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## **WMCH GLOBAL INVESTMENT LIMITED**

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

**(Stock Code: 8208)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

**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 2020 (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 2020*

	<i>Notes</i>	<b>2020</b> <i>SGD’000</i>	2019 <i>SGD’000</i>
Revenue	4	<b>9,323</b>	12,959
Cost of services		<b>(8,627)</b>	(6,826)
Gross profit		<b>696</b>	6,133
Other income, gains and losses, net	5	<b>983</b>	74
Administrative expenses		<b>(4,880)</b>	(3,199)
Allowance for expected credit losses, net		<b>(54)</b>	–
Listing expenses		–	(3,276)
Finance costs		<b>(41)</b>	(57)
<b>Loss before income tax</b>	6	<b>(3,296)</b>	(325)
Income tax expense	7	<b>(33)</b>	(504)
<b>Loss for the year</b>		<b>(3,329)</b>	(829)
<b>Other comprehensive income/(loss) for the year</b>			
<i>Item that may be reclassified subsequently to profit and loss:</i>			
Exchange differences arising on translation of foreign operation		<b>9</b>	(59)
Other comprehensive income/(loss) for the year, net of tax		<b>9</b>	(59)
<b>Total comprehensive loss for the year</b>		<b>(3,320)</b>	(888)
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(3,329)</b>	(829)
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company		<b>(3,320)</b>	(888)
<b>Loss per share</b>			
— Basic and diluted (in Singapore cents)	9	<b>(0.55)</b>	(0.18)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>414</b>	456
Investment property		<b>1,369</b>	1,395
Right-of-use assets		<b>129</b>	116
		<u><b>1,912</b></u>	<u>1,967</u>
<b>Current assets</b>			
Trade and other receivables	<i>10</i>	<b>2,664</b>	3,041
Contract assets	<i>11</i>	<b>1,734</b>	2,519
Cash and bank balances		<b>4,804</b>	7,389
		<u><b>9,202</b></u>	<u>12,949</u>
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>1,467</b>	1,602
Lease liabilities		<b>72</b>	116
Tax payable		<b>164</b>	432
Borrowing	<i>13</i>	<b>50</b>	42
Amount due to a director		<b>184</b>	227
		<u><b>1,937</b></u>	<u>2,419</u>
<b>Net current assets</b>		<u><b>7,265</b></u>	<u>10,530</u>
<b>Total assets less current liabilities</b>		<u><b>9,177</b></u>	<u>12,497</u>
<b>Non-current liabilities</b>			
Borrowing	<i>13</i>	<b>790</b>	843
Lease liabilities		<b>61</b>	8
		<u><b>851</b></u>	<u>851</u>
<b>Net assets</b>		<u><b>8,326</b></u>	<u>11,646</u>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<b>1,048</b>	1,048
Reserves		<b>7,278</b>	10,598
<b>Total equity</b>		<u><b>8,326</b></u>	<u>11,646</u>

## 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, #04-137 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 2019.

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 2019 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 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.

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

#### Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in IFRS standards and the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest rate Benchmark Reform

#### Early adoption of amendments to IFRSs

The following amendments to IFRSs, which is applicable to the Group but are not yet effective for the current year, have been early adopted in current year:

IFRS 16 (Amendments)	COVID-19 Related Rent Concession
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The application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### *Impacts on early application of Amendment to IFRS 16 Covid-19 Related Rent Concessions*

The Group has applied the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19 related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

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

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

The application of the amendment had no impact to the opening retained profits as 1 January 2020.

## New and amendments to IFRSs in issue 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:

IFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendment to IFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>4</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of all other 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:

	<b>2020</b>	2019
	<b><i>SGD'000</i></b>	<i>SGD'000</i>
Consultancy services fee	<b>8,602</b>	12,408
Other service fee	<b>721</b>	551
	<b><u>9,323</u></b>	<u>12,959</u>

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 2020 and 2019 and the expected timing or recognising revenue are as follows:

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
<b>Remaining performance obligations expected to be satisfied during the year ending</b>		
Within one year	<b>6,686</b>	7,980
1–2 years	<b>6,851</b>	3,807
2–5 years	<b>189</b>	3,832
	<u><b>13,726</b></u>	<u>15,619</u>

The Group expects the transaction price allocated to the unsatisfied contract at 31 December 2020 will be recognised as revenue within five years from 31 December 2020.

