRS 15 *REVENUE FROM CONTRACTS WITH CUSTOMERS AND THE RELATED AMENDMENT*

As a result of the changes in the Group's accounting policies, as explained below, IFRS 15 was generally adopted without restating any other comparative information. The adoption of IFRS 15 in the current period does not result in any impact on the amounts reported in the consolidated financial information and/or disclosures set out in the consolidated financial information except that, the Group has adopted the following accounting policies on revenues with effect from 1 January 2018 stated in note 4 to consolidated financial statement.

IFRS 15 requires that revenue from contracts with customers be recognised upon the transfer of control over goods or services to the customer. As such, upon adoption, this requirement under IFRS 15 resulted in immaterial impact to the financial statements as the timing of revenue recognition on provision of human resource outsourcing and recruitment services is nearly unchanged. Thus there was no impact on the Group's consolidated statement of financial position as of 1 January 2018.

New and revised IFRSs that have been issued but are not yet effective

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

IAS 1 and IAS 8 (Amendments)	Definition of Material[3]
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement[1]
IAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures[1]
IFRS (Amendments)	Annual Improvements to IFRSs 2015–2017 Cycle[1]
IFRS 3 (Amendments)	Definition of a Business[2]
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation[1]
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[4]
IFRIC–Int 23	Uncertainty over Income Tax Treatments[1]

1 Effective for annual periods beginning on or after 1 January 2019.

2 Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after 1 January 2020.

4 Effective for annual periods beginning on or after 1 January 2021.

5 Effective for annual periods beginning on or after a date to be determined.

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

IFRS 16 *LEASES*

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

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

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

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

Furthermore, extensive disclosures are required by IFRS 16.

At 31 December 2018, the Group has non-cancellable operating lease commitments of approximately S$1,940,000 as disclosed in note 25 to the financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained earnings without restating comparative information.

Except disclosed above, the directors of the Company do not anticipate that the application of other new and revised IFRSs will have a material impact on the Group's financial performance and financial positions.

4. 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 International Accounting Standards Board ("**IASB**"). In addition, the consolidated financial statements includes applicable disclosures required by the 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.

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, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

MERGER ACCOUNTING FOR COMMON CONTROL COMBINATION

The consolidated financial statements incorporate the financial statement items of the combining entities or business in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or business are combined using the existing book values from the controlling party's perspective. No amount is recognised with respect to goodwill or any excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over its cost at the time of common control combination, to the extent of the contribution of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or business from the earliest date presented or since the date when combining entities or business first came under common control, where this is a shorter period, regardless of the date of common control combination.

Intra-group transactions, balances and unrealised gains on transactions between the combining entities or business are eliminated. Unrealised losses are eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of combining entities or business have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transaction costs, including professional fees, registration fees, cost of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as an expense in the period in which they are incurred.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

BASIS OF CONSOLIDATION *(Continued)*

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.

SUBSIDIARIES

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

SUBSIDIARIES *(Continued)*

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

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

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

SEPARATE FINANCIAL STATEMENTS

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

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

REVENUE FROM CONTRACTS WITH CUSTOMERS (UPON APPLICATION OF IFRS 15 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3)

Under IFRS 15, 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 and 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

REVENUE FROM CONTRACTS WITH CUSTOMERS (UPON APPLICATION OF IFRS 15 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3) *(Continued)*

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

(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.

REVENUE RECOGNITION (PRIOR TO 1 JANUARY 2018)

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Revenue from the rendering of services is recognised when the services are rendered and when it is probable that benefits associated with the transaction will flow to the group entities.

Interest income from a financial asset is recognised when it is probable that benefits associated with the transaction will flow to the group, the amount of income can be measured reliably and using the effective interest method.

LEASES

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

TAXATION *(Continued)*

(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.

(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.

(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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 ASSETS OTHER THAN GOODWILL

At the end of each reporting period, the Group reviews the carrying amounts of its 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 asset (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 asset (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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (UPON APPLICATION OF IFRS9 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3)

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 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

EFFECTIVE INTEREST METHOD

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

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.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; 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/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 ("**OCI**") 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (UPON APPLICATION OF IFRS9 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3) *(Continued)*

FINANCIAL ASSETS *(Continued)*

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

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.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other revenue and other income" line item.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (UPON APPLICATION OF IFRS9 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3) *(Continued)*

FINANCIAL ASSETS *(Continued)*

(ii) Impairment of financial assets

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

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

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

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

(a) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (UPON APPLICATION OF IFRS9 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3) *(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;

- significant increases in credit risk on other financial instruments of the same debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (UPON APPLICATION OF IFRS9 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3) *(Continued)*

FINANCIAL ASSETS *(Continued)*

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

(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.

