



WMCH Global Investment Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8208

2020

INTERIM REPORT

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.

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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 or this report misleading.*

CORPORATE INFORMATION

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

COMPLIANCE OFFICER

Mr. Wong Seng

AUTHORISED REPRESENTATIVES

Mr. Wong Seng
Mr. Chan Kim Sun

COMPANY SECRETARY

Mr. Chan Kim Sun

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

INDEPENDENT AUDITORS

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

Unit 2504, 25th Floor
No. 69 Jervois Street, Sheung Wan
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

D. S. Cheung & Co
29/F, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

PRINCIPAL BANKER

DBS Bank Ltd
United Overseas Bank Limited

CORPORATE INFORMATION (Cont'd)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

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

STOCK CODE

8208

UNAUDITED INTERIM RESULTS

The board of Directors (the “**Board**”) of WMCH Global Investment Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2020 together with the comparative figures as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 SGD'000 (Unaudited)	2019 SGD'000 (Audited)
Revenue	3	3,080	5,996
Cost of services		(4,119)	(3,422)
Gross (loss)/profit		(1,039)	2,574
Other income, gains and losses, net	4	838	23
Administrative expenses	5	(2,250)	(1,265)
Listing expenses		-	(1,995)
Finance costs		(23)	(28)
Loss before income tax	6	(2,474)	(691)
Income tax expense	7	(8)	(173)
Loss for the period		(2,482)	(864)
Other comprehensive loss for the period			
<i>Item that may be reclassified subsequently to profit and loss:</i>			
Exchange differences arising on translation of foreign operation		106	(24)
Other comprehensive profit/(loss) for the period, net of tax		106	(24)
Total comprehensive loss for the period		(2,376)	(888)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

For the six months ended 30 June 2020

		Six months ended 30 June	
<i>Notes</i>	2020	2019	
	SGD'000	SGD'000	
	(Unaudited)	(Audited)	
Loss for the period attributable to:			
Owners of the Company	(2,482)	(864)	
Total comprehensive loss for the period attributable to:			
Owners of the Company	(2,482)	(864)	
Loss per share			
— Basic and diluted (in Singapore cents)	(0.41)	(0.19)	

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	<i>Notes</i>	30 June 2020 SGD'000 (Unaudited)	31 December 2019 SGD'000 (Audited)
Non-current assets			
Property, plant and equipment	10	441	456
Investment property	11	1,382	1,395
Right-of-use assets	12	78	116
		1,901	1,967
Current assets			
Trade and other receivables	13	3,442	3,041
Contract assets	14	1,393	2,519
Cash and bank balances		5,439	7,389
		10,274	12,949
Current liabilities			
Trade and other payables	15	1,552	1,602
Borrowings		22	42
Lease liabilities		84	116
Tax payable		404	432
Amount due to a director	16	235	227
		2,062	2,419
Net current assets		8,212	10,530
Total assets less current liabilities		10,113	12,497

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 30 June 2020

	<i>Notes</i>	30 June 2020 SGD'000 (Unaudited)	31 December 2019 SGD'000 (Audited)
Non-current liabilities			
Borrowings		843	843
Lease liabilities		–	8
		843	851
Net assets			
		9,270	11,646
Capital and reserves			
Share capital	17	1,048	1,048
Reserves		8,222	10,598
Total equity		9,270	11,646

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2020

	Share capital SGD'000	Share premium SGD'000	Other reserve SGD'000	Retained earnings SGD'000	Exchange reserve SGD'000	Dividend reserve SGD'000	Total SGD'000
Balance as at 1 January 2020 (Restated)	1,048	6,928	1,128	2,881	(339)	-	11,646
Loss for the period	-	-	-	(2,482)	-	-	(2,482)
Other comprehensive income for the period	-	-	-	-	106	-	106
Total comprehensive loss for the period	-	-	-	(2,482)	106	-	(2,376)
Balance at 30 June 2020 (unaudited)	1,048	6,928	1,128	399	(233)	-	9,270
Balance as at 1 January 2019	604	-	606	3,718	(280)	-	4,648
Effect of adoption of IFRS 16	-	-	-	(8)	-	-	(8)
As at 1 January 2019 (Restated)	604	-	606	3,710	(280)	-	4,640
Loss for the period	-	-	-	(864)	-	-	(864)
Other comprehensive expenses for the period	-	-	-	-	(24)	-	(24)
Total comprehensive expense for the period	-	-	-	(864)	(24)	-	(888)
Effect of re-organisation	(590)	-	590	-	-	-	-
Balance at 30 June 2019 (audited)	14	-	1,196	2,846	(304)	-	3,752

