WMCH Global Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8208)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

The board (the "**Board**") of Directors is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2019 (the "**Reporting Year**"), together with audited comparative figures for the corresponding preceding year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** *SGD'000*	2018 *SGD'000*
Revenue	*4*	**12,959**	10,349
Cost of services		**(6,826)**	(5,148)
Gross profit		**6,133**	5,201
Other income, gains and losses, net		**74**	65
Administrative expenses		**(3,199)**	(2,380)
Listing expenses		**(3,276)**	(950)
Finance costs		**(57)**	(47)
(Loss)/profit before income tax	*5*	**(325)**	1,889
Income tax expense	*6*	**(504)**	(608)
(Loss)/profit for the year		**(829)**	1,281
Other comprehensive loss for the year			
Item that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operation		**(59)**	(45)
Other comprehensive loss for the year, net of tax		**(59)**	(45)
Total comprehensive (loss)/income for the year		**(888)**	1,236
(Loss)/profit for the year attributable to:			
Owners of the Company		**(829)**	1,281
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(888)**	1,236
(Loss)/earning per share			
— Basic and diluted (in Singapore cents)	*8*	**(0.18)**	0.28

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	2019 SGD'000	2018 SGD'000
Non-current assets			
Property, plant and equipment		**456**	518
Investment property		**1,395**	1,421
Right-of-use assets		**116**	–
		1,967	1,939
Current assets			
Trade and other receivables	*9*	**3,041**	3,323
Contract assets	*10*	**2,519**	1,157
Amounts due from directors		**–**	25
Cash and bank balances		**7,389**	1,214
		12,949	5,719
Current liabilities			
Trade and other payables	*11*	**1,602**	1,091
Borrowings	*12*	**42**	108
Lease liabilities		**116**	–
Tax payable		**432**	301
Amount due to a director		**227**	587
		2,419	2,087
Net current assets		**10,530**	3,632
Total assets less current liabilities		**12,497**	5,571
Non-current liabilities			
Borrowings	*12*	**843**	923
Lease liabilities		**8**	–
		851	923
Net assets		**11,646**	4,648
Capital and reserves			
Share capital	*13*	**1,048**	604
Reserves		**10,598**	4,044
Total equity		**11,646**	4,648

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

WMCH Global Investment Limited (the "**Company**") is a public limited company incorporated in Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its parent is WMCH Global Holdings Limited (incorporated in the British Virgin Islands ("**BVI**")). Its ultimate controlling party is Mr. Wong Seng ("**Mr. Wong**"), who is also the Chairman, Chief Executive Officer and Executive Director of the Company.

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 at 28 Sin Ming Lane, #04-136 Midview City, Singapore 573972. 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 January 2019. Its shares were initially listed on the GEM of the Stock Exchange of Hong Kong Limited on 29 November 2019.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of civil and structural engineering consultancy services and provision of other services including master planning, structural due diligence and visual inspection of existing buildings.

The consolidated financial statements are presented in Singapore dollar ("**SGD**"), which is the functional currency of the Company. As the directors of the Company consider that SGD is the functional currency of the primary economic environment in which most of the Group's transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in thousands of SGD ("**SGD'000**"), unless otherwise stated.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the group reorganisation ("**Reorganisation**") as fully explained in the paragraph headed "Reorganisation" in the section headed "HISTORY, REORGANISATION AND CORPORATE STRUCTURE" of the Company's prospectus dated 14 November 2019 ("**Prospectus**"), the Company became the holding company of the companies now comprising the Group on 16 January 2019. Immediately prior to and after the Reorganisation, the Group was controlled by Mr. Wong, Ms. Leow Geok Mui ("**Ms. Leow**"), Mr. Lim Chin Keong ("**Mr. Lim**") and Mr. Heng Kim Huat ("**Mr. Heng**") (collectively, the "**Controlling Shareholders**"). Prior to Reorganisation, each of Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng had been involved in the decision-making and implementation of the management and operation decisions of the Group to reach unanimous consensus and ensure that the businesses are heading in a direction consistent with the Group's business strategy as a whole. The Controlling Shareholders have together centralised the ultimate control and right to make final decisions with respect to the businesses and projects of the Group. The Reorganisation is merely a reorganisation of the Group with no change in management of such business and ultimate owner of the business. Accordingly, the consolidated financial statements have been prepared on this basis by applying the principles of merger accounting as if the Reorganisation had been completed on 1 January 2018.

