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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 2022**

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

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

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

*This announcement, for which the directors (collectively the “**Directors**” and individually a “**Director**”) 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 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 2022 (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 2022*

	<i>Notes</i>	<b>2022</b> <b>SGD’000</b>	2021 SGD’000
Revenue	4	<b>10,221</b>	8,846
Cost of services		<b>(8,743)</b>	(8,084)
Gross profit		<b>1,478</b>	762
Other income, gains and losses, net	5	<b>393</b>	769
Administrative expenses		<b>(3,184)</b>	(3,634)
Allowance for expected credit losses, net		<b>(378)</b>	(289)
Impairment losses on property, plant and equipment and right-of-use assets		–	(334)
Impairment loss on interest in an associate		<b>(24)</b>	(7,903)
Share of result of an associate		<b>(1)</b>	(106)
Finance costs		<b>(47)</b>	(38)
<b>Loss before income tax</b>	6	<b>(1,763)</b>	(10,773)
Income tax credit	7	<b>33</b>	–
<b>Loss for the year</b>		<b>(1,730)</b>	(10,773)
<b>Other comprehensive (loss)/income 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>(31)</b>	62
Other comprehensive (loss)/income for the year, net of tax		<b>(31)</b>	62
<b>Total comprehensive loss for the year</b>		<b>(1,761)</b>	(10,711)
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(1,730)</b>	(10,773)
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company		<b>(1,761)</b>	(10,711)
<b>Loss per share</b>			
— Basic and diluted (in Singapore cents)	9	<b>(0.24)</b>	(1.64)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2022*

	<i>Notes</i>	<b>2022</b> <i>SGD'000</i>	2021 <i>SGD'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	<b>310</b>	299
Investment property	<i>11</i>	<b>1,317</b>	1,343
Right-of-use assets		<b>32</b>	–
Interest in an associate		<b>–</b>	25
		<hr/> <b>1,659</b> <hr/>	<hr/> 1,667 <hr/>
<b>Current assets</b>			
Trade and other receivables	<i>12</i>	<b>2,334</b>	2,229
Contract assets		<b>88</b>	471
Cash and bank balances		<b>2,166</b>	3,880
		<hr/> <b>4,588</b> <hr/>	<hr/> 6,580 <hr/>
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>1,114</b>	1,310
Contract liabilities		<b>16</b>	19
Borrowing	<i>14</i>	<b>41</b>	51
Amount due to a director		<b>315</b>	187
Lease liabilities		<b>112</b>	112
Tax payable		<b>–</b>	35
		<hr/> <b>1,598</b> <hr/>	<hr/> 1,714 <hr/>
<b>Net current assets</b>		<hr/> <b>2,990</b> <hr/>	<hr/> 4,866 <hr/>
<b>Total assets less current liabilities</b>		<hr/> <b>4,649</b> <hr/>	<hr/> 6,533 <hr/>
<b>Non-current liabilities</b>			
Borrowing	<i>14</i>	<b>703</b>	740
Lease liabilities		<b>57</b>	143
		<hr/> <b>760</b> <hr/>	<hr/> 883 <hr/>
<b>Net assets</b>		<hr/> <b>3,889</b> <hr/>	<hr/> 5,650 <hr/>
<b>Capital and reserves</b>			
Share capital	<i>15</i>	<b>1,257</b>	1,257
Reserves		<b>2,632</b>	4,393
		<hr/> <b>3,889</b> <hr/>	<hr/> 5,650 <hr/>
<b>Total equity</b>		<hr/> <b>3,889</b> <hr/>	<hr/> 5,650 <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

WMCH Global Investment Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on 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 (the “**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 is 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 Stock Exchange 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. 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 following amendments to IFRSs issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

The application of the amendments to IFRSs in the current year has 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.

## **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 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts <sup>1</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 IFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</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 2024.

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

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

### **3. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with IFRS issued by the IASB, which collective term includes all International Accounting Standards (“IAS”) and related interpretations. For the purpose of preparation of the consolidated financial statement, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) and by the Hong Kong Companies Ordinance.