(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. Any recoveries made are recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (UPON APPLICATION OF IFRS9 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3) *(Continued)*

FINANCIAL ASSETS *(Continued)*

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

(e) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

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

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

- Past-due status;

- Nature, size and industry of debtors; and

- External credit ratings where available.

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

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

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. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (UPON APPLICATION OF IFRS9 IN ACCORDANCE WITH TRANSITIONS IN NOTE 3) *(Continued)*

FINANCIAL LIABILITIES

Financial liabilities at amortised cost

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

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.

FINANCIAL INSTRUMENTS (PRIOR TO 1 JANUARY 2018)

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

FINANCIAL ASSETS

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 marketplace.

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 year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and retention sum receivables, amounts due from customers for contract works, deposits, other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (PRIOR TO 1 JANUARY 2018) *(Continued)*

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (PRIOR TO 1 JANUARY 2018) *(Continued)*

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Classification as debt or equity

Debt and equity instruments issued by a group entity 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 Group 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

Financial liabilities including accrued labour costs and other payables and accruals are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the year. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

DERECOGNITION

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for an amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL INSTRUMENTS (PRIOR TO 1 JANUARY 2018) *(Continued)*

DERECOGNITION *(Continued)*

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. 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.

(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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

RELATED PARTIES TRANSACTIONS *(Continued)*

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.

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 profits within the equity section of the 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.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, 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.

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

The following are the critical judgments, apart from those involving estimations, that the directors 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.

(A) IMPAIRMENT OF PLANT AND EQUIPMENT

The Group reviews its plant and equipment 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.

(B) 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 15.

(C) 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.

(D) 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 2017 and 2018 were approximately S$1,000,000 and S$1,000, S$24,000 and S$24,000 respectively.

6. FINANCIAL INSTRUMENTS

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

	2018 S$'000	2017 S$'000
Financial assets		
Loans and receivables (including cash and cash equivalent):		
— Trade receivables	**6,176**	7,061
— Deposits and other receivables	**346**	353
— Cash and cash equivalents	**13,857**	15,452
	20,379	22,866

	2018 S$'000	2017 S$'000
Financial liabilities		
Amortised cost:		
— Other payables	**96**	106

(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 and other payables. 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.

6. 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.

	2018 Decrease/ (increase) in loss before tax S$'000	2017 Decrease/ (increase) in loss before tax S$'000
Hong Kong dollars — strengthened 5% (2017: 5%)	**(63)**	(137)
— weakened 5% (2017: 5%)	**63**	137

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.

6. 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.

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, 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 63.3% and 15.0% (2017: 22.1% and 8.1%), 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.

6. 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 as at 31 December 2018:

	Average expected loss rate S$'000	**Gross carrying amount allowance** S$'000	**Loss allowance** S$'000
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:

	Lifetime ECL (not credit–impaired) S$'000
As at 31 December 2017 — IAS 39	–
Adjustment upon application of IFRS 9	–
As at 1 January 2018	–
Allowance for credit losses recognised	100
As at 31 December 2018 — IFRS 9	100

Other receivables with significant outstanding balances or credit impaired as at 31 December 2018 were assessed individually. During the year ended 31 December 2018, the Group had recognised allowance for credit losses of approximately S$83,000.

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

	Lifetime ECL (credit-impaired) S$'000
As at 31 December 2017 – IAS 39	–
Adjustment upon application of IFRS 9	–
As at 1 January 2018	–
Allowance for credit losses recognised	83
As at 31 December 2018 – IFRS 9	83

6. FINANCIAL INSTRUMENTS *(Continued)*

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

CREDIT RISK *(Continued)*

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.

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	More than one year but less than two years	More than two years but less than five years	Total undiscounted cash flow	Carrying amount
	%	S$'000	S$'000	S$'000	S$'000	S$'000
31 December 2017						
Financial liabilities:						
Accrued labour costs	–	2,851	–	–	2,851	2,851
Other payables and accruals	–	1,019	–	–	1,019	1,019
		3,870	–	–	3,870	3,870
31 December 2018						
Financial liabilities:						
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**

7. 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 2017 and 2018 and most of the Group's assets and liabilities are located in Singapore. Accordingly, no geographical segment information is presented.