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	2020 SGD'000	2019 SGD'000
NET CASH USED IN OPERATING ACTIVITIES	(1,887)	(890)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(64)	(96)
Interest received	16	21
NET CASH USED IN INVESTING ACTIVITIES	(48)	(75)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of interest paid	(22)	(57)
Advance/(repayment to) from directors	7	(335)
Repayment of borrowings	(21)	(146)
Repayment of lease liabilities	86	(159)
Proceed from issuance of shares by way of share offer	-	10,513
Transaction costs attributable to issue of new shares	-	(2,605)
Repurchase of issuance of shares	-	(14)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(122)	7,197
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,057)	6,232
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	7,389	1,214
Effect of foreign exchange rate changes	107	(57)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,439	7,389

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 unaudited condensed 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 unaudited condensed consolidated financial statements are presented in thousands of SGD (“**SGD’000**”), unless otherwise stated.

These unaudited condensed consolidated financial statements have not been audited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements by the Rules Governing of the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) and by the CO.

2.1 SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

The outbreak of COVID-19 and the subsequent quarantine measures as well as the travel restrictions imposed by many countries have had negative impacts to the global economy, business environment and directly and indirectly affect the operations of the Group. The Group has to comply with the requirement to work-from-home for a period of time from earliest 1 April 2020 to to-date especially in Singapore due to mandatory government quarantine measures in an effort to contain the spread of the pandemic. On the other hand, the Singapore government has announced some financial measures and support for corporates to overcome the negative impacts arising from the pandemic and certain lessors have provided rent concessions to the Group. As such, the financial positions and performance of the Group were affected in different aspects, including slowdown in project progress as the construction industry has to stop working until further notice or obtain approval from relevant authorities which has caused the delay in revenue recognition. However, there is no reduction in cost of sales due to fixed production overheads during the work-from-home period and the government has provided certain grants in respect of COVID-19 related subsidies of rental and salaries as disclosed in the relevant notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

2. BASIS OF PREPARATION (Continued)

2.2 PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2019.

Application of amendments to IFRSs

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

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

The application of the amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

2. BASIS OF PREPARATION (Continued)

2.2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to IFRSs (Continued)

2.2.1 *Impacts of application on Amendments to HKAS 1 and HKAS 8*

“Definition of Material”

The amendments provide a new definition of material that states “information is material if omitting misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

2.2.2 *Impacts and accounting policies on application of Amendments to HKFRS 3 “Definition of a Business”*

Accounting policies

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

The amendments had no impact on the unaudited condensed consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

2. BASIS OF PREPARATION (Continued)

2.2 PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to IFRSs (Continued)

2.2.1 Accounting policies

Hedge accounting

For the purpose of determining whether a forecast transaction (or a component thereof) in a cash flow hedge is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Assessment of hedging relationship and effectiveness

In assessing the economic relationship between the hedged item and the hedging instrument, the Group assumes that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

Cash flow hedges

For the purpose of reclassifying the amount of accumulated in the cash flow hedge reserve in order to determine whether the hedged future cash flows are expected to occur, the Group assumes the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

The amendments had no impact on the unaudited condensed consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

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:

	Six months ended 30 June	
	2020 SGD'000 (Unaudited)	2019 SGD'000 (Audited)
Consultancy services fee	2,773	5,646
Other service fee	307	350
	3,080	5,996

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) (CONT'D)

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:

	Six months ended	
	30 June	
	2020	2019
	SGD'000	SGD'000
	(Unaudited)	(Audited)
Singapore	2,269	4,408
Vietnam	792	1,438
Other <i>(Note)</i>	19	150
	3,080	5,996

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

4. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended	
	2020	2019
	SGD'000	SGD'000
	(Unaudited)	(Audited)
Interest income	16	9
Rental income	17	–
Government grants (note a)	21	5
Government subsidies (note b)	569	–
Exchange gain/(loss), net	149	(3)
Other income or loss	66	12
	838	23

Notes:

- (a) 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 fulfilled conditions or contingencies relating to those government grants.
- (b) The government subsidies received mainly were the wage support given by Singapore government as part of the effort to help entities to retain their local employees (Singapore Citizens and Permanent Residents) during the outbreak of COVID-19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

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.