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 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:

	2022 SGD'000	2021 SGD'000
Consultancy services fee	8,933	8,300
Other services fee	<u>1,288</u>	<u>546</u>
	<u><u>10,221</u></u>	<u><u>8,846</u></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 2022 and 2021 and the expected timing or recognising revenue are as follows:

	2022 SGD'000	2021 SGD'000
<b>Remaining performance obligations expected to be satisfied during the year ending</b>		
Within 1 year	9,986	10,930
1–2 years	6,266	9,455
2–5 years	<u>4,648</u>	<u>1,760</u>
	<u><u>20,900</u></u>	<u><u>22,145</u></u>

The Group expects the transaction price allocated to the unsatisfied contract at 31 December 2022 will be recognised as revenue within five years from 31 December 2022.

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 review 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>2022</b>	2021
	<b>SGD'000</b>	SGD'000
Singapore	<b>7,677</b>	7,199
Vietnam	<b>2,331</b>	1,381
Other ( <i>note</i> )	<b>213</b>	266
	<b>10,221</b>	8,846

*note:* Other geographical locations include Thailand, Maldives, Hong Kong, Malaysia and Indonesia.

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

	<b>2022</b>	2021
	<b>SGD'000</b>	SGD'000
Singapore	<b>1,613</b>	1,642
Vietnam	<b>46</b>	–
Hong Kong	<b>–</b>	25
	<b>1,659</b>	1,667

### *Information about major client*

For the years ended 31 December 2022 and 2021, no single client contributed 10% or more of the Group's revenue.

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

	2022 SGD'000	2021 SGD'000
Rental income	31	33
Interest income	7	10
Government grant ( <i>note</i> )	224	549
Exchange gain, net	7	19
Sundry income	124	154
Covid-19 related rent concession	—	4
	<u>393</u>	<u>769</u>

*note:*

The government grants mainly comprise of Job Support Scheme, Special Employment Credit Scheme and Jobs Growth Incentive, which are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support. There was no unfulfilled conditions or contingencies relating to those government grants.

During the year ended 31 December 2021, included in the government grants recognised are Covid-19 related subsidies of approximately SGD356,000 which relates to Job Support Scheme provided by the Singapore government.

## 6. LOSS BEFORE INCOME TAX

	2022 SGD'000	2021 SGD'000
Loss before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) ( <i>note</i> )		
— Salaries, wages and other benefits	8,987	8,318
— Contributions to defined contribution retirement plans	948	891
	<u>9,935</u>	<u>9,209</u>
(b) Other items		
Depreciation for property, plant and equipment and investment property	52	102
Depreciation for right-of-use assets	25	109
Impairment loss on		
— Property, plant and equipment	—	88
— Right-of-use assets	—	246
Research and development expenses	494	61
Auditors' remuneration		
— annual audit services	118	118
Expenses relating to short-term leases	38	91
	<u>38</u>	<u>91</u>



*note:*

Staff costs (including directors' emoluments)

	<b>2022</b>	2021
	<b>SGD'000</b>	SGD'000
Cost of services	<b>7,806</b>	7,037
Administrative expenses (including research and development expenses)	<b>2,129</b>	2,172
	<b>9,935</b>	9,209

## 7. INCOME TAX CREDIT

	<b>2022</b>	2021
	<b>SGD'000</b>	SGD'000
Over provision in prior year		
—Vietnam corporate income tax	<b>(33)</b>	—
Income tax credit	<b>(33)</b>	—

The applicable tax rate of subsidiaries in Singapore, Vietnam and Hong Kong are 17%, 20% and 16.5% respectively for the years ended 31 December 2022 and 2021. No Singapore corporate income tax, Vietnam corporate income tax and Hong Kong Profits Tax has been provided since no assessable profit arose in Singapore, Vietnam and Hong Kong for the years ended 31 December 2022 and 2021.

Reconciliation between income tax credit and loss before income tax at applicable tax rate as follows:

	<b>2022</b>	2021
	<b>SGD'000</b>	SGD'000
Loss before income tax	<b>(1,763)</b>	(10,773)
Tax at the applicable income tax rates	<b>(300)</b>	(1,831)
Tax rates for specific districts	<b>2</b>	(6)
Tax effect of non-taxable income	<b>(2)</b>	(64)
Tax effect of non-deductible expenses	<b>188</b>	1,559
Tax effect of tax losses not recognised	<b>118</b>	342
Utilisation of tax losses previously not recognised	<b>(6)</b>	—
Over provision in prior year	<b>(33)</b>	—
Income tax credit for the year	<b>(33)</b>	—

## 8. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2022, nor has any dividend been proposed since the end of the reporting period (2021: Nil).

