



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

ANNUAL 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 seven 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. SOH Cheng Joo (*Appointed on 28 March 2025*)

Non-executive Director

Mr. THNG Chong Kim (*Redesignated on 28 March 2025*)

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 LLP
*Public Accountants
and Chartered Accountants*

COMPLIANCE ADVISER

UOB Kay Hian (Hong Kong) Limited
6/F, Harcourt House
39 Gloucester Road
Hong Kong

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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Singapore 637360

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1917, 19/F
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33 Hysan Road
Causeway Bay, Hong Kong

LEGAL ADVISER

Deacons
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd

PRINCIPAL SHARE REGISTRAR

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

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

www.metatechnologies.com.sg

STOCK CODE

8637

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Metasurface Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the annual report of the Company for the financial year ended 31 December 2024. This year was a significant milestone for our Group, marked by our successful listing on GEM of The Stock Exchange of Hong Kong (the “**Stock Exchange**”) on 2 July 2024. This milestone not only reflects the strength of our business model but also positions us for accelerated growth as we leverage our enhanced financial flexibility and public market presence.

YEAR IN REVIEW: RESILIENCE AND STRATEGIC PROGRESS

The past year presented both opportunities and challenges. While global macroeconomic uncertainties persisted, particularly in the semiconductor and manufacturing sectors, the Group demonstrated resilience by maintaining stable revenue streams and improving operational efficiency.

FINANCIAL HIGHLIGHTS

Our revenue for the year stood at approximately S\$37.7million, with a marginal decline as compared to the year ended 31 December 2023 attributed to temporary inventory adjustments by our key customers in the precision welding segment.

Our gross profit remained healthy at approximately S\$12.9 million, reflecting our ability to manage input costs and optimise production processes.

Our profit attributable to owners was approximately S\$3.2 million, supported by disciplined cost controls and our aim to focus on high-margin projects. Our adjusted profit for the year (non-IFRS measure), which excludes non-recurring items such as listing expenses and share-based payments, was approximately S\$5.8 million.

OPERATIONAL AND STRATEGIC ACHIEVEMENTS

Successful IPO and capital strengthening. Our listing (the “**Listing**”) on GEM of the Stock Exchange was a defining achievement for our Group, raising gross proceeds of approximately HK\$65.34 million. These funds are being strategically deployed to expand our production capacity, strengthen quality control capabilities, and enhance our marketing efforts.

After our Listing, we have maintained a robust financial position, with cash and bank balances of S\$18.0 million as of 31 December 2024, providing ample liquidity for our future operations.

Stable performance in precision engineering. For the year ended 31 December 2024, the semiconductor sector remained our largest revenue contributor (contributed to approximately 89.2% of our total revenue), driven by strong demand for precision-machined components. We have continued to maintain stable business relationships with our reputable international customers. We also saw encouraging growth in the aerospace sector, where demand for high-tolerance parts rebounded as global air travel recovered. Geographically, Malaysia and Singapore continued to be our core markets, while we made inroads into the U.S. and other regional markets, diversifying our customer base.

NAVIGATING CHALLENGES

While the year ended 31 December 2024 was a year of progress, we faced challenges, including (i) customer inventory adjustments, particularly in our precision welding segment, which temporarily impacted our revenue, and (ii) rising operational costs, which we aim to offset through productivity improvements and selective pricing adjustments.



CHAIRMAN'S STATEMENT

LOOKING AHEAD: GROWTH AND INNOVATION

As we move into 2025, we are focused on executing our growth strategy while maintaining financial stability. Our key priorities include:

Expanding production capacity. We are utilising our net proceeds from the Listing to upgrade our facilities and acquire equipment, enabling us to take on larger and more complex projects.

Diversifying revenue streams. While customers in the semiconductor industry remain a cornerstone in our business, we are actively pursuing opportunities in aerospace, data storage, and energy (oil & gas) to reduce sector concentration. Our backlog of approximately S\$19.5 million as of 31 December 2024 provides visibility into near-term demand.

Strengthening technological capabilities. Enhancing our quality assurance capabilities and manufacturing technologies remains our priority. We are aware that customers in the downstream industries are highly concentrated and usually prefer to work with only a limited number of reliable suppliers, therefore companies that prove their ability to deliver high-quality products consistently are likely to receive more orders and gain more market shares in the long term. We intend to constantly improve the accuracy and efficiency of our quality check process.

Sustainability and corporate responsibility. Guided by our commitment to sustainability, we are also integrating ESG principles into our operations, from energy-efficient manufacturing to employee development programs.

ACKNOWLEDGEMENTS

None of our achievements would be possible without the dedication of our employees, the trust of our customers, and the support of our shareholders. I extend my deepest gratitude to our Board, management team, and staff for their unwavering commitment and significant contributions.

With a solid foundation, clear growth strategies and the necessary resources, we believe we are well-positioned to pursue emerging opportunities in precision engineering and precision welding. We are confident in our ability to deliver sustainable value to our shareholders while upholding the highest standards of governance and operational performance.

We appreciate your ongoing support as we continue to build on our progress.

CHUA Chwee Lee

Chairman and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Established in 2000, our Group is a precision engineering services provider headquartered in Singapore. We provide (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. The revenue generated from precision machining services increased by approximately S\$1.5 million during current financial year compared to previous year results mainly due to higher demand in aerospace industry on the post-COVID aviation boom as air travel accelerates worldwide 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. The revenue generated from precision welding services decreased by approximately S\$2.6 million during current financial year compared to previous year results primarily due to customers' de-stocking of their existing inventories on hand. Leveraging our technical capabilities, know-how and machinery and equipment, our Company has established our market position by providing build-to-print precision engineering services tailored to our customers' specific technical requirements and commercial needs.

Our Group's key objective is to provide quality and efficient precision engineering services to our customers, while achieving sustainable growth in our 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. Our revenue and profits continued to stabilize with the gradual recovery of the global semiconductor industry.

Our Group is continuously working with our business partners to explore new opportunities in both semiconductor and aerospace sectors, and strives to diversify and expand our 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 our 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 our presence in other industries such as data storage, and oil and gas. Specifically, we aim 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 our customer base will be critical to our 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 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 SGD'000	2023 SGD'000
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⁾	5,797	7,050
Adjusted profit margin for the year (non-IFRS measure)⁽³⁾	15.4%	18.2%

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 and Malaysian Ringgit and will be settled by monthly instalment and are expected to be matured by 2025 to 2028, approximately S\$2.4 million will be repayable on demand or within one year, and approximately S\$0.1 million will be repayable within two to five years.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 amount utilised as at 31 December 2024 (S\$'000)	Unutilised net proceeds as at 31 December 2024 (S\$'000)	Expected date to 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
	1,878*	100%	435	1,443	

* 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 GEM Listing Rules as and when appropriate to update its shareholders and potential investors.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the designated and actual implementation plan since the Listing Date up to 31 December 2024:

Business Strategies	Implementation plans	Actual implementation activities
Expansion of our scale of operation	<p>(a) To procure raw materials for our existing and upcoming purchase orders</p> <p>(b) (i) To recruit (i) five machinists for precision machining services and (ii) two technicians for precision welding services and to implement night shifts</p> <p>(ii) To improve remuneration packages of existing employees</p>	<p>Procured raw materials from our existing suppliers.</p> <p>New headcounts of five machinists for precision machining services and two technicians for precision welding services were recruited, and implemented night shifts.</p> <p>The overall remuneration package was improved by the addition of a bonus payment.</p>
Strengthening our quality control capabilities	<p>(a) To purchase and upgrade the CNC programming software of our CNC machines</p> <p>(b) To purchase a new coordinate measuring machine to replace the existing coordinate measuring machine for the purpose of measuring the accuracy of parts against the design specifications</p>	<p>In the process of obtaining quotations from potential suppliers.</p> <p>In the process of obtaining quotations from potential suppliers, and discussing the technical specifications of the machinery with potential suppliers.</p>
Enhancing marketing efforts for the purpose of maintaining relationships with existing customers and diversifying customer base	<p>(a) To carry out marketing activities</p> <p>(i) To host our existing and prospective customers to our factories to demonstrate or update them regarding our latest production capabilities</p> <p>(ii) To maintain our corporate website with external service provider</p>	<p>Invited our customers to our factory for a recent update regarding to our latest production capabilities periodically.</p> <p>Maintained and improved our corporate websites, which included appointing an external consultant for customised website development.</p>
Repayment of bank borrowings	<p>(a) To repay certain bank borrowings which were used for general working capital purpose. Such borrowings include: (i) bank borrowings repayable over the remaining term of the loan until 2025 with effective interest rate of 2.75% per annum and total outstanding amount of S\$1.5 million as at 31 December 2023</p>	<p>The mentioned bank borrowings was fully repaid as at the end of 31 December 2024.</p>
Working capital and general corporate purposes	<p>(a) To finance the general working capital needs of our Group</p>	<p>Financed and regularly monitored the group's operating and general working capital requirements.</p>

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 our 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 our employees is critical to our success. Our Group provides our employees with the periodic training to enhance the knowledge of the workforce.

PROPERTY INTEREST

As disclosed in Prospectus, the property located at 43 Tuas View Circuit Singapore 637360 is considered as no commercial value as at 31 March 2024, due to the borrow-to-use land nature of such interest. Therefore, there is no additional depreciation that would be charged against the statement of profit or loss and other comprehensive income during the year ended 31 December 2024 had the asset been stated at such valuation.



DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board currently consists of seven Directors, comprising three executive Directors, one non-executive Director, and three independent non-executive Directors.

Executive Directors

Dato' Sri CHUA Chwee Lee (CAI Shuili) (蔡水理)

Dato' Sri Chua, aged 54, was appointed as a Director on 7 December 2021 and the chief executive officer and Chairman of our Board on 2 May 2023. He was redesignated as an executive Director on 2 May 2023. Dato' Sri Chua founded our Group in 2000 and since then has been spearheading our Group's strategic development and business expansion. With over 30 years of invaluable experience in high precision and tolling design, he contributes to our Group's overall management and its growth and operations via strategic planning.

Dato' Sri Chua received his training in high precision manufacturing from the Vocational and Industrial Training Board of Singapore. He was awarded the National Trade Certificate (Grade 3) in metal machining with a certificate of merit for outstanding performance in November 1989 and the National Trade Certificate (Grade 2) in tool and die making (injection mould) (practical and theory parts) in August 1990.

Dato' Sri Chua was honoured as a Dato' Sri by the Sultan of Pahang, a state in Malaysia in December 2018, and was awarded "Successful Entrepreneur (Platinum Category)" by GRC Press Holdings in 2010 in its annual "Successful Entrepreneur (Singapore Edition)" publication. The publication featured successful Singaporean entrepreneurs who have demonstrated outstanding performance in their own sectors and was supported by a number of well-known organisations including the National Safety Council of Singapore, the American Chamber of Commerce in Singapore, the Canadian Chamber of Commerce and the Singapore Indian Chamber of Commerce and Industry.

Dato' Sri Chua is a Controlling Shareholder (defined below) of our Company. He is also the spouse of Ms. JEE Wee Jene, who is our executive Director and Controlling Shareholder. Dato' Sri Chua is also a director of Metasurface Technologies, Singapore Precision Welding Pte. Ltd. and SGP 1st Engineering Sdn. Bhd., all of which are our wholly-owned subsidiaries.

Ms. JEE Wee Jene (余偉娟)

Mrs. Chua, aged 54, was appointed as a Director on 7 December 2021. She was redesignated as an executive Director on 2 May 2023.

As the spouse of Dato' Sri Chua, Mrs. Chua has worked closely with Dato' Sri Chua since our Group's establishment and throughout the Group's business expansion. She joined our Group since establishment as finance manager of Metasurface Technologies, a subsidiary of our Group, where her main responsibility is to manage Metasurface Technologies' finance and administrative departments. Mrs. Chua assumes overall responsibilities in our Group in finances, administration, compliance and human resources.

Mrs. Chua has an academic background in both computer studies and accounting. She studied at Informatics Computer School Singapore and obtained a Diploma in Computer Studies from the University of Cambridge Local Examinations Syndicate (in collaboration with Informatics Computer School Singapore) through distance learning in November 1994 and an International Diploma in Computer Studies from the National Computing Centre through distance learning in September 1995. She was also awarded a Book-keeping and Accounts — Second Level and Accounting — Third Level by the London Chamber of Commerce and Industry Examinations Board in 1996 and 1997, respectively.

