



METASURFACE

METASURFACE TECHNOLOGIES HOLDINGS LIMITED
元续科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8637

2024
INTERIM REPORT



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

This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and will be published on the website of the Company at www.metatechnologies.com.sg.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dato' Sri CHUA Chwee Lee (CAI Shuili) (*Chairman of our Board and Chief Executive Officer*)

Ms. JEE Wee Jene

Mr. THNG Chong Kim

Independent Non-Executive Directors

Mr. TAN Chek Kian

Mr. ANG Yong Sheng, Jonathan (HONG Yongsheng)

Mr. CHAN Yang Kang

AUDIT COMMITTEE

Mr. TAN Chek Kian (*Chairman*)

Mr. CHAN Yang Kang

Mr. ANG Yong Sheng, Jonathan

REMUNERATION COMMITTEE

Mr. CHAN Yang Kang (*Chairman*)

Mr. TAN Chek Kian

Mr. ANG Yong Sheng, Jonathan

NOMINATION COMMITTEE

Dato' Sri CHUA Chwee Lee (*Chairman*)

Mr. TAN Chek Kian

Mr. CHAN Yang Kang

JOINT COMPANY SECRETARIES

Mr. NG Cheuk Kin (*resigned on 30 August 2024*)

Mr. YAU Tsz Lun (*appointed on 30 August 2024*)

Ms. HOU Jing

AUTHORIZED REPRESENTATIVES

Dato' Sri CHUA Chwee Lee

Mr. NG Cheuk Kin (*resigned on 30 August 2024*)

Mr. YAU Tsz Lun (*appointed on 30 August 2024*)

INDEPENDENT AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

COMPLIANCE ADVISER

UOB Kay Hian (Hong Kong) Limited

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39 Gloucester Road

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REGISTERED OFFICE

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P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL ADVISER

Deacons

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Hong Kong

PRINCIPAL BANKERS

United Overseas Bank Limited

DBS Bank Ltd

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

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Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited

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16 Harcourt Road

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COMPANY WEBSITE

www.metatechnologies.com.sg

STOCK CODE

8637

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of Directors of Metasurface Technologies Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the six months ended 30 June 2023 as follows:

	Notes	(Unaudited) Six months ended 30 June	
		2024 SGD'000	2023 SGD'000
Continuing operations			
Revenue	3	18,598	18,873
Cost of sales		(11,203)	(11,602)
Gross profit			
Other income	4	1,435	1,412
Other gains/(losses), net	5	375	(186)
Administrative expenses	6	(5,717)	(7,151)
Operating profit			
Finance costs		(623)	(633)
Share of loss from an associate		(111)	(21)
Profit before tax			
Income tax expenses	7 8	2,754 (657)	692 (617)
Profit from continuing operations			
Discontinued operation			
Profit from discontinued operation		–	2,142
Profit for the period			
Profit for the period attributable to:			
Owners of the Company		2,097	2,397
Non-controlling interests		–	(180)
2,097			
Other comprehensive income for the period			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences on foreign operation		1	51
Total comprehensive income for the period			
2,098			

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		(Unaudited) Six months ended 30 June	
		2024 SGD'000	2023 SGD'000
	Notes		
Total comprehensive income for the period attributable to:			
Owners of the Company		2,098	2,448
Non-controlling interests		—	(180)
		2,098	2,268
Total comprehensive income for the period attributable to owners of the Company arising from:			
— Continuing operations		2,098	126
— Discontinued operation		—	2,142
		2,098	2,268
Earnings per share for profit attributable to owners of the Company			
	10		
Basic and diluted earnings per ordinary share arising from (expressed in Singapore cents per share):			
Continuing operations		1.70	0.21
Discontinued operation		—	1.74
		1.70	1.95

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 SGD'000 (Unaudited)	31 December 2023 SGD'000 (Audited)
Non-current assets			
Property, plant and equipment	11	5,279	5,710
Prepayments		203	203
Right-of-use assets	13	26,558	26,249
Investment property	12	554	575
Goodwill		4,429	4,429
Intangible assets	14	2,137	2,281
Other assets		359	359
Other receivables			
— Amount due from an associate		2,880	2,880
Investment in an associate		905	1,015
Deferred tax assets		644	644
		43,948	44,345
Current assets			
Inventories		5,963	6,641
Trade and other receivables	15	7,047	7,742
Prepayments		1,480	1,907
Cash and bank balances		12,425	9,225
		26,915	25,515
Current liabilities			
Trade and other payables	16	7,577	7,564
Borrowings	17	3,344	4,018
Lease liabilities		2,945	2,652
Income tax payable		1,434	1,381
		15,300	15,615
Net current assets		11,615	9,900

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 SGD'000 (Unaudited)	31 December 2023 SGD'000 (Audited)
Non-current liabilities			
Borrowing	17	182	219
Lease liabilities		25,538	26,214
Trade and other payables	16	479	489
Provisions		269	269
Deferred tax liabilities		—	57
		26,468	27,248
Net assets			
		29,095	26,997
Equity			
Share capital	18	1	1
Accumulated losses		(4,020)	(6,117)
Currency translation reserve		(153)	(154)
Capital reserve		33,267	33,267
Total equity attributable to owners of the Company			
		29,095	26,997