The Group resulting from the Reorganisation, which involves interspersing the Company and the investment holdings companies of Lion City Global Limited, Blue Synergy Global Limited and Green Spring Global Limited by the Controlling Shareholders and TW-Asia Consultants Pte. Ltd., Artus Consultancy Services Pte. Ltd., TW-Asia Consultants Company Limited (formerly known as Tham and Wong (Vietnam) Co. Ltd.) and TW-Asia Consultants (HK) Limited (formerly known as Global Speed Limited), have always been under the collective control of the Controlling Shareholders since 1 January 2018 or their respective dates of incorporation where there is a shorter period, and before and after the Reorganisation.

The consolidated financial statements have been prepared based on the accounting policies which conform with International Financial Reporting Standards issued by the International Accounting Standard Board (the "**IASB**").

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements 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 since 1 January 2018 or their respective date of incorporation, where there is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2018 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganisation had been in existence as at this dates, taking into account the respective dates of incorporation.

All intra-group transactions and balances have been eliminated in full.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

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

The Group has applied the following new and amendments to IFRSs issued by the IASB for the first time in the current year:

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

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

IFRS 16 Leases

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

Definition of a lease

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

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

As a lessor

The adoption of IFRS 16 did not have any impact on the Group's assets held as lessor under operating leases.

As a lessee

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

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

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

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

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

(iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of office premises was determined on a portfolio basis;

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

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

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 3.86% to 6.36%.

	SGD'000
Operating lease commitment at 31 December 2018	158
Less: total future interest expenses	(44)
Present value of remaining lease payments, discounted using the incremental borrowing rate and lease liabilities recognised as at 1 January 2019	114
Less: practical expedient — leases with lease term ending within 12 months from the date of initial application	(4)
Lease liabilities as at 1 January 2019	110
Analysis as:	
Non-current	60
Current	50
	110

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

	Notes	*SGD'000*
Right-of-use assets relating to operating leases recognised upon application of IFRS 16		102
Add: Reclassification from prepayments	*(a)*	3
		105

Notes:

(a) Payments for office premises in Singapore for own used properties were classified as prepayments as at 31 December 2018. Upon application of IFRS 16, the current prepayments amounting to approximately SGD3,000 was reclassified to right-of-use assets.

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

	Right-of-use assets *SGD'000*
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	105
By class:	
Buildings	105

Impacts on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings, if relevant. The impact on transition is summarised below:

	1 January 2019 *SGD'000*
Retained earnings as at 31 December 2018	3,718
Adjustments under IFRS 16	(8)
Retained earnings as at 1 January 2019 (Restated)	3,710

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

	Carrying amount previously reported at 31 December 2018 *SGD'000*	**Reclassification** *SGD'000*	**Recognition of leases** *SGD'000*	**Carrying amount under IFRS 16 at 1 January 2019** *SGD'000*
Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16:				
Right-of-uses assets	–	3	102	105
Total non-current assets	**1,939**	**3**	**102**	**2,044**
Trade and other receivables	3,323	(3)	–	3,320
Total current assets	**5,719**	**(3)**	**–**	**5,716**
Lease liabilities (current)	–	–	50	50
Current liabilities	**2,087**	**–**	**50**	**2,137**
Net current assets	**3,632**	**(3)**	**(50)**	**3,579**
Total assets less current liabilities	**5,571**	**–**	**52**	**5,623**
Lease liabilities (non-current)	–	–	60	60
Total non-current liabilities	**923**	**–**	**60**	**983**
Reserves	**4,648**	**–**	**(8)**	**4,640**

New and amendments to IFRSs that have been issued but not yet effective

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

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

1 Effective for annual periods beginning on or after 1 January 2020.
2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for annual periods beginning on or after a date to be determined.

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

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

4. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are provision of civil and structural engineering consultancy services. Revenue is recognised over time and is disaggregated by nature of services as follows:

	2019	2018
	SGD'000	*SGD'000*
Consultancy services fee	**12,408**	9,844
Other service fee	**551**	505
	12,959	10,349

Revenue is measured based on the consideration specified in a contract with a client and excludes amounts collected on behalf of third parties. Under the contracts with clients, each consultancy service contract relates to facts and circumstances that are specific to each client. Contract terms provide the Group with an enforceable right to payment, for its performance completed to date, of its costs incurred plus a reasonable margin.