Mrs. Chua is a Controlling Shareholder of our Company. She is also the spouse of Dato' Sri Chua, who is our executive Director, chief executive officer, Chairman of our Board and a Controlling Shareholder. Mrs. Chua is also a director of Metasurface Technologies. She has also been serving as a director of Metaoptics Technologies, our associate, since 30 September 2021.

Mr. SOH Cheng Joo (蘇振裕)

Mr. Soh, aged 52, was appointed as an executive Director on 28 March 2025, has been the managing director of Singapore Precision Welding Pte. Ltd. where he mainly manages the spare part fabrication process of semiconductor equipment. He joined our Group on 13 April 2018 as director of SGP 1st Engineering Sdn. Bhd. He joined Singapore Precision Welding Pte. Ltd. on 1 March 2015 (which was later acquired by our Group on 1 December 2021) as managing director. He was also appointed as our managing director of weldment production on 2 May 2022. His key role in our Group is to manage the development of our Group's welding business. Also a key member of our Group's management, Mr. Soh has experience in various welding processes.

Prior to commencing employment at SPW in March 2015, Mr. Soh worked at Integrated Manufacturing Technologies Pte. Ltd. which was principally engaged in manufacturing electronic components and boards.

Mr. Soh was awarded the Executive Diploma in Professional Supervisory Management, first class from the University of Technology Malaysia in April 2016.

In November 2015, Mr. Soh, as the associate welding inspector, was certified by the American Welding Society for complying with the requirements of the "AWS QC1, Standard for AWS Certification of Welding Inspectors". In October 2012, he was awarded a statement of attainment by the Singapore Workforce Skills and Qualifications for performing welding inspection. In March 2005, he completed the orbital welding basics at Integrated Manufacturing Technologies-International. In January 2002, he completed a training programme at Air Transport Training College Pte Ltd and obtained a professional certificate in aerospace working operations (mechanical). In May 2000, he completed a training course in E.B. Welder Process Engineering at a PTR-Precision Technologies service school. In January 1993, he completed a course on TIG welding-theory and practical organised by General Electric (U.S.A.) Aviation Service Operation Pte. Ltd. (currently known as GE Aviation Service Operation Pte Ltd).

Mr. Soh is a director of SGP 1st Engineering Sdn. Bhd. and the spouse of Ms. Pang, who is a director of SPW and a shareholder of our Company.

Non-Executive Director

Mr. THNG Chong Kim (程章金)

Mr. Thng, aged 61, was appointed as a Director on 7 December 2021. He was redesignated as an executive Director on 2 May 2023. He has been redesignated from an executive Director to non-executive with effect from 28 March 2025. His main role in our Group is to formulate our overall business strategies and corporate development.

Since July 2021, Mr. Thng has been the Vice President (Special Projects) at Metasurface Technologies. Mr. Thng has accumulated approximately 15 years of work experience in product and process engineering and over five years of experience in advanced optics. Before joining our Group, Mr. Thng held key management positions in several multinational companies. From August 2012 to April 2018, Mr. Thng was employed as the Vice President, Special Projects at ams-OSRAM Asia Pacific Pte. Ltd. (currently known as Ams Sensors Holdings Asia Pte. Ltd.), a supplier of sensors headquartered in Singapore. During his employment with Heptagon Advanced Micro Optics, Mr. Thng mainly worked on the engineering and production of sensor modules. From August 2006 to July 2011, Mr. Thng worked as the General Manager in Benchmark Electronics Manufacturing (S) Pte Ltd, where his last position was Senior Business Development Executive, of which he was mainly responsible for overseeing the overall business, handling production schedule and customer deliveries.

From July 2005 to August 2006, Mr. Thng worked as the Senior Product Engineering Director at Seagate Technology, an OEM company headquartered in the U.S. During his employment, he was mainly responsible for managing product engineering. From July 2001 to July 2005, he was appointed the Senior Advanced Manufacturing Director of Magnecomp International Limited in China, where he was responsible for managing advanced manufacturing and engineering.

From November 1988 to June 1999, he was employed at Conner Peripherals Pte Ltd (which was later acquired by Seagate Technology in the mid-1990s) and Seagate Technology, where he was responsible for product engineering.

Mr. Thng graduated from Singapore Polytechnic in May 1983 with a Technical Diploma in Electronics and Communication Engineering.

Mr. Thng is a Shareholder of our Company.



DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Mr. TAN Chek Kian (陳志強)

Mr. Tan, aged 53, was appointed as an independent non-executive Director on 7 June 2024, and is mainly responsible for providing independent judgement on strategy, policy, performance, accountability, internal control and corporate governance.

Mr. Tan has over 25 years of finance and audit experience. Since February 2020, he has been serving as an independent director, the chairman of the human resources committee and a member of the audit risk committee of 1FSS Pte Ltd, a subsidiary of MOH Holdings Pte Ltd (the holding company of Singapore's public healthcare institutions) which principally supports finance services for Singapore's public healthcare system. He assists in the overall strategy and direction and provides leadership and guidance to the senior management team.

From November 2005 to August 2022, he was employed at S&P Global Ratings Singapore Pte. Limited, a group company of S&P Global (NYSE: SPGI), a company primarily focusing on financial information and analytics. His last position there was Vice President, Finance & Operations, Global Emerging Markets and he was primarily responsible for developing a national-scale business model, products and processes in emerging markets globally.

Prior to that, he worked at Exel Singapore Pte Ltd (currently known as DHL Supply Chain Singapore Pte. Ltd.) with his last position being a regional financial controller, where he assisted the chief financial officer, and at KPMG as an auditor, with his last position as audit supervisor.

Mr. Tan obtained a master of business administration degree from the National University of Singapore on 31 December 2004 and a bachelor of accountancy degree from the Nanyang Technological University in Singapore in June 1995. He was qualified as a certified public accountant of Singapore in November 1998 and was conferred a chartered accountant of Singapore in July 2013. He has been a member of the Institute of Singapore Accountants since August 1996.

Mr. ANG Yong Sheng, Jonathan (HONG Yongsheng) (洪勇勝)

Mr. Ang, aged 37, was appointed as an independent non-executive Director on 7 June 2024, and is mainly responsible for providing independent judgement on strategy, policy, performance, accountability, internal control and corporate governance.

Mr. Ang has approximately ten years of experience in providing legal support and approximately eight years of experience in private funds and investment management. Since January 2016, Mr. Ang has been working at Tembusu Partners Pte Ltd, a Singapore-based private equity firm which specialises in venture and growth-stage investments in fast-growing markets of Greater China, India, and Southeast Asia. He was first employed as a senior associate and was subsequently promoted to the position of Chief Operating Officer. During his employment, Mr. Ang has taken part in setting up new funds, as well as providing legal support to the firm. From August 2014 to January 2016, he was an associate at TSMP Law Corporation, where he practised as a lawyer.

Mr. Ang obtained a bachelor of laws degree from the National University of Singapore in June 2013, and was subsequently admitted to the Singapore Bar in 2014. He is currently a non-practising lawyer of the Law Society of Singapore. He has also held a Chartered Financial Analyst designation since January 2020.

Mr. CHAN Yang Kang (田揚康)

Mr. Chan, aged 44, was appointed as an independent non-executive Director on 7 June 2024, and is mainly responsible for providing independent judgement on strategy, policy, performance, accountability, internal control and corporate governance.

Mr. Chan has over 12 years of experience in the legal industry. Since September 2023, he has been employed by Linklaters and is currently on secondment to NEOM Company, a company based in the Kingdom of Saudi Arabia leading the project to build a new urban area. He is primarily responsible for providing legal advice to the central legal team of NEOM Company. From May 2020 to August 2023, he was a partner at Hill Dickinson Hong Kong. From May 2019 to May 2020, he was an associate at Paul Hastings LLP. From December 2012 to March 2019, he was an associate at Wilson Sonsini Goodrich and Rosati.

Mr. Chan obtained a bachelor of laws and bachelor of business (banking and finance) at the Monash University, Australia, in October 2008 and a postgraduate certificate in laws at the City University of Hong Kong in July 2010. He was admitted as a solicitor in Hong Kong in February 2013.

SENIOR MANAGEMENT

For biographical details of Dato' Sri Chua Chwee Lee and Mr. SOH Cheng Joo, see “— Board of Directors —Executive Directors” above.

Ms. HOU Jing (侯靖)

Ms. Hou, aged 39, joined our Group on 1 September 2022. On 2 May 2023, she was appointed as chief financial officer of our Group. Her key role is to oversee the Group's financial management, accounting and company secretarial affairs.

Ms. Hou has accumulated more than 10 years of experience in financial management, business strategy planning, accounting and regulatory compliance prior to joining our Group. From September 2018 to August 2022, she worked as the group accountant and subsequently as the group finance manager at Rich Capital Holdings Limited (formerly known as Infinio Group Limited) (SGX: 5G4), a Singapore-based company listed on the Catalist of the Singapore Stock Exchange which engages in the business of development of residential and industrial properties in Singapore. During this employment, she was mainly responsible for overseeing all aspects of the financial reporting cycle, preparing annual forecasts and budgets, and coordinating with internal and external parties to ensure compliance with the Catalist Rules.

Before joining Rich Capital Holdings Limited, Ms. Hou has practised as an auditing professional for seven years. She worked at Cypress Singapore Pac CPA Firm from August 2011 to December 2013, and at Foo Kon Tan Grant Thornton LLP (subsequently renamed as Foo Kon Tan LLP and became a member of HLB International in 2015) from January 2014 to September 2018, both of which are accounting firms in Singapore.

Ms. Hou was awarded a bachelor of science degree in applied accounting from the Oxford Brookes University through distance learning in 2011 and she became a member of the Institute of Singapore Chartered Accountants in 2017. She was also admitted as a fellow of the Association of Chartered Certified Accountants in 2019.

Mr. ONG Eng Guan (翁湧原)

Mr. Ong Eng Guan, aged 65, is the senior programme manager of Metasurface Technologies. He joined our Group on 17 August 2015. He was also appointed as our senior sales manager on 2 May 2023. His main responsibilities in our Group involve managing our Group's customer relationship, coordinating between the Group's finance, administrative and production teams, as well as overseeing general project management matters.

Mr. Ong has over 25 years of experience in the electronic and semiconductor industry. Prior to joining our Group, Mr. Ong worked as a procurement engineer in Compaq Asia Pte Ltd from March 1996, where he was responsible for sourcing for components and introducing new products. During his employment, he has contributed to the launch of the Armada 4100 notebook.

From February 2006 to June 2010, Mr. Ong worked as a procurement manager in Benchmark Electronics Manufacturing (S) Pte Ltd. He was responsible for sourcing, developing, and maintaining relationships with supplier networks, and was recognised for his contributions towards winning multiple new projects and assisted the company in achieving excellent quality assessments of customers.

Mr. Ong was awarded a diploma in electrical engineering from the Tunku Abdul Rahman College (subsequently known as Tunku Abdul Rahman University College) in Malaysia in October 1982.



CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in the annual report of the Company. As the Ordinary Shares were listed on the Stock Exchange on 2 July 2024 (the “**Listing Date**”), the Corporate Governance Code is applicable to the Company from the Listing Date.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the corporate governance code as set out in Part 2 of Appendix C1 to the GEM Listing Rules (the “**CG Code**”).

The Company is committed to achieving high standards of corporate governance. An internal corporate governance policy was adopted by the Board aiming at providing greater transparency, quality of disclosure as well as more effective risk and internal control. The execution and enforcement of the Company’s corporate governance system is monitored by the Board with regular assessments. The Company believes that its commitment to high-standard practices will translate into long-term value and ultimately maximise returns to shareholders. The Company’s management pledges to build long term interests for shareholders via, for example, conducting business in a socially responsible and professional manner. The Board continues to monitor and review the Company’s corporate governance practices to ensure compliance.