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:

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
Singapore	<b>6,748</b>	9,350
Vietnam	<b>2,569</b>	2,808
Other ( <i>note</i> )	<b>6</b>	801
	<u><b>9,323</b></u>	<u>12,959</u>

*Note:* Other geographical locations are mainly located in Thailand 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:

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
Singapore	<b>1,832</b>	1,779
Vietnam	<b>77</b>	126
Hong Kong	<b>3</b>	62
	<u><b>1,912</b></u>	<u>1,967</u>

*Information about major client*

For the years ended 31 December 2020 and 2019, no single client contributed 10% or more of the Group's revenue.

**5. OTHER INCOME, GAINS AND LOSSES, NET**

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
Rental income	<b>18</b>	–
Interest income	<b>25</b>	21
Government grant ( <i>note</i> )	<b>747</b>	13
Exchange gain, net	<b>49</b>	16
Other income or loss	<b>124</b>	24
Covid-19 related rent concession	<b>20</b>	–
	<u><b>983</b></u>	<u>74</u>

*Note:* The government grants received mainly comprise of the Job Support Scheme, Special Employment Credit Scheme and the Temporary Employment Credit Scheme, which are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support. There were no fulfilled conditions or contingencies relating to those government grants. In addition, the Group recognised government grants of SGD747,000 of which approximately SGD709,000 in respect of Covid-19 related subsidies, relates to Job Support Scheme provided by the Singapore Government.



## 6. LOSS BEFORE INCOME TAX

	2020 <i>SGD'000</i>	2019 <i>SGD'000</i>
Loss before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) ( <i>note</i> )		
— Salaries, wages and other benefits	9,288	7,205
— Contributions to defined contribution retirement plans	952	780
	<u>10,240</u>	<u>7,985</u>
(b) Other items		
Depreciation for property, plant and equipment and investment property	134	182
Depreciation for right-of-use assets	150	162
Research and development expenses	593	298
Auditors remuneration		
— audit services		
annual audit services	116	87
listing services (included in listing expenses)	–	658
— non-audit services	–	52
Expenses relating to short-term lease	70	11
	<u>70</u>	<u>11</u>

*Note:*

Staff costs (including directors' emoluments)

	2020 <i>SGD'000</i>	2019 <i>SGD'000</i>
Cost of services	7,871	6,324
Administrative expenses	2,369	1,661
	<u>10,240</u>	<u>7,985</u>

## 7. INCOME TAX EXPENSE

	2020 <i>SGD'000</i>	2019 <i>SGD'000</i>
Current tax		
— Singapore corporate income tax	14	329
— Vietnam corporate income tax	20	174
— Hong Kong profits tax	(1)	1
	<u>33</u>	<u>504</u>
Income tax expense	<u>33</u>	<u>504</u>

The applicable tax rate of subsidiaries in Singapore and Vietnam are 17% and 20% respectively for the years ended 31 December 2020 and 2019.

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%.

No provision for taxation in Hong Kong has been made as the Group’s income neither arises in, nor is derived from, Hong Kong for both years.

## 8. DIVIDEND

The directors of the Company do not declare or propose any payment of final dividend for the years ended 31 December 2020 and 2019.

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

## 9. LOSS PER SHARE

	<b>2020</b> <b>SGD’000</b>	2019 <i>SGD’000</i>
Loss for the year attributable to the owners of the Company	<u><b>(3,329)</b></u>	<u>(829)</u>
	<b>’000</b>	<i>’000</i>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share ( <i>note</i> )	<u><b>600,000</b></u>	<u>463,151</u>

*Note:* The calculation of basic loss per share is based on the loss attributable to owners of the Company for the year of approximately SGD3,329,000 (2019: SGD829,000) and the weighted average number of 600,000,000 (2019: 463,151,000) ordinary shares in issue during the year ended 31 December 2020.

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.

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

## 10. TRADE AND OTHER RECEIVABLES

	2020 <i>SGD'000</i>	2019 <i>SGD'000</i>
Trade receivables	2,421	2,457
Less: Allowance for expected credit losses	(39)	–
	<u>2,382</u>	<u>2,457</u>
Other receivables	53	47
Prepayments and deposits	231	537
Less: Allowance for expected credit losses	(2)	–
	<u>282</u>	<u>584</u>
	<u><u>2,664</u></u>	<u><u>3,041</u></u>

### 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.

The ageing analysis of the trade receivables based on the invoice date, net of allowance for expected credit losses, is as follows:

	2020 <i>SGD'000</i>	2019 <i>SGD'000</i>
0–30 days	1,338	1,092
31–60 days	434	798
61–90 days	114	251
91–180 days	322	143
181–270 days	56	151
271–365 days	43	–
Over 365 days	75	22
	<u>2,382</u>	<u>2,457</u>

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, an allowance for expected credit losses approximately SGD39,000 has been recognised as at 31 December 2020 (2019: Nil).

