



# **WMCH Global Investment Limited**

(Incorporated in the Cayman Islands with limited liability)

**Stock Code : 8208**

# 2020

## THIRD QUARTERLY REPORT

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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 THIRD 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 nine months ended 30 September 2020 together with the comparative figures as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

		Nine months ended 30 September	
	Notes	2020 SGD'000	2019 SGD'000
Revenue	3	5,188	8,568
Cost of services		(5,969)	(5,064)
Gross (loss)/profit		(781)	3,504
Other income, gains and losses, net	4	1,089	33
Administrative expenses	5	(3,229)	(1,897)
Listing expenses		–	(1,995)
Finance costs		(33)	(37)
<b>Loss before income tax</b>	6	<b>(2,954)</b>	<b>(392)</b>
Income tax expense	7	(8)	(235)
<b>Loss for the period</b>		<b>(2,962)</b>	<b>(627)</b>
<b>Other comprehensive profit/(loss) for the period</b>			
<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)
<b>Total comprehensive loss for the period</b>		<b>(2,856)</b>	<b>(651)</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) (CONT'D)

		Nine months ended 30 September	
	Notes	2020 SGD'000	2019 SGD'000
<b>Loss for the period attributable to:</b>			
Owners of the Company		(2,962)	(627)
<b>Total comprehensive loss for the period attributable to:</b>			
Owners of the Company		(2,856)	(651)
<b>Loss per share</b>			
— Basic and diluted (in Singapore cents)	9	(0.49)	(0.14)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 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	-	-	-	(2,962)	-	-	(2,962)
Other comprehensive income for the period	-	-	-	-	106	-	106
Total comprehensive loss for the period	-	-	-	(2,962)	106	-	(2,856)
Balance at 30 September 2020	1,048	6,928	1,128	(81)	(233)	-	8,790
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	-	-	-	(627)	-	-	(627)
Other comprehensive expenses for the period	-	-	-	-	(24)	-	(24)
Total comprehensive expense for the period	-	-	-	(627)	(24)	-	(651)
Effect of re-organisation	(590)	-	590	-	-	-	-
Balance at 30 September 2020	14	-	1,196	3,083	(304)	-	3,989

# 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) (CONT'D)

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRSs, which collectively includes all International Accounting Standards (“**IAS**”) and related interpretations, as issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) and by the CO.

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*.

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

## 2. BASIS OF PREPARATION (Continued)

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;
- 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 2019.

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.

# 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:

	Nine months ended 30 September	
	2020 SGD'000	2019 SGD'000
Consultancy services fee	4,711	8,214
Other service fee	477	354
	<b>5,188</b>	<b>8,568</b>

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.

### 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:

	Nine months ended 30 September	
	2020 SGD'000	2019 SGD'000
Singapore	3,911	6,492
Vietnam	1,258	1,849
Other (Note)	19	227
	<b>5,188</b>	<b>8,568</b>

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

	Nine months ended 30 September	
	2020 SGD'000	2019 SGD'000
Interest income	21	15
Rental income	17	–
Government grants (note a)	21	6
Government subsidies (note b)	820	–
Exchange gain/(loss), net	110	–
Other income or loss	100	12
	<b>1,089</b>	<b>33</b>

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 unfulfilled 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.

	Nine months ended 30 September	
	2020 SGD'000	2019 SGD'000
Auditor's remuneration	6	10
Depreciation	168	137
Depreciation of right-of-use assets	81	55
Insurance	103	45
Legal and professional fee	1,067	62
Office expenses	222	290
Rent and rates	34	67
Research and development expense	409	164
Staff expenses and benefits	1,111	963
Travelling expenses	17	86
Others	11	18
	<b>3,229</b>	<b>1,897</b>

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

## 6. LOSS BEFORE INCOME TAX

	Nine months ended 30 September	
	2020 SGD'000	2019 SGD'000
Loss before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) ( <i>Note</i> )		
— Salaries, wages and other benefits	6,021	5,208
— Contributions to defined contribution retirement plans	632	556
	6,653	5,764
(b) Other items		
Depreciation for property, plant and equipment and investment property	168	137
Depreciation for right-of-use assets	81	55
Research and development expense	409	164

*Note:*

Staff costs (including directors' emoluments)

	2020 SGD'000	2019 SGD'000
Cost of services	5,013	4,604
Administrative expenses	1,640	1,160
	6,653	5,764

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

## 7. INCOME TAX EXPENSE

	Nine months ended 30 September	
	2020 SGD'000	2019 SGD'000
Current tax		
Tax expense for the period	8	235
Income tax expense	8	235

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 nine months ended 30 September 2020 (2019: Nil).