During the year ended 31 December 2024, save for the deviation from code provision C.2.1 of the CG Code regarding the separation of the roles of the chairman and the chief executive officer detailed in the paragraphs headed “Chairman and Chief Executive Officer” in this Corporation Governance Report, the Board believes that the Company had complied with all applicable principles and code provisions set out in the CG Code.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPANY’S CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately; and
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

THE BOARD

(1) Responsibilities

The Board is responsible for, and has general powers for, the management and conduct of our business. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the executive Directors and senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"). The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

(2) Directors' and Senior Management's Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

(3) Board Composition

As of the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

Dato' Sri CHUA Chwee Lee (CAI Shuili) (Chairman and Chief Executive Officer)

Ms. JEE Wee Jene

Mr. SOH Cheng Joo (Appointed on 28 March 2025)*

Non-executive Director

Mr. THNG Chong Kim (Redesignated on 28 March 2025)**

Independent Non-executive Directors

Mr. TAN Chek Kian

Mr. ANG Yong Sheng, Jonathan (HONG Yongsheng)

Mr. CHAN Yang Kang

* In compliance with Rule 5.02D of the GEM Listing Rules, Mr. SOH Cheng Joo has obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules and has confirmed that he understood his respective obligations as a Director on 28 March 2025.

** Mr. THNG Chong Kim had been redesignated from an executive Director to non-executive Director on 28 March 2025.

Ms. JEE Wee Jene (executive Director) is the spouse of Dato' Sri CHUA Chwee Lee (Chairman, Chief Executive Officer and executive Director). Save as disclosed above, there is no any relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members and the senior management members.

In respect of our Directors appointed during FY2024, (i) each of Mr. TAN Chek Kian and Mr. CHAN Yang Kang confirms that he has obtained the legal advice referred to under Rule 5.02D of the GEM Listing Rules on 19 April 2023, (ii) Mr. ANG Yong Sheng, Jonathan confirms that he has obtained the legal advice referred to under Rule 5.02D of the GEM Listing Rules on 5 January 2023 and (iii) each of Mr. TAN Chek Kian, Mr. ANG Yong Sheng, Jonathan and Mr. CHAN Yang Kang has confirmed he understands his obligations as a director of a listed issuer under the GEM Listing Rules.

As of the date of this annual report, the Board at all times met the requirements of Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules relating to (i) the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise, and (ii) the appointment of independent non-executive Directors representing at least one-third of the Board. Among the three independent non-executive Directors, Mr. TAN Chek Kian has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 5.05(2) of the GEM Listing Rules.

(4) Board Diversity Policy

Pursuant to Rule 17.104 of the GEM Listing Rules, the nomination committee (or the board) shall have a policy concerning diversity of board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report. The Company has adopted the board diversity policy (the **"Board Diversity Policy"**) in accordance with the CG Code which sets out the objective and approach to achieve and maintain diversity of the Board.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

(5) Measurable Objectives

The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth. The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. In particular, the Nomination Committee will identify and make recommendations to the Board to implement programs that will assist in the development of a broader and more diverse pool of skilled and experienced employees that, in time, will prepare them for Board positions. The Company also taken, and will continue to take steps to promote gender diversity at all levels of the Company, including but without limitation at the Board and the management levels. At the Board level, Ms. Jee Wee Jene was appointed as an executive Director and therefore the Company has achieved the objective of keeping at least one female Director. At the management level, one of our joint company secretaries as of the date of this annual report, is female. The Board has also assessed the Group's diversity profile annually for all levels of employees and apply the diversity policy to attract, retain and motivate employees from the widest possible pool of available talent. As of 31 December 2024, the Group had 179 full-time employees (including senior management), of whom the number of female employees accounted for approximately 22%. Based on the Board's review, there was no mitigating factor or circumstance which makes achieving gender diversity across the workforce (including senior management) more challenging or less relevant. At present, the Board considers that the above current gender diversity is satisfactory and targets to maintain at least the current level of female representation.

(6) Board Independence

The Company recognizes that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and that independent views. The current composition of the Board, comprising more than one-third of independent non-executive Directors, along with members of the Remuneration Committee and Audit Committee being all independent non-executive Directors, exceed the independence requirements under the GEM Listing Rules. The Remuneration Committee and Audit Committee are all chaired by independent non-executive Directors. The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his appointment and annually.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances requires.

Confirmation of Independence by the Independent Non-executive Directors

The Company has received from each of the independent non-executive Directors an annual confirmation in writing of their independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that, as of the date of this annual report, all of the independent non-executive Directors are independent.

Continuous Professional Development of Directors

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

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2024, the Company organized training sessions conducted by the qualified professionals for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including legal and regulatory updates have been provided to the Directors for their reference and studying.



CORPORATE GOVERNANCE REPORT

The training records of the Directors for the year ended 31 December 2024 are summarized as follows:

Directors	Type of Training ^{Note}
Executive Directors	
Dato' Sri CHUA Chwee Lee (CAI Shuili)	A/B
Ms. JEE Wee Jene	A/B
Mr. SOH Cheng Joo (Appointed on 28 March 2025)	N/A
Non-Executive Directors	
Mr. THNG Chong Kim	A/B
Independent Non-Executive Directors	
Mr. TAN Chek Kian	A/B
Mr. ANG Yong Sheng, Jonathan (HONG Yongsheng)	A/B
Mr. CHAN Yang Kang	A/B

Note:

Types of Training

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

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

Prior to the Listing, each of the Directors attended the training courses conducted by the legal adviser of the Company. The content of such training related to the duties of the directors and continuing obligations of listed companies.

Chairman and Chief Executive Officer

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, we do 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 business strategies, our Directors (including our independent non-executive Directors) consider 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 our Shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and our Board, both of which comprises experienced and high-calibre individuals. Our Board comprises three executive Directors (including Dato' Sri Chua), one non-executive Director and three independent non-executive Directors, and therefore has a strong independence element in its composition.

Pursuant to code provision C.2.7 of the CG Code, the Chairman should at least annually hold meeting with the independent non-executive Directors without the presence of other Directors. In respect of the period from the Listing Date to 31 December 2024, Dato' Sri Chua, the chairman of the Board, held the meeting with the independent non-executive Directors without the presence of other Directors. Dato' Sri Chua is also responsible for the duties as specified in code provisions C.2.2 to C.2.9 of the CG Code. The Board and the senior management, which comprises experienced and high calibre individuals, can ensure the balance of power and authority.

Appointment and Re-Election of Directors

Each of our executive Directors has entered into a service contract with us under which they agreed to act as executive Directors for an initial term of three years since the Listing Date (in the case of Mr. SOH Cheng Joo, since his appointment date), which may be terminated in accordance with the terms and conditions of the service agreement or by not less than three months' notice in writing served by either the executive Directors or us. The appointment of the executive Directors is subject to the provisions of retirement and rotation of Directors under the Articles.

Each of our non-executive Directors and the independent non-executive Directors are appointed for a specific term of three years since the Listing Date (in the case of Mr. THNG Chong Kim, since his redesignation date), subject to renewal after the expiry of the then current term.

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of our Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as addition to the Board shall hold office until the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and make recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairman of the Board and the Chief Executive Officer.

Board Meetings and Committee Meetings

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. Both the Nomination Committee and the Remuneration Committee shall meet at least once every year and the Audit Committee shall meet at least twice a year. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the committee members prior to the meeting.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant Board or committee members for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

From the Listing Date and up to 31 December 2024, two Board meetings, two Audit Committee meetings, one Remuneration Committee meeting were held.

CORPORATE GOVERNANCE REPORT

A summary of the attendance record of the Directors at Board meetings, committee meetings and general meetings during the period from the Listing Date and up to 31 December 2024 is set out in the following table below:

Name of director	<i>Number of meeting(s) attended/number of meeting(s) held from the Listing Date and up to 31 December 2024</i>				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General meeting
Executive Directors					
Dato' Sri CHUA Chwee Lee	2/2	N/A	N/A	N/A	N/A
Ms. JEE Wee Jene	2/2	N/A	N/A	N/A	N/A
Mr. SOH Cheng Joo (Appointed on 28 March 2025)	N/A	N/A	N/A	N/A	N/A
Non-executive director					
Mr. THNG Chong Kim (Redesignated on 28 March 2025)	2/2	N/A	N/A	N/A	N/A
Independent non-executive directors					
Mr. TAN Chek Kian	2/2	2/2	1/1	N/A	N/A
Mr. ANG Yong Sheng, Jonathan	2/2	2/2	1/1	N/A	N/A
Mr. CHAN Yang Kang	2/2	2/2	1/1	N/A	N/A

Model Code for 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 period from the Listing Date and up to 31 December 2024.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. All Directors are encouraged to openly share their views on the Company's affairs and issues and they are entitled to have access to the management who will respond to queries raised by the Directors as promptly and fully as possible. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense for ensuring that board procedures and all applicable rules and regulations are followed.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs. Approval has to be obtained from the Board prior to any significant transactions entered into by the management on the Company's behalf.

Corporate Governance Function

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors, non-executive Director, and independent Non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

BOARD COMMITTEES

Nomination Committee

We established a Nomination Committee with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules. As of the date of this annual report, the Nomination Committee currently comprises three members which include one executive Director, Dato' Sri CHUA Chwee Lee, and two independent non-executive Directors, Mr. TAN Chek Kian and Mr. CHAN Yang Kang. Dato' Sri CHUA Chwee Lee is the chairman of the Nomination Committee.

The primary duties of the nomination committee include, among other things, making recommendations on any proposed changes to the Board to complement our Company's corporate strategy.

The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession.

The written terms of reference of the Nomination Committee are available on the respective websites of the Stock Exchange and the Company. The details of the policies in assessing the candidates or incumbent will be set out in "Director Nomination Policy" below.

Due to the fact that the Company was listed on 2 July 2024, no Nomination Committee meeting was held during the period from the Listing Date and up to 31 December 2024.

Director Nomination Policy

The Company has adopted a director nomination policy (the "**Director Nomination Policy**") in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Nomination Committee will recommend to the Board for the nomination, appointment of new Directors in accordance with the following procedures and process: (a) the Nomination Committee shall first review and assess factors relating to the diversity of the Board, including but not limited to professional experience, skill, knowledge and length of service, gender, age, cultural and education background, and give consideration to the candidate's willingness to devote adequate time to the Board and independence of each independent non-executive Director based on the requirements of the GEM Listing Rules as amended from time to time; and (b) the Nomination Committee shall then nominate suitable candidates to the Board based on the then-current and anticipated future leadership needs of the Company, with a view to achieving a sustainable and balanced development of the Company.

For the re-election of Directors at the general meeting, the Nomination Committee shall review the overall contribution and services to the Company of the retiring Directors, including its attendance at Board meetings, Board committee meetings and general meetings (if applicable), and his/her level of participation and performance on the Board. The Nomination Committee shall require the nominee to submit updated biographical information and the consent to be re-elected as a Director; and should review and determine whether retiring Directors still meet the criteria for Director selection. The Nomination Committee shall then make recommendations to the Board on the re-election of Directors.

The Nomination Committee shall also monitor and review the implementation of the nomination policy, as appropriate from time to time, and will report to the Board annually.

Remuneration Committee

We established a Remuneration Committee with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules. As of the date of this annual report, the Remuneration Committee currently comprises three members and all are independent non-executive Directors which include Mr. TAN Chek Kian, Mr. ANG Yong Sheng, Jonathan and Mr. CHAN Yang Kang. Mr. CHAN Yang Kang is the chairman of the Remuneration Committee. The Remuneration Committee confirms that sufficient resources are available to perform its duties.

The primary duties of the remuneration committee include, among other things, making recommendations to the Board on our Group's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing the remuneration policy and the remuneration packages of each individual executive Director and senior management.

One meeting of the Remuneration Committee was held during the year ended 31 December 2024. The following is a summary of work performed by the Remuneration Committee during the year ended 31 December 2024:

- (a) reviewed and made recommendations to the Board on the remuneration package of the Directors and senior management;
- (b) reviewed and made recommendations to the Board on the Company's policy and structure for the remuneration of the Directors and senior management; and
- (c) reviewed and made recommendations to the Board on the details of the vesting of options and awards.

The remuneration of the Directors and senior management, whose biographical details are included in section headed “Biographies of Directors and Senior Management” of this Annual Report, during the year falls within the following bands:

Remuneration (SGD)	Number of Individuals
Nil to 250,000	6
Over 250,000	3

Our Company’s remuneration policy is to ensure that the remuneration offered to employees, including our Directors and senior management members, is based on skill, knowledge, responsibilities and involvement in the Company’s affairs. The remuneration packages of executive Directors are also determined with reference to the Company’s performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions and performance/discretionary bonus. Executive Directors may receive options and awards to be granted under the Company’s share option scheme and share award scheme (if any). The remuneration policy for our non-executive Director and independent non-executive Directors is to ensure that our non-executive Director and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company’s affairs, including their participation in Board committees. The remuneration for our non-executive Director and independent non-executive Directors mainly comprises Director’s fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management members have not been involved in deciding their own remuneration.