INFORMATION ABOUT MAJOR CLIENTS

For the years ended 31 December 2017 and 2018, 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 2017 and 2018.

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

	2018 **S$'000**	2017 S$'000
Client A (note)	**N/A**	5,961
Client B (note)	**5,166**	N/A
Client C	**5,696**	5,239

note: The revenue contributed by Client A during the year ended 31 December 2018 and Client B during the year ended 31 December 2017 was less than 10% of the Group's revenue.

8. REVENUE AND OTHER INCOME

An analysis of revenue and other income are as follows:

	2018 **S$'000**	2017 S$'000
A point in time of revenue recognition:		
• Human resources outsourcing services	**33,534**	37,895
• Human resources recruitment services	**1,184**	1,991
• Other human resources support services (note)	**68**	92
	34,786	39,978

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.

	2018 **S$'000**	2017 S$'000
Other income		
Service income	**32**	68
Interest income	**21**	13
Sundry income	**51**	16
	104	97

9. LOSS BEFORE TAX

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

	2018 S$'000	2017 S$'000
Cost of services		
Salaries and bonuses	**25,212**	27,556
Defined contribution retirement plan	**3,214**	4,142
Short-term benefits	**787**	927
	29,213	32,625
Directors' emoluments (note 10)	**897**	939
Other staff costs (excluding directors' emoluments)		
Salaries and bonuses	**3,141**	3,234
Defined contribution retirement plan	**417**	433
Short-term benefits	**261**	309
	3,819	3,976
Total staff costs	**33,929**	37,540
Auditors' remuneration		
— Audit services:		
Annual audit services	**200**	177
Listing services (included in listing expenses)	**–**	620
— Non-audit services	**3**	85
Depreciation of plant and equipment	**313**	228
Loss on disposal of plant and equipment	**4**	–
Operating lease rental expenses in respect of:		
— rented premises	**1,103**	1,012

10. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year, disclosed pursuant to the GEM Listing Rules, sections 383(1)(a), (b), (c), and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	2018 S$'000	2017 S$'000
Directors' fees	**151**	57
Other emoluments:		
Salaries and bonuses	**719**	852
Defined contribution retirement plan	**27**	30
Other short-term benefits	**–**	–
	746	882
	897	939

10. DIRECTORS' EMOLUMENTS *(Continued)*

Details for the emoluments of each director of the Company during the reporting period 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
2018					
Executive directors:					
Mr. Chew	**–**	**278**	**12**	**–**	**290**
Ms. Yong	**–**	**154**	**12**	**–**	**166**
Ms. Lo Wing Yan Emmy ("Ms. Lo")	**–**	**255**	**3**	**–**	**258**
Mr. Pai Chun ("Mr. Pai") (note (b))	**–**	**32**	**–**	**–**	**32**
Independent non-executive directors:					
Mr. Fan Chun Wah Andrew ("Mr. Fan") (note (a))	**57**	**–**	**–**	**–**	**57**
Mr. Koh Shian Wei ("Mr. Koh") (note (a))	**41**	**–**	**–**	**–**	**41**
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan) ("Ms. Lam") (note (a))	**41**	**–**	**–**	**–**	**41**
Ms. Liu Daiping (note (c))	**12**	**–**	**–**	**–**	**12**
	151	**719**	**27**	**–**	**897**

	Directors' fees S$'000	Salaries and bonuses S$'000	Defined contribution retirement plan S$'000	Other short-term benefits S$'000	Total S$'000
2017					
Executive directors:					
Mr. Chew	–	346	12	–	358
Ms. Yong	–	130	14	–	144
Ms. Lo Wing Yan Emmy ("Ms. Lo")	–	376	4	–	380
Independent non-executive directors:					
Mr. Fan Chun Wah Andrew ("Mr. Fan") (note (a))	19	–	–	–	19
Mr. Koh Shian Wei ("Mr. Koh") (note (a))	19	–	–	–	19
Ms. Lam Shun Ka (formerly known as Lam Yuk Shan) ("Ms. Lam") (note (a))	19	–	–	–	19
	57	852	30	–	939

notes:

(a) Mr. Fan, Mr. Koh and Ms. Lam were appointed as the independent non-executive director of the Company on 21 June 2017.

(b) Mr. Pai Chun was appointed as an executive director on 13 August 2018 and resigned on 15 March 2019.

(c) Ms. Liu Daiping was appointed as an independent non-executive director on 13 August 2018.

