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METASURFACE

METASURFACE TECHNOLOGIES HOLDINGS LIMITED

元续科技控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 8637)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “**Directors**”) of Metasurface Technologies Holdings Limited (the “**Company**”) is pleased to announce the annual financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024. This announcement, containing the full text of the annual results of the Group for the year ended 31 December 2024, together with audited comparative figures for the year ended 31 December 2023, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange in relation to information to accompany the preliminary announcement of annual results.

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 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 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.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

The board (the “**Board**”) of Directors of the Company is pleased to announce the consolidated financial results of the Group collectively, for the year ended 31 December 2024 together with the audited comparative figures for the year ended 31 December 2023 as follows:

	Notes	2024 SGD'000	2023 SGD'000
Continuing operations			
Revenue	3	37,722	38,769
Cost of sales		<u>(24,856)</u>	<u>(24,354)</u>
Gross profit		12,866	14,415
Other income	4	2,741	2,731
Other gains/(losses), net	5	1,189	(426)
Administrative expenses	6	<u>(10,417)</u>	<u>(11,666)</u>
Operating profit		6,379	5,054
Finance costs		(1,237)	(1,343)
Share of loss from an associate		<u>(438)</u>	<u>(366)</u>
Profit before tax	7	4,704	3,345
Income tax expenses	8	<u>(1,511)</u>	<u>(1,061)</u>
Profit from continuing operations		3,193	2,284
Discontinued operation			
Profit from discontinued operation		<u>—</u>	<u>2,143</u>
Profit for the year		3,193	4,427
Profit for the year attributable to:			
Owners of the Company		3,193	4,607
Non-controlling interests		<u>—</u>	<u>(180)</u>
		3,193	4,427
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences on foreign operation		<u>(110)</u>	<u>(9)</u>
Total comprehensive income for the year		3,083	4,418

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2024

	<i>Notes</i>	2024 SGD'000	2023 <i>SGD'000</i>
Total comprehensive income for the year attributable to:			
Owners of the Company		3,083	4,598
Non-controlling interests		<u>—</u>	<u>(180)</u>
		3,083	4,418
Total comprehensive income for the year attributable to owners of the Company arising from:			
— Continuing operations		3,083	2,455
— Discontinued operation		<u>—</u>	<u>2,143</u>
		3,083	4,598
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		2.34	2.00
Discontinued operation		<u>—</u>	<u>1.74</u>
		2.34	3.74

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>SGD'000</i>	<i>SGD'000</i>
Non-current assets			
Property, plant and equipment	11	5,900	5,710
Prepayments		—	203
Right-of-use assets	13	25,951	26,249
Investment property	12	534	575
Goodwill		4,429	4,429
Intangible assets	14	1,993	2,281
Other assets		371	359
Other receivables			
— Amount due from an associate		2,783	2,880
Investment in an associate		895	1,015
Deferred tax assets		614	644
		<u>43,470</u>	<u>44,345</u>
Current assets			
Inventories		6,076	6,641
Trade and other receivables	15	8,955	7,742
Prepayments		25	1,907
Cash and bank balances		17,974	9,225
		<u>33,030</u>	<u>25,515</u>
Current liabilities			
Trade and other payables	16	5,646	7,564
Borrowings	17	2,390	4,018
Lease liabilities		2,434	2,652
Income tax payable		1,186	1,381
		<u>11,656</u>	<u>15,615</u>
Net current assets		<u>21,374</u>	<u>9,900</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>SGD'000</i>	<i>SGD'000</i>
Non-current liabilities			
Borrowing	17	145	219
Lease liabilities		24,613	26,214
Trade and other payables	16	—	489
Provisions		279	269
Deferred tax liabilities		395	57
		25,432	27,248
Net assets		39,412	26,997
Equity			
Share capital	18	26	1
Accumulated losses		(2,924)	(6,117)
Currency translation reserve		(264)	(154)
Capital reserve		34,247	33,267
Share premium		8,327	—
Total equity attributable to owners of the Company		39,412	26,997