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital	Accumulated losses	Currency Translation reserve	Capital Reserve	Total	Non-controlling interests	Total equity
	SGD'000 (Unaudited)	SGD'000 (Unaudited)	SGD'000 (Unaudited)	SGD'000 (Unaudited)	SGD'000 (Unaudited)	SGD'000 (Unaudited)	SGD'000 (Unaudited)
Balance as at 1 January 2024	1	(6,117)	(154)	33,267	26,997	—	26,997
Profit for the period	—	2,097	—	—	2,097	—	2,097
Other comprehensive profit for the period, net of tax	—	—	1	—	1	—	1
Total comprehensive profit for the period	—	2,097	1	—	2,098	—	2,098
Balance as at 30 June 2024	1	(4,020)	(153)	33,267	29,095	—	29,095
Balance as at 1 January 2023	—*	(10,724)	(145)	32,165	21,296	1,013	22,309
Profit for the period	—	2,397	—	—	2,397	(180)	2,217
Other comprehensive profit for the period, net of tax	—	—	51	—	51	—	51
Total comprehensive profit for the period	—	2,397	51	—	2,448	(180)	2,268
Transactions with owners:							
Share swap as part of reorganization:							
Share issuance to the original parent in exchange for existing shares	1	—	—	19,368	19,369	—	19,369
Share reorganization	—	—	—	(19,369)	(19,369)	—	(19,369)
Disposal of a subsidiary	—	—	—	—	—	(928)	(928)
Share-based payment expenses for the employees and shareholders	—	—	—	1,149	1,149	49	1,198
Change in non-controlling interests in a subsidiary	—	—	—	(46)	(46)	46	—
Balance at 30 June 2023	1	(8,327)	(94)	33,267	24,847	—	24,847

* Less than SGD1,000

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,455	2,607
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(77)	(136)
Additions of right-of-use assets	(326)	(62)
Disposal of a subsidiary, net of cash disposed	—	(133)
NET CASH USED IN INVESTING ACTIVITIES	(403)	(331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of new shares of a subsidiary	—	1,000
Interest paid	(623)	(630)
Payment of principal portion of lease liabilities	(1,518)	(1,438)
Proceeds of borrowings	110	—
Repayment of borrowings	(821)	(972)
Advances from a director	—	228
Repayment of advances from a director	—	(225)
NET CASH USED IN FINANCING ACTIVITIES	(2,852)	(2,037)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,200	239
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	9,225	4,204
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	12,425	4,443

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Metasurface Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is a limited liability company incorporated on 7 December 2021 in the Cayman Islands. The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is an investment holding. The Company holds a group of companies headquartered in Singapore. The Group is principally engaged in the business of, among others, precision machining services and precision welding services. Its shares were initially listed (the “**Listing**”) on GEM of the Stock Exchange on 2 July 2024 (the “**Listing Date**”).

The ultimate controlling party is Dato’ Sri Chua Chwee Lee and Ms. Jee Wee Jene (“**Dato’ Sri Chua**” and “**Mrs. Chua**”), who are also directors of the Company.

The unaudited consolidated financial statements are presented in thousands of Singapore dollar (“**SGD**” or “**S\$**”), Singapore dollar is the functional currency of the Company, unless otherwise stated.

These consolidated financial statements have not been audited, nor reviewed by the auditors, but have been reviewed by the Company’s audit committee.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with the International Financial Reporting Standards (“**IFRSs**”), which is a collective term that includes all applicable individual IFRSs, International Accounting Standards (“**IASs**”) and related Interpretations issued by the International Accounting Standards Board (“**IASB**”). In addition, the unaudited condensed consolidated financial statements include applicable disclosure required by the GEM Listing Rules and by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including compliance with IAS 34 “Interim Financial Reporting” issued by IASB.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the accountant’s report included as Appendix I of the prospectus of the Company dated 21 June 2024 (the “**Prospectus**”), which has been prepared in accordance with IFRSs issued by IASB.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 are consistent with those adopted in preparing the accountant’s report for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has assessed the related impact to the Group of the new standards and amendments upon initial application. According to the assessment made by the directors of the Company, none of them is expected to have a material impact on the unaudited interim condensed consolidated financial statements of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION

Revenue by service type

The Group's revenue is derived primarily from the following two service types, and the revenue is recognised at a point in time.

- (i) Precision machining services which involve machining processes for removing materials from a workpiece with high accuracy to create parts and components with tight tolerance;
- (ii) Precision welding services which involve the application of weldment equipment and specialised welding technique on a workpiece in a very precise and controlled fashion.

The following table sets forth the breakdown of total revenue by service type for the periods indicated:

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Sales of goods and its related services:		
Precision machining	8,133	8,202
Precision welding	10,465	10,671
	18,598	18,873

Revenue by customer sector

The Group's revenue is derived from customers in the semiconductor, aerospace, and data storage industries. The following table sets forth the breakdown of total revenue by customer sector for the periods indicated:

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Semiconductor	16,264	15,831
Aerospace	1,766	675
Data storage	464	1,794
Others ⁽¹⁾	104	573
	18,598	18,873

Note: Others mainly refer to solar industry and oil and gas industry.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue by customer geographical location

The Group generated revenue primarily from customers located in Singapore, Malaysia and the United States of America (the “U.S.”).

The following table sets forth the breakdown of total revenue by customer geographical location for the periods indicated:

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Singapore	5,461	7,464
Malaysia	8,253	6,916
U.S.	2,882	3,103
Others ⁽¹⁾	2,002	1,390
	18,598	18,873

Note: Others mainly refer to Switzerland and Taiwan.

