



WMCH Global Investment Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8208

2022
First Quarterly Report

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*This report, 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.*

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Seng (*Chairman and
Chief Executive Officer*)

Ms. Leow Geok Mui

Mr. Lim Chin Keong

Mr. Heng Kim Huat

Independent Non-Executive Directors

Dr. Tan Teng Hooi

Mr. Ng Shing Kin

Mr. Leong Jay

AUDIT COMMITTEE

Mr. Ng Shing Kin (*Chairman*)

Dr. Tan Teng Hooi

Mr. Leong Jay

REMUNERATION COMMITTEE

Mr. Leong Jay (*Chairman*)

Mr. Wong Seng

Dr. Tan Teng Hooi

Mr. Ng Shing Kin

NOMINATION COMMITTEE

Dr. Tan Teng Hooi (*Chairman*)

Ms. Leow Geok Mui

Mr. Leong Jay

Mr. Ng Shing Kin

COMPANY SECRETARY

Mr. Chan Kim Sun

Certified Public Accountant

COMPLIANCE OFFICER

Mr. Wong Seng

INDEPENDENT AUDITOR

HLB Hodgson Impey Cheng Limited
Certified Public Accountant

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., 148 Electric Road,

North Point, Hong Kong

(with effect from 8 January 2021)

LEGAL ADVISERS

D. S. Cheung & Co

29/F, Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

PRINCIPAL BANKERS

DBS Bank Ltd

United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong

COMPANY WEBSITE

<http://www.tw-asia.com>

STOCK CODE

8208



Unaudited First Quarterly Results

The board of Directors (the “**Board**”) of WMCH Global Investment Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2022 together with the comparative figures as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

		Three months ended 31 March	
	<i>Notes</i>	2022 SGD'000	2021 SGD'000
Revenue	3	2,089	2,129
Cost of services		(2,229)	(1,832)
Gross (loss)/profit		(140)	297
Other income, gains and losses, net	4	126	358
Administrative expenses	5	(823)	(724)
Share of result of an associate		30	–
Finance costs		(9)	(8)
Loss before income tax	6	(816)	(77)
Income tax expense	7	–	(29)
Loss for the period		(816)	(106)
Other comprehensive income for the period			
<i>Item that may be reclassified subsequently to profit and loss:</i>			
Exchange differences arising on translation of foreign operation		–	42
Other comprehensive income for the period, net of tax		–	42
Total comprehensive loss for the period		(816)	(64)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

		Three months ended 31 March	
		2022	2021
		SGD'000	SGD'000
<i>Notes</i>			
Loss for the period attributable to:			
	Owners of the Company	(816)	(106)
Total comprehensive loss for the period attributable to:			
	Owners of the Company	(816)	(64)
Loss per share			
	— Basic and diluted (in Singapore cents) 9	(0.01)	(0.02)

Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended 31 March 2022

	Share capital SGD'000	Share premium SGD'000	Other reserve SGD'000	(Accumulated losses)/ retained earnings SGD'000	Exchange reserve SGD'000	Total SGD'000
Balance as at 1 January 2022	1,257	14,754	1,128	(2,951)	(264)	13,924
Loss for the period	-	-	-	(816)	-	(816)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-
Balance at 31 March 2022	1,257	14,754	1,128	(3,767)	(264)	13,108
Balance as at 1 January 2021	1,048	6,928	1,128	(448)	(330)	8,326
Loss for the period	-	-	-	(106)	-	(106)
Other comprehensive income for the period	-	-	-	-	42	42
Total comprehensive income for the period	-	-	-	(106)	42	(64)
Balance at 31 March 2021	1,048	6,928	1,128	(554)	(288)	8,262

Notes to the Consolidated Financial Statements (Unaudited)

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 the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent company 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 is in 28 Sin Ming Lane, #04-136 Midview City, Singapore 573972. The Company has been registered as a non-Hong Kong company under part 16 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the “**CO**”) on 18 January 2019. Its shares were initially listed (the “**Listing**”) on the GEM of the Stock Exchange (the “**GEM**”) on 29 November 2019 (the “**Listing Date**”).

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. 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.

These consolidated financial statements have not been audited.