Transaction price allocated to the remaining performance obligation for contracts with customers

Remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at 31 December 2018 and 2019 and the expected timing or recognising revenue are as follows:

	2019	2018
	SGD'000	*SGD'000*
Remaining performance obligations expected to be satisfied during the year ending		
Within one year	**7,980**	8,680
1–2 years	**3,807**	4,500
2–5 years	**3,832**	2,845
	15,619	16,025

The Group expects the transaction price allocated to the unsatisfied contract at 31 December 2019 will be recognised as revenue within five years from 31 December 2019.

The chief operating decision-maker has been identified as the executive directors of the Company. The directors regard the Group's business of provision of civil and structural engineering consultancy services as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented.

Geographical information

The Group's revenue is mainly derived from clients located in Singapore and Vietnam. The Group's revenue by the geographical location of the clients, determined based on the location of which the construction site located, is detailed below:

	2019	2018
	SGD'000	*SGD'000*
Singapore	**9,350**	6,618
Vietnam	**2,808**	3,407
Other *(Note)*	**801**	324
	12,959	10,349

Note: Other geographical locations are mainly located in Thailand, the Republic of Maldives and Hong Kong.

The Group's business activities are conducted predominantly in Singapore and Vietnam. Information about the Group's non-current assets by the geographical location of the assets is detailed below:

	2019	2018
	SGD'000	*SGD'000*
Singapore	**1,779**	1,806
Vietnam	**126**	133
Hong Kong	**62**	–
	1,967	1,939

Information about major client

For the year ended 31 December 2019, no single client contributed 10% or more of the Group's revenue. Except for the client disclosed below, no other single client contributed 10% or more to the Group's revenue for the years ended 31 December 2018.

Revenue from client which individually contributed over 10% of the Group's revenue for the year ended 31 December 2018 is as follows:

	2019	2018
	SGD'000	*SGD'000*
Client A	**N/A***	1,222

* The corresponding revenue does not contribute over 10% of total revenue of the Group.

5. (LOSS)/PROFIT BEFORE INCOME TAX

	2019	2018
	SGD'000	*SGD'000*
(Loss)/profit before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) *(note)*		
— Salaries, wages and other benefits	**7,205**	5,433
— Contributions to defined contribution retirement plans	**780**	544
	7,985	5,977
(b) Other items		
Depreciation for property, plant and equipment and investment property	**182**	168
Depreciation for right-of-use assets	**162**	–
Research and development expense	**298**	231
Auditors remuneration		
— audit services		
annual audit services	**87**	22
listing services (included in listing expenses)	**658**	–
— non-audit services	**52**	–
Operating lease charges in respect of leased premises	**–**	114
Expenses relating to short-term lease	**11**	–

Note:

Staff costs (including directors' emoluments)

	2019	2018
	SGD'000	*SGD'000*
Cost of services	**6,324**	4,575
Administrative expenses	**1,661**	1,402
	7,985	5,977

6. INCOME TAX EXPENSE

	2019	2018
	SGD'000	*SGD'000*
Current tax		
— Singapore corporate income tax	**329**	260
— Vietnam corporate income tax	**174**	348
— Hong Kong profits tax	**1**	–
Income tax expense	**504**	608

The applicable tax rate of subsidiaries in Singapore and Vietnam are 17% and 20% respectively for the years ended 31 December 2019 and 2018.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. 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 profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

7. DIVIDEND

	2019	2018
	SGD'000	*SGD'000*
Interim/final dividends	**–**	1,699

The directors of the Company do not declare or propose any payment of final dividend for the year ended 31 December 2019.

No dividends have been paid or declared by the Company since its date of incorporation.

Prior to the Reorganisation, the directors of TW-Asia Consultants Limited have declared and appropriated dividends to its then shareholder of approximately to SGD400,000 during the year ended 31 December 2018.

Prior to the Reorganisation, the directors of TW-Asia Consultants Company Limited (formerly known as Tham and Wong (Vietnam) Co. Ltd.) have declared and appropriated dividends to its then shareholder of approximately SGD1,299,000 during the year ended 31 December 2018.

8. (LOSS)/EARNING PER SHARE

	2019	2018
	SGD'000	*SGD'000*
(Loss)/earning for the year attributable to the owners of the Company	**(829)**	1,281
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earning per share *(note)*	**463,151**	450,000

Note: The calculation of basic (loss)/earning per share is based on the (loss)/profit attributable to owners of the Company for the year of approximately SGD(829,000) (2018: SGD1,281,000) and the weighted average number of 463,151,000 (2018: 450,000,000) ordinary shares in issue during the year ended 31 December 2019.

