WMCH Global Investment Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8208

ANNUAL REPORT

2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

*This report, for which the directors (collectively the "**Directors**" and individually a "**Director**") of WMCH Global Investment Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.*

Contents

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

AUDIT COMMITTEE

Mr. Ng Shing Kin *(Chairman)*
Dr. Tan Teng Hooi
Mr. Leong Jay

REMUNERATION COMMITTEE

Mr. Leong Jay *(Chairman)*
Mr. Wong Seng
Dr. Tan Teng Hooi
Mr. Ng Shing Kin

NOMINATION COMMITTEE

Dr. Tan Teng Hooi *(Chairman)*
Ms. Leow Geok Mui
Mr. Leong Jay
Mr. Ng Shing Kin

COMPANY SECRETARY

Mr. Chan Kim Sun
Certified Public Accountant

COMPLIANCE OFFICER

Mr. Wong Seng

INDEPENDENT AUDITOR

HLB Hodgson Impey Cheng Limited
Certified Public Accountant

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., 148 Electric Road,
North Point, Hong Kong
(with effect from 8 January 2021)

LEGAL ADVISERS

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

PRINCIPAL BANKERS

DBS Bank Ltd
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY WEBSITE

http://www.tw-asia.com

STOCK CODE

8208

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of WMCH Global Investments Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I am pleased to present our consolidated financial results of the Group for the financial year ended 31 December 2023 (the "**FY2023**" or the "**Year**") to the shareholders of the Company (the "**Shareholders**").

RESULTS PERFORMANCE

During the Year 2023, the global economy was progressing and the markets were showing sign of recovery at various paces. Despite that, labour shortage and rise in material cost remain challenging for the construction industry. Overall increase in operational expenses has caused pressures in the business environment.

In the FY2023, the Group recorded a revenue of approximately SGD11.0 million, representing an increase of approximately SGD0.8 million, or 7.8%, from approximately SGD10.2 million for the year ended 31 December 2022 (the "**FY2022**"). In line with the increase in revenue, the Group's gross profit increased by approximately SGD0.9 million, or 60.0%, from approximately SGD1.5 million for the year ended 31 December 2022 to approximately SGD2.4 million for the year ended 31 December 2023 which was mainly due to increase in number of projects participated.

The business environment will continue to be challenging, competitive and uncertain in the foreseeable future. The Group shall continue to implement tight cost control measures in operations without compromising on the quality of its services while ensuring adequate liquidity to sustain operations. The management of the Group is committed to looking for business opportunities for long-term developments of the Group and minimizing the overall business risk and maximizing returns to the Shareholders.

APPRECIATION

The Board would like to extend its sincere thanks to the Group's shareholders, business partners and customers for their utmost support to the Group. The Group would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year ended 31 December 2023.

Mr. Wong Seng
Chairman and Executive Director

Hong Kong, 27 March 2024

Management Discussion and Analysis

BUSINESS REVIEW

The Group has been operating in the civil and structural engineering market in Singapore for more than 17 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. The Group provides the following services: (i) civil and structural engineering consultancy services and (ii) other services including master planning, structural due diligence and visual inspection of existing buildings.

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

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

FUTURE PROSPECTS

The industry remains competitive and the global environment is uncertain. The industry also faces inflationary pressures and labour shortages. These caused the rise in operational costs including higher manpower costs for staff retention which will further dampen the Group's profitability.

With the Group's experienced management team and reputation in the market, the Directors believed that the Group is able to maintain its market position. The Company strives to provide quality and efficient services by further enhancing the Group's workforce. The Board will from time to time review its existing business and actively explore other revenue sources of the Group in order to create more value to the Shareholders through acquiring businesses or projects that have promising outlooks and prospects.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately SGD0.8 million or 7.8%, from approximately SGD10.2 million for the year ended 31 December 2022 to approximately SGD11.0 million for the year ended 31 December 2023. The increase in revenue was mainly due to PPVC projects which accounted for approximately SGD7.2 million for the year ended 31 December 2023, representing an increase of approximately SGD1.8 million from approximately SGD5.4 million for the year ended 31 December 2022.

The above partially offset the decrease in revenue generated from conventional projects which accounted for approximately SGD4.8 million for the year ended 31 December 2022, representing a decrease of approximately SGD1.4 million to approximately SGD3.4 million for the year ended 31 December 2023.

Cost of Services

The Group's cost of services decreased by approximately SGD0.1 million or 1.1%, from approximately SGD8.7 million for the year ended 31 December 2022 to approximately SGD8.6 million for the year ended 31 December 2023 which was mainly due to lesser sub-consultant fees incurred.

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately SGD1.0 million or 65.8%, from approximately SGD1.5 million for the year ended 31 December 2022 to approximately SGD2.5 million for the year ended 31 December 2023, which was mainly due to increase in revenue as mentioned above.

Other Income

Other income increased by approximately SGD290,000 or 73.8%, from approximately SGD393,000 for the year ended 31 December 2022 to approximately SGD683,000 for the year ended 31 December 2023, which was primarily due to gain on disposal of the property, plant and equipment.

Administrative Expenses

The Group's administrative expenses increased by approximately SGD0.1 million or 3.1%, from approximately SGD3.2 million for the year ended 31 December 2022 to approximately SGD3.3 million for the year ended 31 December 2023, which was mainly due to increase in travelling expenses.

Impairment Loss on Interest in an Associate

No impairment loss on interest in an associate was recognised during the year ended 31 December 2023 (2022: SGD24,000).

Share of Result of an Associate

No share of result of an associate was recognised during the year ended 31 December 2023 (2022: share of loss of SGD1,000).

Management Discussion and Analysis

Finance Costs

The finance costs mainly consist of interest expenses on bank borrowings and lease liabilities. The finance costs for interest expenses on bank borrowings increased by approximately SGD15,000 or 28.6% from approximately SGD36,000 for the year ended 31 December 2022 to approximately SGD51,000 for the year ended 31 December 2023.

Income Tax Credits

There were an income tax credits of approximately SGD33,000 for the year ended 31 December 2022, which was mainly due to over provision in prior year.

Loss for the Year

The loss for the year ended 31 December 2023 was approximately SGD0.1 million, as compared with the loss of approximately SGD1.7 million for the year ended 31 December 2022. The decrease in loss was mainly attributable to (i) higher revenue generated and lower cost of services and administrative expenses, and (ii) gain on disposal of the property, plant and equipment.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

As at 31 December 2023,

(a) the Group's total assets decreased to approximately SGD5.9 million (2022: approximately SGD6.2 million) while the total equity decreased to approximately SGD3.7 million (2022: approximately SGD3.9 million);

(b) the Group's current assets decreased to approximately SGD4.5 million (2022: approximately SGD4.6 million) while the current liabilities decreased to approximately SGD1.4 million (2022: approximately SGD1.6 million);

(c) the Group has bank and cash balances and short-term bank deposits of approximately SGD1.7 million (2022: SGD2.2 million);

(d) there was a bank borrowing of approximately SGD0.7 million (2022: SGD0.7 million); and

(e) the gearing ratio is calculated by dividing total debts with total equity as at the end of respective year and expressed as a percentage. As at 31 December 2023, the gearing ratio was approximately 33.5% (2022: 31.6%).

CAPITAL EXPENDITURE

Capital expenditure during the year ended 31 December 2023 was primarily attributable to expenditure on leasehold improvements and office equipment, totalling SGD16,000 (2022: SGD38,000) to cope with our operational needs.

DIVIDEND

The Board has resolved not to declare any dividend for the year ended 31 December 2023 (2022: Nil).

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2023, save as disclosed in the section headed "Material Acquisition or Disposal of Subsidiaries and Associated Companies", the Group currently has no other plan for material investments and capital assets (2022: Nil).

INDEBTEDNESS AND CHARGES ON GROUP ASSETS

The Group had charges on the investment property of carrying amount as at 31 December 2023 of SGD1,292,000 (31 December 2022: SGD1,317,000) for a mortgage loan facility.

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

The Group did not have any significant investment, material acquisitions, disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2023.

FOREIGN EXCHANGE RISK MANAGEMENT

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

CONTINGENT LIABILITIES

As at 31 December 2023, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any material contingent liabilities nor any material capital commitments (2022: Nil).

Management Discussion and Analysis

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

The ordinary shares of the Company was successfully listed on GEM of the Stock Exchange on 29 November 2019 by way of share offer of 45,000,000 public offer shares and 105,000,000 placing shares at the price of HKD0.40 per share (the "**Share Offer**"). The net proceeds (the "**Net Proceeds**") from the Share Offer were approximately HK$21.1 million (approximately SGD3.7 million) after deducting listing-related expenses. Such Net Proceeds have been used according to the allocation set out in the same proportion and in the same manner as shown in the section headed "Future Plans and Use of Proceeds" of the Prospectus and/or the subsequent change in use of Net Proceeds (the "**Change in Use of Proceeds**") set out in the Company's announcements dated 11 October 2023 and 12 October 2023. An analysis of the utilisation of the Net Proceeds from the Share Offer from 29 November 2019 (the "**Listing Date**") up to 31 December 2023 is set out below:

Business strategies	Revised allocation of the use of unutilised Net Proceeds after the Change in Use of Proceeds		Approximate actual amount utilised since the date of the Change in Use of Proceeds to 31 December 2023	Unused amount of Net Proceeds as at 31 December 2023	Expected timeline for utilising the remaining Net Proceeds
	HKD' million	%	HKD' million	HKD' million	
Expand our operation in Singapore	0.9	5.6%	0.1 *(Note 1)*	0.8	Expected to be fully utilised on or before 31 December 2024
Expand our operation in Vietnam	1.0	6.2%	0.1 *(Note 2)*	0.9	Expected to be fully utilised on or before 31 December 2024
Setting up a supporting office in Hong Kong	1.0	6.2%	0.1 *(Note 3)*	0.9	Expected to be fully utilised on or before 31 December 2024
Enhancement of our information technology system	0.8	5.0%	– *(Note 4)*	0.8	Expected to be fully utilised on or before 31 December 2024
Improved our PPVC knowhow by investing further in research and development	5.5	34.2%	1.9	3.6	Expected to be fully utilised on or before 31 December 2024
Sales and marketing	0.5	3.1%	0.5	—	—
Scholarships	0.2	1.2%	–	0.2	Expected to be fully utilised on or before 31 December 2024
Working capital	6.2	38.5%	1.2	5.0	Expected to be fully utilised on or before 31 December 2024
	16.1	100.0%	3.9	12.2	

Notes:

1. Up to 31 December 2023, approximately HK$1.0 million of the Net Proceeds was utilised for expanding our operation in Singapore. We have leased one additional small unit office to accommodate additional manpower which joined us since beginning of 2021. The Group will continue to identify suitable locations fulfilling our expected scale of operations but the rental rate has surged in recent months has deferred the process.

2. The Group has expanded the current office area while in the progress to identify suitable locations as the rental rate at the current office area has surged due to higher demand as those tenants from more expensive districts or Grade A building with higher rental shifting to Grade B building with lower rental. Plan for setting up a new office in Danang, Vietnam and supervision team in Ho Chi Minh City, Vietnam will delay mainly due to slow down in economy since the beginning of Year 2020.

3. Up to 31 December 2023, approximately HK$0.6 million of the Net Proceeds was utilised for expanding our operation in Hong Kong. The Group has delayed the hiring of manpower due to economic uncertainties and strive to secure for business opportunities while continue to identify suitable candidates execute the implementation plan as disclosed in the Prospectus.

4. The Group has been progressively enhancing the information technology including subscribing more software licences to improve the efficiency and to fulfill the regulatory requirements.

The remaining Net Proceeds as at 31 December 2023 had been placed in interest-bearing deposits in banks in Singapore and Hong Kong.

The expected timeline for using the unutilised Net Proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) and/or disclosure in the Company's annual report(s) in respect of change in timeline, if any, will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate to update its shareholders and potential investors.

The Group has adopted a cautious and prudent approach in implementing the business expansion and growth plans. The Directors will constantly evaluate the Group's business objective and will change or modify plans against the changing market condition to ascertain the business growth of the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group had a total of 143 employees (2022: 155 employees). The Group's staff costs for the year ended 31 December 2023, amounted to approximately SGD10.0 million (2022: SGD9.9 million). The Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses are offered to qualified employees based on individual and the Group's performance.

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

The Company adopted a share option scheme (the "**Scheme**") on 6 November 2019 (the "**Adoption Date**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. As at the date of this annual report, a total of 60,000,000 shares, representing 8.33% of the issued Shares, were available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2023 and 2022.

Environmental, Social and Governance Report

OVERVIEW

We are pleased to present the fifth Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**"), prepared by WMCH Global Investment Limited (the "**Company**"), together with its subsidiaries (collectively, the "**Group**") to summaries the Group's ESG key issues, initiatives, and the sustainability performance of its principal business of providing civil and structural engineering consultancy services in Singapore and Vietnam markets for the period starting from 1 January 2023 to 31 December 2023 ("**2023**" or "**2023 Reporting Period**").

This report is prepared in accordance with the ESG reporting guide (the "**ESG Reporting Guide**") as stated under Appendix C2 of the GEM Listing Rules and Guidance set out by the Hong Kong Stock Exchange ("**HKEX**") and its principles of materiality, quantitative, balance and consistency, and covers the operations and activities of the subsidiaries in Singapore and Vietnam. The ESG Report was compiled in compliance with the "comply or explain" provisions in the ESG Reporting Guide.

The ESG Report has been reviewed and approved by the management and board of directors of the Group (the "**Board**").

ESG OBJECTIVES AND STRATEGIES

The Group is one of the leading civil and structural engineering consultancy firm offering a full range of civil and structural engineering consultancy services on buildings utilising conventional construction and PPVC method, and other services including master planning, structural due diligence and visual inspection of existing buildings in Singapore and Vietnam markets. We have been involved in a large number of residential, industrial, commercial and institutional projects since 2005. The Group strives to be an environmental and socially responsible corporation.

For our clients, we operate in strict compliance with the principles of minimizing risks associated with the listed ESG subject areas and aspects mentioned in the ESG Reporting Guide, including but not limited to complying with legal and regulatory requirements, adherence to high ethical standards, and eliminating and minimizing negative impacts on the environment.

Nonetheless, we also cherish those that are part of the family within the Group by further complying with the listed ESG subject areas and aspects mentioned in the ESG Reporting Guide, including but not limited to alleviating and improving the wellbeing of our employees, creating value to the stakeholders, and supporting the growth and inclusion of the community to the operations of the Group.

BOARD STATEMENT

The Board is committed to the sustainable development of the Group and the performance of its corporate social responsibilities. The Board believes that focusing on resources management, occupational safety, health, and ESG management can enhance the Group's corporate image, reduce ESG risks, and improve compliance with relevant laws and regulations. This, in turn, can boost the Group's competitiveness and promote its sustainable business development.

The Group's ESG philosophy is to create long-term value for its stakeholders in alignment with the strategic development and sustainability of its business. The Group is committed to maintaining a rigorous corporate governance framework to promote and safeguard the interests of shareholders and other stakeholders, thereby upholding the Group's credibility and reputation.

The Board continuously enhances its supervision over the Company's ESG governance and increases its engagement efforts. The Company sets annual environmental targets related to its business, and the Board regularly reviews and discusses the establishment and progress of these targets. The Company has adopted the Hong Kong Stock Exchange Environmental, Social, and Governance Reporting Guide, under which it carries out sustainability tasks in environmental protection, employee welfare, and production safety.

Environmental, Social and Governance Report

ESG APPROACH AND MANAGEMENT

Throughout the 2023 Reporting Period, the Group maintained the same ESG management structure and process as the last reporting period (from 1 January 2022 to 31 December 2022, "**2022**" or "**2022 Reporting Period**"). The Board is responsible for formulating and setting goals and targets, approving strategic direction and policies, and monitoring performance including ESG issues. The Board has delegated the chief executive officer (the "**Management Representative**" or "**MR**") and his operation managers (collectively, the "**Management Team**") with the responsibility to formulate and implement policies and measures to all ESG related matters. The Management Team has thus committed company resources and instructed various departmental managers and subject matter working groups with the following responsibilities:

- Review and identify the environmental and social risks that may be material to the Group's core business activities;
- Formulate, approve and implement ESG strategies and policies;
- Establish and designate ESG Key Performance Indices ("**KPIs**") to monitor the implementation of such ESG strategies and policies;
- Collect and compile data and statistics and prepare reports regarding the implementation of all ESG matters;
- Collect, analyse and compare such statistics to ESG KPIs;
- Evaluate and assess the overall performance of the ESG strategies and policies;
- Identify and determine the shortcomings and weaknesses in all ESG related matters;
- Device solutions and action plans to remedy weaknesses in the implementation of ESG strategies and policies and revise ESG strategies or policies if necessary; and
- Consult with external stakeholders and independent professionals in ESG.

The Group fully understands that ESG policies and practices may change over time to reflect the changes in business operations, structures, technologies, laws and regulations, and the environment. The Group thus continues to invest substantial resources to monitor ESG issues, policies and practices and performance on an ongoing basis. In order to contribute to the sustainable development on the environment and society, whilst maximizing the benefits to our employees and the stakeholders, the Group has continued to exercises due responsibility in maintaining the highest level of ethical standards when conducting its business and upholds strict compliance with all relevant laws, rules and regulations in all ESG matters.