## 9. LOSS PER SHARE

	Nine months ended 30 September	
	2020 SGD'000	2019 SGD'000
Loss for the year attributable to the owners of the Company	(2,962)	(627)
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earning 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 SGD2,962,000 (2019: SGD627,000) and the weighted average number of 600,000,000 (2019: 450,000,000) ordinary shares in issue during the nine months ended 30 September 2020.

No diluted earnings per share for the nine months ended 30 September 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. 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 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 also stopped work in construction sites there. As such, the Group’s Vietnam subsidiary was greatly impacted from 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 report. Despite the re-opening of businesses during these periods, the construction sites must obtain approval to resume works after complying government safety requirements. Those construction sites which obtained approval to resume works are still at slower pace compare to pre-COVID 19 as the site workers are released by batches gradually by government.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

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

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

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 nine months ended 30 September 2020, revenue from consultancy services fee was approximately SGD4.7 million, representing a decrease approximately of SGD3.5 million or 42.7% as compared with approximately SGD8.2 million for the nine months ended 30 September 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 which indirectly and negatively affected our Group.

## 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 (CONT'D)

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

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased by approximately SGD3.4 million or 39.5%, from approximately SGD8.6 million for the nine months ended 30 September 2019 to approximately SGD5.2 million for the nine months ended 30 September 2020. The decrease of revenue was mainly due to (i) prefabricated prefinished volumetric construction (the "PPVC") projects which accounted for approximately SGD2.7 million for the nine months ended 30 September 2020, representing a decrease of approximately SGD1.6 million from approximately SGD4.3 million for the nine months ended 30 September 2019 and (ii) conventional projects which accounted for approximately SGD2.0 million for the nine months ended 30 September 2020, representing a decrease of approximately SGD1.9 million from approximately SGD3.9 million for the nine months ended 30 September 2019.

The decreased in revenue primarily due to the outbreak of COVID-19 during this period. The construction progress was slowed down since early of the year as supply of raw materials for construction industry which mainly came from the People's Republic of China had been negatively affected due to the country's implementation of lockdown measures to contain the spread of the COVID-19 by reducing face-to-face human interaction. Further lockdown measures implemented by both Singapore and Vietnam government had negatively impacted the work progress for construction industry. In addition, the outbreak had caused delay and extension of the current projects and hence lower revenue was generated for the nine months ended 30 September 2020.

### Cost of Services

The Group's cost of services increased by approximately SGD0.9 million or 17.6%, from approximately SGD5.1 million for the nine months ended 30 September 2019 to approximately SGD6.0 million for the nine months ended 30 September 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 increased workload as a result of the growth in demand for our engineering consultancy services.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL REVIEW (Continued)

### Cost of Services (Continued)

The gross loss for the nine months ended 30 September 2020 was mainly due to decrease in revenue due to the outbreak of COVID-19 which caused delay and extension of the current projects. However, the cost of services which primarily consist of manpower costs did not decrease due to higher manpower require to cope with current workload despite delay or extension in projects progress as we are still required to provide full support to service the projects.

### Other Income, Gains, and Losses, Net

Other income increased by approximately SGD1,056,000 or 3,200%, from approximately SGD33,000 for the nine months ended 30 September 2019 to approximately SGD1,089,000 for the nine months ended 30 September 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 SGD1.3 million or 68.4%, from approximately SGD1.9 million for the nine months ended 30 September 2019 to approximately SGD3.2 million for the nine months ended 30 September 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 advisor 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 SGD33,000 and SGD37,000 for the nine months ended 30 September 2020 and 2019 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 SGD227,000 or 96.6% from income tax expense of approximately SGD235,000 for the nine months ended 30 September 2019 to income tax expense of approximately SGD8,000 for the nine months ended 30 September 2020 primarily due to lower profits generated for the nine months ended 30 September 2020.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL REVIEW (Continued)

### Loss For The Year

The loss for the nine months ended 30 September 2020 was approximately SGD3.0 million, as compared with the loss of approximately SGD0.6 million for the nine months ended 30 September 2019. The higher loss was mainly attributable to the decrease in revenue due to the outbreak of COVID-19 had caused delay and extension of the current projects and hence lower revenue was generated for the nine months ended 30 September 2020 and increase in cost of services as discussed above and administrative expenses due to higher operating expenses incurred to cope with a larger work force.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2020,

- (a) the Group's total assets increased to approximately SGD11.3 million (2019: approximately SGD10.2 million) while the total equity increased to approximately SGD8.8 million (2019: approximately SGD4.1 million);
- (b) the Group's current assets increased to approximately SGD9.4 million (2019: approximately SGD6.1 million) while the current liabilities decreased to approximately SGD1.7 million (2019: approximately SGD3.2 million);
- (c) the Group has bank and cash balances and short-term bank deposits of approximately SGD4.8 million (2019: SGD2.0 million);
- (d) there was a bank borrowing of approximately SGD0.9 million (2019: SGD0.9 million); and
- (e) the gearing ratio is calculated by dividing total debts with total equity as at the end of respective year and expressed as a percentage. As at 30 September 2020, the gearing ratio was not applicable to the Group (2019: Nil).