Notes to the Consolidated Financial Statements (Unaudited)

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard issued by the International Accounting Standard Board, 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 year. 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 a historical cost basis except for certain financial instruments that are measured at fair value or revalued amounts 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 the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Notes to the Consolidated Financial Statements (Unaudited)

2. BASIS OF PREPARATION (Continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in preparing the audited financial statements for the year ended 31 December 2021.

The IASB has issued a number of amendments to IFRSs. The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

3. 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:

	Three months ended 31 March	
	2022 SGD'000	2021 SGD'000
Consultancy services fee	2,023	2,017
Other service fee	66	112
	2,089	2,129

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.

Notes to the Consolidated Financial Statements (Unaudited)

3. REVENUE AND SEGMENT INFORMATION (Continued)

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 sites are located, is detailed below:

	Three months ended 31 March	
	2022 SGD'000	2021 SGD'000
Singapore	1,606	1,729
Vietnam	483	239
Other (Note)	–	161
	2,089	2,129

Note: Other geographical locations are mainly located in the Indonesia.

4. OTHER INCOME, GAINS AND LOSSES, NET

	Three months ended 31 March	
	2022 SGD'000	2021 SGD'000
Interest income	2	4
Rental income	7	7
Government grants (note)	96	292
Exchange (loss)/gain, net	(2)	24
Other income or loss	23	31
	126	358

Note: The government grants received mainly comprise of the 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 unfulfilled conditions or contingencies relating to those government grants.

Notes to the Consolidated Financial Statements (Unaudited)

5. ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of staff expenses and benefits not directly relating to the execution of our projects, as well as depreciation, office expenses, rent and rates, legal and professional fee, and travelling expenses.

	Three months ended 31 March	
	2022 SGD'000	2021 SGD'000
Auditor's remuneration	2	2
Depreciation	36	36
Depreciation of right-of-use assets	26	19
Insurance	38	26
Legal and professional fee	108	126
Office expenses	58	66
Rents and rates	8	12
Research and development expenses	70	61
Employment Expenses	476	371
Travelling	-	3
Others	2	2
	824	724

Notes to the Consolidated Financial Statements (Unaudited)

6. LOSS BEFORE INCOME TAX

	Three months ended 31 March	
	2022	2021
	SGD'000	SGD'000
Loss before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) (<i>Note</i>)		
— Salaries, wages and other benefits	2,463	1,961
— Contributions to defined contribution retirement plans	246	199
	2,709	2,160
(b) Other items		
Depreciation for property, plant and equipment and investment property	36	36
Depreciation of right-of-use assets	26	19
Research and development expense	70	61

Note:

Staff costs (including directors' emoluments)

	2022	2021
	SGD'000	SGD'000
Cost of services	2,163	1,728
Administrative expenses	546	432
	2,709	2,160

Notes to the Consolidated Financial Statements (Unaudited)

7. INCOME TAX EXPENSE

	Three months ended 31 March	
	2022 SGD'000	2021 SGD'000
Current tax		
Tax expense for the period	-	(29)
Income tax expense	-	(29)

The applicable tax rate of subsidiaries in Singapore and Vietnam are 17% and 20% respectively for the year ended 31 December 2021.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted 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%.

In Singapore, the partial tax exemption scheme allows for (i) 75% tax exemption on the first S\$10,000 of normal chargeable income; and (ii) a further 50% tax exemption on the next S\$190,000 of normal chargeable income.

8. DIVIDENDS

The Board has not declared the payment of any dividend for the three months ended 31 March 2022 (2021: Nil).

Notes to the Consolidated Financial Statements (Unaudited)

9. LOSS PER SHARE

	Three months ended 31 March	
	2022 SGD'000	2021 SGD'000
Loss for the year attributable to the owners of the Company	(816)	(106)
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earning per share (<i>Note</i>)	656,548	600,000

Note: The calculation of basic loss per share is based on the loss attributable to owners of the Company for the period of approximately SGD(816,000) (2021: SGD(106,000)) and the weighted average number of 656,548,000 (2021: 600,000,000) ordinary shares in issue during the three months ended 31 March 2022.

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. EVENTS AFTER THE REPORTING PERIOD

Since January 2020, the outbreak of a novel coronavirus (“**COVID-19**”) has impacted the global business environment. Up to the date of these financial statements, our Group was adversely affected by COVID-19 and our revenue has been impacted negatively.