	Six months ended 30 June	
	2020 SGD'000 (Unaudited)	2019 SGD'000 (Audited)
Auditor's remuneration	4	6
Depreciation	128	73
Depreciation of right-of-use assets	37	55
Insurance	69	26
Legal and professional fee	751	52
Office expenses	152	203
Rent and rates	31	31
Research and development expense	268	119
Staff expenses and benefits	797	637
Travelling expenses	10	59
Others	3	4
	2,250	1,265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

6. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2020 SGD'000 (Unaudited)	2019 SGD'000 (Audited)
Loss before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) (Note)		
— Salaries, wages and other benefits	3,638	3,506
— Contributions to defined contribution retirement plans	618	369
	4,256	3,875
(b) Other items		
Depreciation for property, plant and equipment and investment property	167	73
Depreciation for right-of-use assets	37	55
Research and development expense	268	119

Note:

Staff costs (including directors' emoluments)

	Six months ended 30 June	
	2020 SGD'000 (Unaudited)	2019 SGD'000 (Audited)
Cost of services	3,527	3,119
Administrative expenses	1,181	756
	4,256	3,875

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

7. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2020 SGD'000 (Unaudited)	2019 SGD'000 (Audited)
Current tax		
Tax expense for the period	8	173
Income tax expense	8	173

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

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.

Tax rebate refers to the corporate income tax rebate which allows a 25% corporate income tax rebate capped at S\$15,000 per year for the year of assessment 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

8. DIVIDENDS

The Board has not declared the payment of any dividend for the six months ended 30 June 2020 (2019: Nil).

9. LOSS PER SHARE

	Six months ended 30 June	
	2020 SGD'000 (Unaudited)	2019 SGD'000 (Audited)
Loss for the year attributable to the owners of the Company	(2,482)	(864)
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (<i>Note</i>)	600,000	450,000

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(2,482,000) (2019: SGD864,000) and the weighted average number of 600,000,000 (2019: 450,000,000) ordinary shares in issue during the six months ended 30 June 2020.

No diluted earnings per share for the six months ended 30 June 2020 and 2019 was presented as there were no potential dilutive ordinary shares in issue during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT

	Building SGD'000	Leasehold improvement SGD'000	Motor vehicles SGD'000	Computer and office equipment SGD'000	Total SGD'000
Cost					
As at 1 January 2020	380	52	130	346	908
Additions	-	-	-	47	47
As at 30 June 2020	380	52	130	393	955
Accumulated depreciation					
As at 1 January 2020	69	35	56	292	452
Charge for the period	3	8	11	40	62
As at 30 June 2020	72	43	67	332	514
Carrying amounts					
As at 30 June 2020 (Unaudited)	308	9	63	61	441

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

11. INVESTMENT PROPERTY

	SGD'000
Cost	
As at 1 January 2020 and 30 June 2020	1,550
Accumulated depreciation	
As at 1 January 2020	155
Charge for the period	13
	<hr/>
As at 30 June 2020	168
Carrying amounts	
As at 30 June 2020 (Unaudited)	1,382

The investment property of the Group consists of an industrial building. It was located at 81 Tagore Lane, #02-22, Tag. A, Singapore 787502 on a leasehold land. The estimated useful life of the investment property is 60 years. The investment property is stated at a cost less accumulated depreciation and any impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

12. RIGHT-OF-USE ASSETS

The Group does not have the option to purchase the right-of-use assets for a nominal amount at the end of the lease terms.

	Buildings SGD'000
Cost	
As at 1 January 2020 and 30 June 2020	278
Accumulated depreciation	
As at 1 January 2020	162
Charge for the period	37
As at 30 June 2020	199
Carrying amounts	
As at 30 June 2020 (Unaudited)	79

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2020 SDG'000 (Unaudited)	As at 31 December 2019 SDG'000 (Audited)
Trade receivables	2,092	2,457
Other receivables	178	47
Prepayments and deposits	1,172	537
	3,442	3,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

13. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables

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

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

	As at 30 June 2020 SGD'000 (Unaudited)	As at 31 December 2019 SGD'000 (Audited)
0–30 days	219	1,092
31–60 days	45	798
61–90 days	225	251
91–180 days	499	143
181–270 days	54	151
271–365 days	29	–
Over 365 days	124	22
	1,195	2,457