For the year ended 31 December 2019, 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 29 November 2019.

For the year ended 31 December 2018, the weighted average number of ordinary shares for the purpose of calculating basic earning per share is calculated based on the assumption that 450,000,000 ordinary shares had been in issue, comprising 39,000,000 ordinary shares in issue and 411,000,000 ordinary shares to be issued pursuant to the capitalisation issue as detailed in the sub-section headed "Share Capital" set out in the Prospectus as if the shares had been outstanding throughout the period.

The dilutive (loss)/earning per share is the same as the basic (loss)/earning per share as there were no potential dilutive ordinary shares in issue during both years.

9. TRADE AND OTHER RECEIVABLES

	2019	2018
	SGD'000	*SGD'000*
Trade receivables	**2,457**	3,154
Other receivables	**47**	59
Prepayments and deposits	**537**	110
	3,041	3,323

Trade receivables

The Group usually provides clients with a credit term of 0 to 30 days. For the settlement of trade receivables from provision of engineering consultancy services, the Group usually reaches an agreement on the term of each payment with the client by taking into account factors such as, among other things, the credit history of the client, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management.

Based on the invoice dates, the ageing analysis of the trade receivables, net of provision for impairment, was as follows:

	2019	2018
	SGD'000	*SGD'000*
0–30 days	**1,092**	1,699
31–60 days	**798**	534
61–90 days	**251**	188
91–180 days	**143**	562
181–270 days	**151**	166
271–365 days	**–**	1
Over 365 days	**22**	4
	2,457	3,154

At the end of each reporting period, the Group reviewed trade receivables for evidence of impairment on both an individual and collective basis. Based on this assessment, no provision for impairment has been recognised as at 31 December 2018 and 31 December 2019.

10. CONTRACT ASSETS

	2019	2018
	SGD'000	*SGD'000*
Contract assets	**2,519**	1,157
Contract liabilities	**–**	–
	2,519	1,157

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

Movements in the contract assets and the contract liabilities balances during the years ended 31 December 2018 and 2019 are as follows:

	2019		2018	
	Contract assets	**Contract liabilities**	Contract assets	Contract liabilities
	SGD'000	***SGD'000***	*SGD'000*	*SGD'000*
Transfers to trade receivables from contract assets recognised at the beginning of the year	**1,126**	**–**	351	–

11. TRADE AND OTHER PAYABLES

	2019	2018
	SGD'000	*SGD'000*
Trade payables	**2**	113
Other payables	**1,197**	274
Accrued expenses	**403**	704
	1,602	1,091

Note:

(a) As at 31 December 2019, there was listing expense payable of approximately SGD943,000 (2018: approximately SGD269,000).

The Group is usually granted by subcontractors with a credit term of 0 to 30 days. The ageing analysis of trade payables based on the invoice date is as follows:

	2019	2018
	SGD'000	*SGD'000*
0–30 days	**2**	106
Over 365 days	**–**	7
	2	113

12. BORROWINGS

	2019	2018
	SGD'000	*SGD'000*
Current — secured		
Bank loans *(note (a) and (b))*	**42**	108
Non-current — secured		
Bank loans *(note (a) and (b))*	**843**	923
	885	1,031

According to the repayment schedule, the bank loans are repayable as follows:

	2019	2018
	SGD'000	*SGD'000*
Within one year	**42**	108
More than one year, but not more than two years	**44**	91
More than two years, but not more than five years	**147**	156
More than five years	**652**	676
	885	1,031

The range of interest rates per annum on the Group's borrowings were as follows:

	2019	2018
Bank loans — floating rate	**4.7%**	3.8% to 4.7%

Notes:

Two loans banking facilities were included in the borrowings:

(a) The mortgage loan facility ("**Facility 1**") of approximately SGD925,000 and SGD885,000 as at 31 December 2018 and 31 December 2019 respectively. As at 31 December 2018, Facility 1 was secured by the investment property and guaranteed by Mr. Wong and Ms. Leow. Facility 1 bear interest rate ranging from 3.8% to 4.7% and 4.7%, for the years ended 31 December 2018 and 31 December 2019 respectively. Such personal guarantee has been released during the year ended 31 December 2019.