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital SGD'000	Accumulated losses SGD'000	Currency Translation reserve SGD'000	Share premium SGD'000	Capital Reserve SGD'000	Total SGD'000	Non- controlling interests SGD'000	Total equity SGD'000
Balance as at 1 January 2024	1	(6,117)	(154)	—	33,267	26,997	—	26,997
Profit for the year	—	3,193	—	—	—	3,193	—	3,193
Other comprehensive profit for the year, net of tax	—	—	(110)	—	—	(110)	—	(110)
Total comprehensive profit for the year	1	3,193	(110)	—	—	3,083	—	3,083
Transactions as owners in their capacity as owners:								
Issuance of shares upon listing	5	—	—	11,343	—	11,348	—	11,348
Capitalisation of shares	20	—	—	—	(20)	—	—	—
Capitalisation of listing expenses	—	—	—	(3,016)	—	(3,016)	—	(3,016)
Net movement in capital reserve:								
Contribution from shareholders in relation to:								
Reclassification of put option to equity	—	—	—	—	1,000	1,000	—	1,000
	26	(2,924)	(264)	8,327	34,247	39,412	—	39,412
Balance as at 1 January 2023	—*	(10,724)	(145)	—	32,165	21,296	1,013	22,309
Profit for the year	—	4,607	—	—	—	4,607	(180)	4,427
Other comprehensive profit for the year, net of tax	—	—	(9)	—	—	(9)	—	(9)
Total comprehensive profit for the year	—	4,607	(9)	—	—	4,598	(180)	4,418
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 as at 31 December 2023	1	(6,117)	(154)	—	33,267	26,997	—	26,997

* *Less than SGD1,000*

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2024

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>6,360</u>	<u>10,486</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(1,097)	(174)
Additions of right-of-use assets	(423)	(100)
Disposal of a subsidiary, net of cash disposed	<u>—</u>	<u>(133)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,520)</u>	<u>(407)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of new shares of a subsidiary	—	1,000
Issuance of new shares	11,348	—
Payment of listing expenses	(1,204)	(787)
Interest paid	(1,209)	(1,287)
Payment of principal portion of lease liabilities	(2,870)	(2,803)
Proceeds of borrowings	110	300
Repayment of borrowings	(1,921)	(1,505)
Advances from a director	(228)	228
Repayment of advances from a director	<u>—</u>	<u>(225)</u>
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	<u>4,026</u>	<u>(5,079)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,866	5,000
EFFECT OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS	(117)	21
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>9,225</u>	<u>4,204</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>17,974</u>	<u>9,225</u>

NOTES TO THE CONDENSED CONSOLIDATED 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 parties are Dato’ Sri Chua Chwee Lee and Ms. Jee Wee Jene (“**Dato’ Sri Chua**” and “**Mrs. Chua**”), who are also the Directors of the Company.

The 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 been reviewed by the Company’s audit committee.

2. BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 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 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).

The accounting policies and methods of computation used in the preparation of the consolidated financial statements for the year ended 31 December 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 consolidated financial statements of the Group.

2. BASIS OF PREPARATION (CONTINUED)

Material accounting policy information

The Group has adopted the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2024.

- (a) Amendments to IFRSs effective for the financial year ending 31 December 2024 do not have a material impact on the Group.
- (b) The following new standards and amendments to standards have been published but are not yet effective for the current financial year and which the Group has not early adopted:

		Effective for accounting periods beginning on or after
Amendments to IAS21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027

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:

	2024	2023
	SGD'000	SGD'000
Sales of goods and its related services:		
Precision machining	17,077	15,545
Precision welding	20,645	23,224
	37,722	38,769

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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:

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Semiconductor	33,659	34,077
Aerospace	3,025	1,646
Data storage	786	2,411
Others ⁽¹⁾	252	635
	<u>37,722</u>	<u>38,769</u>

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

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:

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Singapore	11,278	14,807
Malaysia	17,037	16,072
U.S.	5,734	5,267
Others ⁽¹⁾	3,673	2,623
	<u>37,722</u>	<u>38,769</u>

Note:

(1) Others mainly refer to Switzerland and Taiwan.

4. OTHER INCOME

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Continuing operations		
Rental income	1,348	1,299
Service income	894	1,190
Scrap material sales income	96	134
Government grants (<i>Note 1</i>)	47	87
Interest income	291	—
Others	65	21
	<u>2,741</u>	<u>2,731</u>
Discontinued operation		
Others	—	1

Note:

- 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.