Most of the countries in the world has implemented various measures to contain and minimize the transmission of COVID-19 including country or area lockdown and travel restriction. The prolong of COVID-19 outbreak has led to severe labour shortage and disruption of global supply chain of materials and components in construction industry. These resulted in rising cost of construction materials and caused delays and low productivity in building and housing projects.

Notes to the Consolidated Financial Statements (Unaudited)

10. EVENTS AFTER THE REPORTING PERIOD (Continued)

Pending the development and spread of COVID-19 subsequent to the date of the unaudited consolidated result, 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 economy is expected to recover with the gradual resumption of economy sectors and reopening of international borders following high vaccination rate. The Group will continue monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Group.

Management Discussion and Analysis

BUSINESS REVIEW

The Group has been operating in the civil and structural engineering market in Singapore for more than 15 years. Leveraging on our industry experience in Singapore, we started providing civil and structural engineering consultancy services in Vietnam in 2009. The Group mainly provides services in Singapore and Vietnam. Our Group provides the following services: (i) civil and structural engineering consultancy services; and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings.

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

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 markets the Group operates in, the Directors believe that the Group is well-positioned to compete against our current competitors, though we opine that in the coming financial years it will continue to be challenging for our industry sector due to the uncertain global environment stemming from the US-China Trade war which will lead to a slump in global demand for goods and services in different industries and rising costs in Singapore, Vietnam and Hong Kong, and the outbreak of COVID-19 that may further affect Singapore, Vietnam and Hong Kong's economics.

Management Discussion and Analysis

FUTURE PROSPECTS (Continued)

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

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately SGD40,000 or 1.9%, from approximately SGD2,129,000 for the three months ended 31 March 2021 to approximately SGD2,089,000 for the three months ended 31 March 2022. The decrease of revenue was mainly due to (i) prefabricated prefinished volumetric construction (the "PPVC") projects which accounted for approximately SGD1.0 million for the three months ended 31 March 2022, representing an decrease of approximately SGD0.3 million from approximately SGD1.3 million for the three months ended 31 March 2021 and (ii) conventional projects which accounted for approximately SGD1.0 million for the three months ended 31 March 2022, representing an increase of approximately SGD0.3 million from approximately SGD0.7 million for the three months ended 31 March 2021. The increased mainly because of gradual resumption of construction activities comparing to three months ended 31 March 2021.

Cost of Services

The Group's cost of services increased by approximately SGD0.4 million or 22.2%, from approximately SGD1.8 million for the three months ended 31 March 2021 to approximately SGD2.2 million for the three months ended 31 March 2022 which was largely due to (i) adjustment of staff salary by lower 5% to 20% for March 2021 but none in 2022 and (ii) replacement with a more senior staff with higher salary for the junior staff to increase the efficiencies in work.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Other Income, Gains, and Losses, Net

Other income decreased by approximately SGD232,000 or 64.8%, from approximately SGD358,000 for the three months ended 31 March 2021 to approximately SGD126,000 for the three months ended 31 March 2022, which was primarily due to no amount received from government as subsidy for manpower costs.

Administrative Expenses

The Group's administrative expenses increased by approximately SGD0.1 million or 14.3%, from approximately SGD0.7 million for the three months ended 31 March 2021 to approximately SGD0.8 million for the three months ended 31 March 2022, which was mainly due to adjustment of staff salary by lower 5% to 20% for March 2021 but none in 2022.

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 SGD9,000 and SGD8,000 for the three months ended 31 March 2022 and 2021 respectively.

Income Tax Expenses

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

The Group's income tax expenses decreased by approximately SGD29,000 or 100.0% from income tax expense of approximately SGD29,000 for the three months ended 31 March 2021 primarily due to loss for the three months ended 31 March 2022.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Loss For The Period

The loss for the three months ended 31 March 2022 was approximately SGD0.8 million, as compared with the loss of approximately SGD0.1 million for the three months ended 31 March 2021. The higher loss for the three months ended 31 March 2022 was mainly due to increased in cost of services and administrative expenses as discussed above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2022,

- (a) the Group's total assets decreased to approximately SGD15.2 million (2021: approximately SGD10.6 million) while the total equity increased to approximately SGD13.1 million (2021: approximately SGD8.3 million);
- (b) the Group's current assets decreased to approximately SGD5.4 million (2021: approximately SGD8.7 million) while the current liabilities decreased to approximately SGD1.3 million (2021: approximately SGD1.5 million);
- (c) the Group has bank and cash balances and short-term bank deposits of approximately SGD3.3 million (2021: SGD5.0 million);
- (d) there was a bank borrowing of approximately SGD0.8 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 March 2022, the gearing ratio was not applicable to the Group (2021: Nil).