## 9. LOSS PER SHARE

	2022 <i>SGD'000</i>	2021 <i>SGD'000</i>
Loss for the year attributable to the owners of the Company	<u>(1,730)</u>	<u>(10,773)</u>
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share ( <i>note</i> )	<u>720,000</u>	<u>656,548</u>

*note:* The weighted average number of 656,548,000 ordinary shares in issue during the year ended 31 December 2021 has been adjusted for the issue of consideration shares on 13 July 2021.

The diluted loss per share is the same as the basic loss per share as there were no potential dilutive ordinary shares in issue for both years ended 31 December 2022 and 2021.

## 10. PROPERTY, PLANT AND EQUIPMENT

	<b>Building</b> <i>SGD'000</i>	<b>Leasehold improvement</b> <i>SGD'000</i>	<b>Motor vehicles</b> <i>SGD'000</i>	<b>Computer and office equipment</b> <i>SGD'000</i>	<b>Total</b> <i>SGD'000</i>
<b>Cost</b>					
As at 1 January 2021	380	61	129	402	972
Additions	–	4	–	42	46
Written off	–	(55)	–	(5)	(60)
Exchange adjustments	–	–	2	5	7
As at 31 December 2021 and 1 January 2022	380	10	131	444	965
Additions	–	27	–	11	38
Exchange adjustments	–	–	–	(1)	(1)
As at 31 December 2022	380	37	131	454	1,002
<b>Accumulated depreciation and impairment</b>					
As at 1 January 2021	75	57	77	349	558
Charge for the year	6	4	22	44	76
Written off	–	(55)	–	(5)	(60)
Impairment loss	–	4	31	53	88
Exchange adjustments	–	–	1	3	4
As at 31 December 2021 and 1 January 2022	81	10	131	444	666
Charge for the year	7	15	–	4	26
As at 31 December 2022	88	25	131	448	692
<b>Carrying amounts</b>					
<b>As at 31 December 2022</b>	<u>292</u>	<u>12</u>	<u>–</u>	<u>6</u>	<u>310</u>
As at 31 December 2021	<u>299</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>299</u>

## 11. INVESTMENT PROPERTY

SGD'000

### Cost

As at 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022 1,550

### Accumulated depreciation

As at 1 January 2021 181

Charge for the year 26

As at 31 December 2021 and 1 January 2022 207

Charge for the year 26

As at 31 December 2022 233

### Carrying amount

**As at 31 December 2022** 1,317

As at 31 December 2021 1,343

The investment property of the Group consists of an industrial building. It is located at 81 Tagore Lane, #02-22, Tag. A, Singapore 787502. The estimated useful life of the investment property is 60 years. The Group owns the investment property in the form of freehold land in Singapore, which is leased out under operating lease. The lease typically runs for an initial period of 2 years. The lease was subsequently terminated with effect from 31 January 2023 and the unit is currently vacant. The investment property is stated at a cost less accumulated depreciation and any impairment loss.

For disclosure purpose, the fair value of the Group's investment property at 31 December 2022 is SGD1,680,000 (2021: SGD1,780,000). The fair value has been arrived at on the basis of a valuation carried out by Vincorn Consulting and Appraisal Limited, an independent qualified professional valuer not connected with the Group.