5. OTHER GAINS/(LOSSES), NET

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Continuing operations		
Unrealised gain	12	—
Net currency exchange gains/(losses)	579	(489)
Gain on disposal of plant and equipment	281	40
Gain on dilution of shareholdings in an associate	317	23
	<u>1,189</u>	<u>(426)</u>
Discontinued operation		
Gain on disposal of a subsidiary		
— Gain on disposal of controlling interest	—	1,574
— Gain on retained investment	—	955
	<u>—</u>	<u>2,529</u>

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.

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Continuing operations		
Directors' fees	37	—
Wages and salaries	3,816	3,462
Depreciation expenses	1,008	1,018
Amortisation expenses	288	288
Business development expenses	518	289
Share-based payments	—	3,151
Listing expenses	2,604	1,896
Professional fees	449	235
Repair and maintenance costs	452	186
Property tax	205	249
Utilities	330	345
Allowance for credit losses	97	—
Others	613	547
	<u>10,417</u>	<u>11,666</u>
Discontinued operation		
Wages and salaries	—	33
Amortisation expenses	—	209
Share-based payments	—	106
Others	—	39
	<u>—</u>	<u>387</u>

Share-based payments incurred for the year ended 31 December 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.

7. PROFIT BEFORE INCOME TAX

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Profit before tax is stated after charging:		
(a) Staff costs (including directors' emoluments and share-based payments)		
— Salaries, wages, fees, and other benefits	8,985	10,100
— Contributions to defined contribution retirement plans	<u>600</u>	<u>987</u>
(b) Other items		
Depreciation for property, plant and equipment	983	1,291
Depreciation for investment property	41	41
Depreciation of right-of-use assets	2,263	2,086
Share-based payments for the shareholder	—	875
Listing expenses	2,604	1,896
Utilities	<u>1,151</u>	<u>1,243</u>

Employee benefit expenses was charged to profit or loss during the year ended 31 December 2024 and 31 December 2023 as set out below:

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Cost of sales	5,732	5,349
Administrative expenses	<u>3,853</u>	<u>5,738</u>
	<u>9,585</u>	<u>11,087</u>

8. INCOME TAX EXPENSES

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Current tax	1,142	1,380
Deferred tax	<u>369</u>	<u>(319)</u>
Income tax expenses	<u>1,511</u>	<u>1,061</u>

9. DIVIDENDS

The Board has not declared the payment of any dividend for the year ended 31 December 2024 (31 December 2023: Nil).

10. EARNINGS PER SHARE

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Profit for the year attributable to the owners of the Company	3,193	4,607
— Continuing operations	3,193	2,464
— Discontinued operation	—	2,143
	<u>3,193</u>	<u>2,143</u>
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (<i>Note</i>)	<u>136,500</u>	<u>123,000</u>

Note: The calculation of basic profit per share is based on the profit attributable to owners of the Company for the year of approximately S\$3,193,000 (2023: S\$4,607,000). The weighted average number of 136,500,000 (31 December 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.

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	Construction in progress 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	—	—	—	—	150	—	—	—	947	1,097
Disposal	—	—	—	—	(1,707)	(78)	—	—	—	(1,785)
Currency translation difference	34	80	1	8	24	1	2	—	—	150
As at 31 December 2024	<u>607</u>	<u>1,418</u>	<u>41</u>	<u>1,655</u>	<u>19,459</u>	<u>74</u>	<u>709</u>	<u>322</u>	<u>947</u>	<u>25,232</u>
Accumulated depreciation										
As at 1 January 2024	—	187	37	1,207	17,863	129	359	278	—	20,060
Charge for the year	—	27	3	78	781	5	67	22	—	983
Disposal	—	—	—	—	(1,692)	(65)	—	—	—	(1,757)
Currency translation difference	—	12	1	7	24	—	2	—	—	46
As at 31 December 2024	<u>—</u>	<u>226</u>	<u>41</u>	<u>1,292</u>	<u>16,976</u>	<u>69</u>	<u>428</u>	<u>300</u>	<u>—</u>	<u>19,332</u>
Carrying amounts										
As at 31 December 2024	<u>607</u>	<u>1,192</u>	<u>—</u>	<u>363</u>	<u>2,483</u>	<u>5</u>	<u>281</u>	<u>22</u>	<u>947</u>	<u>5,900</u>
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	<u>573</u>	<u>1,338</u>	<u>40</u>	<u>1,647</u>	<u>20,992</u>	<u>151</u>	<u>707</u>	<u>322</u>	<u>—</u>	<u>25,770</u>
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	<u>—</u>	<u>187</u>	<u>37</u>	<u>1,207</u>	<u>17,863</u>	<u>129</u>	<u>359</u>	<u>278</u>	<u>—</u>	<u>20,060</u>
Carrying amount										
As at 31 December 2023	<u>573</u>	<u>1,151</u>	<u>3</u>	<u>440</u>	<u>3,129</u>	<u>22</u>	<u>348</u>	<u>44</u>	<u>—</u>	<u>5,710</u>