Audit Committee

We established an Audit Committee with written terms of reference in compliance with Rules 5.28 and 11.07(5) of the GEM Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules. As of the date of this annual report, the Audit Committee currently comprises three members and all are independent non-executive Directors, which include Mr. TAN Chek Kian, Mr. ANG Yong Sheng, Jonathan and Mr. CHAN Yang Kang. Mr. TAN Chek Kian is the chairman of the Audit Committee.

The primary duties of the audit committee include, among other things, making responsibilities to the Board on the appointment, reappointment and removal of the external auditor, reviewing our Group’s financial information, overseeing our Group’s financial reporting system, risk management and internal control systems.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control system of the Group, maintaining an appropriate relationship with the auditors and monitoring the relationship between the Group and the auditors, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The written terms of reference of the Audit Committee are available on the respective websites of the Stock Exchange and the Company.

Two meetings of the Audit Committee were held during the year ended 31 December 2024. The following is a summary of work performed by the Audit Committee:

- (a) reviewed the annual and interim results and reports, the Group's financial and accounting policies and practices and the scope of audit and appointment of auditors;
- (b) reviewed the risk management, internal control and compliance systems and discussed with the management and internal audit on their findings;
- (c) discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company; and
- (d) performed corporate governance related duties such as reporting to the Board on the matters in the CG Code.

The Company has proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2024 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report to this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. During the year ended 31 December 2024, the Board had conducted a review of the effectiveness of the risk management internal control system of the Company and considered the system to be effective and adequate.

The Group has no internal audit function currently and has engaged external professional firm and designated staff to be responsible for identifying and supervising the Group's risk and internal control issues and reporting directly to the Board of any findings and follow-up actions on annual basis to ensure that the Company's business continues to meet the requirements of the Company's system and external supervision.

The Group has established a risk management and internal control policy, which are designed to enable the company to maintain the highest standards of corporate governance and to identify and reduce any potential risks.

The Group also provides employees with revised staff manual and various management systems from time to time. The Group has established a risk management and internal control policy, which clarifies the division of responsibility and authority of risk management corresponding to each relevant department and standardizes the basic process of risk management. All departments will (i) systematically and regularly identify internal and external risks; (ii) assess the possibility and impact of risks; (iii) determine risk response strategies and implement response plans; (iv) regular risk management and regular testing of the situation and response capabilities; (v) overall evaluation of the effectiveness of the design and implementation of risk response strategies; and (vi) regular and systematic reporting of risks and risk management information.

The Company does not have an internal audit function to carry out independent reviews of the adequacy and effectiveness of its risk management and internal control systems. The risk management and internal controls are self-assessed by the management and reviewed by the Board on an on-going basis. The Company has also appointed independent consultancy firm to conduct a thorough review of risk management and internal control systems of the Company and its subsidiaries on annual basis, and the latest review covered the financial year ended 2024.

Pursuant to the whistleblower & fraud policy, the Company has established a compliance window for all the employees of the Company to submit their compliance inquiries and compliance reports. During the year ended 31 December 2024, The Company has set up an external reporting channel, allowing stakeholders to report any inappropriate matters that may be related to the Company confidentially and anonymously directly to Mr. TAN Chek Kian at his contact email address namely, ck.tan@outlook.com. This reporting channel regularly reviews and reports the reported matters to the Audit Committee. The Company reviewed and enhanced its internal control system regularly by revising and improving its internal control matrix and internal control manual once a year. The Company's existing system, operating procedures and control measures were adjusted in accordance with the needs of the Company's business management and external regulatory requirements. The Company carried out an internal control assessment at least once a year to ensure that each of its departments has properly complied with its internal control system as well as any recommendation for rectification on any defects in its internal control identified when its self-assessment could be provided after internal communication and determination.

For the handling and dissemination of inside information, the Group has formulated an information disclosure management system to clarify the relevant obligations of insiders, reporting procedures and information disclosure responsibilities of relevant personnel, and arrange self-inspection in a timely manner. The Group monitors possible inside information and organizes intermediary agencies to determine whether the information is inside information or whether need to be disclosed.

Our Company reviews risk management and internal control systems once a year and has reported to the Audit Committee and the Board of Directors for the findings. The Board has reviewed and believes that the risk management and internal control systems of the Group for the period from the Listing to 31 December 2024, are complete, and are fully and effectively operated in all material controls, including financial, operational and compliance controls, which are sufficient to protect the interests of all stakeholders of the Group. The Board of Directors also confirmed that the resources, staff qualifications and experience, training programs and budget of the issuer's accounting, internal audit, financial reporting functions, as well as those relating to the ESG performance and reporting are adequate.



AUDITOR'S REMUNERATION

The Company appointed PricewaterhouseCoopers LLC as the external auditor for the year ended 31 December 2024, and details of the fees paid/payable in respect of the audit and non-audit services provided by PricewaterhouseCoopers LLC for the year ended 31 December 2024 are set out in the table below:

Services rendered to the Group	Total fees paid and payable (SGD'000)
Audit services:	
Annual audit fee	270
Non-audit services:	
Initial public offering service	302
Agreed-Upon procedures report services	5

JOINT COMPANY SECRETARIES

In compliance with Rule 5.15 of the GEM Listing Rules, each of Ms. HOU Jing and Mr. YAU Tsz Lun undertook not less than 15 hours of relevant professional training to update their skills and knowledge during the Reporting Period.

Mr. Yau is currently a Manager of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Mr. Yau is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. Hou, the joint company secretaries has been designated as the primary contact person at the Company which would work and communicate with Mr. Yau on the Company's corporate governance and secretarial and administrative matters.

GENERAL MEETING

The Company was listed on 2 July 2024. No general meeting was held after the Listing up to the date of this annual report.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Shareholders and potential investors on the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The general meetings provide opportunity for Shareholders to communicate directly with the Directors. The chairman of the Board, the chairmen of the Board Committees will attend the general meetings to answer Shareholders' questions. The external auditors of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and established a range of communication channels between the Company, its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company's website and the Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; and (vi) convening investor meeting and/or analyst briefings, which are led by our management members and investor relations team with existing and potential investors.

Having considered the multiple channels of communication and shareholders engagement in the general meetings held during the year, the Board is satisfied that the shareholders communication policy has been properly implemented during the year ended 31 December 2024 and is effective.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed by the chairman of that meeting for each substantially separate issue at Shareholder meetings, including nomination and election of individual Directors.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholder meeting in accordance with the GEM Listing Rules.

(1) Procedures for Shareholders to convene an extraordinary general meeting

In accordance with Article 58 of the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more Member(s) (as defined in the Company's Articles of Association) holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(2) Procedures for putting forward proposals at general meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law of the Cayman Islands. However, Shareholders who wish to propose resolutions may follow Articles 58 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures are set out above.

(3) Inquiries to the Board

Shareholders and investors may send written inquiries or requests to the Company as follows:

Address: No. 43 Tuas View Circuit Singapore 637360

Email: chua@metatechnologies.com.sg; weejene.jee@metatechnologies.com.sg

DIVIDEND POLICY

During the year ended 31 December 2024, our Company did not declare any dividends. As at 31 December 2024, our Company did not have a dividend policy in place. Our shareholders will be entitled to receive dividend declared, made or paid by us. Any declaration of dividends will be determined at the absolute discretion of our Board, taking into account factors including our financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, contractual restrictions of our Company and subsidiaries, and any other relevant factors when considering the declaration and payment of dividends. Any declaration and payment of dividends will be subject to the Articles of Association and the Cayman Companies Act.

CONSTITUTIONAL DOCUMENTS

The Articles of Association have been amended and restated with effect from the Listing Date, and are available on the respective websites of the Stock Exchange and the Company.

Save as disclosed above, there is no other change in the constitutional documents of the Company from the Listing Date to 31 December 2024.

DIRECTORS' REPORT

The Board is pleased to present the annual results and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**").

PRINCIPAL ACTIVITIES

The principal activities of the Company is an investment holding company of a group of companies headquartered in Singapore. Details of the principal activities of the Company and the principal activities of the subsidiaries and the associates are set out in notes 1 to the consolidated financial statements in this annual report. There were no significant changes to the Group's principal activities during FY2024.

BUSINESS REVIEW

A review of the Group's performance, business activities and development is set out in the "Chairman's Statement" on pages 3 to 4 and the "Management Discussion and Analysis" on pages 5 to 11 of this annual report.

RESULTS AND DIVIDENDS

The Group's financial performance for FY2024 is set out in the consolidated statement of comprehensive income on page 68 of this annual report and the consolidated statement of financial position of the Group as at 31 December 2024 on pages 69 to 70 of this annual report.

The Directors have resolved not to declare the payment of a final dividend for FY2024 (2023: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on 30 June 2025 (the "**2025 AGM**"). For determining the entitlement of the shareholders to attend and vote at the 2025 AGM, the register of members of the Company will be closed from 25 June 2025 to 30 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered.

In order to qualify for attending and voting at the 2025 AGM, non-registered shareholders of the Company must lodge all duly completed and signed share transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 24 June 2025.

CONTINGENT LIABILITIES, LEGAL AND POTENTIAL PROCEEDINGS

As at 31 December 2024, the Group did not have any material contingent liabilities, legal proceedings or potential proceedings.

KEY RISKS AND UNCERTAINTIES

Details of risk factors faced by the Company and the risk mitigation strategies are set out in the "Management Discussion and Analysis" on page 10 of this annual report and the section headed "Risk Factors" in the Prospectus.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's plant and equipment during FY2024 are set out in note 12 to the consolidated financial statements in this annual report.



DIRECTORS' REPORT

BANK BORROWINGS

As at 31 December 2024, the Group had total borrowings of approximately S\$2.5 million (2023: S\$4.2 million).

SHARE CAPITAL

Details of the Company's share capital as at 31 December 2024 are set out in note 24 to the consolidated financial statements in this annual report.

PRE-EMPTIVE RIGHTS

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

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

The Company did not repurchase nor redeem any of its listed securities, nor did the company or any of its subsidiaries sell such securities.

RESERVES

Details of movements in reserves of the Group is set out in "Consolidated Statement of Changes in Equity" on pages 71 to 72. Details of movements in reserves of the Company is set out in note 24 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had no distributable reserves.

MAJOR CUSTOMERS AND SUPPLIERS

During FY2024, sales to the Group's five largest customers accounted for approximately 84% (2023: 80%) of total sales and sales to the largest customer amounted to approximately S\$12.0 million and 32% (2023: S\$9.0 million and 23%) of total sales.

The Group's five largest suppliers accounted for approximately 39% (2023: 52%) of total purchases during FY2024 and purchases from the largest supplier amounted to approximately S\$2.0 million and 13% (2023: S\$2.0 million and 15%) of total purchases.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules), or any of the shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or its five largest suppliers during FY2024.

DIRECTORS

The Directors who held office during FY2024 and up to the date of this annual report were as follows:

Executive Directors

Dato' Sri CHUA Chwee Lee (CAI Shuili)
 Ms. JEE Wee Jene
 Mr. SOH Cheng Joo (Appointed on 28 March 2025)

Non-executive Director

Mr. THNG Chong Kim (Redesignated on 28 March 2025)

Independent Non-executive Directors

Mr. TAN Chek Kian
 Mr. ANG Yong Sheng, Jonathan (HONG Yongsheng)
 Mr. CHAN Yang Kang

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as addition to the Board shall hold office until the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and make recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairman of the Board and the Chief Executive Officer.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Biographical details of the Directors and the senior management of the Group are set out on page 12 to page 15 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the date of his appointment/redesignation as an executive Director which may only be terminated in accordance with the provisions of the service contract or by (i) the Company giving to any executive Director not less than three month's prior notice in writing or (ii) any executive Director giving to the Company not less than three month's prior notice in writing.