At the end of each reporting period, the Group reviewed trade receivables for evidence of impairment on both an individual and collective basis. Based on this assessment, no provision for impairment has been recognised at 31 December 2017 and 31 December 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

14. CONTRACT ASSETS

	As at 30 June 2020 SGD'000 (Unaudited)	As at 31 December 2019 SGD'000 (Audited)
Contract assets	1,393	2,519

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

15. TRADE AND OTHER PAYABLES

	As at 30 June 2020 SGD'000 (Unaudited)	As at 31 December 2019 SGD'000 (Audited)
Trade payables	174	2
Other payables	997	1,197
Accrued expenses	382	403
	1,552	1,602

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

15. TRADE AND OTHER PAYABLES (Continued)

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:

	As at 30 June 2020 SGD'000 (Unaudited)	As at 31 December 2019 SGD'000 (Audited)
0–30 days	174	2

16. AMOUNT DUE TO DIRECTOR

The amount due to a director is unsecured, non-interest bearing, non-trade nature and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

17. SHARE CAPITAL

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

	As at 30 June 2020			As at 31 December 2019		
	Number of shares (unaudited)	HK\$'000 (unaudited)	SGD'000 (unaudited)	Number of shares (audited)	HK\$'000 (audited)	SGD'000 (audited)
Authorised:						
At the beginning of the period/year						
Ordinary shares of HK\$0.01 each (note (a))	5,000,000,000	50,000	8,803	39,000,000	390	69
Increase of ordinary shares (note (b))	-	-	-	4,961,000,000	49,610	8,734
At the end of the period/year	5,000,000,000	50,000	8,803	5,000,000,000	50,000	8,803
Issued and fully paid:						
At the beginning of the period/year	600,000,000	6,000	1,048	50,000	78	14
Share repurchases (note (c))	-	-	-	(50,000)	(78)	(14)
Issue of 39,000,000 shares upon Reorganisation (note (b))	-	-	-	39,000,000	390	68
Issue of shares under capitalisation issue (note (d))	-	-	-	411,000,000	4,110	718
Issue of new shares by way of share offer (note (e))	-	-	-	150,000,000	1,500	262
At the end of the period/year	600,000,000	6,000	1,048	600,000,000	6,000	1,048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

Notes:

- (a) The Company was incorporated on 6 July 2018 with an authorised share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each. On the date of incorporation, one ordinary share was allotted and issued to Mr. Wong, the initial subscriber of the Company upon its incorporation. On the same day, Mr. Wong, Ms. Leow, Mr. Lim and Mr. Heng subscribed the in total 49,999 shares.
- (b) Pursuant to a resolution in writing passed by all the shareholders of the Company on 20 June 2019, the authorised share capital of the Company was increased from HK\$390,000 to HK\$50,000,000 by the creation of a further 4,961,000,000 shares. Following the authorised share capital of the Company was increased, the Company allotted and issued 39,000,000 fully paid shares.
- (c) Pursuant to reorganisation issued share denominated in USD were repurchased and cancelled. Share denominated in HKD were reissued to the controlling shareholders.
- (d) Pursuant to the capitalisation issue of the Company passed by all the shareholders of the Company on 29 November 2019, additional 411,000,000 shares were allotted and issued to WMCH Global Holdings Limited on 29 November 2019.
- (e) The Company was successfully listed on the GEM of the Stock Exchange on 29 November 2019 by way of share offer of 15,000,000 public offer share and 135,000,000 placing shares respectively at the offer price of HK\$0.4 per share, the net proceeds were approximately HK\$21,100,000 after deducting listing-related expenses. The proceeds were proposed to be used to finance the implementation plan as set forth in the section headed "Future Plans and use of Proceeds" of the Company's Prospectus.
- (f) For the purpose of the presentation of the consolidated statement of financial position, the balance of the share capital as at 31 December 2018 represent the aggregate amount of issued share capital of Lion City Global Limited, Blue Synergy Global Limited, Green Spring Global Limited, TW-Asia Consultants Pte. Ltd., Artus Consultancy Services Pte. Ltd. and TW-Asia Consultants (HK) Limited (formerly known as Global Speed Limited).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT'D)

18. 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.