12. INVESTMENT PROPERTY

SGD'000

Cost

As at 1 January 2024 and 31 December 2024

1,150

Accumulated depreciation

As at 1 January 2024

(575)

Charge for the year

(41)

As at 31 December 2024

(616)

Carrying amounts

As at 31 December 2024

534

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

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. The fair value of the investment property was approximately S\$0.9 million based on a valuation conducted by an independent property valuer.

13. RIGHT-OF-USE ASSETS

	Leasehold property <i>S\$'000</i>	Machineries <i>S\$'000</i>	Motor vehicles <i>S\$'000</i>	Total <i>S\$'000</i>
Cost				
At 1 January 2024	29,821	10,026	1,312	41,159
Addition	—	1,303	780	2,083
Disposal	—	—	(237)	(237)
	<u>29,821</u>	<u>11,329</u>	<u>1,855</u>	<u>43,005</u>
At 31 December 2024	<u>29,821</u>	<u>11,329</u>	<u>1,855</u>	<u>43,005</u>
Accumulated depreciation				
At 1 January 2024	11,698	2,848	364	14,910
Depreciation for the year	1,283	731	249	2,263
Disposal	—	—	(119)	(119)
	<u>12,981</u>	<u>3,579</u>	<u>494</u>	<u>17,054</u>
At 31 December 2024	<u>12,981</u>	<u>3,579</u>	<u>494</u>	<u>17,054</u>
Carrying amount				
At 31 December 2024	<u>16,840</u>	<u>7,750</u>	<u>1,361</u>	<u>25,951</u>
Cost				
At 1 January 2023	29,821	9,406	791	40,018
Addition	—	620	790	1,410
Disposal	—	—	(269)	(269)
	<u>29,821</u>	<u>10,026</u>	<u>1,312</u>	<u>41,159</u>
At 31 December 2023	<u>29,821</u>	<u>10,026</u>	<u>1,312</u>	<u>41,159</u>
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)
	<u>11,698</u>	<u>2,848</u>	<u>364</u>	<u>14,910</u>
At 31 December 2023	<u>11,698</u>	<u>2,848</u>	<u>364</u>	<u>14,910</u>
Carrying amount				
At 31 December 2023 (Audited)	<u>18,123</u>	<u>7,178</u>	<u>948</u>	<u>26,249</u>

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	—	—	—	—	—
At 31 December 2024	—	776	2,881	—	3,657
Accumulated amortisation					
At 1 January 2024	—	(776)	(600)	—	(1,376)
Amortisation for the year	—	—	(288)	—	(288)
At 31 December 2024	—	(776)	(888)	—	(1,664)
Carrying amounts					
As at 31 December 2024	—	—	1,993	—	1,993
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

15. TRADE AND OTHER RECEIVABLES

	As at 31 December 2024 <i>SGD'000</i>	As at 31 December 2023 <i>SGD'000</i>
Non-current		
Non-trade		
Amount due from an associate	2,880	2,880
Expected credit loss allowance	(97)	—
	<u>2,783</u>	<u>2,880</u>
Current		
Trade		
Trade receivables from third parties	7,504	6,614
Non-trade		
Other receivables from third parties	73	—
GST receivables	225	36
Deposit	1,153	1,092
	<u>1,451</u>	<u>1,128</u>
	<u><u>8,955</u></u>	<u><u>7,742</u></u>

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 31 December 2024 <i>SGD'000</i>	As at 31 December 2023 <i>SGD'000</i>
0–30 days	5,084	4,642
31–60 days	2,000	1,597
61–90 days	374	196
Over 90 days	46	179
	<u>7,504</u>	<u>6,614</u>

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 year.