4. OTHER INCOME

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Continuing operations		
Rental income	651	648
Service income	566	594
Scrap material sales income	44	101
Government grants ^(Note 1)	43	69
Others ^(Note 2)	131	—
	1,435	1,412
Discontinued operation		
Others	—	1

Notes:

- Government grants consist of Senior Employment Credit, Progressive Wage Credit Scheme, and Jobs Growth Incentive. The Senior Employment Credit is effective from 2023 to 2035, providing wage offsets to support employers in hiring senior workers aged above 60.

The Progressive Wage Credit Scheme was introduced to provide transitional wage support for employers to adjust to upcoming mandatory wage increases for lower-wage workers and voluntarily raise wages of lower-wage workers for eligible resident employees from 2022 to 2026. Job Growth Incentive was introduced to support employers to accelerate the hiring of local workforce, so as to create good and long-term jobs for locals from September 2020 to March 2023. There are no unfulfilled conditions or other contingencies attaching to these grants.

- Others mainly comprises fixed deposit interest income.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Continuing operations		
Net currency exchange gains/(losses)	320	(209)
Gain on disposal of right of use assets	55	—
Gain on dilution of shareholdings in an associate	—	23
	375	(186)
Discontinued operation		
Gain on disposal of a subsidiary		
— Gain on disposal of controlling interest	—	1,574
— Gain on retained investment	—	955
	—	2,529

6. ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of wages and salaries not directly relating to the production and share-based payments, as well as depreciation and amortisation, listing expenses, business development expenses, repair and maintenance costs, property tax and utilities.

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Continuing operations		
Wages and salaries	1,547	1,333
Depreciation expenses	513	477
Amortisation expenses	144	144
Business development expenses	390	100
Share-based payments	—	3,151
Listing expenses	2,316	901
Professional fees	22	17
Repair and maintenance costs	110	154
Property tax	100	108
Utilities	191	349
Others	384	417
	5,717	7,151
Discontinued operation		
Wages and salaries	—	33
Amortisation expenses	—	209
Share-based payments	—	105
Others	—	40
	—	387

Share-based payments incurred for the six months ended 30 June 2023 arose from the grant of shares and the exercise of anti-dilution rights granted to employees and shareholders of the Group. For details, please refer to the Company's prospectus dated 21 June 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

7. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Profit before tax is stated after charging:		
(a) Staff costs (including directors' emoluments and share-based payments)		
– Salaries, wages and other benefits	3,625	5,514
– Contributions to defined contribution retirement plans	477	473
(b) Other items		
Depreciation for property, plant and equipment	499	653
Depreciation for investment property	21	21
Depreciation of right-of-use assets	1,080	1,030
Share-based payments for the shareholder	–	875
Listing expenses	2,316	901
Utilities	636	737

Employee benefit expenses was charged to profit or loss during the six months ended 30 June 2024 and 30 June 2023 as set out below:

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Cost of sales	2,555	2,378
Administrative expenses	1,547	3,609
	4,102	5,987

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Current tax	714	1,110
Deferred tax	(57)	(493)
Income tax expenses	657	617

9. DIVIDENDS

The Board has not declared the payment of any interim dividend for the six months ended 30 June 2024 (30 June 2023: Nil).

10. EARNINGS PER SHARE

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Profit for the period attributable to the owners of the Company	2,097	2,397
– Continuing operations	2,097	255
– Discontinued operation	–	2,142
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ^(Note)	123,000	123,000

Note: The calculation of basic profit per share is based on the profit attributable to owners of the Company for the period of approximately S\$2,097,000 (2023: S\$2,397,000). The weighted average number of 123,000,000 (30 June 2023: 123,000,000) ordinary shares have been retrospectively adjusted for the effect of the issuance of shares in connection with the Reorganisation completed on 16 May 2023 as described in note 1.2 in the Appendix I of the Prospectus. Also, the 117,403,489 shares capitalised on 2 July 2024 have been adjusted retrospectively as if those shares had been issued since 1 January 2023.

The diluted profit per share is the same as the basic profit per share as there were no potential dilutive ordinary shares in issue during both periods.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land SGD'000	Freehold building SGD'000	Office equipment SGD'000	Renovation SGD'000	Plant and machineries SGD'000	Motor vehicles SGD'000	Furniture and fittings SGD'000	Computer SGD'000	Total SGD'000
Cost									
As at 1 January 2024	573	1,338	40	1,647	20,992	151	707	322	25,770
Additions	–	–	–	–	77	–	–	–	77
Disposal	–	–	–	–	–	(77)	–	–	(77)
Currency translation difference	1	2	–	–	1	–	–	–	4
As at 30 June 2024	574	1,340	40	1,647	21,070	74	707	322	25,774
Accumulated depreciation									
As at 1 January 2024	–	187	37	1,207	17,863	129	359	278	20,060
Charge for the period	–	–	2	39	403	4	33	18	499
Currency translation difference	–	–	–	–	1	–	–	–	1
Disposal	–	–	–	–	–	(65)	–	–	(65)
As at 30 June 2024	–	187	39	1,246	18,267	68	392	296	20,495
Carrying amounts									
As at 30 June 2024 (Unaudited)	574	1,153	1	401	2,803	6	315	26	5,279
Cost									
As at 1 January 2023	608	1,419	41	1,655	20,973	152	672	536	26,056
Additions	–	–	–	–	43	–	37	94	174
Disposal of a subsidiary	–	–	–	–	–	–	–	(308)	(308)
Currency translation differences	(35)	(81)	(1)	(8)	(24)	(1)	(2)	–	(152)
As at 31 December 2023	573	1,338	40	1,647	20,992	151	707	322	25,770
Accumulated depreciation									
As at 1 January 2023	–	170	35	1,105	16,855	117	294	245	18,821
Depreciation for the year	–	27	3	109	1,032	12	67	41	1,291
Disposal of a subsidiary	–	–	–	–	–	–	–	(8)	(8)
Currency translation differences	–	(10)	(1)	(7)	(24)	–	(2)	–	(44)
As at 31 December 2023	–	187	37	1,207	17,863	129	359	278	20,060
Carrying amount									
As at 31 December 2023 (Audited)	573	1,151	3	440	3,129	22	348	44	5,710