On 31 March 2020, the Prime Minister of Vietnam announced the implementation of 15 days isolation in Ho Chi Minh City, Vietnam from 1 April 2020 and subsequently extended the aforesaid isolation for another 7 days until 22 April 2020. As a result, work at most of the construction sites had to be stopped and full lockdown in Hanoi, Vietnam also stopped work in construction sites there. As such, the Group’s Vietnam subsidiary was greatly affected by the situation.

In addition, on 16 March 2020, the Malaysian government announced a nationwide full lockdown from 18 March 2020 to 31 March 2020 which was subsequently extended to 12 May 2020. This has caused the precast factory located in Malaysia and borders between Malaysia and Singapore to be closed during the above periods and were unable to deliver the precast to Singapore’s construction sites. Further, on 3 April 2020, the Singapore government announced that only essential businesses or services can continue to operate for the period from 7 April 2020 to 4 May 2020 (subsequently extended to 1 June 2020). During these periods, non-essential businesses or services and workplaces such as construction sites have to close or work-from-home. As such, the Group’s Singapore subsidiary was negatively affected since Malaysia announced full lockdown. Singapore government has implemented a few phases for re-opening from 2 June 2020 onwards. Phase 1 re-opening was started from 2 June 2020 to 18 June 2020 and Phase 2 re-opening was started from 9 June 2020 till the date of this interim report. Despite the re-opening of businesses during these periods, most of the constructions sites are yet to resume activities as they have to fulfill government safety measure requirements before given the approval to resume works.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

Due to outbreak of 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.

For the six months ended 30 June 2020, revenue from consultancy services fee was approximately SGD2.8 million, representing a decrease approximately of SGD2.8 million or 50% as compared with approximately SGD5.6 million for the six months ended 30 June 2019. The decrease was mainly due to slowdown or lockdown measures implemented by the government and all types of construction projects have to stop working during the lockdown period especially in Singapore and indirectly and negatively affected our Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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 economies.

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. As at the date of this interim report, the Group has not identified any acquisition opportunity.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately SGD2.9 million or 48.3%, from approximately SGD6.0 million for the six months ended 30 June 2019 to approximately SGD3.1 million for the six months ended 30 June 2020. The decrease in revenue was mainly due to delay or slowdown of projects due to COVID-19 for (i) prefabricated prefinished volumetric construction (the "PPVC") projects which accounted for approximately SGD1.7 million for the six months ended 30 June 2020, representing a decrease of approximately SGD1.2 million from approximately SGD2.9 million for the six months ended 30 June 2019 and (ii) conventional projects which accounted for approximately SGD1.1 million for the six months ended 30 June 2020, representing a decrease of approximately SGD1.6 million from approximately SGD2.7 million for the six months ended 30 June 2019.

Cost Of Services

The Group's cost of services increased by approximately SGD0.7 million or 17.1%, from approximately SGD3.4 million for the six months ended 30 June 2019 to approximately SGD4.1 million for the six months ended 30 June 2020 which was largely due to payments of special bonuses to our Singapore staff as at the end of January 2020 and increase in the number of staff due to the project requirements as a result of the growth in demand for our engineering consultancy services. There was a gross loss for the six months ended 30 June 2020, which was mainly caused by delay in revenue recognition due to project progress slowdown or delay while the manpower costs, which constituted the key component of the Group's costs of services, continue to be incurred during the same period. However, the government subsidies on the manpower costs were recognised as other income of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (Continued)

Other Income, Gains, And Losses, Net

Other income increased by approximately SGD815,000 or 2,865.2%, from approximately SGD23,000 for the six months ended 30 June 2019 to approximately SGD838,000 for the six months ended 30 June 2020, which was primarily due to the amount received from government as subsidy for manpower costs, exchange gains on foreign currency and increase in other service income.

Administrative Expenses

The Group's administrative expenses increased by approximately SGD1.0 million or 76.9%, from approximately SGD1.3 million for the six months ended 30 June 2019 to approximately SGD2.3 million for the six months ended 30 June 2020, which was mainly due to higher operating expenses incurred to cope with a larger work force and higher professional fees such as retainer fees, marketing fees and compliance adviser fees.

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 SGD28,000 and SGD23,000 for the six months ended 30 June 2019 and 2020 respectively.

Income Tax Expenses/Credits

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

The Group's income tax expenses decreased by approximately SGD165,000 or 95.4% from income tax expense of approximately SGD173,000 for the six months ended 30 June 2019 to income tax expense of approximately SGD8,000 for the six months ended 30 June 2020 primarily due to lower profits generated for the six months ended 30 June 2020.