16. TRADE AND OTHER PAYABLES

	As at 31 December 2024 <i>SGD'000</i>	As at 31 December 2023 <i>SGD'000</i>
Current		
Trade		
Trade payables to third parties	3,139	2,357
Non-trade		
Other payables to third parties	529	350
Amount due to a shareholder	—	1,029
Amount due to a director	—	228
Accrued expenses	1,663	3,592
GST payables	—	1
Deposit received	315	7
	<u>2,507</u>	<u>5,207</u>
	5,646	7,564
Non-current		
Non-trade		
Deposits received	—	489
	<u>5,646</u>	<u>8,053</u>

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 31 December 2024 <i>SGD'000</i>	As at 31 December 2023 <i>SGD'000</i>
0–30 days	1,360	1,703
31–60 days	1,209	244
61–90 days	260	143
Over 90 days	310	267
	<u>3,139</u>	<u>2,357</u>

17. BORROWINGS

	As at 31 December 2024 <i>SGD'000</i>	As at 31 December 2023 <i>SGD'000</i>
Current		
— Mature within 1 year or on demand		
Bank loans (secured/unsecured and guaranteed)	<u>2,390</u>	<u>4,018</u>
Non-current		
— Mature over 2 years but within 5 years		
Bank loans, secured and guaranteed	<u>145</u>	<u>219</u>
	<u><u>2,535</u></u>	<u><u>4,237</u></u>

18. SHARE CAPITAL

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

	As at 31 December 2024		As at 31 December 2023	
	<i>Number of shares</i>	<i>SGD'000</i>	<i>Number of shares</i>	<i>SGD'000</i>
Authorised (ordinary shares at par value, HK\$0.001):				
At the beginning of the financial 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 year	<u>1,000,000,000</u>	<u>172</u>	<u>380,000,000</u>	<u>67</u>
Issued and fully paid:				
At the beginning of the financial year	5,596,511	1	1	—
Share reorganisation	—	—	5,596,510	1
Capitalisation Issue	117,403,489	20	—	—
Issuance of ordinary shares	27,000,000	5	—	—
At the end of the financial year	<u>150,000,000</u>	<u>26</u>	<u>5,596,511</u>	<u>1</u>

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, our 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, our Company has established its market position by providing build-to-print precision engineering services tailored to its customers' specific technical requirements and commercial needs.

Our 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 year ended 31 December 2024, our precision machining and precision welding business continues to demonstrate stability. We have consistently delivered high-quality and reliable services, to meet the needs of our clients across various industries. The Group revenue and profits continued to stabilize with the gradual recovery of the global semiconductor industry.

Our 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. Our Group had a backlog of unfulfilled purchase orders of approximately S\$19.5 million as at 31 December 2024 (31 December 2023: S\$24.9 million).

On 2 July 2024, our Company's shares were listed on GEM of the Stock Exchange and the gross proceeds amounted to approximately HK\$65.34 million.

FUTURE PROSPECTS

The future prospects for the precision engineering industry are highly promising, fueled by rapid advancements in technology and the growing demand for precision-driven solutions across various sectors.

Our 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.

Our Group is planning for expansion of its production capacity and enhancing our workforce to meet the anticipated growth in demand across our markets. Our Group is also well-placed to capitalise on the post-COVID aviation boom as air travel accelerates worldwide.

Our Group intends to enhance its presence in other industries such as data storage, oil and gas. 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. Our Group believes that diversifying its customer base will be critical to its future development and sustainable growth.

With our Group's experienced management team and skilled professionals, our Directors remain confident of future prospects, and will continue to manage market risks across our key business segments to support our long-term growth plans.