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

10. DIRECTORS' EMOLUMENTS *(Continued)*

The 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 2017 and 2018 respectively. None of the directors agreed to waive or waived any emoluments during the year (2017: Nil). The 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 2017 and 2018 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 2017 and 2018 disclosed as follows:

	2018 **S$'000**	2017 S$'000
Salaries and bonuses	**310**	363
CPF or MPF contributions	**32**	32
	342	395

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

	2018 **Number of individuals**	2017 Number of individuals
Nil to HK$1,000,000	**2**	1
HK$1,000,001 to HK$1,500,000	**–**	1
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**–**	–
	2	2

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

	2018 **Number of individuals**	2017 Number of individuals
Nil to HK$1,000,000	**3**	2
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	1
	3	3

During the years ended 31 December 2017 and 2018, no emoluments were paid by the Group to the three highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the three highest paid individuals have waived any remuneration during both the years.

12. INCOME TAX CREDIT

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 2017 and 2018.

The Singapore statutory income tax rate was 17% during the years ended 31 December 2017 and 2018. 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.

	2018 **S$'000**	2017 S$'000
Current tax — Singapore:		
Charge for the year	**–**	26
Overprovision in prior years	**–**	(163)
Deferred tax	**–**	(21)
Income tax credit	**–**	(158)

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:

	2018 **S$'000**	2017 S$'000
Loss before tax	**(2,504)**	(1,444)
Tax at the applicable income tax rate	**(420)**	(232)
Adjustments in respect of previous years		
— Current tax	**–**	(163)
— Deferred tax	**–**	(21)
Income not subject to tax	**(49)**	(61)
Expenses not deductible for tax	**231**	324
Effect of partial tax exemption	**–**	(26)
Tax rebate	**–**	(25)
Enhanced allowances and deductions	**(33)**	(134)
Tax losses not recognised	**271**	180
Income tax credit	**–**	(158)

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 40% corporate income tax rebate capped at S$10,000 per year for the year of assessment 2018; and a 20% corporate income tax rebate capped at S$10,000 per year for the year of assessment 2019.

13. LOSS PER SHARE

	2018 S$'000	2017 S$'000
Loss for the year attributable to the owners of the Company	**(2,504)**	(1,286)

	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (note)	**600,000**	525,000

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$2,504,000 (2017: S$1,286,000) and the weighted average number of 600,000,000 (2017: 525,000,000) ordinary shares in issue during the years ended 31 December 2018.

For the year ended 31 December 2017, the weighted average number of ordinary shares for the purpose of calculating basis loss per share have been adjusted for the effect of share offer completed on 17 July 2017.

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

	Leasehold improvement S$'000	Computers and equipment S$'000	Furniture and fixtures S$'000	Total S$'000
Cost				
As at 1 January 2017	361	1,047	211	1,619
Additions	156	75	–	231
Written-off	–	–	(5)	(5)
Exchange realignment	–	(2)	–	(2)
As at 31 December 2017 and 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	717	1,249	206	2,172

14. PLANT AND EQUIPMENT *(Continued)*

	Leasehold improvement S$'000	Computers and equipment S$'000	Furniture and fixtures S$'000	Total S$'000
Accumulated depreciation				
As at 1 January 2017	328	804	203	1,335
Provided for the year	53	168	7	228
Written-off	–	–	(5)	(5)
Exchange realignment	–	(2)	–	(2)
As at 31 December 2017 and 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	550	1,103	206	1,859
Net book values				
As at 31 December 2018	167	146	–	313
As at 31 December 2017	136	150	1	287

15. TRADE RECEIVABLES

	2018	2017
	S$'000	S$'000
Trade receivables	**6,276**	7,061
Less: Allowance for credit losses	**(100)**	–
	6,176	7,061

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 credit losses, at the end of the reporting period, based on the invoice date, is as follows:

	2018	2017
	S$'000	S$'000
Less than 30 days	**3,288**	4,969
31 to 60 days	**2,528**	1,800
61 to 90 days	**263**	143
More than 90 days	**97**	149
Total	**6,176**	7,061

Before accepting any new client, the Group assesses the potential clients' credit quality and defines credit limit by client. Credit limits attributed to clients and credit term granted to clients are reviewed regularly. The majority of the trade receivables that are neither past due nor impaired have no history of defaulting on repayments.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately S$1,803,000 as at 31 December 2017 which were past due at the end of the reporting period for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on historical experience. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables, net of allowance for credit losses, which are past due but not impaired as at 31 December 2017:

	2017
	S$'000
Less than 30 days past due	1,496
31 to 60 days past due	181
61 to 90 days past due	36
More than 90 days past due	90
Total	1,803

As at 1 January 2018, no loss allowance on the trade receivables was provided upon transition to IFRS 9 Financial Instrument and increased by S$100,000 during the year ended 31 December 2018 as detailed in note 6.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	S$'000	S$'000
Prepayments	**276**	433
Deposits	**306**	289
Other receivables (note)	**40**	64
	622	786

As at 1 January 2018, no loss allowance an the other receivables was provided upon transition to IFRS 9 Financial instrument and increased by S$83,000 during the year ended 31 December 2018 as detailed in note 6.

note:

As at 31 December 2018, there was amounts due from related companies of 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.

17. CASH AND CASH EQUIVALENTS

	2018	2017
	S$'000	S$'000
Hong Kong dollars	**5,547**	6,592
Singapore dollars	**8,310**	8,860
	13,857	15,452

Cash at banks carrying interest at variable rates which range from 0.01% to 0.86% per annum for the year ended 31 December 2018 (2017: 0.01% to 0.86% per annum).

18. OTHER PAYABLES AND ACCRUALS

	2018 **S$'000**	2017 S$'000
Other payables	**91**	98
GST payables	**431**	445
Receipt in advance	**5**	8
Other accrued expenses	**568**	468
	1,095	1,019

19. DEFERRED TAX LIABILITIES

	Excess of net book values of plant and equipment over tax value S$'000	**Total** S$'000
As at 1 January 2017	45	45
Charged to profit or loss during the year (note 12)	(21)	(21)
As at 31 December 2017 and 1 January 2018	24	24
Charged to profit or loss during the year (note 12)	–	–
As at 31 December 2018	24	24

20. 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 2017			
Ordinary Share of HK$0.01 each (note (a))	38,000,000	380	66
Increase of ordinary shares (note (b))	1,462,000,000	14,620	2,566
As at 31 December 2017, 1 January 2018 and 31 December 2018	1,500,000,000	15,000	2,632
Issued and fully paid:			
As at 1 January 2017	1,000	–	–
Issue of shares under capitalisation issue (note (a))	449,999,000	4,500	790
Issue of new shares by way of share offer (note (b))	150,000,000	1,500	263
As at 31 December 2017, 1 January 2018 and 31 December 2018	600,000,000	6,000	1,053

notes:

(a) Pursuant to a resolution in writing passed by all the shareholders of the Company on 21 June 2017, the authorised share capital of the Company was increased from HK$380,000 to HK$15,000,000 by the creation of a further 1,462,000,000 Shares. Pursuant to the capitalisation issue of the Company passed by all the shareholders of the Company on 21 June 2017, additional 391,499,130 shares and 58,499,870 shares were allotted and issued to Omnipartners and Lotus Investments on 17 July 2017 respectively.

(b) The Company was successfully listed on the GEM of the Stock Exchange on 17 July 2017 by way of share offer of 15,000,000 public offer share and 135,000,000 placing shares respectively at the offer price of HK$0.45 per share, the net proceeds were approximately HK$43,400,000. The proceeds were proposed to be used to finance the implementation plan as set forth in the section headed "Future Plans and use of Proceeds" of the Company's Prospectus.

21. 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, 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.

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.

21. 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.

22. DIVIDENDS

The directors of the Company do not propose any payment of final dividend for the years ended 31 December 2017 and 2018.

23. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**2018** **S$'000**	2017 S$'000
ASSETS			
Non-current asset			
Investment in a subsidiary		**–**	–
CURRENT ASSETS			
Prepayments		**26**	14
Amount due from a fellow subsidiary		**1,469**	1,305
Cash and cash equivalents		**5,281**	6,374
		6,776	7,693
CURRENT LIABILITIES			
Accruals		**352**	286
Amount due to a fellow subsidiary		**79**	77
		431	363
NET CURRENT ASSETS		**6,345**	7,330
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,345**	7,330
NET ASSETS		**6,345**	7,330
EQUITY			
Share capital	20	**1,053**	1,053
Reserves	24	**5,292**	6,277
TOTAL EQUITY		**6,345**	7,330

The financial statement was approved and authorised for issue by the board of directors of the Company on 26 March 2019 and are signed on its behalf by:

Chew Chee Kian
Executive Director

Lo Wing Yan Emmy
Executive Director

24. RESERVES OF THE COMPANY

	Share premium S$'000	Exchange reserve S$'000	Accumulated losses S$'000	Total S$'000
As at 1 January 2017	1,390	25	(1,592)	(177)
Loss for the year	–	–	(2,710)	(2,710)
Other comprehensive loss for the year	–	(161)	–	(161)
Total comprehensive loss for the year	–	(161)	(2,710)	(2,871)
Capitalisation issue (note 20(a))	(790)	–	–	(790)
Issue of new shares by way of share offer (note 20(b))	11,583	–	–	11,583
Transaction costs attributable to issue of new shares	(1,468)	–	–	(1,468)
As at 31 December 2017 and 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	10,715	(136)	(5,287)	5,292

25. OPERATING LEASE ARRANGEMENTS

AS LESSEE

The Group leases certain of its office premises under operating lease arrangements. Leases are negotiated for a term of 1–3 years, with a renewal option.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 S$'000	2017 S$'000
Within one year	**1,132**	1,056
In the second to fifth years, inclusive	**808**	1,583
	1,940	2,639

26. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (2017: 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.

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$4,605,000 and S$3,658,000 respectively, represent contributions paid and/or payable to the scheme by the Group for the years ended 31 December 2017 and 2018 respectively.

27. 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	2018 S$'000	2017 S$'000
Recurring:					
BGC Malaysia	Referral fee income (note 8)	Common director	(ii)	**22**	67
BGC Indonesia	Service income (note 8)	Common director	(iii)	**–**	10
BGC Malaysia	Service income (note 8)	Common director	(iii)	**7**	32
Non-recurring:					
BGC Malaysia	Interest income (note 8)	Common director	(i)	**–**	–
PayrollHero	Service income (note 8)	Common director	(i)	**25**	26
PayrollHero	Professional fee	Common director	(i)	**–**	–
PayrollHero	Purchase of software	Common director	(i)	**–**	–

Notes:

(i) Mr. Chew is the director of BGC Malaysia, PayrollHero, BGC Indonesia 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 deminimis 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 balance was conducted in the normal course of business and based on the terms mutually determined and agreed by the respective parties.

(iii) Each of BGC Malaysia and BGC Indonesia is owned as to 49.5% and 49% respectively by Mr. Chew. On 21 June 2017, the Company entered into a shared service agreement with BGC Malaysia and BGC Indonesia for the shared services. This transaction falls within the deminimis 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 balance was conducted in the normal course of business and based on the terms mutually determined and agreed by the respective parties.

(B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

28. 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.

	As at 31 December	
	2018	2017
	S$'000	S$'000
Total borrowings	**–**	–
Total equity (note (a))	**17,181**	19,691
Gearing ratio	**N/A**	N/A

notes:

(a) Total equity includes share capital and reserves at the end of each reporting period.

29. EVENTS AFTER THE REPORTING PERIOD

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

30. 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 2018	2017	Principal activity
Directly held:					
Omniconnect Holdings Limited ("**Omniconnect**")	The British Virgin Islands (the "BVI"), 8 August 2016	Ordinary share US$1	100%	100%	Investment holding
Indirectly held:					
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**") (formerly known as "BGC Search Pte. Ltd")	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

31. COMPARATIVE FIGURES

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 4.

32. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board on 26 March 2019.

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.

	Year ended 31 December				
	2018	2017	2016	2015	2014
	S$'000	S$'000	S$'000	S$'000	S$'000
RESULTS					
REVENUE	**34,786**	39,978	43,699	45,195	36,240
Cost of services	**(29,213)**	(32,625)	(33,993)	(35,867)	(27,826)
Gross profit	**5,573**	7,353	9,706	9,328	8,414
Other income	**104**	97	949	203	113
Administrative expenses	**(8,181)**	(7,198)	(7,358)	(7,226)	(6,398)
Listing expenses	**–**	(1,696)	(1,519)	–	–
Finance costs	**–**	–	–	(3)	(12)
(LOSS)/PROFIT BEFORE TAXATION	**(2,504)**	(1,444)	1,778	2,302	2,117
Income tax (expense)/credit	**–**	158	(355)	(284)	(199)
(LOSS)/PROFIT FOR THE YEAR	**(2,504)**	(1,286)	1,423	2,018	1,918
Attributable to:					
Owners of the Company	**(2,504)**	(1,286)	1,423	2,018	1,918
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**20,968**	23,586	16,223	15,890	13,754
TOTAL LIABILITIES	**(3,787)**	(3,895)	(5,410)	(5,362)	(4,742)
TOTAL EQUITY	**17,181**	19,691	10,813	10,528	9,012

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