Loss For The Year

The loss for the six months ended 30 June 2020 was approximately SGD2.5 million, as compared with the loss of approximately SGD0.9 million for the six months ended 30 June 2019. The higher loss was mainly attributable to the increase in cost of services as discussed above and administrative expenses due to higher operating expenses incurred to cope with a larger work force.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2020,

- (a) the Group's total assets decreased to approximately SGD12.2 million (2019: approximately SGD14.9 million) while the total equity decreased to approximately SGD9.3 million (2019: approximately SGD11.6 million);
- (b) the Group's current assets decreased to approximately SGD10.3 million (2019: approximately SGD12.9 million) while the current liabilities decreased to approximately SGD2.1 million (2019: approximately SGD2.4 million);
- (c) the Group has bank and cash balances and short-term bank deposits of approximately SGD5.4 million (2019: SGD7.4 million);
- (d) there was a bank borrowing of approximately SGD0.9 million (2019: SGD0.9 million). This bank borrowing is repayable over 240 monthly instalments commencing on 20 January 2016 and is floating interest rate ranging from 3.7% to 4.7% for the six months ended 30 June 2020 (2019: 4.7%); 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 30 June 2020, the gearing ratio was not applicable to the Group (2019: Nil).

CAPITAL EXPENDITURE

Capital expenditure during the six months ended 30 June 2020 was primarily attributable to expenditures on leasehold improvements and computers and office equipment, totalling SGD47,000 (2019: SGD96,000), to cope with our operation needs.

INTERIM DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (2019: Nil).

SIGNIFICANT INVESTMENT

As at 30 June 2020, the Group did not have any significant investments (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the six months ended 30 June 2020, save as disclosed in the Prospectus, the Group currently has no other plan for material investments and capital assets.

INDEBTEDNESS AND CHARGES ON GROUP ASSETS

As at 30 June 2020 and 2019, the Group had charges on the investment property of carrying amount as at 30 June 2020 of SGD1,382,000 (31 December 2019: SGD1,395,000) for a mortgage loan facility.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in the Company's prospectus dated 14 November 2019 (the "Prospectus") and in this interim report, the Group did not have any material acquisitions, disposals of subsidiaries, associated companies and joint ventures during the six months ended 30 June 2020.

FOREIGN EXCHANGE RISK MANAGEMENT

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

CONTINGENT LIABILITY AND CAPITAL COMMITMENT

As at 30 June 2020, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any material contingent liabilities (2019: Nil) nor any material capital commitments (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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 30 June 2020 is set out below:

Business strategies	Planned use of Net Proceeds (as stated in the Prospectus) in respect of business objectives from the Listing Date to 30 June 2019		Approximate actual amount utilised as at 30 June 2020	Unused amount of Net Proceeds as at 30 June 2020 <i>(note 2)</i>	Expected timeline for utilising the remaining Net Proceeds <i>(notes 1 and 2)</i>
	HKD' million	%	HKD' million	HKD' million	
Expand our operation in Singapore	6.2	29.3%	0.2 <i>(note 3)</i>	6.0	Expected to be fully utilised on or before 31 December 2021
Expand our operation in Vietnam	4.9	23.5%	– <i>(note 4)</i>	4.9	Expected to be fully utilised on or before 31 December 2021
Setting up a supporting office in Hong Kong	4.0	18.8%	0.2 <i>(note 5)</i>	3.8	Expected to be fully utilised on or before 31 December 2021
Enhancement of our information technology system	2.5	11.8%	– <i>(note 6)</i>	2.5	Expected to be fully utilised on or before 31 December 2021

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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 to 30 June 2019		Approximate actual amount utilised as at 30 June 2020	Unused amount of Net Proceeds as at 30 June 2020 <i>(note 2)</i>	Expected timeline for utilising the remaining Net Proceeds <i>(notes 1 and 2)</i>
	HKD' million	%	HKD' million	HKD' million	
Improve our PPVC knowhow by investing further in research and development	1.5	7.4%	– <i>(note 7)</i>	1.5	Expected to be fully utilised on or before 31 December 2021
Sales and marketing	0.3	1.4%	0.1 <i>(note 8)</i>	0.2	Expected to be fully utilised on or before 31 December 2021
Scholarships	0.4	1.8%	–	0.4	Expected to be fully utilised on or before 31 December 2021
Working capital	1.3	6.0%	0.4	0.9	Expected to be fully utilised on or before 31 December 2021
	21.1	100.0%	0.9	20.2	