CAPITAL EXPENDITURE

Capital expenditure during the three months ended 31 March 2022 was primarily attributable to expenditures on leasehold improvements and computers and office equipment, totalling SGD16,000 (2021: SGD10,000), to cope with our operation needs.

Management Discussion and Analysis

INTERIM DIVIDENDS

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

SIGNIFICANT INVESTMENT

As at 31 March 2022, save as disclosed in the section headed “Future Plans For Material Investments And Capital Assets” in this report, the Group did not hold any other significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

On 31 May 2021 and 30 June 2021, the Company entered into respectively a conditional acquisition agreement and a supplemental agreement with Mr. Lau Yu Fung (the “**Seller**”), pursuant to which the Company has conditionally agreed to acquire the Sale Shares, representing 40% of the issued share capital of Eidea Professional Services Company Limited (the “**Eidea**”) and the Company conditionally agreed to allot and issue of 120,000,000 New Shares by the Company to the Seller under the General Mandate at the issue price of HK\$0.18 per New Share upon Completion.

The completion of the acquisition took place on 13 July 2021. An aggregate of 120,000,000 new ordinary shares of the Company of par value of HK\$0.01 each (the “**New Shares**”), representing approximately 20.0% of the total number of ordinary shares in issue as enlarged by the allotment and issue of the Subscription Shares, were allotted and issued to the Seller at the Subscription price of HK\$0.18 per New Share. The gross proceeds from the allotment and issuance of New Share amounted to HK\$21,600,000.

As disclosed in the announcements of the Company dated 31 March 2022, 28 April 2022 and 11 May 2022, the accounting staff of Eidea was infected with COVID-19 and unable to deliver the management accounts and supporting documents required for audit timely. As such, the auditors of the Company would require additional time for completion of the audit work in respect of the financial information of the Group for the year ended 31 December 2021. As such, the financial information of the Group’s unaudited first quarterly result for the three months ended 31 March 2022 is subject to the completion of the Group’s audited annual results for the year ended 31 December 2021 shall there be any audit adjustment(s).

Management Discussion and Analysis

INDEBTEDNESS AND CHARGES ON GROUP ASSETS

As at 31 March 2022 and 2021, the Group had charges on the investment property of carrying amount as at 31 March 2022 of SGD1,337,000 (31 March 2021: SGD1,363,000) for a mortgage loan facility.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in the Company's prospectus dated 14 November 2019 (the "**Prospectus**") and in this quarterly report, the Group did not have any material acquisitions, disposals of subsidiaries, associated companies and joint ventures during the three months ended 31 March 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 LIABILITY AND CAPITAL COMMITMENT

As at 31 March 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 (2021: Nil) nor any material capital commitments (2021: Nil).



Management Discussion and Analysis

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 29 November 2019 (the “**Listing Date**”) up to 31 March 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		Approximate actual amount utilised as at 31 March 2022	Unused amount of Net Proceeds as at 31 March 2022	Expected timeline for utilising the remaining Net Proceeds
	HKD' million	%	HKD' million	(note 2) HKD' million	(notes 1 and 2)
Expand our operation in Singapore	6.2	29.3%	0.5 (note 3)	5.7	Expected to be fully utilised on or before 31 December 2022
Expand our operation in Vietnam	4.9	23.5%	– (note 4)	4.9	Expected to be fully utilised on or before 31 December 2022
Setting up a supporting office in Hong Kong	4.0	18.8%	0.4 (note 5)	3.6	Expected to be fully utilised on or before 31 December 2022
Enhancement of our information technology system	2.5	11.8%	– (note 6)	2.5	Expected to be fully utilised on or before 31 December 2022

Management Discussion and Analysis

USE OF PROCEEDS FROM THE SHARE OFFER AND IMPLEMENTATION OF BUSINESS STRATEGIES (Continued)