## 11. CONTRACT ASSETS

	2020 <i>SGD'000</i>	2019 <i>SGD'000</i>
Contract assets	1,747	2,519
Less: Allowance for expected credit losses	(13)	–
	<u>1,734</u>	<u>2,519</u>

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.

Movements of the contract assets balances during the years ended 31 December 2020 and 2019 are as follows:

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
Transfers to trade receivables from contract assets recognised at the beginning of the year	<u><b>2,284</b></u>	<u>1,126</u>

## 12. TRADE AND OTHER PAYABLES

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
Trade payables	<b>90</b>	2
Other payables ( <i>note</i> )	<b>647</b>	1,197
Accrued expenses	<b>730</b>	403
	<u><b>1,467</b></u>	<u>1,602</u>

*Note:* As at 31 December 2019, there was listing expense payable of approximately SGD945,000.

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:

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
0–30 days	<b>82</b>	2
31–60 days	<b>5</b>	–
61–90 days	–	–
91–180 days	<b>3</b>	–
Over 180 days	–	–
	<u><b>90</b></u>	<u>2</u>

## 13. BORROWING

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
Current — secured		
Bank loans ( <i>note (a) and (b)</i> )	<b>50</b>	42
Non-current — secured		
Bank loans ( <i>note (a) and (b)</i> )	<b>790</b>	843
	<u><b>840</b></u>	<u>885</u>

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

	<b>2020</b> <i>SGD'000</i>	2019 <i>SGD'000</i>
Within one year	<b>50</b>	42
More than one year, but not more than two years	<b>47</b>	44
More than two years, but not more than five years	<b>184</b>	147
More than five years	<b>559</b>	652
	<b>840</b>	885

*Notes:*

Two loans banking facilities were included in the borrowings:

- (a) The mortgage loan facility (“**Facility 1**”) was approximately SGD885,000 and SGD840,000 as at 31 December 2019 and 2020 respectively. As at 31 December 2020, Facility 1 was secured by the investment property. Facility 1 bear floating interest rate ranging from 4.0% and 4.8% (2019: 4.7%), for the year ended 31 December 2020. The personal guarantee by Mr. Wong and Ms. Leow has been released during the year ended 31 December 2019.
- (b) Facility 2 was beared floating interest rate ranging from 4.0% to 4.3% and fully settled during the year ended 31 December 2019.

#### 14. SHARE CAPITAL

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

	<b>Number of shares</b>	<b>Amount</b>	
		<i>HK\$'000</i>	<i>SGD'000</i>
Authorised:			
As at 1 January 2019			
Ordinary shares of HK\$0.01 each	39,000,000	390	69
Increase of ordinary shares ( <i>note (a)</i> )	4,961,000,000	49,610	8,734
As at 31 December 2019, 1 January 2020 and 31 December 2020	5,000,000,000	50,000	8,803
Issued and fully paid:			
As at 1 January 2019	50,000	78	14
Share repurchases ( <i>note (b)</i> )	(50,000)	(78)	(14)
Issue of 39,000,000 shares upon Reorganisation ( <i>note (a)</i> )	39,000,000	390	68
Issue of shares under capitalisation issue ( <i>note (c)</i> )	411,000,000	4,110	718
Issue of new shares by way of share offer ( <i>note (d)</i> )	150,000,000	1,500	262
As at 31 December 2019, 1 January 2020 and 31 December 2020	600,000,000	6,000	1,048

*Notes:*

- (a) 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.
- (b) Pursuant to reorganisation issued share denominated in USD were repurchased and cancelled. Share denominated in HKD were reissued to the controlling shareholders.
- (c) 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.
- (d) 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.
- (e) For the purpose of the presentation of the consolidated statement of financial position, the balance of the share capital as at 31 December 2019 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.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group has been operating in the civil and structural engineering market in Singapore for around 16 years. Leveraging on our industry experience in Singapore, we started providing civil and structural engineering consultancy services in Vietnam in 2009. The Group mainly providing services in Singapore and Vietnam. The 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.