Each of the non-executive Director and independent non-executive Directors has entered into an appointment letter with the Company for an initial period of three years commencing from the date of his appointment as a non-executive Director or independent non-executive Director which may only be terminated in accordance with the provisions of the service contract or by (i) the Company giving to him not less than 30 days' prior notice in writing or (ii) any non-executive Director or independent non-executive Director giving to the Company not less than 30 days' prior notice in writing.

None of the Directors has entered into any service agreements with the Company which is not determinable by the Group within one year without payment of compensation other than the statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a written annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

COMPETING INTERESTS

During FY2024, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused any conflicts of interest with the Group.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

None of the Directors, the controlling shareholders, nor their respective associates had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during and at the end of FY2024.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing and determining the Group's emolument policy and structure for all remuneration of the Directors and senior management based on the Group's operating results, individual performance and comparable market practices.

As required by the law of the relevant jurisdictions, the Group makes contributions to Central Provident Fund in Singapore, and Employees' Provident Fund in Malaysia, which are defined contribution plans, during the year. In Singapore, under the Central Provident Fund Scheme, employers are required to make a regular contribution calculated at a range of 7.5% to 17% of the employees' monthly income above S\$500 per month and up to a maximum of S\$6,800 per month, depending on the employee's age group. In Malaysia, the Employees' Provident Fund contribution rate for employers are 13% for gross salary RM5,000 and below and 12% for gross salary above RM5,000. The only obligation of the Group with respect to these schemes is the required contributions under the schemes. These contributions are recognised as employee benefit costs in the financial year to which they relate. During the year ended 31 December 2024 and 2023, no forfeited contributions were utilised by the Group to reduce its contributions to retirement benefits schemes. There is no balance available as at 31 December 2024 and 2023 to reduce future contributions. Please also refer to note 9 to the consolidated financial statements in this annual report for total contributions made during the year.

None of directors and five highest paid individuals were paid during the financial year or receivable as an inducement to join or upon joining the Group.

None of directors and five highest paid individuals were paid during the financial year or receivable for the loss of any office in connection with the management of the affairs of any member of the group distinguishing between contractual payments and other payments.

None of directors has waived or agreed to waive their emolument during the financial year.

Details of the remuneration of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in notes 9 to the consolidated financial statements in this annual report.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole and any part of the Company's business were entered into or existed during FY2024.

PERMITTED INDEMNITY PROVISION

Appropriate Directors' liability insurance cover has been arranged by the Company to indemnify the Directors for liabilities arising out of corporate activities. The coverage and the sum insured under the policy are reviewed annually.

DEED OF NON-COMPETITION BY THE CONTROLLING SHAREHOLDERS

On 18 June 2024, Mr. Chua, Mrs. Chua, SGP BVI and Baccini (the **"Controlling Shareholders"**) entered into a deed of non-competition (the **"Deed of Non-Competition"**) in favour of the Company, pursuant to which each of the Controlling Shareholders has unconditionally irrevocably undertaken to the Company (for itself and on behalf of each other member of the Group) that from the Listing Date, he/she/it would not, and would procure that his/her/its close associates (except any members of the Group) would not directly or indirectly, either on his/her/its own account or in conjunction with or on behalf of any person, firm or company, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) any activity or business which competes, or is likely to compete, directly or indirectly, with the business carried on or contemplated to be carried on by any member of the Group from time to time. Each Controlling Shareholder has confirmed to the Company of his/her/its compliance during FY2024. The independent non-executive Directors have reviewed and confirmed that the aforesaid undertakings have been complied with.

SHARE OPTION SCHEMES

Post-IPO Share Option Scheme

The Company adopted a share option scheme (the **"Post-IPO Share Option Scheme"**), which was approved by the Shareholders on 7 June 2024.

Purpose. The purpose of Post-IPO Share Option Scheme is to motivate Eligible Persons (as defined below) to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Employee Participants (defined below), to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Participants. Subject to the provisions in the Post-IPO Share Option Scheme, the Board shall be entitled to make an offer to any of the following classes of persons (the **"Eligible Participant(s)"**): (1) any director(s) (including executive, non-executive and independent non-executive directors) and employee(s) (whether full-time or part-time) of our Group (including persons who are granted Shares or the options under the Post-IPO Share Option Scheme as inducement to enter into employment contracts with our Company or its subsidiaries) (**"Employee Participant(s)"**); (2) any director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of our Company (**"Related Entity Participant(s)"**); and (3) any person (whether a natural person, a corporate entity or otherwise) who provides services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of our Group, including independent contractor(s), consultant(s) and/or advisor(s) for research and development, product commercialization, marketing, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of our Company but excluding any placing agent(s) or financial adviser(s) providing advisory services for fundraising, mergers or acquisitions, and auditor(s) or valuer(s) (**"Service Provider(s)"**).

The Board may consider various factors to determine the basis of eligibility of the potential Eligible Participant, including but not limited to the performance, length of engagement and contribution to our Group.

Maximum number of Shares. (1) The maximum number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other schemes of our Company shall not in aggregate exceed 10% of the Shares in issue ("**Scheme Mandate Limit**") (inclusive of Shares representing 1.5% of the total number of Shares in issue, being the maximum number of options which may be granted to Service Providers under the Post-IPO Share Option Scheme (the "**Service Provider Sublimit**")); provided that our Company may at any time as the Board may think fit seek approval from our Shareholders to refresh the Scheme Mandate Limit (inclusive of the Service Provider Sublimit).

Our Company may seek approval of our Shareholders in general meeting to refresh the Scheme Mandate Limit (inclusive of the Service Provider Sublimit) such that the maximum number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme (inclusive of the Service Provider Sublimit) and any other schemes of our Company (as adopted from time to time), shall not exceed 10% of the Shares in issue as at the date of the approval by our Shareholders in general meeting where the Scheme Mandate Limit (inclusive of the Service Provider Sublimit) is refreshed (the "**Renewal Limit**"), provided that options previously granted under the Post-IPO Share Option Scheme or any other share option schemes of our Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Post-IPO Share Option Scheme or any other schemes of our Company or exercised options) will not be counted for the purpose of calculating the Renewal Limit.

Maximum entitlement of each Eligible Participant. No option shall be granted to any Eligible Participant if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options but excluding any options lapsed in accordance with the Post-IPO Share Option Scheme) in the 12-month period up to and including the date of grant of the options exceeding 1% of the Shares in issue, unless: (1) such further grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 23 of the GEM Listing Rules, by separate approval of our Shareholders in general meeting at which the Eligible Participant and his/her/its close associates (or associates of the Eligible Participant is a connected person) shall abstain from voting in favour of the resolution; (2) a circular regarding the further grant has been despatched to our Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules; and (3) the number and terms (including the exercise price) of such option are fixed before the general meeting of our Company at which the same are approved.

Time of acceptance and exercise of an option. An offer of grant of an option may be accepted by an Eligible Participant within the date as specified in the offer letter issued by our Company, being a date not later than 21 Business Days from the date upon which it is made, by which the Eligible Participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than 10 years after the date of adoption of the Post-IPO Share Option Scheme.

The vesting period for an option shall normally not be less than 12 months, except when such option is granted to the Employee Participant(s) at the discretion of the Board (or the remuneration committee of our Company if the grantee is a Director and/or a senior manager of our Company) where (1) the Employee Participant's employment is terminated due to death, disability or any out of control event; (2) the options are granted in batches during a year for administrative and compliance reasons; (3) the options are granted under a mixed vesting schedule which vest evenly over a 12-month period; (4) the options are granted based on performance-based vesting conditions instead of time-based vesting criteria; and (5) any other circumstances under which the Board (or the remuneration committee of our Company) considers it to be fair, reasonable and appropriate to do so.

A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option. Such consideration shall in no circumstances be refundable nor be deemed to be part of the exercise price.

An option may be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than 10 years commencing on the date of the offer letter and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Post-IPO Share Option Scheme.

Exercise price for Shares. The exercise price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an Eligible Participant, and shall not be less than whichever is the highest of: (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date (as defined below), (2) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date, and (3) the nominal value of a Share on the Offer Date.

Period of the Post-IPO Share Option Scheme. Subject to any prior termination by our Company in a general meeting or by the Board, the Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Post-IPO Share Option Scheme, after which period no further option shall be granted but in all other respects of all options which remain exercisable at the end of such period, the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect.

No share option has been granted during the period and since the adoption of the Scheme and there was no option outstanding as at 31 December 2024.

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

As at 31 December 2024, 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 Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(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			
		Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporations)	Total number of ordinary shares held/ interested	Percentage of shareholding of total number of issued shares
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 31 December 2024, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 December 2024, 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%
Pang Chen May ⁽¹⁾	Beneficial interests	8,161,369	5.44%
Soh Cheng Joo ⁽¹⁾	Interest of spouse	8,161,369	5.44%

Note:

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

Save as disclosed above, as at 31 December 2024, 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.

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group is committed to providing talented people with safe and comfortable working environment.

We regularly review the remuneration package of employees and makes necessary adjustments to conform to the market standard. We also provides regular training for technical staff.

We understand that it is important to maintain good relationship with our business partners, suppliers and customers to achieve its long-term goals. Accordingly, the senior management have kept good communication, promptly exchanges ideas and shares business update with them when appropriate. During FY2024, there was no material and significant dispute between the Group and its business partners, suppliers and customers.

PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that at least 25% of the Company's total issued share capital was held by the public as at the date of this document.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during FY2024 are disclosed in note 29 to the consolidated financial statements. The related party transactions, shared administrative fee with our associate, Metaoptics Technologies Pte. Ltd, within the definition of "connected transaction" or "continuing connected transaction" in Chapter 20 of the GEM Listing Rules. As disclosed in the Prospectus, such transaction constitutes fully-exempt continuing connected transactions under Rule 20.96 of the GEM Listing Rules.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the CG Code as contained in Appendix 15 to the GEM Listing Rules from the date of the Company's prospectus to 31 December 2024. A report on the principal corporate governance practices adopted by the Company is set out on pages 16 to 30 of this annual report.

ENVIRONMENTAL POLICY

Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. We encourage environmental protection and promote awareness towards environmental protection to the employees.

We adhere to the principle of recycling and reducing. We implement green office practices such as double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance.

We will review our environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses to move towards adhering the 3Rs — Reduce, Recycle and Reuse and enhance environmental sustainability.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During FY2024, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

EQUITY-LINKED AGREEMENTS

Other than the section headed “Share Option Schemes” as disclosed above, no equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during FY2024 or subsisted at the end of FY2024.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

CHARITABLE DONATIONS

The Group did not make any charitable donations in FY2024.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out in the “Financial Summary” on page 144 of this annual report.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. TAN Chek Kian, Mr. ANG Yong Sheng, Jonathan (HONG Yongsheng) and Mr. CHAN Yang Kang. Mr. TAN Chek Kian is the chairman of the Audit Committee.

The Group's audited consolidated financial statements for FY2024 and this annual report have been reviewed by the Audit Committee. The Board is of the opinion that such financial information has been prepared in compliance with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

UPDATE ON THE DIRECTOR'S INFORMATION UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

The changes in our Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules are set out below:

- Mr. SOH Cheng Joo has been appointed as an executive Director of our Company on 28 March 2025.
- Mr. THNG Chong Kim has been redesignated from an executive Director to a non-executive Director on 28 March 2025.

EVENTS AFTER THE REPORTING PERIOD

Please refer to note 40 under “Notes to Financial Statements” for the disclosure of events of the Group after the reporting period and up to the date of this annual report.

INDEPENDENT AUDITOR

PricewaterhouseCoopers (“**PwC HK**”) resigned as the auditor of the Company with effect from 15 January 2025 and PricewaterhouseCoopers LLP was appointed as the auditor of the Company with effect from 15 January 2025 to fill the casual vacancy following the resignation of PwC HK. Please refer to the announcement of the Company dated 15 January 2025 for more details regarding the change of auditor.

Save as disclosed above, there has been no other change of auditors for the preceding three years.

The consolidated financial statements of the Group for FY2024 have been audited by PricewaterhouseCoopers LLP whose term of office will expire upon the 2025 AGM. A resolution to re-appoint PricewaterhouseCoopers LLP as independent auditor of the Company will be proposed at the 2025 AGM.