Environmental, Social and Governance Report

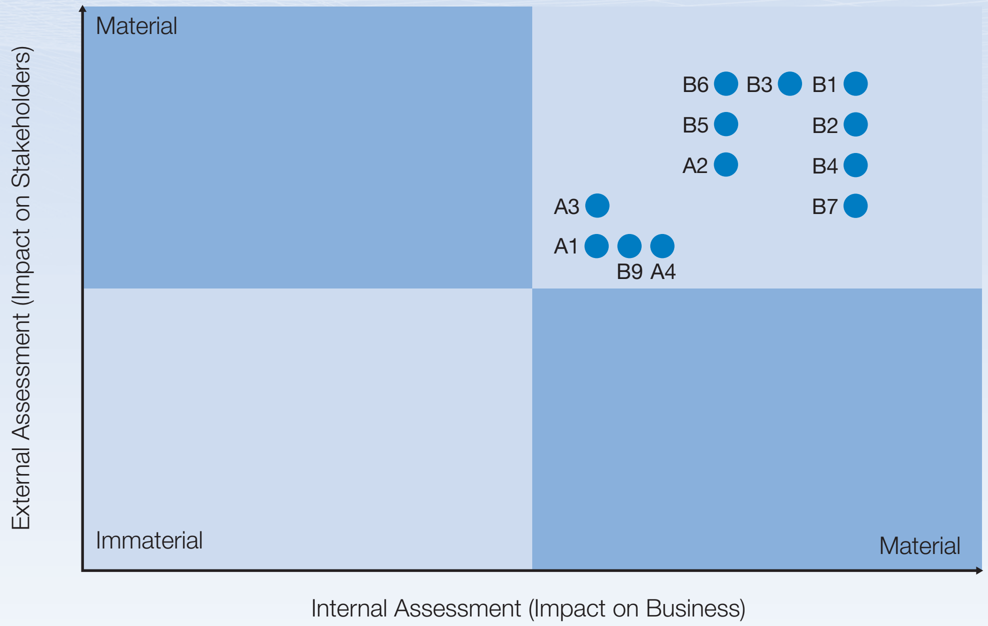
STAKEHOLDERS COMMUNICATION AND MATERIALITY

In managing the priorities, the Group continues to ensure its operations are in compliance with its environmental and social responsibilities and obligations as required by the ESG Reporting Guide and the laws and related regulations of Singapore and Vietnam, and the specific guides of the civil and structural engineering industry. The Group also continues to take into account of the opinions and views, and strive to address their concerns with the various stakeholders through the stated communication channels as listed below:

Stakeholders	Communication Channels
Shareholders/Investors	• General meetings • Information published on websites of the Group and the HKEX • Direct emails or phone enquiries • Dispatched documents
Employees	• Direct meetings with the management executives • Emails • Annual and regular appraisal • Organized functions and activities for the employees
Customers	• Day-to-day communication through front line staff • Emails • Official websites
Suppliers/Service providers/ Professional advisors	• Day-to-day communication through front line staff • Regular review of the signed arrangements by the management
NGO partners	• Volunteer activities • Sponsors and donations
Industry associations	• Participation in annual and regular meetings, conferences, events, etc.

Environmental, Social and Governance Report

Through regular communications with stakeholders and reviewing of the information collected, the Group has identified the following ESG material areas and aspects indicated in the following table:



Subject Areas		Subject Aspects
Environmental		A1. Emissions
		A2. Use of Resources
		A3. Environment and Natural Resources
		A4. Climate Change
Social	**Employment and Labour Practices**	B1. Employment
		B2. Health and Safety
		B3. Development and Training
		B4. Labour Standards
	Operating Practices	B5. Supply Chain Management
		B6. Product Responsibility
		B7. Anti-corruption
	Community	B8. Community Investment

The above ESG material areas and aspects have continued to be strictly managed and monitored through the Group's established management structure, process, policies and guidelines as described in this ESG Report and herein summarised below:

Environmental, Social and Governance Report

THE GROUP'S ENVIRONMENTAL AND SOCIAL AREAS AND ASPECTS AND THEIR PERFORMANCE

A. ENVIRONMENTAL AREAS AND ASPECTS

1.1 Environmental Areas Overview

Introduction & Policies

As a responsible corporation, the Group has abided by all the national and local environmental laws and regulations and has implemented our "Green Environmental Policy and Procedure", which are summarized below:

Purpose

To establish and maintain procedures to identify, evaluate and determine the significance of environmental aspects for all work activities and its corresponding impacts.

Procedure

(i) The Management Team shall identify and evaluate the environmental aspects for all work activities that are most likely to give rise to significant environmental impacts.

(ii) The Management Team shall brainstorm internally and externally with other related parties and classify all the relevant work activities under normal, abnormal and emergency situation.

- Normal is defined as a routine activity or work that is carried out daily and is part of the process;
- Abnormal refers to unusual or non-routine work that should not happen but happen somehow; and
- Emergency refers to an occurrence of an event that will cause a drastic impact or severity to the environment and immediate action has to be taken, e.g. major leakage and spillage, fire, injury, etc.

(iii) When identifying the environmental aspects, consider the following where relevant:

- Emission to the atmosphere;
- Releases of water to public sewerage;
- Disposition of waste;
- Land contamination;
- Use of raw material, energy, water and other natural resources; and
- Other local environmental issues.

All activities likely to cause significant environmental impact shall be identified.

(iv) The Management Team shall review the environmental aspects at least once every 3 years and whenever there are new work activities or introduction of new equipment/process, new knowledge through incidents/accidents, new or changed legal, organizational or other requirements.

(v) For each environmental aspect, the Management Team shall identify and assess the environmental impacts, including but not limited to global warming, water pollution, noise pollution, and waste generation.

The Green Environmental Policy is in place to help us achieve a balance between carrying out our business operations and activities and protecting the environment. The policy will guide us to prevent pollution, reduce wastes and minimise negative impacts on the environment. Successful implementation of these policies and procedures may reduce our use of energy, water and other natural resources, which will result in savings in our operating costs.

1.2 Environmental Aspects

The Group is a leading provider of civil and structural engineering consultancy service for residential, industrial, commercial and institutional projects in Singapore and Vietnam. Our business activities involve highly qualified engineers and consultants providing consultation services to our clients. Most of our activities are carried out by our teams of more than 138 engineers, designers and draftsmen in our 3 offices in Singapore and Vietnam, which produce, emit or discharge immaterial amount of hazardous gas, pollutants, polluted water or wastes, noise or light, if any.

A1. Emissions and Wastes

(i) Hazardous and Non-Hazardous Air Emissions

The in-house office of our business does not generate any hazardous air emissions and pollutants. Carbon dioxide ("**CO_2**") is the only non-hazardous greenhouse gas ("**GHG**") generated indirectly from the use of electricity in our Singapore and Vietnam offices.

Hazardous air emissions such as sulphur oxides, nitrogen oxides and particulate matter will be generated from direct use of diesel, petrol and other fossil fuels. As the Group neither move goods around nor own a large vehicle fleet, there are no significant uses of logistics and, hence, our petrol and other fossils fuel consumption are insignificant and are not reported herein.

The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant air pollutant emissions:

Items of emissions(1)	Unit	Year ended 31 December 2023	2022	Changes
CO_2 indirect emission				
— Singapore	Tonnes	27.67	25.78	+7.33%
— Vietnam	Tonnes	54.91	58.14	–5.56%
Total (CO_2)	**Tonnes**	**82.58**	**83.92**	**–1.60%**
Intensity				
— CO_2/employee in Singapore	Kilograms	368.92	306.89	+20.21%
— CO_2/employee in Vietnam	Kilograms	762.66	818.88	–6.87%

Note 1: Emission factors for calculations in this ESG Report were made reference to the "How to prepare an ESG Report-Appendix 2: Reporting Guidance on Environmental KPIs (version updated on 25 March 2022)" by The Stock Exchange of Hong Kong Limited, unless otherwise specified.

We target to lower the CO_2 emissions by 2–3% for the coming year by implementing various energy use efficiency initiatives stated in *Section A2(i)*.

(ii) Water Pollution and Discharge

Since most of our operation and activities are carried out within an office environment, polluted water generated is immaterial, if any. On the other hand, fresh water used in our offices are provided and discharged through the respective centralized water supply and discharge network in each of our 3 offices. As the water consumption fees are included in the office management fees, we therefore do not have the water consumption data for the Vietnam offices. For water pollution and discharge by the Singapore office, we took as the volume of water consumption which stated in *Section A2(ii)*.

(iii) Hazardous and Non-hazardous Wastes Discharge and Disposal

The Group is principal engaged in the provision of consultation services, which only produce general office wastes such as used paper, office stationery items and domestic wastes. Most of these wastes are non-hazardous. However, a small and insignificant amount of hazardous wastes such as printer toner cartridges, ink boxes and batteries are generated. They are collected regularly by qualified collectors, who will dispose them in an environmentally friendly way. The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant paper usage:

Non-Hazardous Waste (Paper)	Unit	Year ended 31 December 2023	2022	Changes
— Singapore	Pieces	180,552	95,131	+89.79%
	Tonnes[1]	0.12	0.06	N/A
— Vietnam	Grams	68	144	–52.78%
	Tonnes[1]	0.00	0.00	N/A

Note 1: Conversion factors for paper are based on data published by Conversion.org.

During the 2023 Reporting Period, there was a significant increase in paper consumption in the Singapore office due to an extensive inspection job and a confidential defense-related project that required paper submissions.

On the other hand, efforts were made to encourage employees to use paper efficiently with the goal of fostering a paperless work environment. This included reducing paper usage by sending soft copies instead of printing drawings for client to review. As a result, the Vietnam offices experienced very low levels of paper waste during the 2023 Reporting Period.

During the 2023 Reporting Period, the Group had no non-compliance or warning notices or fines or disputes in relation to hazardous and non-hazardous air emissions and wastes disposal and polluted or clean water discharges.

(iv) Mitigation Measures and Reduction Initiatives

The Group does not generate much hazardous and non-hazardous emissions and discharges. However, as a responsible corporation, we are conscious of the effects our business operations and activities may have on the environment and we are constantly working on maximizing energy efficiency and minimizing waste generation, disposal and discharges. We have fully complied with all applicable environmental laws, rules and regulations and industrial standards in the markets we operate in.

To combat global warming and to reduce the generation of air emissions, pollutants and solid wastes disposal, we aim to reduce our electricity consumption by introducing measures to achieve that end. For example, we advise our staff to turn off all unused electrical appliances when our offices are not in use, to use natural ventilation to replace air-conditioning in allowable conditions, and not to set the temperature settings of all air conditioners to lower than 25°C under normal conditions.

The Group has also invested in energy saving tools and equipment, such as energy-saving copiers and computers, installation of LED lights, encouraging our employees to use teleconferencing to reduce their travels and to use public transport to commute to and from work in the city.

A2. Use of Resources

Given the nature of our business operations and activities, we only consume electricity, fresh water, printing paper and ink. We are conscious of our responsibility to conserve natural resources. We have approved and implemented clear environmental policies and measures with the target of establishing a green practice by producing no pollution and conserving scarce resources. Our usage of electricity, printing paper and water during the 2023 Reporting Period are reported below:

(i) Electricity Consumption

Electricity is sourced from the city grid line which is the only source of energy used for our offices' daily operations and activities. The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant electricity consumption:

		Year ended 31 December		
Electricity Consumption by Operation	**Unit**	**2023**	2022	**Changes**
— Singapore	kWh	66,384.24	63,541.96	+4.47%
— Vietnam	kWh	60,144.00	63,681.00	–5.55%
Total	**kWh**	**126,528.24**	**127,222.96**	**–0.55%**
Intensity				
— kWh/employee in Singapore		885.12	756.45	+17.01%
— kWh/employee in Vietnam		835.33	896.92	–6.87%

Energy Use Efficiency Initiatives and Results Achieved

During our operations and activities, we encouraged our employees to use electricity efficiently and in an environmentally friendly manner, which includes:

- Turning off electrical appliances, lights when not in use;
- Installing and using energy-saving electrical appliances; and
- Controlling heating and cooling devices with time and temperature controls.

For the coming year, we will continue to encourage and monitor our employees on energy saving practices, and target to lower the electricity consumption by 2–3%.

(ii) Fresh Water Consumption and Sourcing

We use fresh water mainly for our employees' daily drinking, general cleaning and hygiene needs. All our offices use fresh water supplied from the cities' central water supply network and we do not have any problem on sourcing of our water needs.

As explained in the aforementioned "Water Pollution and Discharge" section of this annual report, the Vietnam offices water consumption data was not available, we can only compile and analyse the Singapore office water consumption result.

The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant water consumption in Singapore:

		Year ended 31 December		
Water Consumption in Singapore	**Unit**	**2023**	2022	**Changes**
— Singapore	m^3	267.60	296.30	–9.69%
Intensity (m^3/employee)		3.57	3.53	+1.13%

During the 2023 Reporting Period, the Group replaced the old water taps in the office washroom with new ones that have water-efficient labels, which resulted in lower water usage.

Energy Use Efficiency Initiatives and Results Achieved

We advised our employees to use fresh water efficiently and avoid excessive usage of fresh water as it is one of the most important and scarce resources on our planet. In addition, we constantly inspect to ensure all water supply lines in our offices are in good condition, that all the water taps are turned off when not in use, and check and immediately fix any water leakage. For the coming year, we will continue to encourage our employees to save fresh water consumption with a target to reduce 1–2% fresh water consumption.

(iii) Paper and Packaging Materials and Other Raw Materials Consumption

Apart from printing paper, the Group does not consume much packaging materials and other raw materials and did not generate hazardous waste.

Energy Use Efficiency Initiatives and Results Achieved

To save paper consumption, we have implemented the following measures in all our offices:

- Avoid unnecessary printing and print on both sides;
- Use recycled papers and reuse paper-made products such as envelops and folders;
- Replace the use of papers by sharing and storing information and documents in electronic formats; and
- Adopt company-wide cloud based working environment to reduce the need of printed documentation.

For the coming year, we target to reduce the overall group paper consumption by 2-3% through the initiatives.

A3. The Environment and Natural Resources

The Group's business operations and activities do not create significant environment impact and hazard. We have implemented our "Green Environmental Policy" and have complied with all national and local environmental laws, rules and regulations, and industry standards. However, as a responsible corporation and to save costs, the Group aims to conserve resources used in the operations of its business, and enforce measures to reduce energy, fresh water, and paper consumptions. We promote environmental education and advocacy amongst our employees to motivate environmental-friendly behaviors across our organization. The management considers that resources conservation is a continuing practice, which will benefit the environment and our operations over time.

For the 2023 Reporting Period, the Group did not receive any warning or complaint notice from any governmental environmental agencies, clients or business partners for the violation of any environmental rules and regulations, polluting the environment or causing any environmental troubles. For the coming year, we will continue to strive to achieve zero complaint for pollution issues.

A4. Climate Change

After communication with the stakeholders and reviewing of the Group's operations and activities in light of the current global environmental conditions, the Management Team identified that global warming and conservation of fresh water will be the most significant climatic issues that may impact the Group. These two climatic issues not only affect the operation costs of the Group, they will also affect the environmental conditions on our civil and engineering works.

Nowadays, it is generally agreed that global warming is mainly caused by the excessive release of carbon dioxide and its non-hazardous equivalents including nitrous oxide and methane (the "**CO_2e**") into the atmosphere, which is directly and indirectly the result of using fossil fuels for transportation and electricity generation. For the 2023 Reporting Period, although the Group's operations and activities did not directly generate any CO_2e emission, the Group indirectly generated CO_2 through the use of electricity. We have implemented policies and measures, explained in aforementioned paragraphs, to use electricity efficiently to reduce CO_2 emissions. Furthermore, we have supported reforestation and implemented a less-paper office to curb our contribution to global warming.

Regarding the conservation of fresh water, the Group has taken measures to encourage employees to conserve the use of water in order to reduce its consumption.

The Group's other major contribution to climate change is that we are renowned for designing and developing green buildings and projects. Some of these buildings and projects have been awarded recognitions by authoritative organizations for its environmental friendliness and sustainability, such as from the Building and Construction Authority (BCA) of Singapore.

The Group is certified to practice our consultancy services in accordance to ISO 14001: 2015 Environmental Management System in both Singapore and Vietnam, and has been constantly advocating our developer clients to adopt energy efficient guidelines in designing and building their real estate projects into 'Green' buildings.

For the 2023 Reporting Period, the Group's business operations and activities did not lead or participate in any events or issues that might impact the climate or result in the change of the climate significantly. The Group has already taken measures to lower indirect CO_2 emission and fresh water consumption for the coming year.

B. SOCIAL AREAS AND ASPECTS

2.1 Social Areas Overview

Introduction

The Group spares no effort to contribute to the development of a harmonious society and building a mutually beneficial relationship with our stakeholders including employees, customers, suppliers, professional services providers, local communities as well as the governing authorities. Throughout the formulation and implementation of our ESG strategies, policies, rules and regulations, we incorporated our long and short term goals with due considerations of the stakeholders and the society. We act in an honest and transparent way with mutual respect and believe that our sincere acts will ultimately benefit the stakeholders and general society.

2.2 Employment and Labor Practices Aspects

The Group's business development and growth relies heavily on the commitment, passion and skills of its employees. We view our employees as our most valuable assets. We are committed to complying with all the laws, rules and regulations applicable to the employment and talents management in Singapore and Vietnam.

One of our core values is to pursue growth and lifelong learning for our engineers and other staff. To that end, we endeavor to provide a safe, healthy and equitable working environment, as well as equal opportunities to all employees on recruitment, promotion, compensation and benefits. We strive to strengthen our human resources management with employees-oriented policies to encourage motivation and innovation among our employees so that they are the most competitive talents in our industry. On the other hand, we introduced policies to protect the interests and legal rights of the employees, which we believe will create a positive, constructive and harmonious relationship with our employees.

In relation to the hiring process, the Group adopts and strictly adheres to an equal opportunity policy in the hiring process. All new vacancies are open to all candidates and no candidate will be subject to discrimination based on religion, gender, age and disability, and will be selected based upon their qualifications, skill and competency.

During the 2023 Reporting Period, the Group honoured all of its obligations with regards to paying the salaries and wages, statutory benefits and agreed benefits under the employment contracts entered into. The Group did not have any labour disputes during the 2023 Reporting Period.