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

Due to outbreak of a Novel Coronavirus (**COVID-19**), many countries have implemented emergency public health measures and taken various actions to prevent the spread of the COVID-19 pandemic including travel restriction and lockdown measures. Such measures resulted in general disruption of production, supply chain and logistic of services. Although some countries gradually ceased the lockdown measures, the global market remains challenging and market sentiments still have to take a long time to fully recover unless preventive measures are available to prevent the COVID-19 infection.

### **FUTURE PROSPECTS**

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 current competitors, though we opine that the coming financial years should continue to be challenging for our industry sector due to the uncertain global environment and rising costs in Singapore, Vietnam and Hong Kong that may affect the Singapore, Vietnam and Hong Kong's economy

The Company has also been continuously evaluating the current business strategies of the Group and the financing performance of the Group's existing businesses with an aim to achieve the best use of its resources and 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 business or projects that have promising outlooks and prospects. For the financial year ended 31 December 2020, the Group has not identified any acquisition opportunity.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue decreased by approximately SGD3.7 million or 28.5%, from approximately SGD13.0 million for the year ended 31 December 2019 to approximately SGD9.3 million for the year ended 31 December 2020. The decrease of revenue was mainly due to (i) prefabricated prefinished volumetric construction (the "PPVC") projects which accounted for approximately SGD4.5 million for the year ended 31 December 2020, representing a decrease of approximately SGD1.7 million from approximately SGD6.2 million for the year ended 31 December 2019 and (ii) conventional projects which accounted for approximately SGD3.1 million for the year ended 31 December 2020, representing a decrease of approximately SGD3.2 million from approximately SGD6.3 million for the year ended 31 December 2019.

The decrease in revenue is primarily due to the outbreak of COVID-19 during the year ended 31 December 2020. The construction progress was slowed down since early of the year as supply of raw materials for construction industry which mainly came from the People's Republic of China had been negatively affected due to the country's implementation of lockdown measures to contain the spread of the COVID-19 by reducing face-to-face human interaction. Further lockdown measures implemented by both Singapore and Vietnam government had negatively impacted the work progress for construction industry. In addition, the outbreak had caused delay and extension of the current projects and hence lower revenue was generated for the year ended 31 December 2020.

### **Cost of Services**

The Group's cost of services increased by approximately SGD1.8 million or 26.5%, from approximately SGD6.8 million for the year ended 31 December 2019 to approximately SGD8.6 million for the year ended 31 December 2020 which largely due to payment of special bonus to our Singapore staff as at the end of January 2020 and increase in number of staff due to increased workload due to the delayed and extended projects.

### **Gross Profit and Gross Profit Margin**

The Group's gross profit decreased by approximately SGD5.4 million or 88.5%, from approximately SGD6.1 million for the year ended 31 December 2019 to approximately SGD0.7 million for the year ended 31 December 2020, which mainly due to the outbreak of COVID-19 which caused delay and extension of the current projects. However, the cost of services which primarily consist of manpower costs did not decrease due to higher manpower require to cope with current workload despite delay or extension in projects progress as we are still required to provide full support to service those projects.



## **Other Income**

Other income increased by approximately SGD909,000 or 1,228.4%, from approximately SGD74,000 for the year ended 31 December 2019 to approximately SGD983,000 for the year ended 31 December 2020, which was primarily due to the amount received from government as subsidy for manpower costs, exchange gains on foreign currency and increase in other service income.

## **Administrative Expenses**

The Group's administrative expenses increased by approximately SGD1.7 million or 53.1%, from approximately SGD3.2 million for the year ended 31 December 2019 to approximately SGD4.9 million for the year ended 31 December 2020, which mainly due to higher operation expenses incurred to cope with larger work force and higher professional fees such as retainer fees, marketing fees and compliance adviser fee.

## **Finance Costs**

The finance costs mainly consist of interest expenses on bank borrowings and lease liabilities. The finance costs for interest expenses on bank borrowings remained at a stable level with approximately SGD47,000 and SGD35,000 for the year ended 31 December 2019 and 2020 respectively.

## **Income Tax Expenses/Credits**

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 expenses decreased by approximately SGD471,000 or 93.5% from income tax expense of approximately SGD504,000 for the year ended 31 December 2019 to approximately SGD33,000 for the year ended 31 December 2020 primarily due to lower profits generated for the year ended 31 December 2020.