Business strategies	Planned use of Net Proceeds (as stated in the Prospectus) in respect of business objectives from the Listing Date		Approximate actual amount utilised as at 31 March 2022	Unused amount of Net Proceeds as at 31 March 2022	Expected timeline for utilising the remaining Net Proceeds
	HKD' million	%	HKD' million	HKD' million	(note 2) (notes 1 and 2)
Improve our PPVC knowhow by investing further in research and development	1.5	7.4%	– (note 7)	1.5	Expected to be fully utilised on or before 31 December 2022
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 2022
Working capital	1.3	6.0%	1.3	–	–
	21.1	100.0%	2.7	18.4	



USE OF PROCEEDS FROM THE SHARE OFFER AND IMPLEMENTATION OF BUSINESS STRATEGIES (Continued)

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 March 2022, approximately HK\$0.5 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 2020. 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 March 2022, approximately HK\$0.4 million of the Net Proceeds was utilised for expanding our operation in Hong Kong. The Group decided not to renew the lease agreement for the unit office but rented a small unit instead due to delay in hiring of manpower. The Group will delay the hiring of manpower due to 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.

Management Discussion and Analysis

USE OF PROCEEDS FROM THE SHARE OFFER AND IMPLEMENTATION OF BUSINESS STRATEGIES (Continued)

The remaining Net Proceeds as at 31 March 2022 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong. Up to 31 March 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 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 March 2022, the Group had a total of 151 employees (2021: 156 employees). The Group's staff costs for the period ended 31 March 2022 amounted to approximately SGD2.5 million (2021: SGD2.6 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 March 2022, 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 March 2022.

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

As at 31 March 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Company's share (the “Shares”)

Name of Director	Capacity/Nature	Number of ordinary Shares held/interested	Percentage of shareholding
Mr. Wong Seng (Notes 2 and 3)	Interest of controlled corporation	367,212,000 (L) (Note 1)	51.0%
Mr. Wong Seng (Notes 2 and 3)	Personal Interest	708,000	0.1%

Other Information

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Long position in the Shares of associated corporation

Name of Director	Name of associated corporation	Capacity/ Nature	Number of ordinary Shares held/ interested	Percentage of shareholding
Mr. Wong Seng (Note 3)	WMCH Global Holdings Limited	Beneficial owner	1,100 (L) (Note 1)	55%
Ms. Leow Geok Mui ("Mr. Leow") (Note 3)	WMCH Global Holdings Limited	Beneficial owner	400 (L) (Note 1)	20%
Mr. Lim Chin Keong ("Mr. Lim") (Note 3)	WMCH Global Holdings Limited	Beneficial owner	350 (L) (Note 1)	17.5%
Mr. Heng Kim Huat ("Mr. Heng") (Note 3)	WMCH Global Holdings Limited	Beneficial owner	150 (L) (Note 1)	7.5%

Save as disclosed above and so far as is known to the Directors, as at 31 March 2022, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2022 and so far as is known to the Directors, the following entities or persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying Shares, which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name	Capacity/Nature	Number of ordinary Shares held/interested	Percentage of interest
WMCH Global Holdings Limited	Beneficial owner	367,920,000 (L) (Note 1)	51.0%
Ms. Tan Seow Hong (Note 4)	Interest of spouse	367,920,000 (L) (Note 1)	51.0%

Notes:

- The letter "L" demonstrates long position in such securities.
- Mr. Wong Seng beneficially owns 55% of the issued share capital of WMCH Global Holdings Limited which in turn held 367,212,000 Shares. Therefore, Mr. Wong Seng is deemed to be interested in 367,212,000 Shares held by WMCH Global Holdings Limited for the purposes of the SFO.
- WMCH Global Holdings Limited, which holds 51% of the issued share capital of the Company, is an investment holding company owned as to 55% by Mr. Wong Seng, 20% by Ms. Leow, 17.5% by Mr. Lim and 7.5% by Mr. Heng. As such, WMCH Global Holdings Limited, Mr. Wong Seng, Ms. Leow, Mr. Lim and Mr. Heng are considered as a group of controlling shareholders and substantial shareholders for the purpose of the GEM Listing Rules.
- Ms. Tan Seow Hong is the spouse of Mr. Wong Seng and is therefore deemed to be interested in all the Shares which Mr. Wong Seng is interested in for the purpose of the SFO.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Save as disclosed above, as at 31 March 2022, the Directors were not aware of any interests or short positions owned by any entities or persons (other than the Directors or chief executive of the Company) in the Shares or underlying Shares, which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the three months ended 31 March 2022 was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

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 March 2022, 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 March 2022.