Looking ahead, our Group will evaluate its business strategies to ensure the optimal use of capital and resources, ultimately enhancing overall performance. We are actively exploring avenues for diversification, seeking to expand our revenue sources and create greater value for our shareholders. This dynamic approach allows us to stay agile in a rapidly changing market, positioning our Group to capitalize on promising opportunities and drive sustainable growth in the long term.

FINANCIAL REVIEW

Revenue

Our Group's revenue was relatively stable with a slight decrease of approximately S\$1.1 million or 2.7%, from approximately S\$38.8 million for the year ended 31 December 2023 to approximately S\$37.7 million for the year ended 31 December 2024, primarily due to decrease in revenue from precision welding service as a result of customers' de-stocking of the their existing inventories on hand.

Cost of Sales

Our Group's cost of sales increased by approximately S\$0.4 million or 1.6%, from approximately S\$24.4 million for the year ended 31 December 2023 to approximately S\$24.8 million for the year ended 31 December 2024 primarily due to increase in purchase of raw materials from precision machining services to meet customers' demand.

Other Income

Other income maintained relatively stable at approximately S\$2.7 million and S\$2.7 million for the year ended 31 December 2024 and 2023, respectively.

Other Gains or Losses, Net

Our Group recorded net other gains of approximately S\$1.2 million for the year ended 31 December 2024, as compared to net other losses of approximately S\$0.4 million for the year ended 31 December 2023, mainly attributable to (i) the recognition of net currency gain of approximately S\$0.6 million for the year ended 31 December 2024, when compared to a net currency loss of approximately S\$0.5 million for the year ended 31 December 2023 due to the foreign exchange fluctuations of United States dollars (“USD”) against Singapore dollars (“SGD”) during the respective year; and (ii) the recognition of gain on dilution of shareholdings in an associate of approximately S\$0.4 million for the year ended 31 December 2024, when compared to approximately S\$23,000 for the year ended 31 December 2023.

Administrative Expenses

Administrative expenses decreased by approximately S\$1.2 million or 10.3%, from approximately S\$11.7 million for the year ended 31 December 2023 to approximately S\$10.4 million for the year ended 31 December 2024. The decrease was mainly attributable to the absence of share-based payments for the employees and shareholders for the year ended 31 December 2024 (for the year ended 31 December 2023: approximately S\$3.2 million), which was partially offset by the increase in listing expenses of approximately S\$0.7 million, increase in wages and salaries of approximately S\$0.4 million, and the increase in repair and maintenance cost of approximately S\$0.3 million.

Profit from Discontinued Operations

Profit from discontinued operations for the year ended 31 December 2023 represents the operating results of Metaoptics Technologies Pte. Ltd. (“**Metaoptics Technologies**”) before our 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 year ended 31 December 2023 to nil for the year ended 31 December 2024. Profit from discontinued operation for the year ended 31 December 2023 was mainly attributable to the recognition of gain on disposal of Metaoptics Technologies of approximately S\$2.5 million.

Profit for the Year

As a result of the foregoing, our Group recorded a profit of approximately S\$3.2 million and S\$4.4 million for the year ended 31 December 2024 and 2023, respectively.

Non-IFRS Measure

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

	2024 <i>SGD'000</i>	2023 <i>SGD'000</i>
Profit for the year	3,193	4,427
Add:		
Share-based payments ⁽¹⁾	—	3,256
Listing expenses	2,604	1,896
Less:		
Gain on disposal of a subsidiary	—	(2,529)
Adjusted profit for the year (non-IFRS measure)⁽²⁾	<u>5,797</u>	<u>7,050</u>
Adjusted profit margin for the year (non-IFRS measure)⁽³⁾	<u>15.4%</u>	<u>18.2%</u>

Notes:

- (1) Share-based payments arose from grant of shares and exercise of anti-dilution rights granted to certain employees and shareholders of our Group which were non-cash in nature during the relevant year.
- (2) Adjusted profit for the year (non-IFRS measure) refers to profit for the year 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 year (non-IFRS measure) equals adjusted profit for the year (non-IFRS measure) as a percentage of revenue for the respective year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our 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 our Group since then. Our Company's capital comprises ordinary shares and capital reserves. Our 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).