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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 30 June 2020, approximately HK\$0.2 million of the Net Proceeds was utilised for expanding our operation in Singapore. We have leased one additional small unit office to accommodate additional manpower which joined us from beginning of the year. The Group will continue to identify suitable locations fulfilling our expected scale of operations and execute the implementation plan as disclosed in the Prospectus.
4. The Group is still in the progress to identify suitable locations as the rental rate at the current office area has surged in recent months due to higher demand as those tenants from more expensive districts or Grade A building with higher rental shifting to Grade B building with lower rental. Plan for setting up a new office in Danang, Vietnam and supervision team in Ho Chi Minh City, Vietnam will delay mainly due to slow down in economy since the outbreak of COVID-19.
5. Up to 30 June 2020, approximately HK\$0.2 million of the Net Proceeds was utilised for expanding our operation in Hong Kong. We have leased a unit office with intention to expand further in Hong Kong. However, the Group will delay the hiring of manpower due the social unrest in Hong Kong since June 2019 and the outbreak of COVID-19 since January 2020 while continue to identify suitable candidates execute the implementation plan as disclosed in the Prospectus.
6. While the Group continues to identify the suitable candidates, the Net Proceeds for enhancing information technology system, including subscribing more software licences will delay mainly due to delay in hiring of manpower. Meanwhile, the Group has been consistency sourcing for the most suitable enterprise resource planning system for accounting and human resources records which has been slowed down due to COVID-19.
7. The Group is actively discussing the research and development on PPVC knowhow with relevant parties but the process has been slowed down due to COVID-19.
8. Up to 30 June 2020, we incurred marketing expenses on social media platform for the promotion of our consultancy services. The Group will continue to solicit appropriate social media platforms and marketing agents and the amount will be incurred as and when necessary.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

The remaining Net Proceeds as at 30 June 2020 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong. Up to 30 June 2020, all Net Proceeds are expected to be used in accordance with the Company's plan as disclosed in the Prospectus except that the original timeline for utilising the remaining Net Proceeds as disclosed in the Prospectus has been delayed due to, among others, the business environment being affected by the social unrest in Hong Kong since June 2019 and the outbreak of COVID-19 since January 2020.

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2020, the Group had a total of 152 employees (2019: 140 employees). The Group's staff costs for the period ended 30 June 2020 amounted to approximately SGD4.7 million (2019: SGD8.0 million). The Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses are offered to qualified employees based on individual and the Group's performance.

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

The Company adopted a share option scheme (the "**Scheme**") on 6 November 2019 (the "**Adoption Date**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. As at 30 June 2020, a total of 60,000,000 Shares, representing 10% of the issued Shares, were available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2020.

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

As at 30 June 2020, 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	450,000,000 (L) (Note 1)	75%

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 (“Ms. 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%

OTHER INFORMATION (CONT'D)

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

Save as disclosed above and so far as is known to the Directors, as at 30 June 2020, 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 30 June 2020 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	450,000,000 (L) (Note 1)	75%
Ms. Tan Seow Hong (Note 4)	Interest of spouse	450,000,000 (L) (Note 1)	75%

OTHER INFORMATION (CONT'D)

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

(Continued)

Notes:

1. The letter "L" demonstrates long position in such securities.
2. Mr. Wong Seng beneficially owns 55% of the issued share capital of WMCH Global Holdings Limited which in turn held 450,000,000 Shares. Therefore, Mr. Wong Seng is deemed to be interested in 450,000,000 Shares held by WMCH Global Holdings Limited for the purposes of the SFO.
3. WMCH Global Holdings Limited, which holds 75% 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.
4. 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.

Save as disclosed above, as at 30 June 2020, 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 six months ended 30 June 2020 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.

OTHER INFORMATION (CONT'D)

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 30 June 2020, a total of 60,000,000 Shares, representing 10% of the issued Shares, were available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2020.

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.

OTHER INFORMATION (CONT'D)

SHARE OPTION SCHEME (Continued)

(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.

(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).

OTHER INFORMATION (CONT'D)

SHARE OPTION SCHEME (Continued)

(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.

(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,

OTHER INFORMATION (CONT'D)

SHARE OPTION SCHEME (Continued)

(g) Grant of options to certain connected persons (Continued)

(ii) (Continued)

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.

(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.