SHARE OPTION SCHEME (Continued)

The following is a summary of the principal terms of the Scheme conditionally approved and adopted by written resolutions of our then shareholders on 6 November 2019.

(a) Purpose

The purpose of the Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, subcontractors, agents, clients, business partners or service providers of our Group and to promote the success of the business of our Group.

(b) Who may join and basis of eligibility

On and subject to the terms of the Scheme and the requirements of the GEM Listing Rules, the Board shall be entitled to, at its absolute discretion and on such terms as it deems fit, grant options to any participant.

(c) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by our Board and notified to a participant and shall be at least the higher of:

- (i) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day;
- (ii) the average of the closing prices of our Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and
- (iii) the nominal value of a Share on the date of grant of the option.

For the purpose of calculating the subscription price, where our Company has been listed on the Stock Exchange for less than five business days, the issue price of the Shares on the Stock Exchange shall be used as the closing price for any business day fall within the period before listing.

SHARE OPTION SCHEME (Continued)

(d) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.00.

(e) Maximum number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date (i.e. 60,000,000 Shares).

(f) Maximum entitlement of each participant

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

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

SHARE OPTION SCHEME (Continued)

(g) Grant of options to certain connected persons

- (i) Any grant of an option to a Director, chief executive or substantial shareholder of our Company (or any of their respective close associates) must be approved by our independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).

- (ii) Where any grant of options to a substantial shareholder or an independent non-executive Director (or any of their respective close associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
 - (a) representing in aggregate over 0.1% of our Shares in issue; and
 - (b) having an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options is required to be approved by our shareholders at a general meeting of our Company, with voting to be taken by way of poll. Our Company shall send a circular to our shareholders containing all information as required under the GEM Listing Rules in this regard. All core connected persons of our Company shall abstain from voting (except where any core connected person intends to vote against the proposed grant). Any change in the terms of an option granted to a substantial shareholder or an independent non-executive Director or any of their respective close associates is also required to be approved by our shareholders in the aforesaid manner.

SHARE OPTION SCHEME (Continued)

(h) Restrictions on the times of grant of options

- (i) Our Company may not grant any options after inside information has come to its knowledge until such inside information has been announced. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:
 - (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for our Company to publish an announcement of the results for any year, or half-year under the GEM Listing Rules, or quarterly or other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement.
- (ii) Further to the restrictions in paragraph (i) above, no option may be granted to a Director on any day on which financial results of our Company are published:
 - (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half year period up to the publication date of the results.

(i) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(j) Period of the Share Option Scheme

The Scheme will remain in force for a period of ten years commencing on the date on the Adoption Date and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by our shareholders in general meeting.

CHANGE OF COMPLIANCE ADVISER

As disclosed in the Company's announcement dated 1 March 2021, Advent Corporate Finance Limited ("**Advent**") has resigned as the compliance adviser with effect from 1 March 2021 due to recent changes of personnel of Advent.

Wilson International Capital Limited ("**Wilson Capital**") has been appointed as the new compliance adviser to the Company as required under Rule 6A.27 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") commencing from 1 March 2021.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Advent to be the compliance adviser of the Company from 1 May 2020 and the appointment of Advent has been terminated on 1 March 2021. Upon termination of the appointment with Advent, the Group has appointed Wilson Capital as its new compliance adviser with effect from 1 March 2021. For further details, please refer to the announcement of the Company in relation to the change of compliance adviser dated 1 March 2021.