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

12. INVESTMENT PROPERTY

	SGD'000
Cost	
As at 1 January 2024 and 30 June 2024	1,150
Accumulated depreciation	
As at 1 January 2024	575
Charge for the period	21
As at 30 June 2024	596
Carrying amounts	
As at 30 June 2024 (Unaudited)	554
Cost	
As at 1 January 2023 and 31 December 2023	1,150
Accumulated depreciation	
As at 1 January 2023	(534)
Depreciation for the year	(41)
As at 31 December 2023	(575)
Carrying Amount	
As at 31 December 2023 (Audited)	575

The investment property of the Group consists of a leasehold property located at 10B Enterprise Road, Singapore 629828. The estimated useful life of the investment property is 28 years. The investment property is stated at a cost less accumulated depreciation and any impairment loss.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

13. RIGHT-OF-USE ASSETS

	Leasehold property S\$'000	Machineries S\$'000	Motor vehicles S\$'000	Total S\$'000
Cost				
At 1 January 2024	29,821	10,026	1,312	41,159
Addition	—	730	780	1,510
Disposal	—	—	(237)	(237)
At 30 June 2024	29,821	10,756	1,855	42,432
Accumulated depreciation				
At 1 January 2024	11,698	2,848	364	14,910
Depreciation for the period	594	365	121	1,080
Disposal	—	—	(116)	(116)
At 30 June 2024	12,292	3,213	369	15,874
Carrying amount				
At 30 June 2024 (Unaudited)	17,529	7,543	1486	26,558
Cost				
At 1 January 2023	29,821	9,406	791	40,018
Addition	—	620	790	1,410
Disposal	—	—	(269)	(269)
At 31 December 2023	29,821	10,026	1,312	41,159
Accumulated depreciation				
At 1 January 2023	10,419	2,188	367	12,974
Depreciation for the year	1,279	660	147	2,086
Disposal	—	—	(150)	(150)
At 31 December 2023	11,698	2,848	364	14,910
Carrying amount				
At 31 December 2023 (Audited)	18,123	7,178	948	26,249

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

14. INTANGIBLE ASSETS

	Know-how SGD'000	Customer contracts SGD'000	Customer relationship SGD'000	License SGD'000	Total SGD'000
Cost					
At 1 January 2024	—	776	2,881	—	3,657
Additions	—	—	—	—	—
Disposal of a subsidiary	—	—	—	—	—
At 30 June 2024	—	776	2,881	—	3,657
Accumulated amortisation					
At 1 January 2024	—	(776)	(600)	—	(1,376)
Amortisation for the period	—	—	(144)	—	(144)
At 30 June 2024	—	(776)	(744)	—	(1,520)
Carrying amounts					
As at 30 June 2024 (Unaudited)	—	—	2,137	—	2,137
Cost					
At 1 January 2023	1,900	776	2,881	2,880	8,437
Disposal of a subsidiary	(1,900)	—	—	(2,880)	(4,780)
At 31 December 2023	—	776	2,881	—	3,657
Accumulated amortisation					
At 1 January 2023	(340)	(776)	(312)	(312)	(1,740)
Amortisation for the year	(101)	—	(288)	(108)	(497)
Disposal of a subsidiary	441	—	—	420	861
At 31 December 2023	—	(776)	(600)	—	(1,376)
Carrying amounts					
As at 31 December 2023 (Audited)	—	—	2,281	—	2,281

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 SGD'000 (Unaudited)	As at 31 December 2023 SGD'000 (Audited)
Non-current		
Non-trade		
Amount due from an associate	2,880	2,880
	2,880	2,880
Current		
Trade		
Trade receivables from third parties	5,900	6,614
Non-trade		
GST receivables	55	36
Deposit	1,092	1,092
	1,147	1,128
	7,047	7,742

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days after the invoice date and therefore are all classified as current.

The following table sets forth the ageing analysis of the trade receivables based on invoice date as at the dates indicated:

	As at 30 June 2024 SGD'000 (Unaudited)	As at 31 December 2023 SGD'000 (Audited)
0–30 days	3,791	4,642
31–60 days	1,736	1,597
61–90 days	279	196
Over 90 days	94	179
	5,900	6,614

At the end of each period, the Group reviewed trade receivables for evidence of impairment on both an individual and collective basis. Based on this assessment, there is no impairment loss recognised during the period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES

	As at 30 June 2024 SGD'000 (Unaudited)	As at 31 December 2023 SGD'000 (Audited)
Current Trade		
Trade payables to third parties	2,418	2,357
Non-trade		
Other payables to third parties	613	350
Amount due to a shareholder	1,029	1,029
Amount due to a director	—	228
Accrued expenses	3,510	3,592
GST payables	—	1
Deposit received	7	7
	5,159	5,207
	7,577	7,564
Non-current Non-trade		
Deposits received	479	489
	8,056	8,053