OTHER INFORMATION (CONT'D)

SHARE OPTION SCHEME (Continued)

(h) Restrictions on the times of grant of options (Continued)

- (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 May 2020, Titan Financial Services Limited ("**Titan**") and the Company mutually agreed to terminate the compliance adviser agreement with effect from 1 May 2020.

Advent Corporate Finance Limited ("**Advent**") has been appointed as the new compliance adviser to the Company as required pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 1 May 2020.

OTHER INFORMATION (CONT'D)

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Titan Financial Services Limited (“**Titan**”) to be compliance adviser from the Listing Date to 30 April 2020. As informed by Titan, neither Titan nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules except for the participation of Titan as the sponsor in relation to the Listing and the compliance adviser agreement entered into between the Company and Titan on 25 June 2019.

Also notified by Advent, as at the date of this interim report, save for (i) the compliance agreement entered into between the Company and Advent dated 30 April 2020 in connection with the compliance with the GEM Listing Rules; and (ii) the valuation agreements entered into between the Company and Vincorn Consulting and Appraisal Limited (“**Vincorn**”) dated 9 January 2020 and 9 March 2020 in relation to valuation services concerning (i) two properties located in Singapore, (ii) expected credit loss of account receivables, contract assets and other receivables, and (iii) operating lease rate of a property located in Zhengzhou, Henan Province, the People’s Republic of China, none of Advent or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interest in the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. Vincorn is principally engaged in provision of appraisal and consulting service; and Mr. Cheung Kiu Cho Vincent is a controlling shareholder of both Advent and Vincorn.

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.

OTHER INFORMATION (CONT'D)

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS (Continued)

During the six months ended 30 June 2020, the Group entered into transactions under the Master Service Agreement amounted to SGD9,000 (2019: SGD1,000).

Save as the connected transactions disclosed above, there are no other transactions of the Group during the six months ended 30 June 2020 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 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 six months ended 30 June 2020, the Group entered into related party transaction amounted to SGDNil (2019: SGD16,000).

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 six months ended 30 June 2020.

OTHER INFORMATION (CONT'D)

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 six months ended 30 June 2020.

As of 30 June 2020, 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 six months ended 30 June 2020.

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 six months ended 30 June 2020.

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 six months ended 30 June 2020.

OTHER INFORMATION (CONT'D)

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 interim 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.

OTHER INFORMATION (CONT'D)

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 30 June 2020, except Provision A.2.1 of the CG Code as disclosed below, the Company has complied with all the code provisions as set out in the CG Code.

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.

OTHER INFORMATION (CONT'D)

REVIEW BY AUDIT COMMITTEE

The financial information in this interim 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 interim report and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2020, and is of the opinion that the relevant unaudited condensed consolidated financial statements have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

OTHER INFORMATION (CONT'D)

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.

On 31 March 2020, the Prime Minister of Vietnam announced the implementation of 15 days isolation in Ho Chi Minh City, Vietnam from 1 April 2020 and subsequently extended the aforesaid isolation for another 7 days until 22 April 2020. As a result, work at most of the construction sites had to be stopped and full lockdown in Hanoi, Vietnam also stopped work in construction sites there. As such, the Group’s Vietnam subsidiary was greatly affected by the situation.

In addition, on 16 March 2020, the Malaysian government announced a nationwide full lockdown from 18 March 2020 to 31 March 2020 which was subsequently extended to 12 May 2020. This has caused the precast factory located in Malaysia and borders between Malaysia and Singapore to be closed during the above periods and were unable to deliver the precast to Singapore’s construction sites. Further, on 3 April 2020, the Singapore government announced that only essential businesses or services can continue to operate for the period from 7 April 2020 to 4 May 2020 (subsequently extended to 1 June 2020). During these periods, non-essential businesses or services and workplaces such as construction sites have to close or work-from-home. As such, the Group’s Singapore subsidiary was negatively affected since Malaysia announced full lockdown. Singapore government has implemented a few phases for re-opening from 2 June 2020 onwards. Phase 1 re-opening was started from 2 June 2020 to 18 June 2020 and Phase 2 re-opening was started from 9 June 2020 till to the date of this interim report. Despite the re-opening of businesses during these periods, most of the constructions sites are yet to resume activities as they have to fulfill government safety measure requirements before given the approval to resume works.

On behalf of the Board

Wong Seng

Chairman

Hong Kong, 14 August 2020