B1. Employment

(i) Employment Mix

As at 31 December 2023, the Group employed a total of 147 employees, among whom 146 are full-time staffs and 1 is part-time staff. Further analysis of the Group's employment situations for the 2023 Reporting Period and 2022 Reporting Period are summarised as below:

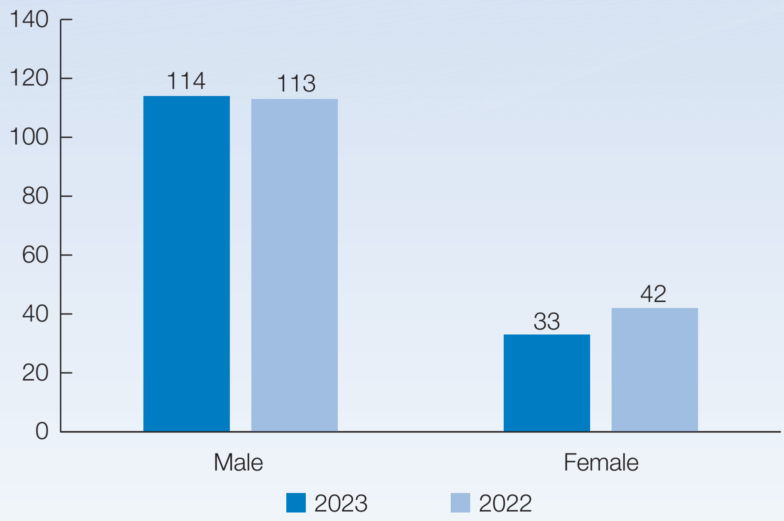


Figure 1: Number of Employees by Gender

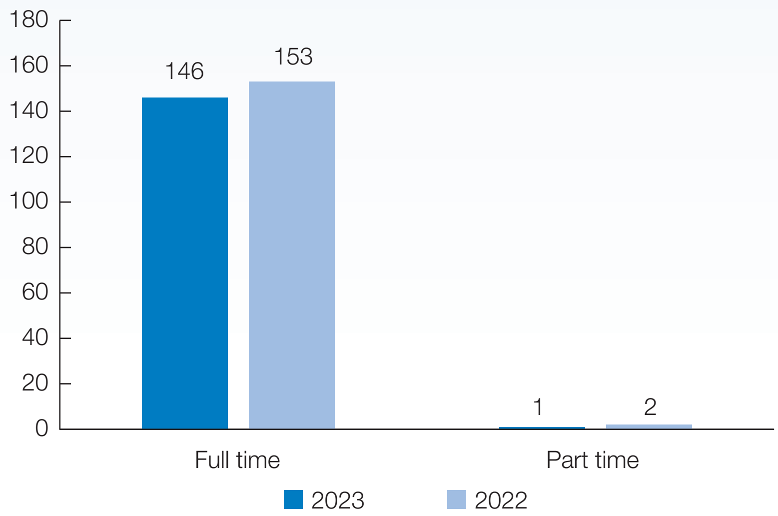


Figure 2: Number of Employees by Employment Type

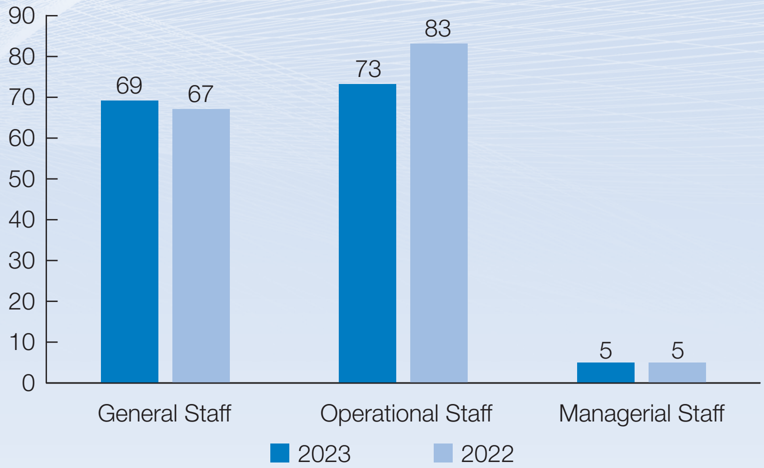


Figure 3: Number of Employees by Employee Category

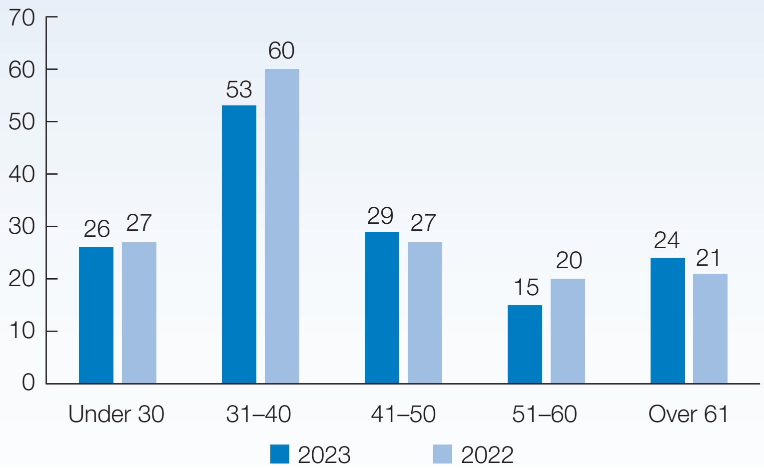


Figure 4: Number of Employees by Age

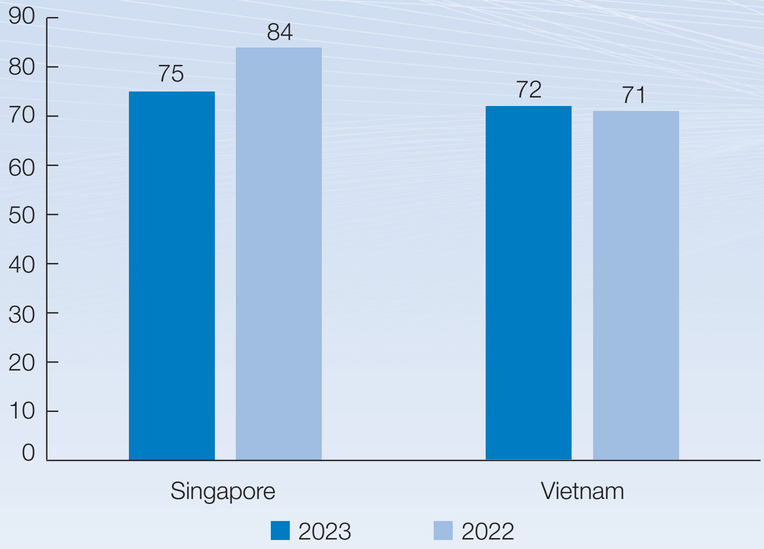


Figure 5: Number of Employees by Geographical Region

(ii) Employment Turnover

As at 31 December 2023, the Group had 47 employees whom voluntarily left. Below is the breakdown of the employment turnover by gender, age group and geographic region:

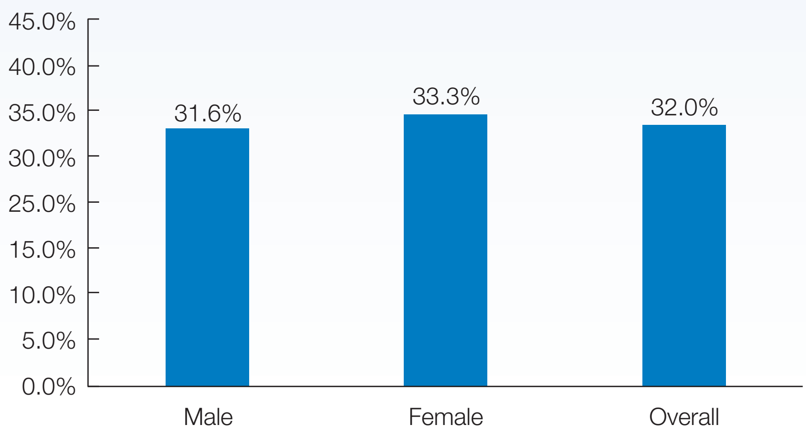


Figure 6: Employee Turnover Rate by Gender

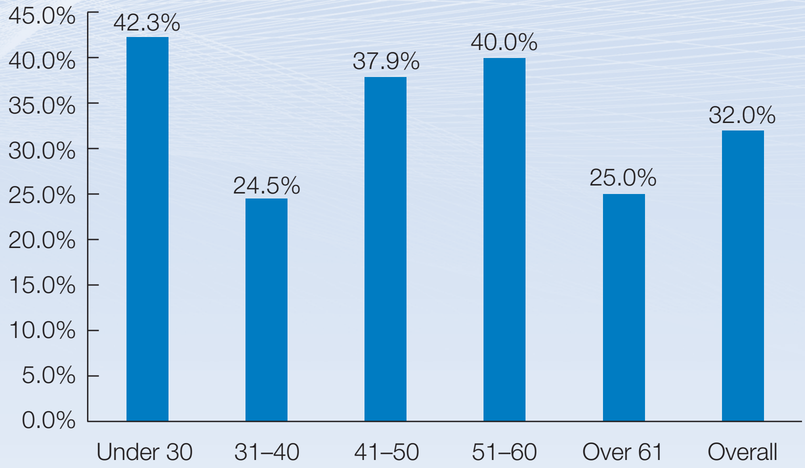


Figure 7: Employee Turnover Rate by Age

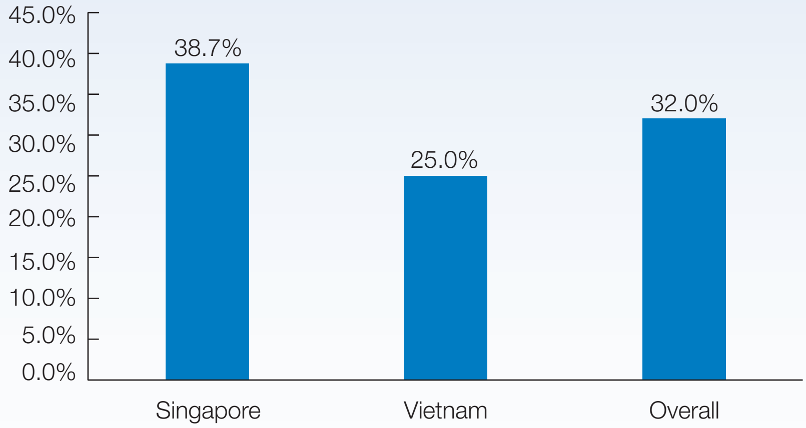


Figure 8: Employee Turnover Rate by Geographic Region

For our civil and engineering consulting business, the staff turnover rate is normally higher than other industries because most of the staff are specialised skill professionals and their jobs are affected by the volume of business and tailor-made to specialised projects. When a specialised project is completed and no other similar specialised project on hand, the specialised skill professional will normally move to other firms.

Despite the tailor-made nature of the skills to the jobs, we will implement the following measures to reduce the employee turnover rate:

- Hire the right employees by improving the talent search and match process;
- Offer competitive pay and compensation to the right employees;
- Enhance the skills of the employee so that a wider scope of works can be performed; and
- Develop career path for young and up-coming employees.

(iii) Employee Compensation & Package

The Group's employment policies, rules and regulations, and contractual arrangements are subject to and in strict compliance with respective local relevant laws, rules and regulations relating to employment, including but not limited to the Employment Act ("**EA**") and Central Provident Fund Act ("**CPFA**") of Singapore and the Labour Laws of Vietnam. The EA and CPFA and the Labour Laws, set out the basic terms and conditions at work for employees in Singapore and Vietnam such as payment of salary, paid public holidays, sick leave and maternity leave, rest days, hours of work and other conditions of service such as compensation and dismissal, social, health, unemployment and industrial accident insurance, recruitment and promotion, performance assessment, other benefits and welfare, equal opportunities, diversity, anti-discrimination, etc.

Employees' remunerations are determined with reference to the prevailing market level in line with their competency, qualifications and experience. Discretionary bonuses of such amounts and at such intervals for internal employees will be rewarded at the discretion of the top management with consideration on the performance of the employees. The Group provides and maintains statutory benefits to all qualified employees in accordance with the requirements of the EA and CPFA of Singapore and Labour Laws of Vietnam, and other applicable laws (e.g. Skills Development Levy Act) where appropriate, including but not limited to central provident fund, mandatory provident fund, social security insurance, medical insurance, industrial accident insurance and compensation and statutory holidays.

In summary, the Group continues to follow the adopted employment policies, practices and procedures in relation to recruitment, promotion, dismissal, and anti-discrimination with the purpose to build a fair and equitable work environment for all, regardless of age, gender, family and marital status, sexual orientation, ethnicity, and religion and other characteristics. We proactively promote team spirit and mutual respect in all our offices to encourage employees to communicate open-heartedly which will drive innovation and create win-win relationships.

For the coming year, the Group is confident in maintaining a stable work force without much disruption to our project works.

B2. Health and Safety

The Group aims to ensure that there are zero occupational accident for its employees. Thus, it maintains a safe working environment in its offices to prevent employees from injuries and accidents and adopts an "employee oriented" human resources policies which aim to provide a happy, harmonious, safe and healthy working environment to minimize the risk of any occupational hazards. Work safety rules and policies are in all material aspects in compliance with all the relevant laws, rules and regulations relating to safety and health requirements of Singapore and Vietnam. The Group has also provided regular occupation safety trainings to employees to perform their jobs safely.

Whenever an accident takes place, the manager of the respective office, who is authorised to take immediate medical rescue operation without any delays will be informed immediately and at the same time to notify the Human Resources manager. Our Human Resources manager will immediately review all the insurance policies, procedures and process to ensure sufficient protection is provided to the accident struck staff.

In accordance to and compliance with the statutory requirements of Singapore and Vietnam, the Group provides general medical insurance and adequate level of accident insurance to employees in Singapore. While in Vietnam, the Group provides statutory insurance coverage including: Social Insurance, Health Insurance, Unemployment Insurance and Industrial Accident Insurance — Occupational. These policies and insurance compensation cover all qualified employees to protect their safety and health against occupational hazards, accidents and sickness. The Group organises work safety and occupational trainings to employees on a regular basis. The Group has also equipped the offices with all the required safety equipment and facilities and has passed all governmental safety inspections.

The Group had zero work-related fatalities in the past three years including the 2023 Reporting Period in any of our operations. Furthermore, during the 2023 Reporting Period, same as the 2022 Reporting Period, zero lost days due to work-related injuries was recorded, and the Group does not have any history of claim or dispute arising from health or safety matters.

B3. Development and Training

The Group recognises that human capital is a critical element of our businesses. Therefore, the Group values the contribution of its employees and is willing to invest and offer training and development to enhance their skills and capabilities.

In relation to development and training, the Group established a series of internal training programs in areas of occupational safety, technical skills, environment protection, internal knowledge, etc., to ensure employees have received the minimum level of training in 2023. For senior managers, opportunities to attend external training programs/workshops/seminars are provided to strengthen the consciousness of enterprise management.

During the 2023 Reporting Period, 27.21% and 24.49% of the Group's employees were trained internally and externally respectively. On average, each internally trained employee completed 2.23 hours of training hours and each externally trained employee complete 1.07 hours of training hours. Below is the breakdown of the Group training to employees:

Training (No. of employees)		Internal	External
Total employee trained	2023	27.21%	24.49%
	2022	41.94%	21.94%
% of employees trained by gender			
Male	2023	90.00%	86.11%
	2022	86.15%	76.47%
Female	2023	10.00%	13.89%
	2022	13.85%	23.53%
% of employees trained by operational role			
Managerial Staff	2023	2.50%	11.11%
	2022	1.54%	14.71%
Operational Staff	2023	97.50%	86.11%
	2022	9.23%	14.71%
General Staff	2023	–	2.78%
	2022	89.23%	70.58%

Average Training (Hours)		Internal	External
Total employee trained	2023	2.23	1.07
	2022	2.84	1.33
Average training hours completed per employee by gender			
Male	2023	2.53	0.96
	2022	3.36	0.92
Female	2023	1.21	1.45
	2022	1.43	2.43
Average training hours completed per employee by operational role			
Managerial Staff	2023	2.00	6.40
	2022	2.00	10.80
Operational Staff	2023	4.36	1.51
	2022	0.72	1.30
General Staff	2023	–	0.23
	2022	5.52	0.66

The Group is committed to providing training to our employees as evidenced by the number of both internal and external trainings, as well as the number of employees trained and training hours. In the coming year, the investment and training programs will increase as compared to the 2023 Reporting Period.

B4. Labor Standards

The Group strictly complies with all the relevant laws, rules and regulations including but not limited to the EA and CPFA of Singapore and the Labour Laws of Vietnam and adopts the respective national standards as its minimum labor standard on labor protection and welfare. The Group maintains strict compliance with the laws in relation to equal employment opportunities and prevention of child or forced labor including recruitment, dismissal, promotion, leave, holidays, benefits as well as ensuring equal employment opportunities to all genders, ages, races and religions. The Group is also against any form of child or forced labor. As a legal formality, the Group maintains the private files of the employees on a confidential basis.

For the 2023 Reporting Period, the Group honoured all its obligations towards its employees and built a safe, healthy, harmonious and pleasant working environment in all our offices, and no labor disputes or litigations were reported.

B5. Supply Chain Management

During the 2023 Reporting Period, the Group engaged 13 major suppliers. To support the local community, the Group gives preferential status to local suppliers in sourcing its services and equipment. For the 2023 Reporting Period, all its purchases of services, supplies and equipment were sourced from local suppliers or agents.

Given the nature of our business operation, the Group only needs to purchase general office stationery and supplies, and information technology software and hardware. The former purchases are small in term of quantity and amount compared to the total operating expenses, and they are mostly sourced from local suppliers out of convenience and to support local economy. While the latter purchases involve patent and intellectual property rights, if the required information technology software and hardware can be supplied by a local agency, we normally procure locally, otherwise we will purchase the same from overseas.

Our finance and accounting department is responsible for general purchases. After the related division manager signs a purchase request form and the dollar amount of the purchases are within a certain approved limit, the finance department will proceed to procure the purchases accordingly. If the approved limit is exceeded, the office general manager will be required to co-sign the form to signal his approval. With respect to the process of purchasing, it is normal practice to seek quotations from 2 to 3 suppliers to compare and ensure that the purchases transactions are fair and reasonable. The main considerations when deciding between suppliers are quality and fair pricing.

Furthermore, the Group tries to purchase items which are environmentally friendly and legally compliant. In short, the Group does not see that its purchases will pose any environmental and social risks to the society at large.

B6. Product Responsibility

Product responsibility refers to the quality of the products and services provided in relation to health and safety, advertising, labelling and privacy matters. Our operations and activities do not involve production of any physical product, the key product responsibilities are therefore on providing the highest level of consultancy services and designs that meet clients' needs, maintaining the impartiality in our suggestions and protecting the clients' confidentiality.