## 12. TRADE AND OTHER RECEIVABLES

	2022 <i>SGD'000</i>	2021 <i>SGD'000</i>
Trade receivables	2,242	2,186
Less: allowance for expected credit losses (“ECL”)	<u>(195)</u>	<u>(120)</u>
	<u>2,047</u>	<u>2,066</u>
Other receivables	20	30
Prepayments and deposits	268	134
Less: allowance for ECL	<u>(1)</u>	<u>(1)</u>
	<u>287</u>	<u>163</u>
	<u><u>2,334</u></u>	<u><u>2,229</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 civil and structural 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 ECL, is as follows:

	2022 <i>SGD'000</i>	2021 <i>SGD'000</i>
0–30 days	1,709	1,374
31–60 days	122	467
61–90 days	64	68
91–180 days	48	64
181–365 days	83	69
Over 365 days	<u>21</u>	<u>24</u>
	<u><u>2,047</u></u>	<u><u>2,066</u></u>

At the end of each reporting period, the Group reviewed trade receivables for impairment on both individual and collective basis. Based on the assessment, an accumulated allowance for ECL of approximately SGD195,000 has been recognised as at 31 December 2022 (2021: SGD120,000).

### 13. TRADE AND OTHER PAYABLES

	2022 <i>SGD'000</i>	2021 <i>SGD'000</i>
Trade payables	63	134
Other payables	260	294
Accrued expenses	791	882
	<u>1,114</u>	<u>1,310</u>

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:

	2022 <i>SGD'000</i>	2021 <i>SGD'000</i>
0–30 days	–	–
31–60 days	–	71
61–90 days	–	–
91–180 days	2	12
Over 180 days	61	51
	<u>63</u>	<u>134</u>

### 14. BORROWING

	2022 <i>SGD'000</i>	2021 <i>SGD'000</i>
Current — secured		
Bank loan ( <i>note</i> )	41	51
Non-current — secured		
Bank loan ( <i>note</i> )	703	740
	<u>744</u>	<u>791</u>

According to the repayment schedule, the bank loan is repayable as follows:

	<b>2022</b>	2021
	<b>SGD'000</b>	SGD'000
Within one year	<b>41</b>	51
More than one year, but not more than two years	<b>45</b>	53
More than two years, but not more than five years	<b>155</b>	170
More than five years	<b>503</b>	517
	<u><b>744</b></u>	<u>791</u>

*note:*

As at 31 December 2022, the mortgage loan facility was secured by the investment property with carrying amount of approximately SGD1,317,000 (2021: SGD1,343,000) (Note 11) and was interest bearing at 3-month Singapore Interbank Offered Rate plus 3% per annum.

## 15. 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 2021, 31 December 2021, 1 January 2022 and 31 December 2022			
Ordinary shares of HK\$0.01 each	5,000,000,000	<u>50,000</u>	<u>8,803</u>
Issued and fully paid:			
As at 1 January 2021	600,000,000	6,000	1,048
Issuance of consideration shares ( <i>note</i> )	<u>120,000,000</u>	<u>1,200</u>	<u>209</u>
As at 31 December 2021, 1 January 2022 and 31 December 2022	<u>720,000,000</u>	<u>7,200</u>	<u>1,257</u>

*note:*

On 13 July 2021, 120,000,000 consideration shares were issued at market price of HK\$0.385 per share in relation to acquisition of an associate. Difference between nominal value of share issue of approximately SGD7,826,000 standing to the credited for the share premium.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group has been operating in the civil and structural engineering market in Singapore for more than 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.

Geopolitical and economic uncertainties continued to weigh on global financial markets. It causes general disruptions of production, supply chain and logistic of services, hike in interest rate as well as raising in costs. The global markets remain challenging and market sentiments still have to take a long time to fully recover.

### **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 economics.

The Company constantly engage proactive thinking and evaluating business strategies of the Group to enable better use of capital and 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 more value to shareholders through acquiring businesses or projects that have promising outlooks and prospects.



## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately SGD1.4 million or 15.9%, from approximately SGD8.8 million for the year ended 31 December 2021 to approximately SGD10.2 million for the year ended 31 December 2022. The increase in revenue was mainly due to conventional projects which accounted for approximately SGD4.8 million for the year ended 31 December 2022, representing an increase of approximately SGD1.2 million from approximately SGD3.6 million for the year ended 31 December 2021.

The increase in revenue was primarily due to further relaxation of COVID-19 measures in both Singapore and Vietnam and slowly back to normalcy despite the disruption of supply for raw materials and components for construction industry and manpower shortages remained.