Trade payables are to third parties mainly in relation to the procurement of raw materials and processing services from third-party suppliers. Trade payables to third parties are non-interest bearing and are generally on 30 to 60 days' credit terms based on the invoice date. The following table sets forth the ageing analysis of the trade payables based on the invoice date as at the dates indicated:

	As at 30 June 2024 SGD'000 (Unaudited)	As at 31 December 2023 SGD'000 (Audited)
0–30 days	1,403	1,703
31–60 days	543	244
61–90 days	215	143
Over 90 days	257	267
	2,418	2,357

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

17. BORROWINGS

	As at 30 June 2024 SGD'000 (Unaudited)	As at 31 December 2023 SGD'000 (Audited)
Current		
— Mature within 1 year or on demand Bank loans (secured/unsecured and guaranteed)	3,344	4,018
Non-current		
— Mature over 2 years but within 5 years Bank loans, secured and guaranteed	182	219
	3,526	4,237

18. SHARE CAPITAL

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

	As at 30 June 2024		As at 31 December 2023	
	Number of shares (Unaudited)	SGD'000 (Unaudited)	Number of shares (Audited)	SGD'000 (Audited)
Authorised (ordinary shares at par value, HK\$0.001):				
At the beginning of the financial period/year	380,000,000	67	380,000,000	67
Increase in authorised share capital ^(Note 1)	620,000,000	105	—	—
At the end of the financial period/year	1,000,000,000	172	380,000,000	67
Issued and fully paid:				
At the beginning of the financial period/year	5,596,511	1	1	—
Share reorganisation	—	—	5,596,510	1
At the end of the financial period/year	5,596,511	1	5,596,511	1

Note 1: On 7 June 2024, the Company's authorised share capital was increased from HK\$380,000 divided into 380,000,000 Shares of HK\$0.001 each, to HK\$1,000,000 divided into 1,000,000,000 Shares of HK\$0.001 each, by the creation of 620,000,000 Shares of HK\$0.001 each.

On 2 July 2024, the Company has capitalised in consideration of 117,403,489 ordinary shares of the Company being issued and allotted pursuant to the resolutions passed by the shareholders' meeting on 7 June 2024.

On the same day, the Company issued 27,000,000 ordinary shares by way of public offer and placing and the Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Established in 2000, the Group is a precision engineering services provider headquartered in Singapore. It provides (i) precision machining services which are machining processes for removing materials from a workpiece with high accuracy to create parts and components with tight tolerance with accuracy in the range of hundreds of micrometres, and (ii) precision welding services which involve the application of weldment equipment and specialised welding technique on a workpiece in a very precise and controlled fashion and which are typically used for small parts, parts with tight dimensional tolerances, or parts requiring a barely visible line weld. Leveraging its technical capabilities, know-how and machinery and equipment, the Company has established its market position by providing build-to-print precision engineering services tailored to its customers' specific technical requirements and commercial needs.

The Group's key objective is to provide quality and efficient precision engineering services to its customers, while achieving sustainable growth in its business and financial performance. During the six months ended 30 June 2024, the business operation developed steadily for both precision machining services and precision welding services, and the Group's financial position remains robust through maximising cost effectiveness and minimising turnaround time. The Group is continuously working with its business partners to explore new opportunities in both semiconductor and aerospace sectors, and strives to diversify and expand its customer sectors and customer portfolio to achieve an enhanced market presence. The Group had a backlog of unfulfilled purchase orders of approximately S\$17.2 million as at 30 June 2024 (30 June 2023: S\$25.6 million).

On 2 July 2024, the Company's shares were listed on GEM of the Stock Exchange and the net proceeds (after deducting underwriting fees and related expenses) amounted to approximately HK\$12.0 million.

FUTURE PROSPECTS

The Group's business objective is to provide best-in-class value in precision manufacturing which is built on trust, knowledge, innovation and synergy while forging mutually beneficial partnerships with its customers.

The precision engineering industry is highly competitive. With the Group's experienced management team and reputation in the market, the Directors believe that the Group is well positioned to compete against its current competitors and to expand its customer base in different industries.

The Group intends to enhance its presence in other industries such as data storage, oil and gas, and aerospace. Specifically, it aims to expand its business through further cooperating with its existing customers in such industries and exploring new customers and new modules assembly business. The Group believes that diversifying its customer base will be critical to its future development and sustainable growth.

The Group is proactive in its evaluation of business strategies to enable the effective use of capital and resources to improve its overall performance. The Group has been actively looking to diversify its revenue sources to create more value to shareholders through engaging in promising projects.

FINANCIAL REVIEW

Revenue

The Group's revenue was relatively stable with a slight decrease of approximately S\$0.3 million or 1.5%, from approximately S\$18.9 million for the six months ended 30 June 2023 to approximately S\$18.6 million for the six months ended 30 June 2024.

Cost of Sales

The Group's cost of sales decreased by approximately S\$0.4 million or 3.4%, from approximately S\$11.6 million for the six months ended 30 June 2023 to approximately S\$11.2 million for the six months ended 30 June 2024. This reduction was mainly due to (i) the decrease in production costs resulting from the slight decrease in revenue during the period, and (ii) efficient procurement of direct materials at competitive prices from its suppliers.

Other Income

Other income maintained relatively stable at approximately S\$1.4 million and S\$1.4 million for the six months ended 30 June 2024 and 2023, respectively.