To guarantee the quality of our consultancy services, the primary factor is to have highly competent and experienced professionals who perform their tasks with due care and diligence. For any designs and written documents and reports, we carry out a peer review by a third-party procedure to ensure that the highest quality of the services is provided before delivery to the clients.

The Group has obtained the following certifications:

- TW-Asia (Singapore Subsidiary) is listed on the PSPC, Building and Construction Authority, Singapore
- Construction Eligibility Certificate — Civil and Structural Consultancy Service of Buildings, Class I by Ministry of Construction
- Construction Eligibility Certificate — Road Bridge Works and Technical Infrastructure, Class II by Department of Construction
- ISO 9001: 2015 Civil & Structural Engineering Services
- ISO 14001: 2015 Environmental Management System
- bizSAFE Level 3 Certificate

And as an endorsement to the level of services we provide, the Group received the following recognitions:

Year	Recognitions
2019	BCA Construction Productivity Awards — Advocates (Consultant) Gold Award, Singapore
2020	SGBuilds Star Award (Consultant)
2022	Winner of the Design for Manufacturing and Assembly by IStructE
2023	Design and Engineering Safety Award 2023 by Building and Construction Authority

For the 2023 Reporting Period, the Group did not receive any complaints or claims regarding the quality of the services and will continue to provide and maintain top quality services to its clients in the coming years ahead.

Intellectual Property Rights

With regards to intellectual property rights ("**IPR**"), the Group respects and strictly complies with both national and international IPR related laws and regulations. We stipulate that all our software must be purchased from the patent right holders or their authorised agents. No copy is allowed to be installed for use. We adopt the utmost measures to safeguard the confidentiality of company information as well as that of our clients. Our employees are all prohibited, whether during employment, or after, irrespective of the circumstances of termination, to disclose to any other person, firm, company, press, media, or association any confidential information of the Group's potential, actual or past clients. Employees are to return to the Group all confidential and proprietary information upon their termination. Failure to comply with this obligation may be treated by the Group as gross misconduct for which the employee may be liable for summary dismissal.

During the 2021 Reporting Period, the Group discovered their patent was infringement by a third party (the "**Incident**"). The third party has exploited the Group's patented process without our consent. The Group immediately sent an intellectual property cease and desist letter to the third party to require them to stop and discontinue the infringing activity. However, the third party fails to respond appropriately by the given timeline.

The Board of the Group, in collaboration with the Group's Singapore legal adviser (the "**Singapore Legal Adviser**"), closely monitored the situation and evaluated potential remedies. During the 2023 Reporting Period, we sought a second legal opinion from lawyers and employed a private investigator to acquire a more comprehensive understanding of the circumstances. Following thorough consultations with the Singapore Legal Adviser, the management concluded that further pursuit of this matter was not viable.

We want to assure all stakeholders that despite the decision not to proceed with legal action, our commitment to protecting our intellectual property rights remains steadfast. We will not hesitate to take necessary actions should similar incidents occur in the future.

Privacy Protection

The Group's business operations generate large volumes of private confidential and sensitive information of our clients and their business partners, including the architectural and engineering designs, trade secrets, proprietary information, financial information, commercial terms of contracts, etc. Such kind of information are extremely sensitive and important, and by law must be protected. The Group is fully aware of this obligation and has taken measures to ensure safe keeping of these information.

The Group enforces strict policies to prohibit our employees from accessing and/or disclosing any such information without approval from management. All employees are obligated to sign and to strictly follow the articles in the Confidentiality Agreement, which is an integral part of the employment contract. Legal action may be taken against any privacy violation. We have also implemented and enforced management rules on information technology covering protection procedures for information security as well as handling processes and application procedures. The Group applies the latest information technologies to continuously, where possible, monitor, maintain and update all hardware, software and security systems to prevent unauthorised access and hacking attacks to our information systems at any time.

For the 2023 Reporting Period, there were no cases filed against us nor any complaints received, regarding any breach of relevant privacy laws, regulations and policies in any jurisdiction in which we operated and the Group will continue to implement measures to secure privacy and confidential information at the safest level.

B7. Anti-Corruption

Anti-corruption is a material aspect to all stakeholders. The Group recognises its social responsibility to safeguard the assets and interests of all our stakeholders including investors, adopting a zero-tolerance approach to bribery, extortion fraud, and money laundering crimes. We implement clear internal-control policies and well-structured business processes, along with the highest degree of integrity, honesty and impartiality in all our business activities. All our employees and suppliers must follow our strict policies on ethical standards/business integrity that prohibits bribery and corruption in any form. This policy has been effectively communicated to all our employed staff in all jurisdictions we operate. It is strictly prohibited and clearly stated in our employment contracts to offer, give, demand or accept any undue advantage, such as money, favors, gifts, discounts, services, loans, contracts to or from any person, including the clients, contractors, suppliers in order to obtain or retain business or other improper advantage.

We offered anti-corruption training to employees by internal training. For the 2023 Reporting Period, the Group did not have any bribery or corruption cases reported, and we will not allow such cases from happening in the coming years.

B8. Community Investment

The Group fully understands its social obligations and is willing to contribute back to the local community, society and the global environment whenever possible. The Group has implemented measures with an objective to reduce hazardous and non-hazardous air emissions and wastes discharges and continues to find ways and to implement measures to reduce air emissions and wastes discharge. Furthermore, the Group supported the local communities by prioritising its purchases with the local suppliers and sponsoring the employees to participate in the volunteering and charity events.

During the 2023 Reporting Period, the Group made several notable contributions. The Group donated approximately HK$21,698 to the Memorial Blood Centers Donation 2023. In addition, the Group sponsored the 2023 Malaysia Independence Day Event, contributing approximately HK$10,798. The Group also donated approximately HK$31,908 to the Run for Heart Event and provided a sponsorship of approximately HK$2,900 to support the operations of the Care Community Limited, a voluntary welfare organization that strives to provide optimal welfare assistance to the elderly, handicapped, and underprivileged members of the community.

Corporate Governance Report

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 C1 to the GEM Listing Rules.

The Board is of the view that throughout the period from the Listing Date to 31 December 2023, except Provision C.2.1 of the CG Code as disclosed below, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules in respect of securities transaction by directors (the "**Required Standard**").

Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Required Standard throughout the period from the Listing Date to 31 December 2023.

The Company has also extended the coverage of the Required Standard adoption to the senior management of the Company who are likely to be in possession of unpublished price-sensitive information of the Company (the "**Relevant Employees**"). No incident of non-compliance of the Required Standard by the Relevant Employees was noted by the Company.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review whether a Director perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises the following Directors:

Executive Directors

Mr. Wong Seng	(Chairman of the Board, Chief Executive Officer, Compliance Officer and Member of the Remuneration Committee)
Ms. Leow Geok Mui	(Member of the Nomination Committee)
Mr. Lim Chin Keong	
Mr. Heng Kim Huat	

Independent Non-executive Directors

Dr. Tan Teng Hooi	(Chairman of the Nomination Committee and Member of the Audit Committee and the Remuneration Committee)
Mr. Leong Jay	(Chairman of the Remuneration Committee and Member of the Audit Committee and the Nomination Committee)
Mr. Ng Shing Kin	(Chairman of the Audit Committee and Member of the Remuneration Committee and the Nomination Committee)

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 46 to 49 of this annual report.

All Directors have appropriate professional qualifications or substantive experience and industry knowledge. The Board as a whole has achieved an appropriate balance of skills and experience. The composition of the Board is in accordance with the requirement of Rules 5.05 and 5.05A of the GEM Listing Rules.

Chairman and Chief Executive Officer

Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong Seng is the chairman of the Board and the Chief Executive Officer. In view that Mr. Wong Seng has been operating and managing the Group since its foundation, the Board believes that it is in the best interest of the Group to have Mr. Wong take up both roles for effective management and business development. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors. Therefore, the Board considers that the deviation from provision C.2.1 of the CG Code is appropriate in such circumstance.

Independent Non-executive Directors

During the period from the Listing Date to 31 December 2023, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The participation of independent non-executive Directors in the Board brings a diverse range of expertise, skills and independent judgment on issues relating to the Group's strategies, performance, conflicts of interests and management process to ensure that the interests of all shareholders of the Company have been duly considered.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

According to the Articles of Association of the Company (the "**Articles**"), one-third of the Directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors should be eligible for re-election at the relevant AGM. In addition, any new Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of shareholders after his/her appointment, whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The retiring Directors shall be eligible for re-election.

Corporate Governance Report

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides directions to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors from the Listing Date and up to date of this report are summarised as follows:

Directors	Types of training[Note]
Executive Directors	
Mr. Wong Seng	A,B
Ms. Leow Geok Mui	A,B
Mr. Lim Chin Keong	A,B
Mr. Heng Kim Huat	A,B
Independent Non-executive Directors	
Dr. Tan Teng Hooi	A,B
Mr. Leong Jay	A,B
Mr. Ng Shing Kin	A,B

Note:

Types of training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences, forums and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications relating to the latest development of the GEM Listing Rules, other applicable regulatory requirements and directors' duties and responsibilities

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Ng Shing Kin (Chairman), Dr. Tan Teng Hooi and Mr. Leong Jay.

The terms of reference of the Audit Committee are in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph D.3.3 of the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process (including to understand the accounting policies and practises applied by the Group, to enquire management and external auditors regarding significant audit adjustments and unusual transactions, to discuss with the Board the material items in the financial statements, to request additional information regarding the accounts, and to ensure compliance with the GEM Listing Rules and legal requirements in relation to financial reporting), to review the financial information of the Group, to oversee the Group's financial controls, internal control procedures and management systems, and to review any material queries raised by the external auditor as to the management about accounting records, financial accounts or systems of control and management's response.

During the year ended 31 December 2023, there were five Audit Committee meeting held to review the financial results and reports and significant issues on the financial reporting, operational and compliance controls. The complete attendance record of individual committee member is set out in the table on page 41 of this annual report.

Dividend Policy

The Group has adopted a general annual dividend policy (the "**Dividend Policy**") of declaring and paying dividends, whether interim, final and/or special, of approximately 10% of the net profit attributable to the shareholders of the Company in any financial year, taking into account the need for preserving sufficient capital for business development and providing the shareholders of the Company with reasonable returns for their investment. The determination to pay dividends is based upon factors including but not limited to the Group's actual and expected financial performance, retained earnings and distributable reserves, expected working capital requirements and future expansion plans, and any other factors that the Board may deem appropriate.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Remuneration Committee

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Leong Jay (Chairman), Dr. Tan Teng Hooi and Mr. Ng Shing Kin, and one executive Director, namely Mr. Wong Seng.

The terms of reference of the Remuneration Committee are in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph E.1.2 of the CG Code. The primary function of the Remuneration Committee is, among other things, to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, to make recommendations to the Board on the remuneration of directors and senior management of the Group.

During the year ended 31 December 2023, there was one Remuneration Committee meeting held to review the remuneration policy and structure of the Company and the remuneration packages of the Directors and senior management and other related matters. The complete attendance record of individual committee member is set out in the table on page 41 of this annual report.

Details of the remuneration of the Directors and senior management by band are set out in note 12 of the Notes to the Consolidated Financial Statements of this annual report.

Remuneration Policy

The remuneration policy of the Group for the Directors and senior management members was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the performance of the Group and the individual performance of the Directors and senior management members.

Nomination Committee

The Nomination Committee consists of three independent non-executive Directors, namely Dr. Tan Teng Hooi (Chairman), Mr. Leong Jay and Mr. Ng Shing Kin, and one executive Director, namely Ms. Leow Geok Mui.

The terms of reference of the Nomination Committee are in compliance with paragraph B.3.1 of the CG Code. The Nomination Committee is mainly responsible for, among other things, reviewing the structure, size and composition of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Company's board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

During the year ended 31 December 2023, there was one Nomination Committee meeting held to review the structure, size and composition of the Board. The Nomination Committee considered an appropriate balance of diversity perspective of the Board is maintained. The complete attendance record of individual committee member is set out in the table on page 41 of this annual report.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the year ended 31 December 2023, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Required Standard and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2023.

The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditors' Report" on pages 60 to 66 of this annual report.

AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company, Messrs. HLB Hodgson Impey Cheng Limited ("**HLB**"), in respect of audit services and non-audit services for the year ended 31 December 2023 is set out below:

Service Category	Fees paid/ payable SGD'000
Auditor's Remuneration	
— audit service:	
annual audit services	117
	117

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

Regular board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

The attendance record of each Director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 December 2023 are set out in the table below:

	Attendance/Number of Meetings					
Name of Directors	Board meetings	Audit committee meetings	Remuneration committee meetings	Nomination committee meetings	Annual general meeting	Other general meetings
Mr. Wong Seng	4/4	N/A	1/1	N/A	1/1	0/0
Ms. Leow Geok Mui	4/4	N/A	N/A	1/1	1/1	0/0
Mr. Lim Chin Keong	3/4	N/A	N/A	N/A	1/1	0/0
Mr. Heng Kim Huat	4/4	N/A	N/A	N/A	1/1	0/0
Dr. Tan Teng Hooi	4/4	5/5	1/1	1/1	1/1	0/0
Mr. Leong Jay	3/4	4/5	1/1	1/1	1/1	0/0
Mr. Ng Shing Kin	4/4	5/5	1/1	1/1	1/1	0/0

BOARD DIVERSITY POLICY

During the Year, the Board has adopted a policy to ensure Board diversity (the "**Board Diversity Policy**") and discussed all measurable objectives set for implementing the Board Diversity Policy.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. The Board, through the Audit Committee, has overseen the Company's risk management and internal control systems on an ongoing basis. A year-end review of the effectiveness of the Group's risk management and internal control systems has been conducted annually by the Audit Committee, and the significant risk issues, if any, are referred to the Board with management responses and recommendations for consideration.

The Company has developed and adopted a series of internal control policies, procedures and programs designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

The ultimate goal of the Company's risk management process is to identify and focus on the issues in its business operations that create impediments to the Company's success. The risk management process starts with identifying the major risks associated with the corporate strategy, goals and objectives. The key process points in the risk management include:

- Identify: The Company identifies current and emerging risks in its business operations and categorises those risks into a reasonable profile based on timeframe, likelihood, intensity and impact severity. The Company establishes four risk categories, including strategic risks, financial risks, operating risks and legal risks.
- Assess: The Company assesses and prioritises risks so that the most important risks can be identified and dealt with. Based on both qualitative and quantitative analyses, the Company prioritises risks in terms of likelihood and impact severity.
- Mitigate: Based on the assessment of (i) the probability and impact severity of the risks and (ii) cost and benefit of the mitigation plans, the Company chooses the appropriate option for dealing with risks, including risk elimination by suspending the associated business activities, risk reduction by adopting appropriate control measures, risk transfer by outsourcing or purchasing insurance policies, and risk acceptance by choosing to accept risks of low priority.
- Measure: The Company measures its risk management by determining if changes have been implemented and if changes are effective. In the event of any weakness in control, the Company follows up by adjusting its risk management measures and reporting material issues to the Directors.

All divisions conducted internal control assessment regularly to identify risks that can potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board all the findings and the effectiveness of the systems.

Corporate Governance Report

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2023.

The Company has engaged an external professional firm as the internal control adviser, CF Partners Limited (the "**Internal Control Adviser**") for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. The internal control adviser examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee. An assessment on our internal control systems has been examined by the internal control adviser. According to the results of the review, no material deficiency has been identified. The Company has spotted certain weakness in the internal control systems which led to the Audit Issue as set out in page 43–44 of this report. It was noted that the Company has implemented no internal policy or guidance on how to manage and monitor the companies (the "**Investment Targets**") invested by the Company and how to safeguard the value of investment made by the Company. Furthermore, although the Company has designated certain staff for collecting and handling various financial record for the audit work of the Company, the management could do more in the on-going monitoring of the business operation, financial performance and management of the Investment Targets. In other words, the Company did not have sufficient control of its Investment Target and in turn place the Company in a passive position in the case of any shareholders' disputes.

In light of the above weakness, the Board has proposed, and the Company has implemented a set of internal policy and guidance on its management of Investment Targets with effect from 1 April 2024, including the followings:

1. The Company must request for the inclusion of a director nominated by the Company in each Investment Target for the ease of control and continuous monitor of the Investment Target.

2. The Company shall designate a staff (the "**Relevant Staff**") responsible for regular monitoring of the business operation, financial performance and management of the Investment Targets.

3. The Relevant Staff should keep routine communication with the directors or core management of the Investment Targets and request their financial and operational information from time to time to facilitate the relevant audits works.

4. The Relevant Staff shall report to the management of the Company the business performance and financial position of the Investment Targets from time to time, so that the Company could have an on-going and holistic assessment on the Investment Targets' profitability and business sustainability.

The directors of the Company shall add the reports made by the relevant Staff regarding the Investment Targets' profitability and business sustainability in the agendas of the Company's board meetings regularly, so that the Directors have opportunities to provide their feedback and advices on the Company's investment portfolio and strategy.

We have adopted the internal control measures suggested by our internal control adviser to rectify the minor weaknesses identified by the internal control adviser in our internal control system.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

Corporate Governance Report

QUALIFIED OPINION

As set out on the page 60 of the Independent Auditors' Report, HLB Hodgson Impey Cheng Limited (the "**Auditor**") issued a qualified audit opinion for the financial year ended 31 December 2023 on the matter with regards to the 40% equity interests in EIDEA held by the Group. Details of the basis of the qualified audit opinion are included in the Independent Auditor's Report on pages 60 to 61 in this report. The Group is still unable to obtain sufficient appropriate audit evidence for the Auditor to perform field works despite its best endeavour.

The Group has tried its best endeavour to obtain EIDEA's financial information. The Group has made numerous requests to EIDEA since October 2023 to provide their management account but received no response from EIDEA. The Group also instructed its legal advisers to issue legal letters (the "**Legal Letters**") to EIDEA and the shareholder of EIDEA for requests of the relevant financial information. However, EIDEA failed to respond to the Group's requests and failed to provide the Group with any of its financial information for the year ended 31 December 2023 as at the date hereof.