## CAPITAL EXPENDITURE

Capital expenditure during the nine months ended 30 September 2020 was primarily attributable to expenditures on leasehold improvements and computers and office equipment, totalling SGD61,000 (2019: SGD97,000), to cope with our operation needs.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## INTERIM DIVIDENDS

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

## SIGNIFICANT INVESTMENT

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

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the nine months ended 30 September 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 September 2020 and 2019, the Group had charges on the investment property of carrying amount as at 30 September 2020 of SGD1,376,000 (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 quarterly report, the Group did not have any material acquisitions, disposals of subsidiaries, associated companies and joint ventures during the nine months ended 30 September 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".

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## CONTINGENT LIABILITY AND CAPITAL COMMITMENT

As at 30 September 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).

## 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 September 2020 is set out below:

Business strategies	Planned use of Net Proceeds (as stated in the Prospectus) in respect of business objectives from the Listing Date to 31 December 2021		Approximate actual amount utilised as at 30 September 2020	Unused amount of Net Proceeds as at 30 September 2020 (note 2)	Expected timeline for utilising the remaining Net Proceeds (notes 1 and 2)
	HKD' million	%	HKD' million	HKD' million	
Expand our operation in Singapore	6.2	29.3%	0.2 (note 3)	6.0	Expected to be fully utilised on or before 31 December 2021
Expand our operation in Vietnam	4.9	23.5%	– (note 4)	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%	0.3 (note 5)	3.7	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 31 December 2021		Approximate actual amount utilised as at 30 September 2020	Unused amount of Net Proceeds as at 30 September 2020 (note 2)	Expected timeline for utilising the remaining Net Proceeds (notes 1 and 2)
	HKD' million	%	HKD' million	HKD' million	
Enhancement of our information technology system	2.5	11.8%	– (note 6)	2.5	Expected to be fully utilised on or before 31 December 2021
Improve our PPVC knowhow by investing further in research and development	1.5	7.4%	– (note 7)	1.5	Expected to be fully utilised on or before 31 December 2021
Sales and marketing	0.3	1.4%	0.1 (note 8)	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%	1.0	20.1	



# 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 September 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 September 2020, approximately HK\$0.3 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 September 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 September 2020 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong. Up to 30 September 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 September 2020, the Group had a total of 150 employees (2019: 140 employees). The Group's staff costs for the period ended 30 September 2020 amounted to approximately SGD6.7 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 September 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 September 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 September 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%

## 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)

#### 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%

Save as disclosed above and so far as is known to the Directors, as at 30 September 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.

## OTHER INFORMATION (CONT'D)

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

As at 30 September 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%

*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.

## OTHER INFORMATION (CONT'D)

### 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 30 September 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 nine months ended 30 September 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.

### 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 September 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 September 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.

## OTHER INFORMATION (CONT'D)

### SHARE OPTION SCHEME (Continued)

#### (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.

#### (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,

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.



## OTHER INFORMATION (CONT'D)

### 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.

## OTHER INFORMATION (CONT'D)

### SHARE OPTION SCHEME (Continued)

#### (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.

### 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.

## OTHER INFORMATION (CONT'D)

### INTEREST OF COMPLIANCE ADVISER (Continued)

Also notified by Advent, as at the date of this quarterly 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 Vincorn and was a controlling shareholder of Advent during the nine months ended 30 September 2020 and up to October 2020.

### 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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.

## OTHER INFORMATION (CONT'D)

### 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 nine months ended 30 September 2020.

### 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 nine months ended 30 September 2020.

As of 30 September 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.

## OTHER INFORMATION (CONT'D)

### 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2020.

### 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.

## OTHER INFORMATION (CONT'D)

### 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 30 September 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 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 nine months ended 30 September 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 this quarterly report has been prepared in compliance with 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 quarterly report. Despite the re-opening of businesses during these periods, the construction sites must obtain approval to resume works after complying government safety requirements. Those construction sites which obtained approval to resume works are still at slower pace compare to pre-COVID 19 as the site workers are released by batches gradually by government.

On behalf of the Board

**Wong Seng**

*Chairman*

Hong Kong, 13 November 2020