As at 31 March 2022 and up to the date of this quarterly report, as advised by Wilson Capital, save for the compliance adviser agreement entered into between Company and Wilson Capital dated 1 March 2021, neither Wilson Capital nor any of its directors or employees or close associates had any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

The Group entered into a master service agreement (the "**Master Service Agreement**") with Master Contract Services Pte. Ltd. ("**MCS**"), MKH (Punggol) Pte. Ltd ("**MKH**") and Prelim Construction Pte. Ltd. ("**Prelim Construction**") (the "**Connected Persons**") on 29 November 2019 for a term commencing from 28 November 2019 and ending on 31 December 2021 (both days inclusive), pursuant to which the Group agreed to provide engineering consultancy services to the Connected Persons. The price for the aforesaid services is determined on order-by-order basis with reference to the prevailing comparable market price after arm's length negotiation between the parties from time to time. These transactions constitute exempt continuing connected transactions for the Company which are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS (Continued)

During the three months ended 31 March 2022, the Group entered into transactions under the Master Service Agreement amounted to SGDNil (2021: SGDNil).

Save as the connected transactions disclosed above, there are no other transactions of the Group during the three months ended 31 March 2022 constituted a connected transaction or continuing connected transaction (as defined in the GEM Listing Rules) that was required to be disclosed.

MCS and MKH, which are controlled by Mr. Leow Ban Leong who is the brother of Ms. Leow Geok Mui (“**Ms. Leow**”), one of the executive Directors and controlling shareholders (as defined in the GEM Listing Rules) of the Company, and Prelim Construction, which is controlled by Ms. Low Yuen Theng who is the sister-in-law of Ms. Leow, are regarded as our connected persons (as defined under Chapter 20 of the GEM Listing Rules). However, they are not regarded as “related parties” pursuant to the provisions of International Accounting Standard (IAS) 24 “Related Party Disclosures” since Mr. Leow Ban Leong and Ms. Low Yuen Theng are not regarded as “close members” of Ms. Leow’s family. As such, the transactions between the Group and MCS, MKH and Prelim Construction are not regarded as related party transactions of the Group.

During the three months ended 31 March 2022, the Group entered into related party transaction amounted to SGDNil (2021: SGDNil).

The Directors consider that those related party transactions did not fall under the definition of “connected transaction” or “continuing connected transaction” in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements. The Group has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the three months ended 31 March 2022.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

There was no transaction, arrangement or contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the three months ended 31 March 2022.

As of 31 March 2022, no contract of significance had been entered into between the Company, or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's memorandum and articles of association (the "**Articles**"), every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Cap. 622)) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the three months ended 31 March 2022.

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

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the three months ended 31 March 2022.

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 during the three months ended 31 March 2022.

Other Information

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the GEM Listing Rules as at the date of this quarterly report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's memorandum and articles of association or the company laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

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 of the GEM Listing Rules.

The Board is of the view that throughout the period from the Listing Date to 31 March 2022, 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.

CORPORATE GOVERNANCE PRACTICES (Continued)

Chairman and Chief Executive Officer

Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer 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 Seng take up both roles for effective management and business development reasons. 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 circumstances.

REVIEW BY AUDIT COMMITTEE

The financial information in this quarterly report has not been audited by the independent auditors of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules and code provision C.3 of the CG Code, the Company established the audit committee (the “**Audit Committee**”) with terms of reference aligned with the code provisions set out in the CG Code.

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Ng Shing Kin (chairman of the Audit Committee), Dr. Tan Teng Hooi and Mr. Leong Jay. It has reviewed together with the management the accounting principles and practices and the auditing, internal controls and financial reporting matters of the Group, which includes the review of this quarterly report and the unaudited consolidated financial statements of the Group for the three months ended 31 March 2022, and is of the opinion that the relevant unaudited condensed consolidated financial statements have been prepared in compliance with the applicable accounting standards and this quarterly report has been prepared in compliance with the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

Since January 2020, the outbreak of a novel coronavirus (“**COVID-19**”) has impacted the global business environment. Up to the date of these financial statements, our Group was adversely affected by COVID-19 and our revenue has been impacted negatively.

Most of the countries in the world has implemented various measures to contain and minimize the transmission of COVID-19 including country or area lockdown and travel restriction. The prolong of COVID-19 outbreak has led to severe labour shortage and disruption of global supply chain of materials and components in construction industry. These resulted in rising cost of construction materials and caused delays and low productivity in building and housing projects.

Pending the development and spread of COVID-19 subsequent to the date of the unaudited consolidated result, 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 economy is expected to recover with the gradual resumption of economy sectors and reopening of international borders following high vaccination rate. The Group will continue monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Group.

On behalf of the Board

Wong Seng

Chairman

Hong Kong, 13 May 2022