By order of the Board

CHUA Chwee Lee (Cai Shuili)

Chairman, Chief Executive Officer and Executive Director
Singapore, 22 April 2025



ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

1 ABOUT THE REPORT

This Environmental, Social and Governance (“**ESG**”) Report describes the ESG performance of Metasurface Technologies Holdings Limited (the “**Company**” or “**Metasurface**”, and its subsidiaries, the “**Group**” or “**we**”). This ESG Report comprehensively illustrates the ESG strategy and commitment of the Group to fulfilling corporate social responsibility and achieving sustainable development. For further details about the Group’s corporate governance frameworks and practices, please refer to the corporate governance report which has been included as part of the Group’s Annual Report for the year ended 31 December 2024 (“**Annual Report**”).

1.1 Scope of the Report

This ESG Report covers the environmental and social performance of the Group’s businesses. The Group is principally a one-stop build-to-print precision engineering services provider headquartered in Singapore. This ESG Report has demonstrated the environmental and social key performance indicators (“**KPIs**”) of the Group’s principal operation subsidiaries Metasurface Technologies Pte. Ltd (“**Metasurface**”) and Singapore Precision Welding Pte. Ltd. (“**SPW**”) in Singapore and the subsidiary SGP 1st Engineering Sdn. Bhd. (“**SGP Malaysia**”) in Malaysia.

1.2 Reporting Standard

This ESG Report is prepared in accordance with the Environmental, Social, and Governance Reporting Guide (the “**ESG Reporting Guide**”) under Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and has complied with the “comply or explain” provisions of the ESG Reporting Guide. As for the information on corporate governance, please refer to the Corporate Governance Report in the Annual Report of the Year.

1.3 Reporting Principles

The ESG Report adheres to the ESG Reporting Principles set out in the ESG Guide, including materiality, quantitative, balance and consistency. Details are illustrated as follows:

Materiality

The content of the Report is determined through the stakeholder engagement and materiality assessment process, which includes identifying ESG-related issues, collecting and reviewing the management and stakeholders’ opinions, assessing the relevance and materiality of the issues, and preparing and validating the information reported. The Report has covered the key issues that are concerned by different stakeholders.

Quantitative

The disclosure of ESG KPIs in the ESG report is supported by quantitative data and measurable standards. All applicable statistics, calculation tools, methodologies, reference materials and sources of conversion factor used are disclosed when presenting the emission data.

Balance

In order to maintain the balance of reporting content, fair disclosure of sustainability performance and challenges related to the Group and stakeholders is provided with impartial information to the public.

Consistency

To enhance and maintain meaningful comparability of ESG performances between years, the Group has strived and will continue to adopt consistent reporting and calculation methodologies as far as reasonably practicable. For any changes in methodologies or relevant KPIs used, the Group has presented and explained in detail in the corresponding sections.

1.4 Data Source and Reliability Statement

The data and cases in the Report are derived from the official documents, statistical reports and relevant public information of Metasurface, SPW and SGP. The Group undertakes that the Report contains no false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its content.

1.5 Confirmation and Approval

The Company's board (the "**Board**") of directors (the "**Director(s)**") and the senior management team have reviewed and approved the Report to ensure that the content of the Report contains no false records, misleading statements or material omissions.

1.6 Information and Feedback

The Report is prepared in Chinese and English respectively. In case of any discrepancies between the Chinese and English versions, the English version shall prevail. The Report is available and can be downloaded from the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (<https://www.metatechnologies.com.sg/en/index.aspx>). For further enquiries, comments or suggestions on the Report, please contact the Company by email at kl.goh@metatechnologies.com.sg;

2 ABOUT THE GROUP

2.1 Main Businesses

The Group is a comprehensive build-to-print precision engineering services provider headquartered in Singapore. Services of the Group encompass (i) precision machining and (ii) precision welding. Utilizing the Group's technical expertise, machinery, and equipment, we have positioned ourselves in the market by delivering tailored build-to-print precision engineering services across the precision component engineering value chain to meet customers' technical specifications and commercial needs of the Group.

Over the years, the Group has expanded its customer base to include sectors like semiconductor, aerospace, and data storage industries. Customers of the Group recognized us as a crucial long-term partner due to our industry certifications and successful completion of rigorous in-house supplier qualification processes.

The commitment of the Group to quality is evident through stringent quality control measures conducted by our dedicated team, encompassing rigorous assessments throughout the production process. The Group holds the SSQA certification for precision machining in the semiconductor industry and are ISO 9001:2015 and ISO 14001:2015 certified for quality management and environmental management systems, respectively, since 2019 and 2018.

The operations of the Group are based in Singapore and Malaysia, boasting advanced machinery, skilled technicians proficient in various production processes, and the ability to fulfil specific design requirements for clients of the Group. The machinery of the Group is versatile, catering to a wide range of product specifications for various end-use industries.

2.2 Board Statement

The Group believes that well-established ESG governance principles, strategies, and practices are crucial to the long-term development of our business, especially in increasing investment values and returns. To ensure the establishment of appropriate and effective ESG risk management measures and internal control systems, the Board of Directors (the “**Board**”) has taken up the overall responsibility to govern and oversee the Group’s ESG-related issues and its development. A board statement has been approved to guide the Group in achieving better ESG performance strategies in different areas of the work, such as for evaluating, prioritizing, and managing significant risk processes in our business.

The Board, in order to improve the Group’s performance in relation to ESG, reviews objectives, sets targets, implements policies and meets regularly to review ESG and climate-related matters and progress against ESG-related targets. Furthermore, the Board monitors and reviews the Group’s compliance status with ESG-related laws and regulations by external regulatory bodies, such as The Stock Exchange of Hong Kong Limited (“**HKEX**”).

During the Year, the Board has assigned third-party ESG professionals to manage the ESG performance of the Company. The Board has also identified the potential and material issues regarding the business and its stakeholders with assistance from third-party ESG professionals. Moreover, as one of the key stakeholders of the Company, the Board is also responsible for taking part in the materiality assessment and providing constructive feedback on the ESG issues that are relevant and important to the Group.

3 STAKEHOLDER ENGAGEMENT

The Group believes that maintaining a positive and active interaction with stakeholders is crucial to the Group’s governance management. The Group is at all times committed to disclosing and distributing all information to the public in full and in a timely and accurate manner, in accordance with the GEM Listing Rules.

The Group has formulated its Investor Relations Policy to ensure that all investors are able to access the Group’s information, which includes the Group’s business strategies, updates, stock and financial performance, corporate management, and governance in a timely manner.

The Group is open and willing to maintain ongoing dialogues with its stakeholders. The following table lists the key requirements and expectations from stakeholders for the Group, coupled with the corresponding response and communication channels from the Group.

Stakeholders	Requirements and Expectations	Response and Communication Channels
Shareholders	<ul style="list-style-type: none"> • Returns • Compliant operation • Raise company value • Transparency and effective communication 	<ul style="list-style-type: none"> • Shareholder conferences • Announcements and circulates • Dedicated reports
Partners	<ul style="list-style-type: none"> • Operate with integrity • Equal rivalry 	<ul style="list-style-type: none"> • Business communications • Review and appraisal meetings • Engagement and cooperation
Customers	<ul style="list-style-type: none"> • Outstanding products and services • Operate with integrity 	<ul style="list-style-type: none"> • Customer service centre and hotlines • Social Media Platforms

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

Stakeholders	Requirements and Expectations	Response and Communication Channels
Employees	<ul style="list-style-type: none"> • Remunerations and benefits • Career development 	<ul style="list-style-type: none"> • Employee communication meetings • Employee mailbox
Community and the public	<ul style="list-style-type: none"> • Improve community environment • Participation in charity 	<ul style="list-style-type: none"> • Company website • Interview with media • Social media platforms

With the opinions and information collected from stakeholders through various channels, the Group has a better understanding of the ESG-related issues that the stakeholders are concerned about. Through questionnaires conducted with the assistance of a third-party ESG consultant, the Group was able to gather the views of various departments and business units on potential ESG issues and, with reference to materiality maps provided by Morgan Stanley Capital International (“**MSCI**”) and the Sustainability Accounting Standards Board (“**SASB**”) respectively, the Group was able to identify significant ESG issues.

The Group has identified the significant ESG issues for internal stakeholders within the Group which are listed as follows:

Aspects	Materiality Issues	Corresponding Chapter
A Environment		
A.1: Emissions	Toxic Emission Management Waste Management	Emission Control Waste Management
A.2: Use of Resources	Energy Management Opportunity in Clean Technology	Energy Consumption Energy Consumption
B Social		
B.1 Employment	Labour Management	Employment and Dismissal
B.2 Health and Safety	Occupational Health and Safety	Employee Health and Safety
B.5 Supply Chain Management	Supply Chain Management Materials Sourcing and Efficiency	Supply Chain Management Supply Chain Management
B.6 Product Responsibility	Product Quality Management	Product Quality Management

4 ENVIRONMENTAL PROTECTION

The Group places significant emphasis on environmental protection and is committed to minimizing the environmental impact of our precision component engineering operations. While our business inherently involves manufacturing processes, we adhere strictly to relevant environmental laws and regulations in Singapore and Malaysia, including Singapore's Environmental Protection and Management Act, Environmental Public Health (Toxic Industrial Waste) Regulations, and Environmental Public Health (General Waste Collection) Regulations, as well as Environmental Quality Act 1974 in Malaysia. We have conducted a comprehensive assessment of our environmental impact and identified key areas for improvement, such as waste management, energy efficiency, and emissions control. Following discussions with the Board, we have established clear environmental targets that align with our broader sustainability objectives. Specific measures, including the implementation of advanced waste treatment systems and energy-efficient manufacturing technologies, are outlined in the corresponding sections of this report. Through these efforts, we aim to reduce our environmental footprint while maintaining compliance with all applicable regulations.

The environmental objectives of the Year and target are summarised as the following:

Environmental Objectives	Target
Greenhouse Gas Emissions	Continuously decrease total GHG emissions intensity.
Energy	The Group have set an energy consumption target to reduce energy consumption intensity to 0.10 MWh/thousands of SOP\$ revenue by 2026
Water	The Group have set a water consumption target to reduce water consumption intensity to 0.20 m ³ /thousands of SOP\$ revenue by 2026
Waste	Continuously to enhance the waste separation methods and establish a detailed data record system for hazardous and non-hazardous waste.

4.1 Emission Control

4.1.1 Air pollutants emissions

The Group's business focuses on precision component engineering, which inherently involves manufacturing processes with minimal waste gas generation. The primary source of air pollutant emissions stems from fossil fuel combustion in our vehicles, with a smaller contribution from gas combustion used in specific manufacturing processes. These emissions primarily include nitrogen oxides, sulphur oxides, and particulate matter. To address this, our environmental strategy emphasizes reducing emissions from our fleet operations. We conduct regular maintenance of our vehicles to optimise fuel efficiency and minimise pollutant emissions, ensuring compliance and complied Singapore's Environmental Protection and Management Act and Malaysia's environmental regulations. Additionally, we are exploring the adoption of cleaner energy alternatives and advanced emission control technologies to further align with our sustainability goals and reduce our environmental footprint.

Air pollutants generated by the Group in the Year are as follows:

Types ¹	2024
Nitrogen oxides (tonnes)	0.6075
Sulphur oxides (tonnes)	0.0002
Suspended particulates (tonnes)	0.0602

Notes:

1. The calculation of air pollutants takes reference from the "Reporting Guidance on Environmental KPIs (Appendix II)" provided by the Stock Exchange of Hong Kong Limited ("HKEX").
2. Air pollutants are pollutant emissions from the use of the Group's Vehicles.

4.1.2 Greenhouse gas emissions

The Group's greenhouse gas emissions are mainly generated from the office operations, and can be classified into different scopes: scope 1 — direct emissions from refrigerant and combustion of fossil fuel vehicles; scope 2 — energy indirect emissions from purchased electricity.

With the aim of reducing greenhouse gas emissions and enhancing ecological and environmental protection, we initiated green and low-carbon office practices. For measures to reduce the Scope 1 greenhouse gas emissions, please refer to the Group fleet regulation in the "Air pollutants emissions" section above.

In addressing Scope 2 greenhouse gas emissions, we have implemented a range of initiatives aimed at conserving electricity and reducing emissions. These include switching off electronic devices and lights when the office is not in use, maximizing the use of daylight for lighting, maintaining the cleanliness of lighting fixtures and lamps for optimal energy efficiency, incorporating independently controllable lighting switches in various areas, and various measures concerning air conditioning equipment including avoiding installing air conditioning equipment in sun-exposed zones, regularly cleaning the filter screens/coil fans, regularly inspecting to reduce the possibility of refrigerant leakage, and turning off the air conditioning equipment when not in use in the office.