The Group has discussed with its legal advisers on the procedures, turnaround time, costs and chances of success of the Group to apply to the Hong Kong Court for inspection of the books, accounting records and other business records of EIDEA pursuant to Section 740 of the Companies Ordinance (Cap. 622), Laws of Hong Kong for the Group to consider whether it is in the Group's best interest to file claims against EIDEA and its director for EIDEA's unreasonable delay in response in providing the Group with the relevant financial information. The Group has also approached the controlling shareholder of EIDEA for discussion on the possible ways for the Group to dispose of its entire equity interest in EIDEA, including but not limited to (i) a buyback of entire equity interest in EIDEA held by the Group by controlling shareholder of EIDEA (the "**Buyback Proposal**") and (ii) disposal of entire equity interest in EIDEA held by the Group to independent third party investors (the "**Share Sale Proposal**"). Unfortunately, controlling shareholder of EIDEA has rejected both proposals made by the Group.

Although the chance of success for such a court application is positive, given the considerable amount of legal costs which will be incurred in the process of making such a court application, the court proceedings will be time consuming and the uncertainties as to, amongst others, (i) the turnaround time of the application which imposes a risk to the Company of not being able to obtain the relevant records of EIDEA in time for preparation of the publication of annual report for the next financial year albeit considerable legal costs already incurred; and (ii) whether EIDEA will be cooperative in responding to auditor's further queries for the completion of the relevant audit work in the case of success in such an application, the Company considers that it shall conduct an open and friendly dialogues with EIDEA and controlling shareholder of EIDEA with respect to the provision of the relevant financial information, the Buyback Proposal and/ or the Share Sale Proposal to resolve the relevant audit issue (the "**Audit Issue**") without going into long and costly court procedures at this juncture.

Although there is no material deficiency identified by Internal Control Adviser, the Board has identified certain weakness in the Company's internal control and has further implemented a set of internal policy and guidance to assist the Board for a better management.

Upon further discussions with its legal advisor and other professional parties, the Company considered that there are several options to resolve the Audit Issue including but not limited:

(a) renegotiation with EIDEA/controlling shareholder of EIDEA with respect to the provision of the relevant financial information;

(b) renegotiation with EIDEA/controlling shareholder of EIDEA with respect to the Share Buyback Proposal; and

(c) renegotiation with EIDEA/controlling shareholder of EIDEA with respect to the Share Sale Proposal.

At the same time, the Company has been looking for investors who are interested to buy-out the shares of EIDEA held by the Company. If the negotiation for the Buyback Proposal fails and once the potential buyer is identified, the Company plans to sell the shares to an independent buyer without obtaining the consent of controlling shareholder of EIDEA and will apply to the Hong Kong Court for an order of registration of shares in case they are refused by the directors of EIDEA.

In the event of successful Buyback Proposal or Share Sale Proposal within 2024, the Company expects the qualified audit opinion will be carried to financial year ending 31 December 2024 as the Company continues to hold the equity interest in EIDEA at some part of the year of 2024. The qualified audit opinion will be remained for the financial year ending 31 December 2025 on the corresponding figures for the financial year ending 31 December 2024 and will be totally removed in the financial year ending 31 December 2026.

Notwithstanding of the above, the Company will consult its auditors and Hong Kong legal advisers from time to time to explore the alternatives that could be taken by the Company to address and resolve the Audit Issue as soon as possible.

The Audit Committee confirmed that they understood the basis of the qualified audit opinion. They have also reviewed and agreed with The Board's position as set out above.

The Company will keep the shareholders and investors informed and updated about the progress addressing the Audit Issue as and when appropriate.

COMPANY SECRETARY

The company secretary of the Company, Mr. Chan Kim Sun, confirmed that he has duly complied with the relevant professional training requirement and he has taken no less than 15 hours of relevant professional training to update his skills and knowledge during the year ended 31 December 2023.

SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels and a shareholders' communication policy is in place to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

Procedures for Shareholders to Convene an Extraordinary General Meeting

According to article 58 of the Articles, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Shareholders to Put Forward Proposals at General Meetings

If a Shareholder wishes to propose a person other than a retiring Director for election as a Director of the Company at a general meeting, pursuant to article 85 of the Articles, the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the Shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's head office or the office of the Company's branch share registrar. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 28 Sin Ming Lane, #04–136 Midview City, Singapore 573972
(For the attention of the Board of Directors)

Fax: +65 6293 2196

Email: enquiry@tw-asia.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through AGMs and other general meetings.

During the year ended 31 December 2023, the Company has not made any changes to its Articles. An up to date version of the Company's Articles is also available on the Company's website and the Stock Exchange's website.

Policies relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a policy on payment of dividends pursuant to code provision F.1.1 of the CG Code that has become effective from the Listing Date.

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the year ended 31 December 2023.

The Articles are available on the respective websites of the Stock Exchange and the Company.

Directors and Senior Management

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. WONG Seng, aged 71, was appointed as an executive Director on 20 June 2019. He is the founder of our Group and primarily responsible for the overall strategic planning, business development and corporation management of our Group and serving as a member of the Remuneration Committee.

Mr. Wong has over 42 years of experience in civil and structural engineering industry and he worked as an engineer for several multinational firms. He has been involved in various residential and commercial development projects in Singapore and other countries in Asia. Prior to joining our Group, from February 1990 to December 2004, Mr. Wong worked in T.Y. Lin International Pte Limited (formerly known as T.Y. Lin South-East Asia (Pte) Ltd), which was primarily carrying on the business of provision of professional engineering services, with his latest position as a principal. Mr. Wong became a director of Artus Consultancy Services Pte Ltd, our Group's operating subsidiary, and has been participating in day-to-day operations and business development of our Group since January 2005.

Mr. Wong obtained a bachelor of engineering from the University of Melbourne in April 1984. He is currently a Registered Professional Engineer and a Registered Accredited Checker in Singapore, a practising engineer in Vietnam, a chartered engineer in the United Kingdom and a chartered professional engineer in Australia. Mr. Wong was a member of the Sub-Committee for Practise of Professional Engineering Examination of the Professional Engineers Board Singapore from January 2009 to August 2012 and has been a member of the Investigation Panel of the Professional Engineers Board Singapore since February 2012.

EXECUTIVE DIRECTORS

Ms. LEOW Geok Mui (also known as LIAO Yumei), aged 50, was appointed as an executive Director on 20 June 2019. She joined our Group since March 2005. She is primarily responsible for the overall strategic planning, overseeing our Group's regional business development and serving as a member of the Nomination Committee.

Ms. Leow has over 23 years of experience in construction project management, building design and engineering. Prior to joining our Group, she was a design engineer of the Housing Development Board of Singapore from June 1996 to March 1997 and a design engineer of K P Chai Engineering & Management Consultants from March 1997 to December 1999. She was an executive engineer of T. Y. Lin South-East Asia (Pte) Limited which was primarily engaged in business of provision of engineering services to infrastructure projects, since December 1999.

Ms. Leow obtained a bachelor of engineering in civil engineering in June 1996 and a master degree in international construction management in 2002, respectively, from Nanyang Technological University, Singapore. She has been a Registered Professional Engineer in Singapore since 2006 and a practising engineer in Vietnam since 2009. She has also been a member of the Association of Consulting Engineers in Singapore since 2006.

Mr. LIM Chin Keong, aged 45, was appointed as an executive Director on 20 June 2019. He joined our Group in July 2005. He is responsible for the overall strategic planning and management of our Group's business operation in Vietnam.

Mr. Lim has over 21 years of experience in construction industry. Prior to joining our Group, he was a structural engineer of T.Y. Lin International Pte Limited (formerly known as T. Y. Lin South-East Asia (Pte) Limited), which was primarily engaged in business of provision of engineering services to infrastructure projects, since May 2001.

Mr. Lim obtained a bachelor of engineering in civil engineering with first class honours from the University of Adelaide, Australia in December 2000. He has been a professional engineer in Malaysia and a Practising Engineer in Vietnam since 2011. He has been a member of the Institute of Engineers in Malaysia since 2009.

Directors and Senior Management

Mr. HENG Kim Huat, aged 61, was appointed as an executive Director on 20 June 2019. He joined our Group in February 2011. He is primarily responsible for the overall strategic planning, management of our Group's business operations and supervising our Group's projects.

Mr. Heng has over 33 years of experience in construction project management, building design and engineering and had participated in the design and construction of various residential and commercial buildings in Singapore. Prior to joining our Group, from June 1986 to October 1990, Mr. Heng was a structural engineer of Ove Arup & Partners, which was a multinational corporation providing engineering, design, planning, project management and consulting services. From November 1990 to December 2007, he was a principal of T.Y. Lin International Pte Limited (formerly known as T.Y. Lin South-East Asia (Pte) Ltd), which was primarily carrying on the business of provision of professional engineering services. Mr. Heng was a principal of KK Lim & Associates Pte Limited, which was a consulting civil and structural engineering company based in Singapore from January 2008 until joining our Group in February 2011.

Mr. Heng obtained a bachelor of engineering in civil engineering in June 1986 from National University of Singapore. He has been a Registered Professional Engineer in Singapore since May 1997 and a member of the Institution of Engineers, Singapore since November 1997.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. TAN Teng Hooi, aged 67, was appointed as our independent non-executive Director 20 June 2019.

Dr. Tan has more than 40 years of experience in civil engineering and related tertiary education. He is currently a fellow member of the Institution of Civil Engineers, United Kingdom, and the Institution of the Engineers, Singapore. He has been a chartered engineer in United Kingdom since 1986 and a Professional Engineers Board of Singapore since 1985. Also, he has been a member of various professional associations including but not limited to the Engineering Accreditation Board of Singapore, the Society of Project Managers, Singapore and the BCA Assessment Committee for Built Environment Leadership Awards. Dr. Tan became an Asean Chartered Professional Engineer in 2009. He had been working in Nanyang Technological University, Singapore for over 20 years since 1985 with his latest position as an associate professor. From October 2008 to September 2012, Dr. Tan worked in T.Y. Lin International Pte Limited (formerly known as T.Y. Lin South-East Asia (Pte) Ltd), which was primarily engaged in engineering design and consultancy activities, with his latest position as a senior principal and chief operating officer. He has also been an associate professor of Singapore University of Social Sciences (formerly known as SIM University) since December 2012.

Dr. Tan obtained a bachelor of engineering in May 1980 and a master degree of civil engineering in June 1984 from National University of Singapore. Dr. Tan obtained a doctor of philosophy degree from Nanyang Technological University in March 1998.

Directors and Senior Management

Mr. LEONG JAY, aged 58, was appointed as our independent non-executive Director on 20 June 2019.

Mr. Leong has over 20 years of experience in the finance industry. He worked for Singapore International Monetary Exchange from 1994 to 1997 with his latest position as an assistant vice president. He worked as a vice president in Smith Barney (Hong Kong) Limited in 1997 and as a vice president in Salomon Brothers Hong Kong Ltd. in 1998. From 1999 to 2000, he worked as an associate director in Deutsche Bank. Since October 2001, he was the senior forex dealer of Credit Lyonnais. From June 2005 to January 2014, he worked for the Standard Chartered Bank with his latest position as the managing director and the head of global markets Singapore. He has been the director of Laveron Twin Asset Management Limited since November 2016 and is currently a partner of Dalconth Ventures Pte Ltd. since August 2017.

Mr. Leong obtained a bachelor of science in computer science from University of Texas in 1991 and a master degree of business administration in finance from University of Houston in 1993. He was appointed a member of the Professional Membership Committee of the Treasury Markets Association (TMA) in October 2010.

Mr. NG Shing Kin, aged 42, was appointed as our independent non-executive Director on 20 June 2019.

Mr. Ng has over 10 years of experience in audit and accounting. He has been a certified public accountant accredited by the Hong Kong Institute of Certified Public Accountants since 2012 and obtained a practising certificate since 2017. He has also been a certified financial risk manager admitted by the Global Association of Risk Professionals since 2008. From August 2008 to December 2013, Mr. Ng had worked for an international audit firm. He was then a senior associate of PricewaterhouseCoopers from December 2013 to October 2015. He has been the financial controller and company secretary of Royal Catering Group Holdings Company Limited, the shares of which is listed on GEM of the Stock Exchange (stock code: 8300), since November 2015. He has also been the company secretary of Ying Hai Group Holdings Company Limited, the shares of which is listed on GEM of the Stock Exchange (stock code: 8668), since February 2019. Since March 2021 to July 2021, he was a company secretary of WT Group Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8422). Since June 2021, he has been working as the company secretary of Jiujiuwang Food International Limited (stock code: 1927), a company listed on the Main Board of the Stock Exchange. Since July 2022, he has been an independent non-executive director of Miko International Holdings Limited (stock code: 1247).

Mr. Ng obtained a honours diploma in business administration from Hong Kong Shue Yan College in July 2005 and a master degree in business administration from the University of Louisiana, Monroe through long distance learning. In November 2007, Mr. Ng further obtained a postgraduate diploma in professional accounting from Hong Kong Baptist University.

SENIOR MANAGEMENT

Dr. NGUYEN Ngoc Ba, aged 52, is a general manager of our Group and is responsible for the supervision on the day-to-day operation of our Group's business in our Vietnam office.

Dr. Nguyen has over 25 years of experience in construction industry in Vietnam. He joined our Group in November 2008. Prior to joining our Group, Dr. Nguyen worked for Vietnam Institute for Building Science and Technology (IBST), which is a state-owned institution under Vietnam government to set out the standards for structural engineering in Vietnam, since March 2004 with his latest position as the director of Institute for Basic Research and Standardisation.

Dr. Nguyen completed a doctor of philosophy degree in civil engineering from Nanyang Technological University, Singapore in February 2005.

Directors and Senior Management

Ms. FONG Kuan Yuet, aged 41, is the chief financial officer of our Group responsible for handling accounting and financial matters of our Group.

Ms. Fong has over 10 years of experience in financial accounting. She joined our Group in July 2017. From August 2005 to June 2009, she worked in several accountants' and auditors' firms in Singapore with her latest position as audit senior. She then joined Mediacorp Pte Limited, a Singapore based media and entertainment company, until February 2015 with her latest position as financial manager. Prior to joining our Group, Ms. Fong was an assistant vice president of finance and tax of ST Asset Management Limited, a Singapore based company primarily engaging in business of provision of asset management services, from May 2015 to June 2017.

Ms. Fong completed the advanced diploma in commerce (financial accounting) from Tunku Abdul Rahman College, Malaysia in May 2005. She has been registered as a member of the Association of Chartered Certified Accountants (ACCA) since June 2012 and a member of the Certified Public Accountant (CPA) Singapore since 31 May 2019.

Mr. NGUYEN Trung Hau, aged 40, is an associate of our Group and is responsible for overseeing and coordinating our Group's projects in our Vietnam office.

Mr. Nguyen has over 10 years of experience as a design engineer, supervision engineer in the building and construction industry in Vietnam and has been a Practising Engineer in Vietnam since April 2012. He had worked various project design engineer in Singapore and Vietnam. Mr. Nguyen joined our Group in April 2010. Prior to joining our Group, he was a design engineer of Design & Investment Consultancy Co., Ltd. from June 2006 to October 2007 and a design engineer of International Construction & Investment Consultancy Co., Ltd., a Vietnam based company primarily carrying on the business of provision consultancy service from December 2007 to February 2010.

Mr. Nguyen obtained a bachelor of engineer from University of Architect HCMC Vietnam in July 2006.

COMPANY SECRETARY

Mr. Chan Kim Sun, aged 42, was appointed as the company secretary of our Group on 14 January 2019 and is responsible for the corporate secretarial matters.

From October 2004 to March 2010, Mr. Chan joined HLB Hodgson Impey Cheng Limited, an established firm of certified public accountants as an accountant before being promoted as audit manager in April 2008. From August 2011 to September 2014, Mr. Chan served as finance controller and from September 2012 to September 2014 as company secretary of China Infrastructure Investment Limited, a company primarily engaged in properties investment, sale of natural gas as well as investment holding, and the shares of which are listed on the Stock Exchange (stock code: 600).

Mr. Chan is currently a non-practising member of the Hong Kong Institute of Certified Public Accountants and is a fellow of the Association of Chartered Certified Accountants. Mr. Chan graduated from the Hong Kong University of Science and Technology with a bachelor's degree in business administration majoring in accounting and finance in November 2003.

COMPLIANCE OFFICER

Mr. Wong Seng is the Chairman, Chief Executive Officer, Executive Director and the compliance officer of our Company. Please refer to Mr. Wong's biography as disclosed in the paragraph headed "Directors and Senior Management" in this section of the annual report.

Report of Directors

The Directors present their annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in 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.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2023 is set out in the section headed "Management Discussion and Analysis" from pages 4 to 9 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to minimising the adverse impact to the environment caused by business operations. The Group also commits to the principle and practice of reducing and recycling. To help conserve the environment, it implements green office practices such as encouraging the use of recycle paper, printing of both sides, reducing energy consumption by switching off idle lights, air-conditioning and electrical appliances.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on page 67 of this annual report.

The Board does not recommend the payment of a final dividend for year ended 31 December 2023 (2022: Nil).

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2023, save as disclosed in the section headed "Material Acquisition or Disposal of Subsidiaries and Associated Companies" in this report, the Group did not hold any other significant investment (2022: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2023, there had been no other material acquisition or disposal of subsidiaries or associated to the business operations of the Group (2022: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by relevant share certificate must be lodged for registration with the Company's share registrars in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Friday, 7 June 2024.

USE OF PROCEEDS FROM THE SHARE OFFER

Details on the use of proceeds and the comparison of business objective with actual business progress are discussed in the section headed "Management Discussion and Analysis" of this annual report.

Report of Directors

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and equity of the Group for the last five years, as extracted from the audited consolidated financial statements of the Company, is set out on page 132 of this annual report. This summary does not form part of the consolidated financial statements for the year ended 31 December 2023.

INVESTMENT PROPERTY

The investment property of the Group was revalued at 31 December 2023, set out in note 14 to the consolidation financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2023 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS SCHEME

Details of movements in the share capital of the Company during the year ended 31 December 2023 are set out in note 25 and 26 to the consolidated financial statements.

INTEREST CAPITALISED

The Group has not capitalised any interest during the year ended 31 December 2023.

BORROWINGS

Particulars of bank borrowings of the Group as at 31 December 2023 are set out in note 21, to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2023 are set out in the consolidated statement of changes in equity on page 70 of this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2023, the Company had no distributable reserves (2022: Nil) calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

PRINCIPAL RISKS AND UNCERTAINTIES

All the risks relating to the Group's business have been set out in the in the section headed "Management Discussion and Analysis" of this annual report.