(b) The instalment loan facility ("**Facility 2**") of approximately, SGD106,000 as at 31 December 2018. As at 31 December 2018, facility 2 was secured by the building and guaranteed by Mr. Wong and Ms. Leow. Facility 2 bear floating interest rate ranging from 4.0% to 4.2%, for the year ended 31 December 2018. Facility 2 was fully settled during the year ended 31 December 2019.

13. SHARE CAPITAL

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

	Number of shares	**Amount** *HK$'000*	*SGD'000*
Authorised:			
As at 6 July 2018 (date of incorporation), 31 December 2018 and 1 January 2019			
Ordinary shares of HK$0.01 each *(note (a))*	39,000,000	390	69
Increase of ordinary shares *(note (b))*	4,961,000,000	49,610	8,734
As at 31 December 2019	5,000,000,000	50,000	8,803
Issued and fully paid:			
Issue of shares upon incorporation on 6 July 2018 (date of incorporation) *(note (a))*	50,000	78	14
As at 31 December 2018 and 1 January 2019	50,000	78	14
Share repurchases *(note (c))*	(50,000)	(78)	(14)
Issue of 39,000,000 shares upon Reorganisation *(note (b))*	39,000,000	390	68
Issue of shares under capitalisation issue *(note (d))*	411,000,000	4,110	718
Issue of new shares by way of share offer *(note (e))*	150,000,000	1,500	262
As at 31 December 2019	600,000,000	6,000	1,048

Notes:

(a) The Company was incorporated on 6 July 2018 with an authorised share capital of HK$390,000 divided into 39,000,000 shares of HK$0.01 each. On the date of incorporation, one ordinary share was allotted and issued to Mr. Wong, the initial subscriber of the Company upon its incorporation. On the same day, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng subscribed the in total 49,999 shares.

(b) Pursuant to a resolution in writing passed by all the shareholders of the Company on 20 June 2019, the authorised share capital of the Company was increased from HK$390,000 to HK$50,000,000 by the creation of a further 4,961,000,000 shares. Following the authorised share capital of the Company was increased, the Company allotted and issued 39,000,000 fully paid shares.

(c) Pursuant to reorganisation issued share denominated in USD were repurchases and cancelled. Share denominated in HKD were reissued to the controlling shareholders.

(d) Pursuant to the capitalisation issue of the Company passed by all the shareholders of the Company on 29 November 2019, additional 411,000,000 shares were allotted and issued to WMCH Global Holdings Limited on 29 November 2019.

(e) The Company was successfully listed on the GEM of the Stock Exchange on 29 November 2019 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$0.4 per share, the net proceeds were approximately HK$21,100,000 after deducting listing-related expenses. 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.

(f) For the purpose of the presentation of the consolidated statement of financial position, the balance of the share capital as at 31 December 2018 represent the aggregate amount of issued share capital of Lion City Global Limited, Blue Synergy Global Limited, Green Spring Global Limited, TW-Asia Consultants Pte. Ltd., Artus Consultancy Services Pte. Ltd. and TW-Asia Consultants (HK) Limited (formerly known as Global Speed Limited).

14. EVENTS AFTER THE REPORTING PERIOD

Since January 2020, the outbreak on Novel Coronavirus ("**COVID-19**") has impacted the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of the financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Group.

15. COMPARATIVE FIGURES

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.

In additional, certain comparative figure have been reclassified to be consist with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has been operating in the civil and structural engineering market in Singapore for around 14 years. Leveraging on our industry experience in Singapore, we started providing civil and structural engineering consultancy services in Vietnam in 2009. The Group mainly provides services in Singapore and Vietnam. Our Group provides the following services: (i) civil and structural engineering consultancy services; and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings.

Our Group's key objective is to provide engineering expertise and ingenuity to achieve the client's objective, which includes completing the projects on time, within budget and with the right quality so as to achieve sustainable growth in terms of our business and financial performance.

FUTURE PROSPECTS

With the Group's experienced management team and reputation in the markets the Group operates in, the Directors believe that the Group is well-positioned to compete against our current competitors, though we opine that in the coming financial years it will continue to be challenging for our industry sector due to the uncertain global environment stemming from the US-China Trade war which will lead to a slump in global demand for goods and services in different industries and rising costs in Singapore, Vietnam and Hong Kong, and the outbreak of the coronavirus that may further affect Singapore, Vietnam and Hong Kong's economy.