### **Cost of Services**

The Group's cost of services increased by approximately SGD0.6 million or 7.4%, from approximately SGD8.1 million for the year ended 31 December 2021 to approximately SGD8.7 million for the year ended 31 December 2022 which was largely due to (i) adjustment of staff salary by lower 5% to 20% for the period from March 2021 to May 2021, but none in 2022 and (ii) replacement with a more senior staff with higher salary for junior staff to increase the efficiencies in work.

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

The Group's gross profit increased by approximately SGD0.7 million or 87.5%, from approximately SGD0.8 million for the year ended 31 December 2021 to approximately SGD1.5 million for the year ended 31 December 2022, which mainly due to increase in revenue as mentioned above.

### **Other Income**

Other income decreased by approximately SGD376,000 or 48.9%, from approximately SGD769,000 for the year ended 31 December 2021 to approximately SGD393,000 for the year ended 31 December 2022, which was primarily due to lesser amount received from government as subsidy for manpower costs.

## **Administrative Expenses**

The Group's administrative expenses decreased by approximately SGD0.4 million or 11.1%, from approximately SGD3.6 million for the year ended 31 December 2021 to approximately SGD3.2 million for the year ended 31 December 2022, which mainly due to (i) lower manpower cost because of turnover of admin staff in both Singapore and Vietnam and (ii) lower in depreciation costs.

## **Allowance for Expected Credit Losses**

Allowance of expected credit losses increased by approximately SGD89,000 or 30.8%, from approximately SGD289,000 for the year ended 31 December 2021 to approximately SGD378,000 for the year ended 31 December 2022.

## **Impairment Losses on Property, Plant and Equipment and Right-of-Use Assets**

No impairment loss on property, plant and equipment and right-of-use assets recognised during the year ended 31 December 2022 (2021: SGD0.3 million).

## **Impairment Loss on Interest in an Associate**

An impairment loss recognised on interest in an associate was approximately SGD24,000 (2021: SGD7.9 million). The Group assesses whether there is an objective evidence showing the interest in an associate may be impaired. Whenever there is any objective evidence, the entire carrying amount of the investment (including goodwill) will be tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, (including goodwill), that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases. The amount of the impairment loss are recognised in profit and loss.

## **Share of Result of an Associate**

During the year ended 31 December 2022, the Group has share of loss of an associate approximately SGD1,000 (2021: SGD0.1 million).

## **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 increased by approximately SGD8,000 or 28.6% from approximately SGD28,000 for the year ended 31 December 2021 to approximately SGD36,000 for the year ended 31 December 2022.

## **Income Tax Credits**

The income tax credit for the year ended 31 December 2022 was mainly due to over provision in prior year.

## **Loss for the Year**

The loss for the year ended 31 December 2022 was approximately SGD1.7 million, as compared with the loss of approximately SGD10.8 million for the year ended 31 December 2021. The decrease in loss was mainly attributable to (i) impairment loss recognised in respect to the interest in an associate for the year ended 31 December 2021, (ii) impairment loss recognised in respect to the property, plant and equipment and rights-of-use assets, (iii) higher revenue generated and lower cost of services as discussed above and administrative expenses.

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

As at 31 December 2022,

- (a) the Group's total assets decreased to approximately SGD6.2 million (2021: approximately SGD8.2 million) while the total equity decreased to approximately SGD3.9 million (2021: approximately SGD5.7 million);
- (b) the Group's current assets decreased to approximately SGD4.6 million (2021: approximately SGD6.6 million) while the current liabilities decreased to approximately SGD1.6 million (2021: approximately SGD1.7 million);
- (c) the Group has bank and cash balances and short-term bank deposits of approximately SGD2.2 million (2021: SGD3.9 million);
- (d) there was a bank borrowing of approximately SGD0.7 million (2021: SGD0.8 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 2022, the gearing ratio was approximately 31.6% (2021: 21.8%).

## **CAPITAL EXPENDITURE**

Capital expenditure during the year ended 31 December 2022 was primarily attributable to expenditure on leasehold improvements and office equipment, totalling SGD38,000 (2021: SGD46,000) to cope with our operation needs.

## **DIVIDEND**

The Board has resolved not to declare any dividend for the year ended 31 December 2022 (2021: Nil).

## **FUTURE PLANS FOR CAPITAL ASSETS**

As at 31 December 2022, save as disclosed in the section headed “Material Acquisition or Disposal of Subsidiaries and Associated Companies”, the Group currently has no other plan for capital assets (2021: Nil).