In the future, the Group will continue to monitor our emissions in all areas, set measurable reduction targets, reduce carbon footprint consumption while maintaining operational efficiency through continuous enhancement of our energy conservation measures, and support global sustainability efforts.

The Group's greenhouse gas emissions during the Year are as follows:

Types	2024
Total greenhouse gas emission (tonnes CO ₂ e)	1,777.37
Scope 1 — direct emissions (tonnes CO ₂ e) ¹	31.71
Scope 2 — energy indirect emissions (tonnes CO ₂ e) ²	1,745.66
Intensity of greenhouse gas emissions (tonnes CO ₂ e/thousands of SOP\$ revenue)	0.05

Notes:

1. This is calculated based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Sixth Assessment Report, and the latest emission factors for grid electricity;
2. This is calculated with reference to the emission factors provided by the International Energy Agency ("IEA").

4.2 Waste Management

Based on the nature of our Group's business operations, no hazardous waste is generated during our work processes. Our activities are designed to align with environmentally responsible practices, ensuring that our operations do not produce any materials classified as hazardous under relevant environmental regulations. Instead, the waste generated during our work processes is exclusively non-hazardous. We strictly comply with environmental protection laws and regulations, establish a sound management system, and our environmental management system is certified to comply with ISO 14001:2015 certification.

The Group is committed to minimizing waste generated from its operations and strives to achieve this goal through proper waste collection, storage, transportation and proper disposal and treatment. We categorise waste materials that need to be handled into "non-recyclable", "recyclable" and "special handling", and place recycling bins to collect reusable materials and give priority to consumables with refills when purchasing. Daily household waste generated from our operations is stored in accordance with local waste segregation requirements and transported to waste treatment plants. Other wastes, such as waste coolant, lubricating oil waste, processed metal chips and other recyclable solid wastes, will be collected and treated by third-party service providers for recycling purposes or proper disposal to minimise the impact on the environment. Wastes categorized as "Special Handling" (e.g. ink cartridges and inks) will be returned to suppliers/manufacturers for specialized treatment. In addition, equipment and electronic devices are regularly maintained and repaired as necessary to extend their useful life, thereby reducing the need for replacement and disposal. To minimise the generation of non-hazardous waste, we regularly assess the usage of materials to avoid overstocking. We encourage our staff to participate in reducing the use of disposable and non-recyclable products while encouraging the reuse of recyclable items such as envelopes, loose-leaf folders and file cards. The Group also encourages employees to use refillable pens to reuse the pen barrels and avoid discarding the whole pen.

During the year, we did not systematise our waste data, but we have always regarded the reduction of waste generation as an important goal of sustainable development. In the future, we will strengthen waste separation and management that actively implement reduction measures to reduce the impact on the environment. At the same time, we will establish a comprehensive waste data tracking system by 2025 to ensure transparent and quantifiable management.

4.3 Energy Consumption

The Group recognizes the significant environmental impact of energy and fuel consumption in our precision machining and welding operations. As part of our sustainability commitment, we are actively pursuing green technology opportunities to reduce our carbon footprint while maintaining manufacturing excellence. Our energy consumption mainly derives from the direct energy consumption from fossil fuel consumption of vehicles and indirect energy consumption from purchased electricity consumption. Within the confines of daily operations in offices, several measures were applied in hopes of reducing energy consumption, such as purchasing more energy-efficient appliances and equipment for future replacement, switching off electronic appliances or setting them to sleep mode during idle or lunch hours and encouraging employees to switch on fans instead of air-conditioners depending on the weather conditions, and cleaning and maintaining the air-conditioning systems. As the scale of our business continues to expand, we will further strengthen our energy-efficiency management initiatives and systematically evaluate our economic activities to explore effective ways to reduce carbon emissions.

The energy consumption and intensity of the Group during the Year are as follows:

Types (unit)	2024
Total energy consumption (MWh)	4,172
Direct energy consumption (MWh) ¹	129
Indirect energy consumption (MWh) ²	4,043
Intensity of energy consumption (MWh/thousands of SOP\$ revenue)	0.11

Notes:

1. Direct energy consumption is derived from the fuel consumption of vehicles.
2. Indirect energy consumption is derived from purchased electricity consumption.

4.4 Water Management

The water consumption is mainly from office use. The Group has obtained suitable water sources in accordance with relevant environmental protection policies and regulations, and there is no problem with water procurement. The Group will continue to monitor wastewater discharges on a regular basis and our human resources department will continue to keep records of pollutant discharges.

The consumption of water resources by the Group in the Year is as follows:

Types (unit)	2024
Total water consumption (m ³)	7,725
Intensity of water consumption (m ³ /thousands of SOP\$ revenue)	0.20

4.5 Packaging Materials

During the Year, although we have not conducted systematic statistics on the total amount of packaging materials used in our production processes, we have always regarded environmental protection as an important pillar of our sustainable development. We will promote the use of reusable crates, reduce over-packaging and set up sorting and recycling mechanisms. Looking ahead, we are committed to establishing a complete data tracking system for packaging materials by 2025 and further exploring the application of environmentally friendly materials in order to systematically reduce the environmental footprint of the packaging process and practice the concept of circular economy.

4.6 Climate Change

Climate change has emerged as one of the most discussed and concerned topics across the globe in recent years. As a precision engineering service provider, our daily operations are heavily reliant on energy, particularly for powering advanced machinery and equipment, which contributes to our carbon footprint. Recognizing our responsibility to address climate change, we are committed to reducing greenhouse gas emissions by transitioning to renewable energy sources, improving energy efficiency, and adopting sustainable practices across our supply chain. At the same time, we acknowledge that climate change trends present both risks and opportunities for our growth. Given this, the Group has raised awareness towards the risks and potential impacts of climate change and has subsequently identified the climate-related risks that may adversely impact the Group's operations and development. Climate-related risks identified by us can be classified into two major categories: physical risk and transitional risk.

In terms of climate-related physical risks, we recognise that climate-related issues may heighten the risk of more frequent and severe extreme weather events. Given the Group's strategic location near the coast in a low-latitude region, it is particularly vulnerable to extreme weather events, such as typhoons and heavy precipitation, especially during the summer months. These climatic conditions can lead to operational disruptions, higher maintenance requirements for facilities and equipment, and increased costs associated with protecting assets and ensuring business continuity. Given the nature of our precision engineering service business, extreme weather events, such as typhoons and heavy rains, have the potential to disrupt our operations, leading to production delays and impacting our ability to meet customer demands. Additionally, the safety of our employees and facilities may be at risk under such conditions. In response to extreme weather events, we actively adhere to local government policies and guidelines while developing comprehensive contingency and disaster preparedness plans to ensure the safety of our employees and the continuity of our operations. To mitigate disruptions, we have invested in robust infrastructure and are continuously improving our operational resilience. These measures not only enhance our ability to adapt to climate-related challenges but also ensure the reliability and efficiency of our production processes in the face of unforeseen events.

In terms of climate-related transitional risks, customers may increasingly prioritise sustainable and environmentally friendly manufacturing practices, shifting their preferences to companies with lower carbon footprints and greener production processes. Additionally, regulators may impose stricter requirements for emissions disclosures and environmental compliance, which could necessitate significant changes to operational practices. These changes may result in increased operational costs, such as investments in energy-efficient machinery and sustainable materials, ultimately impacting the financial performance of our business. We are also committed to fostering a culture of sustainability by enhancing employee awareness and providing training on sustainable practices. By encouraging employee participation in green initiatives and promoting environmental consciousness, we aim to align our operations with global sustainability goals. In the future, we will establish robust risk management mechanisms to monitor and assess the impact of transitional risks, allowing us to adjust our strategies promptly and remain competitive in a rapidly evolving market. This proactive approach will ensure our long-term resilience and alignment with both environmental and market demands.

5 EMPLOYMENT AND LABOUR PRACTICES

The Group recognises that employees are the cornerstone of corporate development and growth. In the precision engineering industry, having a highly skilled and dedicated workforce is essential to maintaining the quality, efficiency, and innovation that drive our success. Therefore, we prioritise creating a fair, inclusive, and supportive work environment for all employees. The Group strictly abides by applicable employment and labour laws and regulations in the regions that the Group operates in and complied with the Employment Act, the Work Injury Compensation Act 2019, the Work Safety and Health Act in Singapore, the Employment Act 1955, the Employees Provident Fund, the Employees' Social Security Act 1969, the Occupational Safety And Health Act 1994 in Malaysia. The employee handbook was drafted by referring to the above laws. The handbook contains human resources policies covering wage compensation, holidays and other leaves, termination of employment, recruitment and promotion, working hours, and other related matters.

5.1 Employment and Dismissal

We are committed to following the Human Resources and Payroll Management Policy when hiring and nurturing qualified technical and non-technical staff. The Group adheres to the principles of fairness, transparency, and market competitiveness in its recruitment and promotion processes, ensuring equal opportunities for all personnel. In the candidate selection and promotion process, employees are recruited based on merit and it is the Group's corporate policy to provide equal opportunities to its employees. The Group will not tolerate any form of discrimination based on age, gender, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation, sexual orientation, or other lawfully protected characteristics during the candidate selection and promotion processes. Relevant qualifications, personality traits, experience, and skills are factors we consider in our hiring criteria.

The Group is committed to further diversifying gender representation to ensure a more balanced range of perspectives in the strategic and policy development of the organisation and is committed to fostering a diverse and inclusive work environment and ensuring equal opportunities for all employees. We enter into employment contracts with all employees in accordance with the provisions of the Employment Act 1968 of Singapore and the Employment Act 1955 of Malaysia to ensure that all treatment and benefits are in accordance with the law.

The Group unequivocally prohibits the employment of forced labour and child labour, maintaining a zero-tolerance policy towards such practices. Prior to hiring any job applicant, the Human Resources Department will verify the applicant's age and identity by examining documents, such as identity cards and academic qualifications during the recruitment process to confirm that his/her age and identity are consistent with the supporting documents he/she has provided, to avoid inadvertent hiring of child labour or forced labour. We also conduct inspections on the compliance and implementation of this policy. In the event of wrongful employment of child labour or forced labour, the Group will immediately stop the work of the employee concerned and initiate an investigation to prevent the recurrence of the same incident.

Upon receipt of an employee's resignation application, the head of human resources will conduct an exit interview with the resigning employee to discuss the reasons for resignation. The Group's human resources department also keeps a close watch on the turnover rate of employees to identify potential problems within the Group.

The detailed employment status of the Group is as follows:

Employment Indicators	2024
Total number of employees (Percentage of category)	
By gender	
Male	141(79%)
Female	38(21%)
By age	
Below 30	65(36%)
30–50	86(48%)
Above 50	28(16%)
By geographical location	
Singapore	62(35%)
Malaysia	65(36%)
Others	52(29%)
By employment type	
Full-time	179(100%)
Part-time	0(0%)
Total number of employees resigned (Turnover Rate)	
By gender	
Male	10(7%)
Female	2(5%)
By age	
Below 30	5(8%)
30–50	6(7%)
Above 50	1(4%)
By geographical location	
Singapore	1(2%)
Malaysia	6(9%)
Others	5(11%)

5.2 Employee Benefits and Welfare

To attract, motivate, and retain talents, the Group provides a comprehensive and competitive compensation and welfare scheme for our employees. All employees are engaged under employment contracts. The salary structure undergoes annual reviews and adjustments by the Group to ensure competitiveness. The Group contributes to the Central Provident Fund (CPF) for Singapore employees and the Employees Provident Fund (EPF) for Malaysian employees as required by law to provide comprehensive social welfare protection for its employees. We recognise that our employees are the cornerstone of the Group's development, and therefore we offer our employees a good benefits package within the company's capabilities. Every Monday, Wednesday, and Friday we provide our employees with a lunch allowance.

5.3 Employee Health and Safety

The Board is committed to provide a safe and healthy working environment and to complying with relevant laws and regulations. We have established and formulated a series of safety guidelines, rules and procedures for all aspects of our production activities, including fire safety, occupational health and machinery maintenance, to ensure that our employees are provided with the necessary information, instruction, training and supervision to prevent work-related injuries. As part of this commitment, the Group has implemented a number of safety measures, including a no-smoking policy in work areas, installation of closed-circuit televisions, authorized entry systems, safety alarms and fire-fighting equipment. Staff are also trained from time to time and are required to strictly follow operation manuals when operating production equipment and machinery to maintain the safety of the facilities and respond effectively to emergencies.