Other Gains or Losses, Net

The Group recorded net other gains of approximately S\$0.4 million for the six months ended 30 June 2024, as compared to net other losses of approximately S\$0.2 million for the six months ended 30 June 2023, mainly attributable to the recognition of net currency gain of approximately S\$0.3 million for the six months ended 30 June 2024, when compared to a net currency loss of approximately S\$0.2 million for the six months ended 30 June 2023 due to the foreign exchange fluctuations of United States dollars (“**USD**”) against Singapore dollars (“**SGD**”) during the respective period.

Administrative Expenses

Administrative expenses decreased by approximately S\$1.4 million or 20.1%, from approximately S\$7.2 million for the six months ended 30 June 2023 to approximately S\$5.7 million for the six months ended 30 June 2024. The decrease was mainly attributable to the absence of share-based payments for the employees and shareholders for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately S\$3.2 million), which was partially offset by the increase in listing expenses of approximately S\$1.4 million and the increase in business development expenses of approximately S\$0.3 million.

Profit from Discontinued Operations

Profit from discontinued operations for the six months ended 30 June 2023 represents the operating results of Metaoptics Technologies Pte. Ltd. (“**Metaoptics Technologies**”) before the Group’s disposal of approximately 33.32% of its interests on 16 May 2023. As a result, profit from discontinued operations decreased from approximately S\$2.1 million for the six months ended 30 June 2023 to nil for the six months ended 30 June 2024. Profit from discontinued operation for the six months ended 30 June 2023 was mainly attributable to the recognition of gain on disposal of Metaoptics Technologies of approximately S\$2.5 million.

Profit for the Period

As a result of the foregoing, the Group recorded a profit of approximately S\$2.1 million and S\$2.2 million for the six months ended 30 June 2024 and 2023, respectively.

Non-IFRS Measure

The following table reconciles the adjusted profit for the period (non-IFRS measure) with our profit for the period and also sets out the adjusted profit margin (non-IFRS measure) for the periods indicated:

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
Profit for the period	2,097	2,217
Add:		
Share-based payments ⁽¹⁾	—	3,256
Listing expenses	2,316	901
Less:		
Gain on disposal of a subsidiary	—	(2,529)
Adjusted profit for the period (non-IFRS measure)⁽²⁾	4,413	3,845
Adjusted profit margin for the period (non-IFRS measure)⁽³⁾	23.7%	20.4%

Notes:

- (1) Share-based payments arose from grant of shares and exercise of anti-dilution rights granted to certain employees and shareholders of the Group which were non-cash in nature during the relevant period.
- (2) Adjusted profit for the period (non-IFRS measure) refers to profit for the period by adding back (i) share-based payments which are non-cash in nature; and (ii) Listing expenses; and deducting gain on disposal of a subsidiary which is non-cash in nature.
- (3) Adjusted profit margin for the period (non-IFRS measure) equals adjusted profit for the period (non-IFRS measure) as a percentage of revenue for the respective period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Company's shares have been successfully listed on GEM of the Stock Exchange on 2 July 2024 and there has been no change in the capital structure of the Group since. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, net cash flows generated from operating activities, borrowings and net proceeds from the Share Offer (defined below).

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in SGD and USD, is generally deposited with reputable financial institutions.

As at 30 June 2024, the Group had a total cash and bank balance of approximately S\$12.4 million, as compared to approximately S\$9.2 million as at 31 December 2023. As at 30 June 2024, the Group had total borrowings which comprised secured/unsecured and guaranteed bank loans of approximately S\$3.5 million. The outstanding bank borrowings as at 30 June 2024 carried an effective interest rate ranged from 2.75% to 7% per annum, denominated in Singapore Dollars or Malaysian Ringgit and will be settled by monthly instalment and are expected to be matured by 2025 to 2028.

GEARING RATIO

Gearing ratio is calculated by dividing total borrowings by total equity as at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 30 June 2024 was 12.1% (as at 31 December 2023: 15.7%).

CAPITAL EXPENDITURE

Capital expenditure for the six months ended 30 June 2024 was primarily attributable to expenditures on the purchase of plant and equipment and right of use assets, totalling approximately S\$1.6 million (for the six months ended 30 June 2023: S\$0.8 million), to cope with the Group's operational needs.

INTERIM DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in the Company's prospectus dated 21 June 2024 (the "**Prospectus**"), the Group currently has no other plan for material investments and capital assets as at 30 June 2024.

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

Apart from the reorganisation in relation to the listing of the Company's shares (as set out under the section headed "History and Development" of the Prospectus), there were no other significant investments held, material acquisitions or disposal of subsidiaries and associated companies by the Group for the six months ended 30 June 2024.

ISSUE OF SHARES AND USE OF PROCEEDS FROM THE SHARE OFFER

Since 2 July 2024, the Company's shares have been listed on GEM of the Stock Exchange. On 2 July 2024, a total of 27,000,000 ordinary shares of HK\$0.001 each of the Company were issued (the "**Share Offer**") at HK\$2.42 each by way of public offer and placing, raising a total of approximately HK\$65.34 million.

The net proceeds from the Share Offer (after deducting underwriting fees and related expenses) amounted to approximately HK\$12.0 million (equivalent to approximately S\$2.1 million).



MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the intended utilisation of such net proceeds as disclosed in the Prospectus:

Purpose	Total net proceeds as disclosed in the Prospectus (S\$'000)	Approximate percentage of the total net proceeds	Actual amount utilised as at 30 June 2024 (S\$'000)	Unutilised net proceeds as at 30 June 2024 (S\$'000)	Expected date to fully utilise the unutilised net proceeds
Expanding the scale of operation and enhancing production capabilities	1,256	60.1%	—	1,256	30 June 2026
Strengthening quality control capabilities	322	15.4%	—	322	31 December 2025
Enhancing marketing efforts for the purpose of maintaining relationships with existing customers and diversifying customer base	98	4.7%	—	98	30 June 2026
Repayment of certain bank borrowings which were used for general working capital purpose	205	9.8%	—	205	31 December 2024
Working capital and general corporate purposes	209	10.0%	—	209	30 June 2026
	2,090	100%	—	2,090	

For details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Due to the fact that the Company has not been listed until 2 July 2024, none of the net proceeds were used as of 30 June 2024. After the Listing, such net proceeds will be applied in accordance with the proposed application as disclosed in the Prospectus. If the net proceeds of the Share Offer are not immediately used for the mentioned purposes, the Group will only deposit such net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO).

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The Company was listed on GEM of the Stock Exchange on 2 July 2024. Therefore, as at 30 June 2024, the Group had not commenced the implementation of its business objectives and strategies as disclosed in the Prospectus. The Group will strive to achieve the business objectives as stated in the Prospectus.

CHARGES ON GROUP ASSETS

As at 30 June 2024, the freehold building with carrying value of approximately S\$1.2 million (31 December 2023: S\$1.2 million) was pledged for a term loan facility.

As at 30 June 2024, the investment property of carrying amount of S\$554,000 (31 December 2023: S\$575,000) was pledged for a term loan facility.

FOREIGN EXCHANGE RISK MANAGEMENT

Our Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of our Group, primarily USD.

Our Group does not have significant exposure to foreign currency risk other than those cash and bank balances and trade and other receivables held by our Group which are denominated in USD as at reporting date.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

CONTINGENT LIABILITY AND CAPITAL COMMITMENT

As at 30 June 2024, the Group did not have any material contingent liabilities nor any material capital commitments (as at 30 June 2023: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had a total of 154 employees (31 December 2023: 141 employees). The staff costs including directors' emoluments and excluding the share-based payment for the six months ended 30 June 2024 were approximately S\$4.1 million (for the six months ended 30 June 2023: S\$3.7 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 also 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 the periodic in-house training to enhance the knowledge of the workforce.

OTHER INFORMATION

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

As at 30 June 2024, the shares of the Company were not listed on the Stock Exchange. The respective Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), section 352 of the SFO and Rules 5.46 to 5.67 of the GEM Listing Rules were not applicable.

As at the date of this report, the interests of the Directors and chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company and 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 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:

(i) Long position in the Company's ordinary shares (the "Shares")

Name of Director/ chief executive	Shares in the Company			Total number of Shares held/ interested	Percentage of shareholding of total issued Shares
	Personal interests (held as beneficial owner)	Interests of spouse	Corporate interests (interests of controlled corporations)		
CHUA Chwee Lee ⁽¹⁾	—	25,780,479	58,647,335	84,427,814	56.29%
JEE Wee Jene ⁽²⁾	1,032,000	58,647,335	24,748,479	84,427,814	56.29%
THNG Chong Kim ⁽³⁾	—	—	12,299,998	12,299,998	8.20%

Notes:

- (1) SGP Capital Holdings Limited ("SGP BVI") is wholly-owned by CHUA Chwee Lee ("Dato' Sri Chua"), and therefore Dato' Sri Chua is deemed to be interested in the 58,647,335 Shares held by SGP BVI pursuant to the SFO. Dato' Sri Chua is the sole director of SGP BVI. Mrs. Chua is the spouse of Dato' Sri Chua, and therefore, Dato' Sri Chua is deemed to be interested in the 25,780,479 Shares held by Mrs. Chua through her controlled corporation, Baccini, pursuant to the SFO.
- (2) Baccini Capital Holdings Limited ("Baccini") is wholly-owned by JEE Wee Jene ("Mrs. Chua"), and therefore Mrs. Chua is deemed to be interested in the 24,748,479 Shares held by Baccini pursuant to the SFO. Mrs. Chua is the sole director of Baccini. Dato' Sri Chua is the spouse of Mrs. Chua, and therefore, Mrs. Chua is deemed to be interested in the 58,647,335 Shares held by Dato' Sri Chua through his controlled corporation, SGP BVI, pursuant to the SFO.
- (3) Angelling Capital Holdings Limited ("Angelling") is wholly-owned by THNG Chong Kim ("Mr. Thng"), and therefore Mr. Thng is deemed to be interested in the 12,299,998 Shares held by Angelling pursuant to the SFO. Mr. Thng is the sole director of Angelling.

(ii) Long position in the shares of associated corporation of the Company

Name of Director/ chief executive	Name of associated corporation	Ordinary shares in the associated corporations			Percentage of shareholding of total number of issued shares
		Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporations)	Total number of ordinary shares held/ interested	
CHUA Chwee Lee	SGP Capital Holdings Limited	100	—	100	100%
JEE Wee Jene	Baccini Capital Holdings Limited	100	—	100	100%
THNG Chong Kim	Angelling Capital Holdings Limited	100	—	100	100%

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

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

As at 30 June 2024, the shares of the Company were not listed on the Stock Exchange. The respective Divisions 2 and 3 of Part XV of the SFO, section 336 of the SFO and Rules 5.46 to 5.67 of the GEM Listing Rules were not applicable.