The Company has also been continuously evaluating the current business strategies of the Group and the use of capital by the Group's existing businesses with an aim to ensure resources are being used effectively to improve its overall performance. The Company has been actively looking to diversify the revenue sources of the Group in order to create shareholders' value through acquiring businesses or projects that have promising outlooks and prospects.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately SGD2.7 million or 26.2%, from approximately SGD10.3 million for the year ended 31 December 2018 to approximately SGD13.0 million for the year ended 31 December 2019. The increase of revenue was mainly generated from (i) Prefabricated prefinished volumetric construction (the "**PPVC**") projects which accounted for approximately SGD6.2 million for the year ended 31 December 2019, representing an increase of SGD1.3 million from approximately SGD4.9 million for the year ended 31 December 2018 and (ii) from conventional projects which accounted for approximately SGD6.3 million for the year ended 31 December 2019, representing an increase of SGD1.3 million from approximately SGD5.0 million for the year ended 31 December 2018.

Cost Of Services

The Group's cost of services increased by approximately SGD1.7 million or 33.3%, from approximately SGD5.1 million for the year ended 31 December 2018 to approximately SGD6.8 million for the year ended 31 December 2019 which was largely due to payments of special bonuses to our Singapore staff as at the end of June 2019 and increase in the number of staff due to the increased workload as a result of the growth in demand for our engineering consultancy services.

Gross Profit And Gross Profit Margin

The Group's gross profit increased by approximately SGD0.9 million or 17.3%, from approximately SGD5.2 million for the year ended 31 December 2018 to approximately SGD6.1 million for the year ended 31 December 2019, which was mainly due to the increase in revenue generated from PPVC and conventional projects. Our gross profit margin decreased from approximately 50.3% for the year ended 31 December 2018 to approximately 47.3% for the year ended 31 December 2019, which was primarily due to the increase in cost of services according to the reasons mentioned above.

Other Income, Gains, And Losses, Net

Other income increased by approximately SGD9,000 or 13.8%, from approximately SGD65,000 for the year ended 31 December 2018 to approximately SGD74,000 for the year ended 31 December 2019, which was primarily due to increase in other service income.

Administrative Expenses

The Group's administrative expenses increased by approximately SGD0.8 million or 33.3%, from approximately SGD2.4 million for the year ended 31 December 2018 to approximately SGD3.2 million for the year ended 31 December 2019, which was mainly due to higher operation expenses incurred to cope with a larger work force.

Listing Expenses

The Group recognised non-recurring listing expenses of approximately SGD3.3 million as expenses in connection with the listing during the year ended 31 December 2019 (2018:SGD 1.0 million).

Finance Costs

The finance costs mainly consist of interest expenses on bank borrowings and lease liabilities. The Group's finance costs increased by approximately SGD10,000 or 21.3% from SGD47,000 for the year ended 31 December 2018 to approximately SGD57,000 for the year ended 31 December 2019. The finance costs for interest expenses on bank borrowings remained at a stable level with approximately SGD47,000 for the years ended 31 December 2018 and 2019.

Income Tax Expenses

As all of the Group's profit are derived from Singapore, Vietnam and Hong Kong, the Group is subject to income tax in Singapore, Vietnam and Hong Kong.

The Group's income tax decreased by approximately SGD104,000 or 17.1% from approximately SGD608,000 for the year ended 31 December 2018 to approximately SGD504,000 for the year ended 31 December 2019 primarily due to the tax refund received during the year ended 31 December 2019.

(Loss)/Profit For The Year

The loss for the year ended 31 December 2019 was approximately SGD0.8 million, as compared with the profit of approximately SGD1.3 million for the year ended 31 December 2018. The loss was mainly attributable to the listing expenses in connection with the listing during the year ended 31 December 2019 and the increase in administrative expenses due to higher operation expenses incurred to cope with a larger work force.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

As at 31 December 2019,

(a) the Group's total assets increased to approximately SGD14.9 million (2018: approximately SGD7.7 million) while the total equity increased to approximately SGD11.6 million (2018: approximately SGD4.6 million);

(b) the Group's current assets increased to approximately SGD12.9 million (2018: approximately SGD5.7 million) while the current liabilities increased to approximately SGD2.4 million (2018: approximately SGD2.1 million);

(c) the Group has bank and cash balances and short-term bank deposits of approximately SGD7.4 million (2018: SGD1.2 million);

(d) there was a bank borrowing of approximately SGD0.9 million (2018: SGD1.0 million); and

(e) the gearing ratio is calculated by dividing total debts with total equity as at the end of respective year and expressed as a percentage. As at 31 December 2019, the gearing ratio was not applicable to the Group (2018: 8.7%).