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

As at 31 December 2024, our Group had a total cash and bank balance of approximately S\$18.0 million, as compared to approximately S\$9.2 million as at 31 December 2023. As at 31 December 2024, our Group had total borrowings which comprised secured/unsecured and guaranteed bank loans of approximately S\$2.5 million. The outstanding bank borrowings as at 31 December 2024 carried an effective interest rate ranged from 3.44% 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 year-end date and expressed as a percentage. The gearing ratio of our Group as at 31 December 2024 was 6.4% (as at 31 December 2023: 15.7%).

CAPITAL EXPENDITURE

Capital expenditure for the year ended 31 December 2024 was primarily attributable to expenditures on the purchase of plant and equipment, right of use assets, and construction in progress, totalling approximately S\$3.2 million (for the year ended 31 December 2023: S\$1.6 million), to cope with our Group's operational needs.

DIVIDENDS

The Board has resolved not to declare any dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in our Company's prospectus dated 21 June 2024 (the "**Prospectus**"), our Group currently has no other plan for material investments and capital assets as at 31 December 2024.

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

Apart from the reorganisation in relation to the listing of our 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 our Group for the year ended 31 December 2024.

ISSUE OF SHARES AND USE OF PROCEEDS FROM THE SHARE OFFER

Since 2 July 2024, our 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 our Company were issued (the "**Share Offer**") at HK\$2.42 each by way of public offer and placing, raising gross proceeds of a total of approximately HK\$65.34 million.

The following table sets forth the actual net proceeds and the intended utilisation:

Purpose	Total actual net proceeds (S\$'000)	Approximate percentage of the total net proceeds	Actual	Unutilised net	Expected date to
			amount utilised as at 31 December 2024 (S\$'000)	proceeds as at 31 December 2024 (S\$'000)	fully utilise the unutilised net proceeds
Expanding the scale of operation and enhancing production capabilities	1,129	60.1%	197	932	30 June 2026
Strengthening quality control capabilities	289	15.4%	—	289	31 December 2025
Enhancing marketing efforts for the purpose of maintaining relationships with existing customers and diversifying customer base	88	4.7%	2	86	30 June 2026
Repayment of certain bank borrowings which were used for general working capital purpose	184	9.8%	184	—	
Working capital and general corporate purposes	188	10.0%	52	136	30 June 2026
	<u>1,878*</u>	<u>100%</u>	<u>435</u>	<u>1,443</u>	

* *The discrepancy between the actual net proceeds and the net proceeds as disclosed in the Company's allotment results announcement (the "Allotment Results Announcement") dated 28 June 2024 mainly arose from expenses that were presented to the Company after the issue of the Allotment Results Announcement.*

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

The remaining net proceeds as at 31 December 2024 had been placed into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO).

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 our Company's annual report(s) in respect of change in timeline, if any, will be made by our Company in accordance with the requirements of the Listing Rules as and when appropriate to update its shareholders and potential investors.

CHARGES ON GROUP ASSETS

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

As at 31 December 2024, the investment property of carrying amount of S\$534,000 (as at 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.

Our 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 our 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 our Group's business have been set out in the Prospectus under the section headed "Risk Factors".

CONTINGENT LIABILITY AND CAPITAL COMMITMENT

As at 31 December 2024, our Group did not have any material contingent liabilities nor any material capital commitments (as at 31 December 2023: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, our Group had a total of 179 employees (31 December 2023: 141 employees). The staff costs including directors' emoluments and excluding the share-based payment for the year ended 31 December 2024 were approximately S\$9.6 million (for the year ended 31 December 2023: S\$8.8 million). Our Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that our 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 our Group's performance.