## **Loss for the Year**

The loss for the year ended 31 December 2020 was approximately SGD3.3 million, as compared with the loss of approximately SGD0.8 million for the year ended 31 December 2019. The higher loss was mainly attributable to the decrease in revenue due to the outbreak of COVID-19 had caused delay and extension of the current projects and hence lower revenue was generated for the year ended 31 December 2020 and increase in cost of services as discussed above and administrative expenses due to higher operating expenses incurred to cope with a larger work force.

## **LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE**

As at 31 December 2020,

- (a) the Group's total assets decreased to approximately SGD11.1 million (2019: approximately SGD14.9 million) while the total equity decreased to approximately SGD8.3 million (2019: approximately SGD11.6 million);
- (b) the Group's current assets decreased to approximately SGD9.2 million (2019: approximately SGD12.9 million) while the current liabilities decreased to approximately SGD1.9 million (2019: approximately SGD2.4 million);
- (c) the Group has bank and cash balances and short-term bank deposits of approximately SGD4.8 million (2019: SGD7.4 million);
- (d) there was a bank borrowing of approximately SGD0.8 million (2019: SGD0.9 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 2020, the gearing ratio was not applicable to the Group (2019: Nil).

## **CAPITAL EXPENDITURE**

Capital expenditure during the year ended 31 December 2020 was primarily attributable to expenditure on leasehold improvements and office equipment, totalling SGD66,000 (2019: SGD96,000) to cope with our operation needs.

## **DIVIDEND**

The Board has resolved not to declare any dividend for the year ended 31 December 2020 (2019: Nil).

## **SIGNIFICANT INVESTMENT**

As at 31 December 2020, the Group did not have any significant investments (2019: Nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 31 December 2020, save as disclosed in the Company's prospectus dated 14 November 2019 (the "**Prospectus**"), the Group currently has no other plan for material investments and capital assets (2019: Nil).

## **INDEBTEDNESS AND CHARGES ON GROUP ASSETS**

The Group had charges on the investment property of carrying amount as at 31 December 2020 of SGD1,369,000 (31 December 2019: SGD1,395,000) for a mortgage loan facility.

## **MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

Save as disclosed in the Prospectus and in this annual results announcement, the Group did not have any material acquisitions, disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2020.

## **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.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

## **CONTINGENT LIABILITIES**

As at 31 December 2020, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any material contingent liabilities (2019: Nil) nor any material capital commitments (2019: Nil).

## **EVENTS AFTER THE REPORTING PERIOD**

During the year ended 31 December 2020, the outbreak of COVID-19 had impacted the Group's business environment. Pending the development and spread of COVID-19 subsequent to the date of the consolidated financial statements, further changes in economic conditions 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 consolidated 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.

## **USE OF PROCEEDS FROM THE SHARE OFFER AND IMPLEMENTATION OF BUSINESS STRATEGIES**

The ordinary shares of the Company was successfully listed on GEM of the Stock Exchange on 29 November 2019 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 (the "**Net Proceeds**") from the Share Offer were approximately HK\$21.1 million (approximately SGD3.7 million) after deducting listing-related expenses. The Company intends to apply the Net Proceeds in the same proportion and in the same manner as shown in

the section headed “Future Plans and Use of Proceeds” of the Prospectus. An analysis of the utilisation of the Net Proceeds from the Share Offer from 29 November 2019 (the “**Listing Date**”) up to 31 December 2020 is set out below:

Business strategies	Planned use of Net Proceeds (as stated in the Prospectus) in respect of business objectives from the Listing Date to 31 December 2021		Approximate actual amount utilised as at 31 December 2020 <i>(Note 2)</i>	Unused amount of Net Proceeds as at 31 December 2020 <i>(Note 2)</i>	Expected timeline for utilising the remaining Net Proceeds <i>(Notes 1 and 2)</i>
	<i>HKD' million</i>	<i>%</i>			
Expand our operation in Singapore	6.2	29.3%	0.2 <i>(Note 3)</i>	6.0	Expected to be fully utilised on or before 31 December 2021
Expand our operation in Vietnam	4.9	23.5%	– <i>(Note 4)</i>	4.9	Expected to be fully utilised on or before 31 December 2021
Setting up a supporting office in Hong Kong	4.0	18.8%	0.4 <i>(Note 5)</i>	3.6	Expected to be fully utilised on or before 31 December 2021
Enhancement of our information technology system	2.5	11.8%	– <i>(Note 6)</i>	2.5	Expected to be fully utilised on or before 31 December 2021
Improve our PPVC knowhow by investing further in research and development	1.5	7.4%	– <i>(Note 7)</i>	1.5	Expected to be fully utilised on or before 31 December 2021
Sales and marketing	0.3	1.4%	0.3 <i>(Note 8)</i>	–	Expected to be fully utilised on or before 31 December 2021
Scholarships	0.4	1.8%	0.2	0.2	Expected to be fully utilised on or before 31 December 2021
Working capital	1.3	6.0%	0.9	0.4	Expected to be fully utilised on or before 31 December 2021
	21.1	100.0%	2.0	19.1	