As at the date of this report, 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:

Long position in the Shares

Name of Substantial Shareholder	Capacity/Nature of interests	Number of Shares held/interested	Percentage of shareholding of total issued Shares
SGP BVI	Beneficial interests	58,647,335	39.10%
Baccini	Beneficial interests	24,748,479	16.50%
Angelling	Beneficial interests	12,299,998	8.20%
Ms. Pang Chen May ⁽¹⁾	Beneficial interests	8,161,369	5.44%
	Interest of spouse	384,000	0.26%
Mr. Soh Cheng Joo ⁽²⁾	Beneficial interests	384,000	0.26%
	Interest of spouse	8,161,369	5.44%

Notes:

- (1) Ms. Pang Chen May is the spouse of Mr. Soh Cheng Joo, therefore Ms. Pang Chen May is deemed or taken to be interested in the 384,000 Shares which Mr. Soh Cheng Joo is interested in under the SFO.
- (2) Mr. Soh Cheng Joo is the spouse of Ms. Pang Chen May, therefore Mr. Soh Cheng Joo is deemed or taken to be interested in the 8,161,369 Shares which Ms. Pang Chen May is interested in under the SFO.

OTHER INFORMATION

Save as disclosed above, as at the date of this report, 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 six months ended 30 June 2024 and up to the date of this report 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 7 June 2024 (the "**Adoption Date**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. Details of the Scheme are set out in "Statutory and General Information — D. Post-IPO Share Option Scheme" in Appendix V to the Prospectus.

No share option has been granted during the period and since the adoption of the Scheme and there was no share option outstanding as at 30 June 2024.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2024 and 2023, the Group entered into transactions which need to be disclosed as connected transactions or continuing connected transactions pursuant to Chapter 20 of the GEM Listing Rules as follows:

	Six months ended 30 June	
	2024 SGD'000 (Unaudited)	2023 SGD'000 (Unaudited)
i) Continuing operation		
Purchase of goods and service		
Metasurface & Co	110	91
ii) Discontinued operation		
Shared administrative fee		
Metaoptics Technologies	3	—

The Group has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the six months ended 30 June 2024.

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

There was no transaction, arrangement or contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, existed at the end of the period or at any time during the six months ended 30 June 2024, save for the connected transaction with Metasurface & Co and Metaoptics Technologies.

PERMITTED INDEMNITY PROVISION

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

MANAGEMENT CONTRACTS

Save as disclosed in "Statutory and General Information – B. Further Information about our Business – C. Summary of Material Contracts" in Appendix V to the Prospectus, the Group did not have any material contracts entered into during the six months ended 30 June 2024.

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

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities or sale of treasury shares (as defined under the GEM listing Rules) since the Listing Date.

As at the date of this report, the Company did not hold any treasury shares (as defined under the GEM Listing Rules).

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 the directors (the "**Required Standard**"). Specific enquiry has been made to all Directors and each of the Directors has confirmed that he/she has complied with the Required Standard during the six months ended 30 June 2024.

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 report.

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

CORPORATE GOVERNANCE PRACTICES

The Board is committed to fulfilling its responsibilities to its shareholders and protecting and enhancing shareholders' value through solid corporate governance.



OTHER INFORMATION

The Board believes that good 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 Part 2 of Appendix C1 of the GEM Listing Rules.

Except as expressly described below, to the best knowledge of the Board, the Company had complied with all applicable principles and code provisions set out in the CG Code throughout the period from the Listing Date and up to the date of this report.

Pursuant to code provision C.2.1 of the CG Code, as set out in Appendix C1 to the GEM Listing Rules, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Dato' Sri Chua is performing these two roles. Dato' Sri Chua is responsible for the overall management, operation and strategic development of our Group and has been instrumental to our growth and business operations since founding the Group in 2000. Taking into account the continuation of management and the implementation of the Group's business strategies, the Directors (including the independent non-executive Directors) consider that it is most suitable for Dato' Sri Chua to hold both the positions of chief executive officer and the chairman of the Board and the existing arrangements are beneficial to the management of the Group and are in the interests of the Company and its shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and the Board, both of which comprise experienced and high-calibre individuals. The Board comprises three executive Directors (including Dato' Sri Chua) and three independent non-executive Directors, and therefore has a strong independence element in its composition.

REVIEW BY AUDIT COMMITTEE

The financial information in this report has not been audited nor reviewed by the independent auditors of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules and code provision D.3 of the CG Code, the Company established the Audit Committee with terms of reference aligned with the code provisions set out in the CG Code.

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Tan Chek Kian (chairman of the Audit Committee), Mr. Chan Yang Kang and Mr. Ang Yong Sheng, Jonathan. It has reviewed together with the management the accounting principles and practices and the auditing, internal controls and financial reporting matters of the Group, which includes the review of this report and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024, and is of the opinion that the relevant unaudited condensed consolidated financial statements have been prepared in compliance with the applicable accounting standards and this report has been prepared in compliance with the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

Upon the share premium account of the Company being credited as a result of the Share Offer, an amount of approximately HK\$117,403.49 standing to the credit of the share premium account of the Company has been capitalised on 2 July 2024 by applying such sum in paying up in full at par 117,403,489 ordinary shares for issue and allotment to the then existing shareholders. On the same day, 27,000,000 Shares were issued and allotted pursuant to the Share Offer and the Listing on GEM of the Stock Exchange.

Since 30 June 2024 and up to the date of this report, save for the Listing on 2 July 2024, no significant event has occurred which may have a significant effect on the assets and liabilities or future operation of the Group.

By order of the Board
Metasurface Technologies Holdings Limited
CHUA Chwee Lee (Cai Shuili)
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 August 2024