CAPITAL EXPENDITURE

Capital expenditure during the year ended 31 December 2019 was primarily attributable to expenditures on leasehold improvements and computers and office equipment, totalling SGD96,000 (2018: SGD80,000), to cope with our operation needs.

SIGNIFICANT INVESTMENT

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

INDEBTEDNESS AND CHARGES ON GROUP ASSETS

As at 31 December 2019 and 2018, the Group had charges on the investment property of carrying amount as at 13 December 2019 of SGD1,395,000 (31 December 2018: SGD1,421,000) for a mortgage loan facility.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

Save as disclosed in the Company's Prospectus and in this announcement, the Group did not have other plans for material investments or capital assets as of 31 December 2019.

FOREIGN EXCHANGE RISK MANAGEMENT

The majority of the Group's transactions, assets and liabilities are denominated in Singapore dollars and Vietnam Dong. The Group is exposed to exchange risk with respect mainly to Vietnam Dong which may affect its performance.

The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered to be insignificant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

CONTINGENT LIABILITY AND CAPITAL COMMITMENT

As at 31 December 2019, save as disclosed below in "Use of Proceeds from the Share Offer", the Group did not have any material contingent liabilities (2018: nil) or any material capital commitments (2018: nil).

USE OF PROCEEDS FROM THE SHARE OFFER

The Company was successfully listed on the GEM of the Stock Exchange (the "**Listing**") on 29 November 2019 (the "**Listing Date**") by way of share offer of 45,000,000 public offer shares and 105,000,000 placing shares at the price of HKD0.40 per share (the "**Share Offer**").

The net proceeds raised from the Share Offer were approximately HKD21.1 million (approximately SGD3.7 million) after deducting listing-related expenses.

During the period from the period from Listing Date to 31 December 2019, none of our net proceeds from the listing has been utilised.

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2019, the Group had a total of 140 employees (2018: 121 employees). The Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses are offered to qualified employees based on individual and the Group's performance.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: SGD1.7 million).

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining and achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules.

The Board is of the view that throughout the period from the Listing Date to 31 December 2019, except Provision A.2.1 of the CG Code, the Company has complied with all the code provisions as set out in the CG Code.

Code Provision A.2.1

Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong Seng is the chairman of the Board and the Chief Executive Officer. In view that Mr. Wong Seng has been operating and managing the Group since its foundation, the Board believes that it is in the best interest of the Group to have Mr. Wong take up both roles for effective management and business development. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors. Therefore, the Board considers that the deviation from provision A.2.1 of the CG Code is appropriate in such circumstance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules in respect of securities transaction by directors (the "**Required Standard**").

Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Required Standard throughout the period from the Listing Date to 31 December 2019.

The Company has also extended the coverage of the Required Standard adoption to the senior management of the Company who are likely to be in possession of unpublished price-sensitive information of the Company (the "**Relevant Employees**"). No incident of non-compliance of the Required Standard by the Relevant Employees was noted by the Company.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2019.

AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the Company has reviewed together with the management and external auditor the accounting principles and policies and the auditing, internal controls and financial reporting matters of the Group, which includes that review of the audited consolidated financial statements of the Group for the year ended 31 December 2019. The Audit Committee is of the opinion that the financial statements complied with the applicable accounting standards and requirements, and that adequate disclosures have been made. For the Reporting Year, the Audit Committee considered the Group's risk management and internal control system as adequate and effective.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the company will be closed from Tuesday, 16 June 2020 to Friday, 19 June 2020, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by relevant share certificate must be lodged for registration with the Company's share registrars in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 15 June 2020.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the GEM website at www.hkgem.com and the Company's website at www.tw-asia.com. The annual report of the Company for the year ended 31 December 2019 will be despatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to extend its sincere thanks to the Group's shareholders, business partners and customers for their utmost support to the Group. The Group would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the Reporting Year.

By the order of the Board
WMCH Global Investment Limited
Wong Seng
Chairman and Executive Director

Hong Kong, 16 March 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Wong Seng, Ms. Leow Geok Mui, Mr. Lim Chin Keong, Mr. Heng Kim Huat and the independent non-executive Directors of the Company are Dr. Tan Teng Hooi, Mr. Leong Jay and Mr. Ng Shing Kin.

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

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and will also be published on the Company's website at www.tw-asia.com.