*Notes:*

1. The expected timeline for utilising the remaining Net Proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business developments and need, and therefore is subject to change.
2. The unutilised Net Proceeds from the Listing are expected to be used in accordance with the Company’s plan as disclosed in the Prospectus except that the original timeline for utilising the remaining Net Proceeds as disclosed in the Prospectus has been delayed due to, among others, the business environment being affected by the social unrest in Hong Kong since June 2019 and the outbreak of COVID-19 since January 2020.

3. Up to 31 December 2020, approximately HK\$0.2 million of the Net Proceeds was utilised for expanding our operation in Singapore. We have leased one additional small unit office to accommodate additional manpower which joined us from beginning of the year. The Group will continue to identify suitable locations fulfilling our expected scale of operations and execute the implementation plan as disclosed in the Prospectus.
4. The Group is still in the progress to identify suitable locations as the rental rate at the current office area has surged in recent months due to higher demand as those tenants from more expensive districts or Grade A building with higher rental shifting to Grade B building with lower rental. Plan for setting up a new office in Danang, Vietnam and supervision team in Ho Chi Minh City, Vietnam will delay mainly due to slow down in economy since the outbreak of COVID-19.
5. Up to 31 December 2020, approximately HK\$0.4 million of the Net Proceeds was utilised for expanding our operation in Hong Kong. We have leased a unit office with intention to expand further in Hong Kong. However, the Group will delay the hiring of manpower due the social unrest in Hong Kong since June 2019 and the outbreak of COVID-19 since January 2020 while continue to identify suitable candidates execute the implementation plan as disclosed in the Prospectus.
6. While the Group continues to identify the suitable candidates, the Net Proceeds for enhancing information technology system, including subscribing more software licences will delay mainly due to delay in hiring of manpower. Meanwhile, the Group has been consistency sourcing for the most suitable enterprise resource planning system for accounting and human resources records which has been slowed down due to COVID-19.
7. The Group is actively discussing the research and development on PPVC knowhow with relevant parties but the process has been slowed down due to COVID-19.
8. Up to 31 December 2020, we incurred marketing expenses on social media platform for the promotion of our consultancy services. The Group will continue to solicit appropriate social media platforms and marketing agents and the amount will be incurred as and when necessary.

The remaining Net Proceeds as at 31 December 2020 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong. Up to 31 December 2020, all Net Proceeds are expected to be used in accordance with the Company's plan as disclosed in the Prospectus except that the original timeline for utilising the remaining Net Proceeds as disclosed in the Prospectus has been delayed due to, among others, the business environment being affected by the social unrest in Hong Kong since June 2019 and the outbreak of COVID-19 since January 2020.

The Directors will constantly evaluate the Group's business objective and will change or modify plans against the changing market condition to ascertain the business growth of the Group.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2020, the Group had a total of 149 employees (2019: 140 employees). The Group's staff costs for the year ended 31 December 2020 amounted to approximately SGD10.2 million (2019: SGD8.0 million). 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.

The Group believes that on-going and continuous development of its employees is critical to its success. The Group provides its employees with periodic in-house training to enhance the knowledge of the workforce. Meanwhile, external training programmes conducted by qualified personnel are also attended by employees to enhance their skills set and working experience.

The Company adopted a share option scheme (the "**Scheme**") on 6 November 2019 (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 2020, 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 2020.

## **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 2020, except Provision A.2.1 of the CG Code as disclosed below, 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 2020.

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, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 December 2020.

## **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 2020. 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 year ended 31 December 2020, 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, 15 June 2021 to Friday, 18 June 2021, 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 Friday, 11 June 2021.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.tw-asia.com](http://www.tw-asia.com). The annual report of the Company for the year ended 31 December 2020 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 year ended 31 December 2020.

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

Hong Kong, 19 March 2021

*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](http://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](http://www.tw-asia.com).*