MAJOR CUSTOMERS

During the year ended 31 December 2023, the Group's five largest customers accounted for approximately 35.2% (2022: 24.0%) of the total revenue of the Group and the Group's largest customer amounted for approximately 13.8% (2022: 6.5%) of the total revenue. At no time during the year ended 31 December 2023 did the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) have any interest in the Group's major customers as disclosed above.

MAJOR SUBCONTRACTORS

During the year ended 31 December 2023, the Group's subcontractors fee accounted for less than 30% of our Group's total costs of services, representing approximately 3.9% (2022: 7.7%) of the total our Group's total costs of services.

RELATIONSHIPS WITH EMPLOYEES, SUBCONTRACTORS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its subcontractors and customers to fulfil its immediate and long-term goals. To maintain its competitiveness, the Group aims at delivering quality services to its customers. During the year, there was no material and significant dispute between the Group and its subcontractors and/or customers.

DIRECTORS

The Directors during the year ended 31 December 2023 and up to the date of this Directors' report were:

Executive Directors

Mr. Wong Seng
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

The Directors' biographical details are set out in the section headed "Directors and Senior Management" in this report.

An annual confirmation of independence pursuant to the requirements under Rule 5.09 of the GEM Listing Rules has been received from each of the INEDs.

EMOLUMENTS OF THE DIRECTORS

The remuneration policy of the Group for the Directors was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the performance of the Group and the individual performance of the Directors.

Information regarding directors' emoluments is set out in note 12 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial period of three years commencing from the respective dates of their appointments. All of these service agreements may be terminated earlier by no less than three months written notice served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from the respective dates of their appointments. All of these service agreements may be terminated earlier by no less than three months written notice served by either party on the other.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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

As at 31 December 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Company's share (the "Shares")

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

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 31 December 2023, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 December 2023 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 of Directors	Capacity/Nature	Number of ordinary shares held/interested	Percentage of interest
WMCH Global Holdings Limited	Beneficial owner	367,212,000 (L) *(Note 1)*	51.0%
Ms. Tan Seow Hong *(Note 4)*	Interest of spouse	367,920,000 (L) *(Note 1)*	51.1%

Note:

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 367,212,000 Shares. Therefore, Mr. Wong Seng is deemed to be interested in 367,212,000 Shares held by WMCH Global Holdings Limited for the purposes of the SFO.

3. WMCH Global Holdings, which holds 51.0% of the issued share capital of our Company, is an investment holding company owned as to 55% by Mr. Wong, 20% by Ms. Leow, 17.5% by Mr. Lim and 7.5% by Mr. Heng. As such, WMCH Global Holdings Limited, Mr. Wong, 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 31 December 2023, 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 of the Company, 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 year ended 31 December 2023 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 the date of this annual report, a total of 60,000,000 shares, representing 8.33% of the issued Shares, were available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2023 and 2022.

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

(a) Purpose

The purpose of the Share Option 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 Share Option Scheme and the requirements of the 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.

(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 Share Option 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.

(h) Restrictions on the times of grant of options

(i) Our Company may not grant any options after inside information has come to its knowledge until such inside information has been announced. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

(a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the GEM Listing Rules); and

(b) the deadline for our Company to publish an announcement of the results for any year, or half-year under the GEM Listing Rules, or quarterly or other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement.

(ii) Further to the restrictions in paragraph (i) above, no option may be granted to a Director on any day on which financial results of our Company are published:

(a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half year period up to the publication date of the results.

(i) Time of exercise of option

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

(j) Vesting Period

The Board may, if considered appropriate, determine the minimum period for which an option must be held before it can be exercised.

(k) Period of the Share Option Scheme

The Share Option 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.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this report, there is no material subsequent event undertaken by the Group after 31 December 2023 and up to the date of this report.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the year ended 31 December 2023, the Group entered into connected transactions or continuing connected transactions pursuant to Chapter 20 of the GEM Listing Rules amounted to SGD61,400 (2022: Nil).

During the year ended 31 December 2023, the Group did not entered into any related party transaction(s) (2022: Nil).

Details of the related party transactions undertaken by the Group are set out in note 32 to the consolidated financial statements. 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.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business, other than those business of which the Directors were appointed as directors to represent the interests of the Company, which competes or is likely to compete, directly or indirectly, with our Group's business during the year ended 31 December 2022 and up to the date of this annual report.

DIRECTORS' 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 year ended 31 December 2022.

As at 31 December 2023, 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 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 (Chapter 622 of the Laws of Hong Kong)) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of their respective independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all of the independent non-executive directors are independent.

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 year ended 31 December 2023.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 December 2023.

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 annual 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.

Report of Directors

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the Company Law of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUBSIDIARIES

The details of the Company's subsidiaries as at 31 December 2023 are set out in note 34 to the consolidated financial statements.

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.

INDEPENDENT AUDITORS

The consolidated financial statements for the Year were audited by HLB, the independent auditors, who shall retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. The Board has taken the recommendation of the Board that a resolution for the re-appointment of HLB as the independent auditors will be proposed at the forthcoming AGM.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three members, all being INEDs, 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 and external auditor the accounting principles and practices and the auditing, internal controls and financial reporting matters of the Group, which includes the review of the audited consolidated financial statements of the Group for the year ended 31 December 2023.

On behalf of the Board

Wong Seng
Chairman
Hong Kong, 27 March 2024

Independent Auditors' Report

HLB 國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF WMCH GLOBAL INVESTMENT LIMITED
(Incorporated in the Cayman Islands with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of WMCH Global Investment Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 67 to 131, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

As disclosed in the note 16 to the consolidated financial statements, the Group holds 40% equity interests in Eidea Professional Services Company Limited ("**EIDEA**"), which is classified as interest in an associate by the Group and is accounted for using equity method of accounting. In the preparation of the consolidated financial statements of the Group for the year ended 31 December 2023, the Group has applied the equity method of accounting for its interest in the associate by using the financial information of EIDEA for the year ended 31 December 2023 provided by EIDEA management. As a result, the Group's share of result of an associate recognised in consolidated profit or loss of the Group and the exchange difference arising on translation of the financial information of the associate recognised in consolidated other comprehensive income or loss of the Group for the year ended 31 December 2023 were Nil and Nil respectively and the carrying amount of the Group's interest in an associate recognised in the consolidated statement of financial position of the Group as at 31 December 2023 was Nil.

BASIS FOR QUALIFIED OPINION (Continued)

We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's interest in an associate as at 31 December 2023 and the Group's share of the associate's result and exchange difference arising on translation of the financial information of the associate for the year ended 31 December 2023 because we were denied access to the books and records, management and the auditor of the associate. According to the management of the Company, the Company has taken all reasonable steps and used its best endeavour to request the associate and the majority shareholder of the associate to provide the necessary assistance to us to enable us to carry out audit procedures to satisfy ourselves that the financial information of the associate for the year ended 31 December 2023 that was used by the Group in applying the equity method of accounting did not contain misstatements that could result in material misstatement in the consolidated financial statements. However, despite the requests, we were unable to have any access to the books and records, management and the auditor of the associate. As a result, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that (i) the Group's share of result of an associate and exchange difference arising on translation of the financial information of the associate for the year ended 31 December 2023; (ii) the carrying amount of the Group's interest in an associate as at 31 December 2023, including whether there was any reversal of previously recognised impairment loss; and (iii) the disclosures in relation to the associate included in the consolidated financial statements of the Group, were free from material misstatements. Consequently, we were unable to determine whether any adjustments to these amounts and related elements and disclosures in the consolidated financial statements were necessary.

Any adjustments found to be necessary might have consequential significant impact on the loss and other comprehensive loss of the Group for the year ended 31 December 2023, net assets of the Group as at 31 December 2023 and the elements making up, and related disclosures in, the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer to Notes 4 and 5 to the consolidated financial statements We identified the revenue recognition as a key audit matter due to significant management judgment and estimation is required in the determination of the total outcome of the contracts works. For the year ended 31 December 2023, the Group's contract revenue from consultancy services contracts amounted to approximately SGD11,020,000 (2022: SGD10,221,000) as disclosed in the consolidated statement of profit or loss and other comprehensive income. As set out in Note 4 to the consolidated financial statements, the Group recognised contract revenue by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period, measured based on the work performed to date relative to the total contract revenue.	Our procedures in relation to the management's revenue recognition included but not limited to: • Obtaining an understanding of the Group's controls and processes over revenue recognition; • Agreeing the total contract revenue to respective signed contracts and the correspondence with customers; and • Evaluating the value of contract work performed by agreeing to the completion of specified components as set out in the contract. We found that the amount and timing of the revenue recorded were supportable by the available evidence.

KEY AUDIT MATTERS (Continued)

Key audit matter (Continued)	How our audit addressed the key audit matter (Continued)
Impairment assessment of trade receivables and contract assets Refer to Notes 4, 17 and 18 to the consolidated financial statements	
We identified the impairment assessment of trade receivables and contract assets as a key audit matter due to the significance of these balances to the consolidated financial statements as a whole, and the use of judgment and estimates by management in assessing the recoverability of trade receivables and contract assets. As disclosed in Notes 17 and 18 to the consolidated financial statements, trade receivables and contract assets of the Group as at 31 December 2023 amounted to approximately SGD2,052,000 (2022: SGD2,047,000) and approximately SGD451,000 (2022: SGD88,000) respectively. In determining the impairment of trade receivables and contract assets, the management assessed based on the Group's historical default rates taking into consideration forward-looking information which involve estimation and significant judgment.	Our audit procedures in relation to the management's impairment assessment of trade receivables and contract assets included but not limited to: • Understanding the management's process of assessing the recoverability of trade receivables and contract assets; • Assessing the reasonableness of impairment recognised by examining the information used by management to form such judgments, such as checking the accuracy of the ageing analysis of trade receivables to the payment certificates or completion certificates issued by the customers, respectively, on a sample basis; and • Assessing the appropriateness of the impairment provisioning methodology, examining the key data inputs on a sample basis and challenging the assumptions, including the forward-looking information, used to determine the impairment. We found that the management judgements and estimates used to assess the impairment of trade receivables and contract assets were supportable by the available evidence.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon ("**Other Information**").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Other Information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate audit evidence about the Group's share of result and exchange differences arising on translation of an associate for the year ended 31 December 2023 and the carrying amount of interest in an associate as at 31 December 2023. Accordingly, we are unable to conclude whether or not the Other Information is materially misstated with respect to these matters.

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminates threats or safeguards applied.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER MATTERS UNDER SECTION 407(3) OF THE HONG KONG COMPANIES ORDINANCE

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding the items stated under *Basis for Qualified Opinion* section, we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

The engagement director on the audit resulting in this independent auditors' report is Yau Wai Ip.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yau Wai Ip
Practising Certificate Number: P07849
Hong Kong, 27 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 SGD'000	2022 SGD'000
Revenue	*5*	**11,020**	10,221
Cost of services		**(8,569)**	(8,743)
Gross profit		**2,451**	1,478
Other income, gains and losses, net	*6*	**683**	393
Administrative expenses		**(3,315)**	(3,184)
Reversal of allowance for/(allowance for) expected credit losses, net		**128**	(378)
Impairment loss on interest in an associate	*16*	**–**	(24)
Share of result of an associate	*16*	**–**	(1)
Finance costs	*7*	**(71)**	(47)
Loss before income tax	*8*	**(124)**	(1,763)
Income tax credit	*9*	**–**	33
Loss for the year		**(124)**	(1,730)
Other comprehensive loss for the year			
Item that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operation		**(44)**	(31)
Other comprehensive loss for the year, net of tax		**(44)**	(31)
Total comprehensive loss for the year		**(168)**	(1,761)
Loss for the year attributable to:			
Owners of the Company		**(124)**	(1,730)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(168)**	(1,761)
Loss per share			
— Basic and diluted (in Singapore cents)	*11*	**(0.02)**	(0.24)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 SGD'000	2022 SGD'000
Non-current assets			
Property, plant and equipment	*13*	**10**	310
Investment property	*14*	**1,292**	1,317
Right-of-use assets	*15*	**136**	32
		1,438	1,659
Current assets			
Trade and other receivables	*17*	**2,264**	2,334
Contract assets	*18*	**451**	88
Cash and bank balances	*19*	**1,738**	2,166
		4,453	4,588
Current liabilities			
Trade and other payables	*20*	**924**	1,114
Contract liabilities	*18*	**–**	16
Borrowing	*21*	**45**	41
Amount due to a director	*22*	**312**	315
Lease liabilities	*23*	**142**	112
		1,423	1,598
Net current assets		**3,030**	2,990
Total assets less current liabilities		**4,468**	4,649
Non-current liabilities			
Borrowing	*21*	**657**	703
Lease liabilities	*23*	**90**	57
		747	760
Net assets		**3,721**	3,889

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	**2023 SGD'000**	2022 SGD'000
Capital and reserves			
Share capital	*24*	**1,257**	1,257
Reserves		**2,464**	2,632
Total equity		**3,721**	3,889

Approved and authorised for issue by the board of directors on 27 March 2024 and signed on its behalf by:

Wong Seng
Executive director

Leow Geok Mui
Executive director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital SGD'000	Share premium SGD'000	Other reserve SGD'000 *(Note i)*	Accumulated losses SGD'000	Exchange reserves SGD'000 *(Note ii)*	Total SGD'000
As at 1 January 2022	1,257	14,754	1,128	(11,221)	(268)	5,650
Loss for the year	–	–	–	(1,730)	–	(1,730)
Other comprehensive loss for the year	–	–	–	–	(31)	(31)
Total comprehensive loss for the year	–	–	–	(1,730)	(31)	(1,761)
As at 31 December 2022 and 1 January 2023	1,257	14,754	1,128	(12,951)	(299)	3,889
Loss for the year	**–**	**–**	**–**	**(124)**	**–**	**(124)**
Other comprehensive loss for the year	**–**	**–**	**–**	**–**	**(44)**	**(44)**
Total comprehensive loss for the year	**–**	**–**	**–**	**(124)**	**(44)**	**(168)**
As at 31 December 2023	**1,257**	**14,754**	**1,128**	**(13,075)**	**(343)**	**3,721**

Notes:

(i) The other reserve of the Group represents the reserve arose pursuant to the reorganisation of the group in 2019.

(ii) Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies (i.e. Hong Kong Dollar and Vietnam Dong) to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the exchange reserve. Exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the disposal of foreign operations.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 SGD'000	2022 SGD'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before income tax		**(124)**	(1,763)
Adjustments for:			
Interest income	*6*	**(12)**	(7)
Finance costs	*7*	**71**	47
Share of result of an associate		**–**	1
(Reversal of allowance for)/allowance for expected credit losses, net		**(128)**	378
Depreciation for property, plant and equipment	*13*	**25**	26
Depreciation for investment property	*14*	**26**	26
Depreciation for right-of-use assets	*15*	**106**	25
Gain on disposal of property, plant and equipment	*6*	**(435)**	–
Impairment loss on interest in an associate		**–**	24
Operating cash flows before movements in working capital		**(471)**	(1,243)
(Increase)/decrease in contract assets		**(343)**	82
Decrease/(increase) in trade and other receivables		**164**	(199)
Decrease in contract liabilities		**(16)**	(3)
Decrease in trade and other payables		**(192)**	(191)
Net cash used in operations		**(858)**	(1,554)
Income tax paid		**–**	(2)
NET CASH USED IN OPERATING ACTIVITIES		**(858)**	(1,556)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	*13*	**(16)**	(38)
Proceeds from disposal of property, plant and equipment		**780**	–
Interest received		**12**	7
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		**776**	(31)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		**(71)**	(47)
(Repayment to)/advance from a director		**(3)**	128
Repayment of borrowing		**(42)**	(47)
Repayment of lease liabilities		**(199)**	(136)
NET CASH USED IN FINANCING ACTIVITIES		**(315)**	(102)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(397)**	(1,689)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**2,166**	3,880
Effect of foreign exchange rate changes		**(31)**	(25)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**1,738**	2,166

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

WMCH Global Investment Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on GEM of Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its parent is WMCH Global Holdings Limited (incorporated in the British Virgin Islands (the "**BVI**")). Its ultimate controlling party is Mr. Wong Seng ("**Mr. Wong**"), who is also the Chairman, Chief Executive Officer and Executive Director of the Company.

The Company's registered office address is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Group is at 28 Sin Ming Lane, #04-137 Midview City, Singapore 573972. The Company has been registered as a non-Hong Kong company under part 16 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) on 18 January 2019. Its shares were initially listed on the Stock Exchange on 29 November 2019.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of civil and structural engineering consultancy services and provision of other services including master planning, structural due diligence and visual inspection of existing buildings.

The consolidated financial statements are presented in Singapore dollar ("**SGD**"), which is the functional currency of the Company. As the directors of the Company consider that SGD is the functional currency of the primary economic environment in which most of the Group's transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in thousands of SGD ("**SGD'000**"), unless otherwise stated.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2024.

3 Effective for annual periods beginning on or after 1 January 2025.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of preparation (Continued)

Historical cost is generally based on the fair value of the consideration given in exchange for 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 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 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- 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 principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the company and its subsidiaries. Control is achieved when a company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Foreign currency translation

In preparing the financial statements of the entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of net investment.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currency translation (Continued)

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. SGD) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation commences when the assets are ready for their intended use.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvement	Over the term of lease or 33.33%, whichever is shorter
Building	Over the lease term
Computer and office equipment	33.33%
Motor vehicles	16.67%

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment (Continued)

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Investment property	60 years

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment property over the lease term and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Research and development expense

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials and salaries where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Other development expenditure does not meet these criteria is recognised as an expense in the period in which it is incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market price.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amounting on initial recognition.

