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WMCH GLOBAL INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8208)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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 announcement, for which the directors (collectively the “**Directors**” and individually a “**Director**”) of WMCH Global Investment Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.*

The board (the “**Board**”) of Directors is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Year**”), together with audited comparative figures for the corresponding preceding year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>SGD’000</i>	2022 <i>SGD’000</i>
Revenue	4	11,020	10,221
Cost of services		<u>(8,569)</u>	<u>(8,743)</u>
Gross profit		2,451	1,478
Other income, gains and losses, net	5	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		–	(24)
Share of result of an associate		–	(1)
Finance costs		<u>(71)</u>	<u>(47)</u>
Loss before income tax	6	(124)	(1,763)
Income tax credit	7	<u>–</u>	<u>33</u>
Loss for the year		<u>(124)</u>	<u>(1,730)</u>
Other comprehensive loss for the year			
<i>Item that may be reclassified subsequently to profit and loss:</i>			
Exchange differences arising on translation of foreign operation		<u>(44)</u>	<u>(31)</u>
Other comprehensive loss for the year, net of tax		<u>(44)</u>	<u>(31)</u>
Total comprehensive loss for the year		<u>(168)</u>	<u>(1,761)</u>
Loss for the year attributable to:			
Owners of the Company		<u>(124)</u>	<u>(1,730)</u>
Total comprehensive loss for the year attributable to:			
Owners of the Company		<u>(168)</u>	<u>(1,761)</u>
Loss per share			
— Basic and diluted (in Singapore cents)	9	<u>(0.02)</u>	<u>(0.24)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	2023 <i>SGD'000</i>	2022 <i>SGD'000</i>
Non-current assets			
Property, plant and equipment		10	310
Investment property		1,292	1,317
Right-of-use assets		136	32
		1,438	1,659
Current assets			
Trade and other receivables	<i>10</i>	2,264	2,334
Contract assets		451	88
Cash and bank balances		1,738	2,166
		4,453	4,588
Current liabilities			
Trade and other payables	<i>11</i>	924	1,114
Contract liabilities		–	16
Borrowing		45	41
Amount due to a director		312	315
Lease liabilities		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		657	703
Lease liabilities		90	57
		747	760
Net assets		3,721	3,889
Capital and reserves			
Share capital		1,257	1,257
Reserves		2,464	2,632
		3,721	2,632
Total equity		3,721	3,889

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.

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

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

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

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

4. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are provision of civil and structural engineering consultancy services. Revenue is recognised over time and is disaggregated by nature of services as follows:

	2023 <i>SGD'000</i>	2022 <i>SGD'000</i>
Consultancy services fee	10,653	8,933
Other service fee	<u>367</u>	<u>1,288</u>
	<u><u>11,020</u></u>	<u><u>10,221</u></u>

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

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 (<i>Note</i>)	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.

5. OTHER INCOME, GAINS AND LOSSES, NET

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

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.

6. LOSS BEFORE INCOME TAX

	2023 <i>SGD'000</i>	2022 <i>SGD'000</i>
Loss before income tax is stated after charging:		
(a) Staff costs (including directors' emoluments) (<i>Note</i>)		
— Salaries, wages and other benefits	8,993	8,987
— Contributions to defined contribution retirement plans	966	948
	<u>9,959</u>	<u>9,935</u>
(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 <i>SGD'000</i>	2022 <i>SGD'000</i>
Cost of services	8,006	7,806
Administrative expenses	1,953	2,129
	<u>9,959</u>	<u>9,935</u>

7. INCOME TAX CREDIT

	2023 <i>SGD'000</i>	2022 <i>SGD'000</i>
Over provision in prior year —Vietnam corporate income tax	—	(33)
Income tax credit	—	(33)

8. 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).

9. LOSS PER SHARE

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

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.

10. TRADE AND OTHER RECEIVABLES

	2023 <i>SGD'000</i>	2022 <i>SGD'000</i>
Trade receivables	2,123	2,242
Less: allowance for expected credit loss (“ECL”)	<u>(71)</u>	<u>(195)</u>
	<u>2,052</u>	<u>2,047</u>
Other receivables	31	20
Prepayments	120	222
Deposits	61	46
Less: allowance for ECL	<u>–</u>	<u>(1)</u>
	<u>212</u>	<u>287</u>
	<u><u>2,264</u></u>	<u><u>2,334</u></u>

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 <i>SGD'000</i>	2022 <i>SGD'000</i>
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	<u>84</u>	<u>21</u>
	<u><u>2,052</u></u>	<u><u>2,047</u></u>

11. TRADE AND OTHER PAYABLES

	2023 <i>SGD'000</i>	2022 <i>SGD'000</i>
Trade payables	53	63
Other payables	253	260
Accrued expenses	<u>618</u>	<u>791</u>
	<u><u>924</u></u>	<u><u>1,114</u></u>

The Group is usually granted by subcontractors with a credit term of 0 to 30 days. The ageing analysis of trade payables based on the invoice date is as follows:

	2023 <i>SGD'000</i>	2022 <i>SGD'000</i>
91–180 days	7	2
Over 180 days	<u>46</u>	<u>61</u>
	<u><u>53</u></u>	<u><u>63</u></u>

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

The section below set out an extract of the independent auditors' report regarding the consolidated financial statements of the Group for the year ended 31 December 2023.

QUALIFIED OPINION

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 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.

We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's interest in the 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 the 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 the 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.

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 shareholders of the Company 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.

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.

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).

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 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).

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).

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	5.59%	0.1 (Note 1)	0.8	Expected to be fully utilised on or before 31 December 2024
Expand our operation in Vietnam	1.0	6.21%	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	6.21%	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	4.97%	– (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	34.16%	1.9	3.6	Expected to be fully utilised on or before 31 December 2024
Sales and marketing	0.5	3.11%	0.5	–	–
Scholarships	0.2	1.24%	–	0.2	Expected to be fully utilised on or before 31 December 2024
Working capital	6.2	38.51%	1.2	5.0	Expected to be fully utilised on or before 31 December 2024
	<u>16.1</u>	<u>100.0%</u>	<u>3.9</u>	<u>12.2</u>	

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 announcement, a total of 60,000,000 shares, representing 8.33% of the issued Shares, were available for issue under the Scheme.

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

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining and achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 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.

Code Provision C.2.1

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

DIRECTORS' SECURITIES TRANSACTIONS

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

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

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.

EVENT AFTER THE REPORTING PERIOD

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

AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Company 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. The Audit Committee is of the opinion that the financial statements complied with the applicable accounting standards and requirements, and that adequate disclosures have been made. For the year ended 31 December 2023, the Audit Committee considered the Group’s risk management and internal control system as adequate and effective.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Reporting Year as set out in this announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Reporting Year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

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.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange website at www.hkexnews.hk and the Company's website at www.tw-asia.com. The annual report of the Company for the year ended 31 December 2023 will be despatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

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

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

Hong Kong, 27 March 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Wong Seng, Ms. Leow Geok Mui, Mr. Lim Chin Keong, Mr. Heng Kim Huat and the independent non-executive Directors of the Company are Dr. Tan Teng Hooi, Mr. Leong Jay and Mr. Ng Shing Kin.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and will also be published on the Company's website at www.tw-asia.com.