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

The Group had charges on the investment property of carrying amount as at 31 December 2022 of SGD1,317,000 (31 December 2021: SGD1,343,000) for a mortgage loan facility.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

The Group did not have any significant investments, material acquisitions, disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2022.

## **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 2022, 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 nor any material capital commitments (2021: Nil).

## 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 2022 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 2022		Approximate actual amount utilised as at 31 December 2022	Unused amount of Net Proceeds as at 31 December 2022 (Note 2)	Expected timeline for utilising the remaining Net Proceeds (Notes 1 and 2)
	HKD' million	%	HKD' million	HKD' million	
Expand our operation in Singapore	6.2	29.3%	0.7 (Note 3)	5.5	Expected to be fully utilised on or before 31 December 2023
Expand our operation in Vietnam	4.9	23.5%	– (Note 4)	4.9	Expected to be fully utilised on or before 31 December 2023
Setting up a supporting office in Hong Kong	4.0	18.8%	0.5 (Note 5)	3.5	Expected to be fully utilised on or before 31 December 2023
Enhancement of our information technology system	2.5	11.8%	– (Note 6)	2.5	Expected to be fully utilised on or before 31 December 2023
Improve our PPVC knowhow by investing further in research and development	1.5	7.4%	1.5	–	–
Sales and marketing	0.3	1.4%	0.3	–	–
Scholarships	0.4	1.8%	0.2	0.2	Expected to be fully utilised on or before 31 December 2023
Working capital	1.3	6.0%	1.3	–	–
	<u>21.1</u>	<u>100.0%</u>	<u>4.5</u>	<u>16.6</u>	

*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 2022, approximately HK\$0.7 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 since beginning of 2021. The Group will continue to identify suitable locations fulfilling our expected scale of operations but the rental rate has surged in recent months has deferred the process.
4. The Group has expanded the current office area while in the progress to identify suitable locations as the rental rate at the current office area has surged 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 beginning of Year 2020.
5. Up to 31 December 2022, approximately HK\$0.5 million of the Net Proceeds was utilised for expanding our operation in Hong Kong. The Group has delayed the hiring of manpower due to economic uncertainties and strive to secure for business opportunities 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 delayed due to work from home arrangement for the past years because of Covid-19.

The remaining Net Proceeds as at 31 December 2022 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong. Up to 31 December 2022, 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 global economy uncertainties as discussed in this announcement.

The Group has adopted a cautious and prudent approach in implementing the business expansion and growth plans. 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 2022, the Group had a total of 155 employees (2021: 156 employees). The Group's staff costs for the year ended 31 December 2022 amounted to approximately SGD9.9 million (2021: SGD9.2 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 the date of this announcement, a total of 60,000,000 shares, representing 8.33% 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 2022 and 2021.

## **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 2022, except Provision C.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 C.2.1**

Provision C.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 C.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 2022.

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 2022.

## **EVENTS AFTER REPORTING PERIOD**

### **Discloseable Transaction**

On 10 February 2023, the Group entered into a provisional agreement, as vendor, with an independent third party, as purchaser, to dispose of a property in Singapore at a consideration of SGD780,000. The transaction is expected to be completed on or before 8 May 2023. Upon completion of the transaction, the purchaser shall lease the property to TW-Asia Consultants Pte Ltd, an indirect wholly-owned subsidiary of the Company, for the Group's use for a monthly rent of SGD3,450 for a term of two years commencing on or before 8 May 2023. The value of the right-of-use asset recognised by the Group under the abovementioned lease amounts to approximately SGD82,800, which is calculated with reference to the present value of the aggregated lease payments to be made under the lease in accordance with the applicable accounting standards. For further details, please refer to the announcement of the Company dated 15 February 2023.

### **AUDIT COMMITTEE**

The audit committee (the “**Audit Committee**”) of the Company has reviewed together with the management 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 2022. 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 2022, 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, 13 June 2023 to Friday, 16 June 2023, 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, 12 June 2023.

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

This results announcement is published on the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) 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 2022 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 2022.

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

Hong Kong, 23 March 2023

*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).*