Interest income is recognised in profit or loss using the effective interest method and is included in the "other income, gains and losses, net" line item.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets under ECL model

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables and bank balances), and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experiences, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets under ECL model (Continued)

(a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets under ECL model (Continued)

(b) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group also considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (b) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes derecognition event. Any recoveries made are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets under ECL model (Continued)

(e) *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or efforts.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristic, when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, contract assets and other receivable where the corresponding adjustment is recognised through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification of financial liabilities or equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, borrowing, amount due to a director and lease liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of property, plant and equipment, investment property and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment property and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, investment property and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of property, plant and equipment, investment property and right-of-use assets (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of IFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand- alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to lease of office premise, that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis of another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from the commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis, over the lease term except for investment properties measured under fair value model.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets/liabilities

Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements in the reporting period in which the change occurs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Contingent assets/liabilities (Continued)

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares (net of any related income tax benefit) are deducted from share premium to the extent they are incremental cost directly attributable to the equity transaction.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the client simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset (for example work in progress) that the client controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the district good or service.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

Further details of the Group's revenue recognition policies are as follows:

Civil and structural engineering services

The progress towards complete satisfaction of a performance obligation is measured based on output method. The civil, structural and geotechnical engineering consultancy services fee is recognised by reference to the progress of the contract activity at the end of the reporting period, measured based on direct measurement to the value of contracts work transferred to the customer to date relative to the remaining contract work promised under the contract, provided that contract work performed can be reasonably measured according to the completion of specific detailed components as set out in the contract and satisfaction of performance obligation by customers.

When the outcome cannot be reasonably measured, contract revenue for the civil and structural engineering consultancy services is recognised to the extent of contract costs incurred that it is expected to recovered. Contract costs are recognised as expenses in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income gains and losses, net".

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Singapore

The Group makes contributions to the Central Provident Fund ("**CPF**") scheme in Singapore, a defined contribution pension scheme. CPF is a compulsory comprehensive savings plan funded by contributions from employers and employees. Under the Central Provident Fund Act (Chapter 36 of the laws of Singapore) (the "**CPFA**"), the Group is required to submit to the CPF by the end of each month in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed in the CPFA. These contributions are recognised as an expense in the period in which they become payable in accordance with the scheme.

Vietnam

State pension scheme in Vietnam are recognise as an expense when employees have rendered service entitling them to the contributions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits (Continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxations

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxations (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker for their decisions about resources allocation to the Group's business components for their review of the performance of those components.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

  (i) has control or joint control of the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

  (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others).

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) the entity and the Group are joint ventures of the same third party.

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group (if the Group is itself such a plan) and the sponsoring employers are also related to the Group.

  (vi) the entity is controlled or jointly controlled by a person identified in (a).

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Project-based services contracts

Revenue recognition on provision of civil and structural engineering consultancy services is dependent on the estimation of the progress of the satisfaction of performance obligation of a service contract over time. Based on the Group's past experience and the nature of the contract activities undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and the revenue can be reliably estimated. Actual outcome in terms of total contract costs and/or revenue may be higher or lower than those estimated at the end of each reporting period, which would affect the revenue and profit recognised in future years.

Significant judgment is required to estimate the total contract costs and the recoverable variation works that will affect whether any provision is required for foreseeable losses. The estimates are made based on past experience and knowledge of the project management.

Details of the revenue and contract assets are disclosed in Notes 5 and 18 respectively.

(b) Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with significant balance which are credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables and contract assets which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 33(d).

5. 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:

	2023 SGD'000	2022 SGD'000
Consultancy services fee	**10,653**	8,933
Other service fee	**367**	1,288
	11,020	10,221

Transaction price allocated to the remaining performance obligation for contracts with customers

Remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at 31 December 2023 and 2022 and the expected timing or recognising revenue are as follows:

	2023 SGD'000	2022 SGD'000
Remaining performance obligations expected to be satisfied		
Within 1 year	**8,773**	9,986
1–2 years	**4,821**	6,266
2–5 years	**2,449**	4,648
	16,043	20,900

5. REVENUE AND SEGMENT INFORMATION (Continued)

The chief operating decision-maker has been identified as the executive directors of the Company. The directors regard the Group's business of provision of civil and structural engineering consultancy services as a single operating segment and review the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented.

Geographical information

The Group's revenue is mainly derived from clients located in Singapore and Vietnam. The Group's revenue by the geographical location of the clients, determined based on the location of which the construction site located, is detailed below:

	2023	2022
	SGD'000	SGD'000
Singapore	**8,556**	7,677
Vietnam	**2,246**	2,331
Other *(Note)*	**218**	213
	11,020	10,221

Note: Other geographical locations include Maldives, Hong Kong and Malaysia.

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

	2023	2022
	SGD'000	SGD'000
Singapore	**1,434**	1,613
Vietnam	**4**	46
	1,438	1,659

Information about major customer

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2023	2022
	SGD'000	SGD'000
Customer A	**1,518**	N/A[1]

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME, GAINS AND LOSSES, NET

	2023 SGD'000	2022 SGD'000
Rental income	**15**	31
Interest income	**12**	7
Government grant *(Note)*	**78**	224
Exchange (loss)/gain, net	**(3)**	7
Sundry income	**146**	124
Gain on disposal of property, plant and equipment	**435**	–
	683	393

Note:

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

7. FINANCE COSTS

	2023 SGD'000	2022 SGD'000
Interest on bank loan	**51**	36
Interest on lease liabilities	**20**	11
	71	47

8. LOSS BEFORE INCOME TAX

	2023 SGD'000	2022 SGD'000
Loss before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) *(Note)*		
— Salaries, wages and other benefits	**8,993**	8,987
— Contributions to defined contribution retirement plans	**966**	948
	9,959	9,935
(b) Other items		
Depreciation for property, plant and equipment and investment property	**51**	52
Depreciation for right-of-use assets	**106**	25
Research and development expenses	**469**	494
Auditors' remuneration		
— annual audit services	**117**	118
Expenses relating to short-term leases	**27**	38

Note:

Staff costs (including directors' emoluments)

	2023 SGD'000	2022 SGD'000
Cost of services	**8,006**	7,806
Administrative expenses	**1,953**	2,129
	9,959	9,935

9. INCOME TAX CREDIT

	2023 SGD'000	2022 SGD'000
Over provision in prior year —Vietnam corporate income tax	**–**	(33)
Income tax credit	**–**	(33)

The applicable tax rate of subsidiaries in Singapore, Vietnam and Hong Kong are 17%, 20% and 16.5% respectively for the years ended 31 December 2023 and 2022. No Singapore corporate income tax, Vietnam corporate income tax and Hong Kong Profits Tax has been provided since no assessable profit arose in Singapore, Vietnam and Hong Kong for the years ended 31 December 2023 and 2022.

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

	2023 SGD'000	2022 SGD'000
Loss before income tax	**(124)**	(1,763)
Tax at the applicable income tax rates	**(21)**	(300)
Tax rates for specific districts	**8**	2
Tax effect of non-taxable income	**(77)**	(2)
Tax effect of non-deductible expenses	**87**	188
Tax effect of tax losses not recognised	**50**	118
Utilisation of tax losses previously not recognised	**(24)**	(6)
Utilisation of deductible temporary difference not recognised	**(23)**	–
Over provision in prior year	**–**	(33)
Income tax credit for the year	**–**	(33)

9. INCOME TAX CREDIT (Continued)

At the end of the reporting period, the Group has unused tax losses of approximately SGD4,657,000 (2022: SGD4,483,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately SGD235,000 (2022: SGD354,000) with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	2023 SGD'000	2022 SGD'000
2026	**230**	349
2027	**5**	5
	235	354

At the end of the reporting period, the Group has deductible temporary differences of SGD650,000 (2022: SGD788,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

11. LOSS PER SHARE

	2023 SGD'000	2022 SGD'000
Loss for the year attributable to the owners of the Company	**(124)**	(1,730)
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share *(Note)*	**720,000**	720,000

The diluted loss per share is the same as the basic loss per share as there were no potential dilutive ordinary shares in issue for both years ended 31 December 2023 and 2022.

12. DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

	Fees SGD'000	Salaries, allowances and benefits in kind SGD'000	Discretionary bonuses SGD'000	Retirement benefits scheme contribution SGD'000	Total SGD'000
Year ended 31 December 2023					
Executive directors:					
Mr. Wong Seng	–	224	20	7	251
Ms. Leow Geok Mui	–	231	20	16	267
Mr. Lim Chin Keong	–	217	10	19	246
Mr. Heng Kim Huat	–	209	19	10	238
Independent non-executive directors:					
Dr. Tan Teng Hooi	32	–	–	–	32
Mr. Leong Jay	32	–	–	–	32
Mr. Ng Shing Kin	32	–	–	–	32
	96	881	69	52	1,098

	Fees SGD'000	Salaries, allowances and benefits in kind SGD'000	Discretionary bonuses SGD'000	Retirement benefits scheme contribution SGD'000	Total SGD'000
Year ended 31 December 2022					
Executive directors:					
Mr. Wong Seng	–	353	–	8	361
Ms. Leow Geok Mui	–	268	–	16	284
Mr. Lim Chin Keong	–	224	–	17	241
Mr. Heng Kim Huat	–	243	–	11	254
Independent non-executive directors:					
Dr. Tan Teng Hooi	32	–	–	–	32
Mr. Leong Jay	32	–	–	–	32
Mr. Ng Shing Kin	32	–	–	–	32
	96	1,088	–	52	1,236

For the years ended 31 December 2023 and 2022, there was no arrangement under which a director has waived or agreed to waive any emolument. During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIRECTORS' EMOLUMENTS (Continued)

(b) Five highest paid individuals

For the year ended 31 December 2023, the five individuals whose emoluments were the highest in the Group included four (2022: four) directors.

Details of the emoluments of the remaining one highest paid individual are as follows:

	2023 SGD'000	2022 SGD'000
Salaries, allowances and benefits in kind	**138**	126
Discretionary bonuses	**17**	–
Retirement benefits scheme contribution	**13**	11
	168	137

The emoluments fell within the following bands:

	Number of individual	
	2023	2022
Nil to HKD1,000,000	**1**	1

For the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to the above five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office as a director or management of any members of the Group.

13. 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 2022	380	10	131	444	965
Addition	–	27	–	11	38
Exchange adjustments	–	–	–	(1)	(1)
As at 31 December 2022 and 1 January 2023	380	37	131	454	1,002
Addition	–	1	–	15	16
Disposal	(380)	–	–	–	(380)
Exchange adjustments	–	(1)	(6)	(9)	(16)
As at 31 December 2023	–	37	125	460	622
Accumulated depreciation and impairment					
As at 1 January 2022	81	10	131	444	666
Charge for the year	7	15	–	4	26
As at 31 December 2022 and 1 January 2023	88	25	131	448	692
Charge for the year	2	12	–	11	25
Disposal	(90)	–	–	–	(90)
Exchange adjustments	–	–	(6)	(9)	(15)
As at 31 December 2023	–	37	125	450	612
Carrying amount					
As at 31 December 2023	–	–	–	10	10
As at 31 December 2022	292	12	–	6	310

14. INVESTMENT PROPERTY

	SGD'000
Cost	
As at 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	1,550
Accumulated depreciation	
As at 1 January 2022	207
Charge for the year	26
As at 31 December 2022 and 1 January 2023	233
Charge for the year	26
As at 31 December 2023	259
Carrying amount	
As at 31 December 2023	1,292
As at 31 December 2022	1,317

The investment property of the Group consists of an industrial building. It is located at 81 Tagore Lane, #02–22, Tag. A, Singapore 787502. The estimated useful life of the investment property is 60 years. The Group owns the investment property in the form of freehold land in Singapore. The unit is currently vacant. The investment property is stated at a cost less accumulated depreciation and any impairment loss.

For disclosure purpose, the fair value of the Group's investment property at 31 December 2023 is SGD1,682,000 (2022: SGD1,680,000). The fair value has been arrived at on the basis of a valuation carried out by Vincorn Consulting and Appraisal Limited, an independent qualified professional valuer not connected with the Group.

The fair value was determined based on the market comparable approach that reflects recent transactions prices for similar properties, adjusted for differences in time, location and conditions of the properties under review. There has been no change from the valuation technique used in the prior year. In estimating the fair value of the property, the highest and best use of the property is its current use.

Details of the Group's investment property and information about the fair value hierarchy as at 31 December 2023 and 2022 are as follows:

	Level 2 fair value measurement	
	2023 SGD'000	2022 SGD'000
Property located in Singapore	**1,682**	1,680

15. RIGHT-OF-USE ASSETS

For both years, the Group leases offices for its operations. Lease contracts are entered into for fixed term of 1 to 5 years (2022: 1 to 5 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

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.

	Office premises SGD'000
As at 31 December 2023	
Carrying amount	136
As at 31 December 2022	
Carrying amount	32
For the year ended 31 December 2023	
Depreciation charge	106
For the year ended 31 December 2022	
Depreciation charge	25

	2023 **SGD'000**	2022 SGD'000
Expenses relating to short-term leases	**27**	38
Total cash outflow for leases	**246**	185
Additions to right-of-use assets	**210**	57

16. INTEREST IN AN ASSOCIATE

	2023 **SGD'000**	2022 SGD'000
Unlisted investments:		
Investment at cost	**8,035**	8,035
Share of post-acquisition loss and other comprehensive loss	**(107)**	(107)
Less: impairment loss	**(7,927)**	(7,927)
Exchange adjustments	**(1)**	(1)
	–	–

16. INTEREST IN AN ASSOCIATE (Continued)

Details of the Group's associate is as follows:

Name of Company	Place of incorporation/ principal place of business	Issued share capital	Proportion of ownership interests held by the Group		Principal activity
			2023	2022	
Eidea Professional Services Company Limited ("**Eidea**")	Hong Kong	2,000,000 ordinary shares of HK$1.00 each	**40%**	40%	Provision of professional valuation services

The Group has applied the equity method of accounting for its interest in an associate by using the financial information of EIDEA provided by EIDEA management. In the preparation of the consolidated financial statements of the Group for the year ended 31 December 2023, the Company has taken all reasonable steps and used its best endeavour to request the associate to provide the financial information of the associate for the year ended 31 December 2023 but received no response from EIDEA. As a result, the Group's share of result of the associate recognised in consolidated profit or loss of the Group and the exchange difference arising on translation of the financial information of the associate recognised in consolidated other comprehensive income or loss of the Group for the year ended 31 December 2023 were nil and nil respectively and the carrying amount of the Group's interest in the associate recognised in the consolidated statement of financial position of the Group as at 31 December 2023 was nil.

As at 31 December 2022, the carrying amount of interest in an associate was fully impaired on the basis of decline on the recoverable amount which was below the carrying amount due to continuous weak market performance in which the associate operated.

17. TRADE AND OTHER RECEIVABLES

	2023 SGD'000	2022 SGD'000
Trade receivables	**2,123**	2,242
Less: allowance for ECL	**(71)**	(195)
	2,052	2,047
Other receivables	**31**	20
Prepayments	**120**	222
Deposits	**61**	46
Less: allowance for ECL	**–**	(1)
	212	287
	2,264	2,334

Trade receivables

The Group usually provides clients with a credit term of 0 to 30 days.

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

	2023 SGD'000	2022 SGD'000
0–30 days	**995**	1,709
31–60 days	**444**	122
61–90 days	**316**	64
91–180 days	**190**	48
181–365 days	**23**	83
Over 365 days	**84**	21
	2,052	2,047

At the end of each reporting period, the Group reviewed trade receivables for impairment on both individual and collective basis. Details of ECL assessment of trade and other receivables are set out in Note 33(d).

18. CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities for financial reporting purposes.

	2023 SGD'000	2022 SGD'000
Contract assets, net of allowance for ECL	**451**	88
Contract liabilities	**–**	(16)

Contract assets

	2023 SGD'000	2022 SGD'000
Contract assets	**940**	601
Less: allowance for ECL	**(489)**	(513)
	451	88

As at 1 January 2022, contract assets amounted to SGD471,000.

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 trade receivables when the rights become unconditional.

The Group's service contracts include payment schedules which require stage payments once certain specified milestones are reached.

Details of ECL assessment of contract assets are set out in Note 33(d).

Contract liabilities

The contract liabilities represents the Group's obligations to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers. The Group's contract liabilities are analysed as follows:

	2023 SGD'000	2022 SGD'000
Civil and structural engineering consultancy service contract	**–**	16

For contract liabilities at the beginning of the year, the entire balances are recognised as revenue during the current year.

19. CASH AND BANK BALANCES

	2023 SGD'000	2022 SGD'000
Cash and bank balances *(Note)*	**1,738**	2,166

Note:

Bank balances carry interest at floating rates and placed with creditworthy banks with no recent history of default.

Further details of ECL assessment on the Group's bank balances are disclosed in Note 33(d).

20. TRADE AND OTHER PAYABLES

	2023 SGD'000	2022 SGD'000
Trade payables	**53**	63
Other payables	**253**	260
Accrued expenses	**618**	791
	924	1,114

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:

	2023 SGD'000	2022 SGD'000
91–180 days	**7**	2
Over 180 days	**46**	61
	53	63

21. BORROWING

	2023 SGD'000	2022 SGD'000
Current — secured		
Bank loan *(Note)*	**45**	41
Non-current — secured		
Bank loan *(Note)*	**657**	703
	702	744

21. BORROWING (Continued)

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

	2023 SGD'000	2022 SGD'000
Within one year	**45**	41
More than one year, but not more than two years	**48**	45
More than two years, but not more than five years	**167**	155
More than five years	**442**	503
	702	744

Note:

As at 31 December 2023, the mortgage loan facility was secured by the investment property with carrying amount of approximately SGD1,292,000 (2022: SGD1,317,000) (Note 14) and was interest bearing at 3-month Singapore Interbank Offered Rate plus 3% per annum.

22. AMOUNT DUE TO A DIRECTOR

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

23. LEASE LIABILITIES

	2023 SGD'000	2022 SGD'000
Minimum lease payments due:		
Within one year	**153**	117
More than one year but not later than two years	**93**	30
More than two years but not exceeding five years	**–**	30
	246	177
Less: future finance charges	**(14)**	(8)
Present value of lease liabilities	**232**	169
Analysed as:		
Current	**142**	112
Non-current	**90**	57
	232	169

The incremental borrowing rate applied to lease liabilities is 4.9% to 7.8% (2022: 4.9%).