Our Group believes that on-going and continuous development of its employees is critical to its success. Our Group provides its employees with the periodic 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 the date of this announcement, the interests of the Directors and chief executives and their associates of our Company in the shares, underlying shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (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 our Company required to be kept under Section 352 of the SFO, or which were required to be notified to our 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 our Company's ordinary shares (the "Shares")

Name of Director/chief executive	Personal interests (held as beneficial owner)	Interests of spouse	Shares in our Company		Percentage of shareholding of total issued Shares
			Corporate interests (interests of controlled corporations)	Total number of Shares held/interested	
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 our 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 announcement, none of the Directors and chief executive of our Company had any interests or short positions in the Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to our 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 our Company required to be kept under Section 352 of the SFO, or which were required to be notified to our 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 the date of this announcement, and so far as is known to the Directors, the following entities or persons (other than the Directors or chief executive of our Company) had interests and short positions in the Shares or underlying Shares, which were required to be notified to our Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of our 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%

Save as disclosed above, as at the date of this announcement, 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 our Company) in the Shares or underlying shares of our 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 our Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Since the Listing Date and up to the date of this announcement, none of our Company, its holding company or any of its subsidiaries is 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, our Company or any other body corporate.

SHARE OPTION SCHEME

Our 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 since the adoption of the Scheme and there was no share option outstanding as at 31 December 2024.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the years ended 31 December 2023 and 2024, our 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:

	The year ended 31 December	
	2024	2023
	<i>SGD'000</i>	<i>SGD'000</i>
i) Continuing operation		
Purchase of goods and service		
Metasurface & Co	179	91
ii) Discontinued operation		
Shared administrative fee		
Metaoptics Technologies	<u>7</u>	<u>—</u>

Our 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 our 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 our Group and any other conflicts of interest which any such person had or might have with our Group during the year ended 31 December 2024.

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

There was no transaction, arrangement or contracts of significance to which our 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 year ended 31 December 2024, save for the connected transactions with Metasurface & Co and Metaoptics Technologies.

PERMITTED INDEMNITY PROVISION

Pursuant to our Company's memorandum and articles of association (the "**Articles**"), every Director shall be entitled to be indemnified out of the assets of our 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, our Group did not have any material contracts entered into during the year ended 31 December 2024.

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

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

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

DIRECTORS' SECURITIES TRANSACTIONS

Our 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 year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to our Company and within the knowledge of the Directors, the Directors confirm that our Company has maintained the amount of public float as required under the GEM Listing Rules during the year ended 31 December 2024 and up to the date of this announcement.

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 our 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 our 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, our Group has complied with all the relevant laws and regulations that have a significant impact on our 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.

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

Our 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, our 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 announcement.

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, our 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 our Group in 2000. Taking into account the continuation of management and the implementation of our 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 our Group and are in the interests of our 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

Pursuant to Rule 5.28 of the GEM Listing Rules and code provision D.3 of the CG Code, our 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 (HONG Yongsheng). It has reviewed together with the management the accounting principles and practices and the auditing, internal controls and financial reporting matters of our Group, which includes the review of this announcement and the unaudited consolidated financial statements of our Group for the year ended 31 December 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 announcement has been prepared in compliance with the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

Scope of Work of PricewaterhouseCoopers LLP

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers LLP (Singapore), to the amounts set out in the Group's draft consolidated financial statements for the reporting year. The work performed by PricewaterhouseCoopers LLP in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board ("IAASB") and consequently no assurance has been expressed by PricewaterhouseCoopers LLP (Singapore) on this announcement.

EVENTS AFTER THE REPORTING PERIOD

On 20 January 2025, SGP BVI and Baccini, controlling shareholders of the Company, have jointly adopted a share award scheme and granted share awards to three employees of the Group. See our Company's announcement dated 20 January 2025 for details.

On 24 January 2025, Ms. Pang Chen May, a director of Singapore Precision Welding Pte. Ltd., an indirect wholly-owned subsidiary of the Company, and a shareholder of the Company as to approximately 5.44% up to the date prior to the transfer, transferred certain Shares held by her to eight individuals, among which, six are employees of the Group. See our Company's announcement dated 24 January 2025 for details.

Save as disclosed in this announcement, there is no material subsequent event undertaken by our Group after 31 December 2024 and up to the date of this announcement.

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

Singapore, 28 March 2025

As at the date of this announcement, the executive Directors of our Company are Dato' Sri CHUA Chwee Lee (CAI Shuili), Ms. JEE Wee Jene and Mr. THNG Chong Kim; and the independent non-executive Directors are Mr. TAN Chek Kian, Mr. ANG Yong Sheng, Jonathan (HONG Yongsheng) and Mr. CHAN Yang Kang.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of our Company at <https://metatechnologies.com.sg/>.