24. DEFERRED TAX ASSET/LIABILITY

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax asset and liability have been offset. The following are the major deferred tax asset/(liability) recognised and movements thereon during the current year:

	Right-of-use assets SGD'000	Lease liabilities SGD'000	Total SGD'000
At 1 January 2023	–	–	–
(Charge)/credit to profit or loss	(30)	30	–
At 31 December 2023	(30)	30	–

25. SHARE CAPITAL

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

	Number of shares	Amount HK$'000	SGD'000
Authorised:			
As at 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023			
Ordinary shares of HK$0.01 each	5,000,000,000	50,000	8,803
Issued and fully paid:			
As at 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	720,000,000	7,200	1,257

26. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Scheme**") on 6 November 2019 (the "**Adoption Date**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

As at 31 December 2023, a total of 60,000,000 (2022: 60,000,000) shares, representing 8.33% of the issued shares, were available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2023 and 2022.

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

(a) Purpose

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

(b) Who may join and basis of eligibility

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

(c) Price of shares

The subscription price of a share in respect of any particular option granted under the 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.

26. SHARE OPTION SCHEME (Continued)

(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 31 December 2023.

(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.

26. SHARE OPTION SCHEME (Continued)

(h) Restrictions on the times of grant of options

(i) Our Company may not grant any options after inside information has come to its knowledge until such inside information has been announced. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

(a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the GEM Listing Rules); and

(b) the deadline for our Company to publish an announcement of the results for any year, or half-year under the GEM Listing Rules, or quarterly or other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement.

(ii) Further to the restrictions in paragraph (i) above, no option may be granted to a director on any day on which financial results of our Company are published:

(a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half year period up to the publication date of the results.

(i) Time of exercise of option

An option may be exercised in accordance with the terms of the 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.

27. PLEDGE OF ASSET

At the end of each reporting period, the following asset was pledged to bank to secure the Group's banking facility:

	2023 SGD'000	2022 SGD'000
Investment property	**1,292**	1,317

28. RETIREMENT BENEFIT PLANS

The CPF is a comprehensive social security system that enables working citizens and permanent residents of Singapore to set aside funds for retirement. We are required to pay monthly to the CPF in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the Central Provident Fund Act (Cap 36) of Singapore ("**CPFA**").

Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee.

Section 7(3) of the CPFA provides that any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPFA and fails to pay the contributions to the CPF within such time as may be prescribed, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding seven (7) years or to both.

Section 9 of the CPFA provides that, where the amount of the contributions which an employer is liable to pay in respect of any month is not paid within the prescribed period for payment, the employer shall be liable to pay interest on the amount for every day the amount remains unpaid commencing from the first day of the month succeeding the month in respect of which the amount is payable and the interest shall be calculated at the rate of 1.5% per month or the sum of S$5.00, whichever is the greater.

The CPFA provides that in general if any person convicted of an offence under the CPFA for which no penalty is provided shall be liable on conviction to pay a fine not exceeding S$5,000 or to imprisonment for a term not exceeding 6 months or both, and if that person is a repeat offender for the same offence, to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or both.

The total expense recognised in consolidated statement of profit or loss and other comprehensive income of approximately SGD765,000 (2022: SGD748,000), represent contributions paid and/or payable to the scheme by the Group for the year ended 31 December 2023.

The employees of the Group's subsidiary in Vietnam are members of a state-managed retirement benefit scheme operated by the local government. The subsidiary is required to a specified percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group's subsidiary in Vietnam with respect to the retirement benefit scheme is to make the specified contributions. The total contribution to the state-managed retirement benefit scheme and charged to profit or loss amounted to approximately SGD202,000 (2022: SGD200,000) for the year ended 31 December 2023.

For the years ended 31 December 2023 and 2022, there was no forfeiture of retirement benefit contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) in the Group. As at 31 December 2023 and 2022, no forfeited contribution under the retirement benefit plans of the Group is available to reduce the contribution payable in future years.

29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2023 SGD'000	2022 SGD'000
Non-current asset			
Investment in a subsidiary		**13**	13
Current assets			
Prepayment		**2**	2
Amounts due from subsidiaries		**26**	216
Cash and bank balances		**5**	354
		33	572
Current liabilities			
Other payables		**147**	182
Amounts due to subsidiaries		**16**	143
		163	325
Net current (liabilities)/assets		**(130)**	247
Total assets less current liabilities		**(117)**	260
Net (liabilities)/assets		**(117)**	260
Capital and reserves			
Share capital	*24*	**1,257**	1,257
Reserves	*29*	**(1,374)**	(997)
Total (capital deficiency)/equity		**(117)**	260

Approved and authorised for issue by the board of directors on 27 March 2024 and signed on its behalf by:

Wong Seng
Executive Director

Leow Geok Mui
Executive Director

30. RESERVES OF THE COMPANY

	Share premium SGD'000	Other reserve SGD'000	Exchange reserve SGD'000	Accumulated losses SGD'000	Total SGD'000
As at 1 January 2022	14,754	(68)	(1)	(14,727)	(42)
Loss and total comprehensive loss for the year	–	–	–	(955)	(955)
As at 31 December 2022 and 1 January 2023	14,754	(68)	(1)	(15,682)	(997)
Loss and total comprehensive income/(loss) for the year	–	–	1	(378)	(377)
As at 31 December 2023	14,754	(68)	–	(16,060)	(1,374)

As at 31 December 2023 and 2022, the Company had no distributable reserves calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

31. OPERATING LEASE ARRANGEMENTS

As lessor

As at 31 December 2023 and 2022, the undiscounted lease payments receivable on lease is as follow:

	2023 SGD'000	2022 SGD'000
Within one year	**–**	3

The property held by the Group for rental purpose has committed lease within one year.

32. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the balances and transactions detailed elsewhere in the consolidated financial statements, the Group had the following related party transactions during the years ended 31 December 2023 and 2022.

Key management personnel remuneration

The emoluments of the key management personnel, including the directors of the Company as disclosed in Note 12, and senior management of the Company during the both years are as follows:

	2023 SGD'000	2022 SGD'000
Salaries, fee and allowances	**1,115**	1,335
Discretionary bonuses	**86**	–
Retirement benefits scheme contributions	**65**	67
	1,266	1,402

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the board of directors.

The Group's exposure to these risks and the financial risk management policies and practises used by the Group to manage these risks are described below.

(a) Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and liabilities:

	2023 SGD'000	2022 SGD'000
Financial assets		
Amortised cost:		
— Trade receivables, other receivables and deposits	**2,144**	2,112
— Cash and bank balances	**1,738**	2,166
	3,882	4,278
Financial liabilities		
Amortised cost:		
— Trade payables, other payables and accrued expenses	**924**	1,114
— Amount due to a director	**312**	315
— Lease liabilities	**232**	169
— Borrowing	**702**	744
	2,170	2,342

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(b) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and borrowing due to changes of interest rate.

The directors of the Company consider the Group's exposures in relation to the bank balance are not significant as interest bearing bank balance have short maturity period and thus they are not included in sensitivity analysis.

The Group currently does not have any interest rate hedging policy. However, management closely monitors its exposure to future cash flow interest rate risk as a result of changes in market interest rates will consider hedging changes in market interest rates should the need arise.

Sensitivity analysis

As at 31 December 2023, if the interest rate on all variable-rate borrowing had been 100 basis points higher/lower with all other variables held constant, the Group's loss for the year would have been increased/decreased by approximately SGD6,000 (2022: SGD6,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each of the reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100-basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis during the reporting period.

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(c) Currency risk

The carrying amounts of the Group's monetary assets (including bank balances) denominated in currencies other than functional currency of the respective group entity at the end of each reporting period are as follows:

	Assets		Liabilities	
	2023 SGD'000	2022 SGD'000	**2023 SGD'000**	2022 SGD'000
USD	**283**	280	**–**	–

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency of the group against relevant foreign currency. 10% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign currency rate. The sensitivity analysis includes USD denominated monetary items and adjusted their translation at the end of the reporting period for a 10% change. A positive number indicates an increase in loss for the year SGD strengths 10% against USD. For a 10% weakening of SGD against USD, there would be an equal but opposite impact on the loss for the year.

	2023 SGD'000	2022 SGD'000
USD	**–/+28**	–/+28

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(d) Credit risk

Credit risk refers to the risk that the Group's counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to clients in the ordinary course of its operations. The Group's maximum exposure to credit risk on recognised financial assets and contract assets is limited to the carrying amount at end of each reporting period.

In respect of trade and other receivables and contract assets, individual credit evaluations are performed on all clients and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts.

As at 31 December 2023, the Group has concentration of credit risk as 24.9% and 59.3% (2022: 12.2% and 44.7%) of the total trade receivables were due from the Group's largest trade debtor and five largest trade debtors respectively.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information. Internal credit rating, actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors's ability to meet its obligations, actual or expected significant changes in the operating results of the debtors and significant changes in the expected performance and behavior of the debtors including changes in the payment status of debtors in the Group and changes in the operating results of the debtors are indicators to be incorporated.

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers historical elements and forward looking elements.

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(d) Credit risk (Continued)

(i) Trade receivables and contract assets

The Group applies the simplified approach to measure lifetime ECL prescribed by IFRS 9, which permits the use of the lifetime ECL provision for all trade receivables and contract assets.

Trade receivables

	Expected loss rate %	Gross carrying amount SGD'000	Loss allowance SGD'000
As at 31 December 2023			
Not yet past due	**0.1**	**996**	**1**
1 to 30 days past due	**0.0**	**444**	**–**
31 to 60 days past due	**0.2**	**316**	**1**
61 to 90 days past due	**0.0**	**108**	**–**
Over 90 days past due	**0.0**	**190**	**–**
Individual assessment	**100.0**	**69**	**69**
		2,123	**71**

	Expected loss rate %	Gross carrying amount SGD'000	Loss allowance SGD'000
As at 31 December 2022			
Not yet past due	2.7	1,114	30
1 to 30 days past due	3.3	646	21
31 to 60 days past due	9.2	134	12
61 to 90 days past due	14.2	74	10
Over 90 days past due	24.3	201	49
Individual assessment	100.0	73	73
		2,242	195

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(d) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

Contract assets

	Expected loss rate %	Gross carrying amount SGD'000	Loss allowance SGD'000
As at 31 December 2023			
Collective assessment	**0.0**	**451**	**–**
Individual assessment	**100.0**	**481**	**481**
		932	**481**

	Expected loss rate %	Gross carrying amount SGD'000	Loss allowance SGD'000
As at 31 December 2022			
Collective assessment	2.6	90	2
Individual assessment	100.0	511	511
		601	513

(ii) Other receivables and deposits

As at 31 December 2023 and 2022, the Group expects that the credit risk associated with other receivables and deposits is considered to be low, since the majority of these balances are deposits paid to landlord. The Group has assessed that the expected credit losses for these receivables are not material under the 12 months expected losses method as at 31 December 2023. Gross carrying amounts and loss allowances of these receivable as at 31 December 2022 are as follows:

	Expected loss rate %	Gross carrying amount SGD'000	Loss allowance SGD'000
As at 31 December 2022			
Not yet past due	**1.5**	**66**	**1**

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(d) Credit risk (Continued)

The movements of loss allowances for ECL on trade receivables and contract assets are as follows:

	Trade receivables		Contract assets		Other	
	(Lifetime ECL not credit-impaired)	(Lifetime ECL credit-impaired)	(Lifetime ECL not credit-impaired)	(Lifetime ECL credit-impaired)	receivables 12m ECL	Total
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
As at 1 January 2022	57	63	5	218	1	344
Allowances for ECL reversed	68	10	1	299	–	378
Allowance for ECL recognised	(2)	2	(4)	4	–	–
Exchange adjustments	(1)	(2)	–	(10)	–	(13)
As at 31 December 2022 and 1 January 2023	**122**	**73**	**2**	**511**	**1**	**709**
Allowance for ECL (reversed)/recognised	**(116)**	**8**	**(2)**	**(17)**	**(1)**	**(128)**
Transfer	**(4)**	**4**	**-**	**-**	**-**	**-**
Written off	**-**	**(13)**	**-**	**-**	**-**	**(13)**
Exchange adjustments	**-**	**(3)**	**-**	**(13)**	**-**	**(16)**
As at 31 December 2023	**2**	**69**	**-**	**481**	**-**	**552**

(iii) Cash and bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings. The Group assessed 12m ECL for bank balances and it is considered to be insignificant and therefore no loss allowance was recognised.

(e) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, amount due to a director, lease liabilities and borrowing, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

33. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(e) Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period.

	Weighted average effective interest rate %	On demand or within 1 year SGD'000	More than 1 year but less than 2 years SGD'000	More than 2 years but less than 5 years SGD'000	Over 5 years SGD'000	Undiscounted cash flows SGD'000	Total carrying amount SGD'000
As at 31 December 2023							
Trade and other payables	–	924	–	–	–	924	924
Amount due to a director	–	312	–	–	–	312	312
Lease liabilities	7.2	153	93	–	–	246	232
Borrowing	7.2	94	94	281	539	1,008	702
		1,483	187	281	539	2,490	2,170

	Weighted average effective interest rate %	On demand or within 1 year SGD'000	More than 1 year but less than 2 years SGD'000	More than 2 years but less than 5 years SGD'000	Over 5 years SGD'000	Undiscounted cash flows SGD'000	Total carrying amount SGD'000
As at 31 December 2022							
Trade and other payables	–	1,114	–	–	–	1,114	1,114
Amount due to a director	–	315	–	–	–	315	315
Lease liabilities	4.9	117	30	30	–	177	169
Borrowing	7.3	95	95	284	639	1,113	744
		1,641	125	314	639	2,719	2,342

(f) Fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

— The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

— The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to relatively short-term nature of these financial instruments.

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES

At the end of the reporting period, the Company has direct or indirect equity interests in the following principal subsidiaries:

Name of subsidiaries	Place and date of incorporation/ establishment	Date of incorporation/ establishment	Registered capital	Paid up capital	Proportion of ownership interest		Principal activities
					Directly	Indirectly	
Lion City Global Limited	The BVI	28 May 2018	USD50,000	USD50,000	100%	–	Investment holding
TW-Asia Consultants Company Limited	Vietnam	27 December 2006	VND7,417,800,476	VND7,417,800,476	–	100%	Provision of civil and structural and geotechnical engineering consultancy services
Artus Consultancy Services Pte Ltd	Singapore	22 January 2005	SGD50,000	SGD50,000	–	100%	Holding of investment property
TW-Asia Consultants Pte Ltd ("**TW-Asia**")	Singapore	5 June 2013	SGD500,000	SGD500,000	–	100%	Provision of civil and structural engineering consultancy services

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the result or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

35. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to maintain capital structure in order to minimise the costs of capital, support its business and maximise shareholders' value.

The capital structure of the Group consists of net debt including borrowing, amount due to a director and lease liabilities as disclosed in Notes 21, 22 and 23 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

35. CAPITAL MANAGEMENT (Continued)

The following is the debt to equity ratio at the end of each year ended:

	2023 SGD'000	2022 SGD'000
Total borrowings *(Note (a))*	**1,246**	1,228
Less: cash and cash equivalents *(Note (c))*	**(1,738)**	(2,166)
Net cash	**(492)**	(938)
Total equity *(Note (b))*	**3,721**	3,889
Debt to equity ratio	**N/A**	N/A

Notes:

(a) Total borrowings represent borrowing, amount due to a director and lease liabilities.

(b) Total equity includes share capital and reserves at the end of each reporting period.

(c) Cash and cash equivalents include cash and bank balances.

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

	Lease liabilities SGD'000	Amount due to a director SGD'000	Borrowing SGD'000	Total SGD'000
As at 1 January 2022	255	187	791	1,233
Accrued interest	11	–	36	47
Addition of lease liabilities	57	–	–	57
Interest paid	(11)	–	(36)	(47)
Exchange adjustments	(7)	–	–	(7)
Financing cash (outflows)/inflows	(136)	128	(47)	(55)
As at 31 December 2022 and 1 January 2023	169	315	744	1,228
Accrued interest	**20**	**–**	**51**	**71**
Addition of lease liabilities	**265**	**–**	**–**	**265**
Interest paid	**(20)**	**–**	**(51)**	**(71)**
Exchange adjustments	**(3)**	**–**	**–**	**(3)**
Financing cash outflows	**(199)**	**(3)**	**(42)**	**(244)**
As at 31 December 2023	**232**	**312**	**702**	**1,246**

37. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 March 2024.

Financial Summary

For the year ended 31 December 2023

A summary of the results, and of the assets, liabilities and non-controlling interest of the Group for the last five financial years, as extracted from the published audited consolidated financial statements or published prospectus of the Company is set out below.

	Year ended 31 December				
	2023 SGD'000	2022 SGD'000	2021 SGD'000	2020 SGD'000	2019 SGD'000
RESULTS					
REVENUE	**11,020**	10,221	8,846	9,323	12,959
Cost of services	**(8,569)**	(8,743)	(8,084)	(8,627)	(6,826)
Gross profit	**2,451**	1,478	762	696	6,133
Other income, gains and losses, net	**683**	393	769	983	74
Administrative expenses	**(3,315)**	(3,184)	(3,634)	(4,880)	(3,199)
Allowance for expected credit losses, net	**128**	(378)	(289)	(54)	–
Impairment losses on property, plant and equipment and right-of-use assets	**–**	–	(334)	–	–
Listing expenses	**–**	–	–	–	(3,276)
Impairment loss on interest in an associate	**–**	(24)	(7,903)	–	–
Share of result of associate	**–**	(1)	(106)	–	–
Finance costs	**(71)**	(47)	(38)	(41)	(57)
Loss before income tax	**(124)**	(1,763)	(10,773)	(3,296)	(325)
Income tax credit/(expense)	**–**	33	–	(33)	(504)
Loss for the year	**(124)**	(1,730)	(10,773)	(3,329)	(829)
Attributable to:					
Owners of the Company	**(124)**	(1,730)	(10,773)	(3,329)	(829)

ASSETS, LIABILITIES AND EQUITY

	2023 SGD'000	2022 SGD'000	2021 SGD'000	2020 SGD'000	2019 SGD'000
TOTAL ASSETS	**5,891**	6,247	8,247	11,114	14,916
TOTAL LIABILITIES	**(2,170)**	(2,358)	(2,597)	(2,788)	(3,270)
TOTAL EQUITY	**3,721**	3,889	5,650	8,326	11,646

* The shares of the Company were initially listed on GEM of The Stock Exchange of Hong Kong Limited.