Occupational health is also an important risk that the Group considers, such as prolonged use of screens, improper posture, incorrect use of machinery and poor indoor air quality. We recognise the impact of work stress on health and productivity. Therefore, the Group promotes work-life balance and organizes health talks and social gatherings to help employees manage stress. Strict adherence to operating manuals when operating equipment.

During the year, the Group did not report any work-related fatalities and the number of working days lost due to work-related injuries was 60 days.

5.4 Employee Development

The Group places significant importance on the growth and training of our employees, enabling them to share the benefits of their development with the Group.

For newly hired employees, we provide targeted training to help them quickly adapt to the work environment and understand operational processes. The Group also identifies and promotes high-performing employees with the necessary skills and qualifications to take on mentorship roles. We believe our platform and infrastructure offer employees opportunities for career advancement, enabling them to grow into leadership positions within the organisation.

The Group is committed to nurturing high-potential employees by providing opportunities to participate in professional training. We also encourage employees to participate in external seminars, workshops, and industry events to broaden their perspectives and enhance their expertise. These initiatives not only empower employees to excel in their roles but also strengthen the Group's overall capabilities and competitiveness.





ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

During the Year, the average training hours per employee and percentage of trained employees of the Group are as follows:

Training Indicators	2024
Average training hours per employee (Percentage of trained employees)	
By employee category	
Senior employees	4(63%)
Intermediate employees	4(12%)
Junior employees	6(43%)
Other employees	9(24%)
By gender	
Male	7(26%)
Female	8(39%)

For employees' contribution, work performance and technical ability, the Group gives full recognition and rewards to motivate employees' enthusiasm and creativity. Regular employee assessment is an important means to achieve this goal. The Group will provide promotion opportunities for capable employees with outstanding performance. By providing employees with abundant resources for professional development and clear career paths, the Group has raised employee morale and job satisfaction.

6 OPERATING PRACTICES

As a trusted partner in the precision component engineering value chain, we differentiate ourselves through our customer-centric approach, technical expertise, and ability to provide customized solutions that meet our clients' specific requirements. Our commitment to operational excellence and sustainable practices drives our business growth while creating long-term value for all stakeholders. In an evolving industry landscape, we continue to strengthen our focus on innovation, quality, and sustainable development initiatives to maintain our leadership position and contribute to the advancement of the precision engineering sector.

6.1 Supply Chain Management

In our precision component engineering operations, we maintain a rigorous procurement process for materials, equipment, and services essential to our manufacturing processes. The Group established procurement policy and qualified supplier list ensure we partner only with vendors that meet our stringent technical, quality, and sustainability standards. We conduct thorough evaluations of both new and existing suppliers annually, assessing their capabilities in delivering high-performance materials, precision tooling, and specialized services that meet our exacting requirements.

The supplier selection criteria of our Group emphasise on-time delivery, product quality, production capacity, and adherence to environmental standards. We prioritise partners offering energy-efficient, durable solutions with relevant industry certifications and suppliers that are certified with ISO 14001. All procurement contracts explicitly outline our expectations regarding quality control, delivery reliability, and compliance with our sustainability policies.

The Group maintains an active supplier performance monitoring system, with regular reviews of delivery accuracy, product consistency, and adherence to contractual terms on all suppliers. Suppliers failing to meet our standards are removed from our approved vendor list, while non-compliant practices during active contracts trigger immediate corrective actions or contract termination. Through this disciplined approach, we ensure our supply chain aligns with our commitment to operational excellence and sustainable manufacturing practices across the precision engineering value chain.

During the Year, the Group has a total of 168 suppliers from different countries/regions, with the major suppliers coming from Singapore, Malaysia and overseas.

Indicators	2024
Suppliers by countries/regions	
Singapore	150
Malaysia	4
Overseas	14

6.2 Product Responsibility

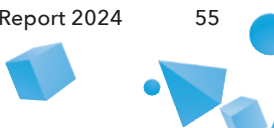
6.2.1 Product Quality Management

We employ a robust product quality management system, anchored by a dedicated QC department that performs meticulous inspections and advanced technical tests — such as helium leak detection — to ensure every finished component meets exact client specifications. With SSQA certification for semiconductor precision machining, ISO 9001:2015 certification for quality management, and ISO 14001:2015 certification for environmental management, we maintain world-class standards in precision engineering. These measures not only ensure product reliability and operational efficiency but also reflect our commitment to sustainability by reducing waste, minimizing environmental impact, and optimizing resource use. By fostering long-term client trust and supporting industries like semiconductors, which are vital to global technological advancement, we align our operations with sustainable development goals. Our continuous improvement initiatives and adherence to industry-leading practices further strengthen our role as a responsible partner in delivering high-quality, sustainable precision engineering solutions.

6.2.2 Complaint Resolution

Given the technical nature of precision parts engineering and the important quality standards demanded by our customers, we have established a robust complaint management system. Upon receipt of a customer’s concern, we immediately document the issue and refer it to the relevant technical and quality assurance departments. Our team maintains close communication with the customer, gathering detailed technical specifications and usage information to build a comprehensive case file. The responsible department head will acknowledge the complaint and conduct a thorough technical review, including material analysis and production process evaluation. If the complaint is substantiated, we implement corrective actions, which may include production process adjustments, additional quality checks or component replacement. During the Year, no product recall occurred due to safety and health reasons.

As a precision engineering service provider, we maintain stringent quality control measures throughout our production process. During the Year, we received 2 customer complaints related to product quality, which were handled and responded to in accordance with the relevant procedures.



6.2.3 Information Security and Intellectual Property

We place a strong emphasis on information security and data safety to protect sensitive information and maintain the trust of our stakeholders. We have implemented a comprehensive policy that requires all employees to sign non-disclosure agreements (NDAs), ensuring the confidentiality of proprietary data, client information, and internal processes. If the employees discloses such information to another party, it is considered data theft. The employee concerned will be held liable accordingly. This measure is complemented by robust IT security protocols, including encryption, access controls, and regular audits, to safeguard against unauthorized access and data breaches. Additionally, we conduct regular training programs to educate employees on best practices for data protection and cybersecurity, fostering a culture of vigilance and responsibility. These efforts not only mitigate risks related to privacy and data security but also align with our commitment to sustainable development by ensuring the integrity and reliability of our operations. By prioritizing information security, we strengthen our reputation as a trustworthy partner, support compliance with regulatory requirements, and contribute to a safer, more secure digital ecosystem.

During the Year, no violations of laws and regulations relating to privacy protection and intellectual property rights were identified.

6.3 Anti-corruption

The Group maintains a zero-tolerance stance towards bribery, corruption, extortion, fraud, and money laundering, strictly adhering and complied with the Prevention of Corruption Act in Singapore and the Corporate Governance Code issued by the HKEX. To further strengthen our anti-corruption framework, we have implemented stringent anti-corruption measures, including policies for declaring potential conflicts of interest, Whistle-blowing policy, and transparent procurement management, ensuring full compliance with relevant laws and regulations to prevent fraudulent activities. During the Year, no legal proceedings related to corruption involving the company, its directors, senior management, or employees were reported, as confirmed by the board. These measures reinforce ethical governance, enhance operational integrity, and ensure legal compliance, thereby minimizing risks and building stakeholder trust. By fostering a culture of transparency and accountability, we contribute to a fairer business environment, support sustainable growth, and align our operations with global sustainability goals, creating long-term value for all stakeholders.

7 CONTRIBUTION TO THE COMMUNITY

The Group committed to contributing to public welfare and sharing our corporate social responsibility. We understand that the development of our company is closely related to the surrounding community, and that the prosperity and stability of the community is an important foundation for the sustainable development of our company. Therefore, we have always regarded community participation and social responsibility as an important part of our corporate culture, and actively promote positive interaction with the community. The Group encourage our employees to participate in various community volunteering activities. In the future, we will continue to deepen our cooperation with the community, explore more innovative ways to give back to the community and strive to promote the sustainable development of the community, to contribute more to the construction of a harmonious and win-win social environment.

Appendix: Content Index of ESG Reporting Guide

Indicators	Description	Reference Chapters/ Reason for inapplicability	Page No.
Environmental			
A1 Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4 Environmental Protection	46
KPI A1.1	The types of emissions and respective emissions data.	4.1 Emission Control	46
KPI A1.2	Total greenhouse gas emissions and, where appropriate, intensity.	4.1 Emission Control	48
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	4.2 Waste Management	48
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	4.2 Waste Management	48
KPI A1.5	Description of emissions targets set and steps taken to achieve them.	4 Environmental Protection	46
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	4.2 Waste Management	48

Indicators	Description	Reference Chapters/ Reason for inapplicability		Page No.
A2 Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	4	Environmental Protection	46
KPI A2.1	Direct and/or indirect energy consumption by type in total and where appropriate, intensity.	4.3	Energy Consumption	49
KPI A2.2	Water consumption in total and where appropriate, intensity.	4.4	Water Management	49
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.	Environmental Protection	46
		4.3	Energy Consumption	49
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set, and steps taken to achieve them.	4.	Environmental Protection	46
		4.4	Water Management	49
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	4.5	Packaging Materials	50
A3 The Environment and Natural Resources				
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	4	Environmental Protection	46
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4	Environmental Protection	46
A4 Climate Change				
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer.	4.6	Climate Change	50
KPI A4.1	Description of the significant climate-related issues that have impacted, and those which may impact the issuer, and the actions taken to manage them.	4.6	Climate Change	50

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

Indicators	Description	Reference Chapters/ Reason for inapplicability	Page No.
Social			
Employment and Labour Practices			
B1 Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5 Employment and Labour Practices	51
KPI B1.1	Total workforce by gender, employment type, age group, and geographical region.	5.1 Employment and Dismissal	52
KPI B1.2	Employee turnover rate by gender, age group, and geographical region.	5.1 Employment and Dismissal	52
B2 Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.3 Employee Health and Safety	53
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.3 Employee Health and Safety	53
KPI B2.2	Lost days due to work injury.	5.3 Employee Health and Safety	53
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.3 Employee Health and Safety	53

Indicators	Description	Reference Chapters/ Reason for inapplicability	Page No.
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.4 Employee Development	53
KPI B3.1	The percentage of employees trained by gender and employee category.	5.4 Employee Development	54
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.4 Employee Development	54
B4 Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Employment and Dismissal	51
KPI B4.1	Description of measures to review employment practices to avoid the child and forced labour.	5.1 Employment and Dismissal	51
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employment and Dismissal	51
Operating Practices			
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.1 Supply Chain Management	54
KPI B5.1	Number of suppliers by geographical region.	6.1 Supply Chain Management	55
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.1 Supply Chain Management	54
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1 Supply Chain Management	54
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1 Supply Chain Management	54

Indicators	Description	Reference Chapters/ Reason for inapplicability	Page No.
B6 Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.	6.2 Product Responsibility	55
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.2 Product Responsibility	55
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	6.2 Product Responsibility	55
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.2 Product Responsibility	56
KPI B6.4	Description of quality assurance process and recall procedures.	6.2 Product Responsibility	55
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.2 Product Responsibility	56
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.	6.3 Anti-corruption	56
KPI B7.1	A number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	6.4. Anti-corruption	56
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6.4. Anti-corruption	56
KPI B7.3	Description of anti-corruption training provided to directors and staff.	The Group does not have anti-corruption training during the Year.	56



ENVIRONMENT, SOCIAL AND
GOVERNANCE REPORT

Indicators	Description	Reference Chapters/ Reason for inapplicability		Page No.
Community				
B8 Community Investment				
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7	Contribution to the Community	56
KPI B8.1	Focus areas of contribution.	7	Contribution to the Community	56
KPI B8.2	Resources contributed to the focus area.		The community investment does not involve contribution of resources.	56

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

Independent Auditor's Report to the Shareholders of
Metasurface Technologies Holdings Limited
(Incorporated in the Cayman Islands with limited liabilities)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

What we have audited

The consolidated financial statements of Metasurface Technologies Holdings Limited (the "Company") and its subsidiaries (the "Group"), which set out on pages 68 to 143 comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the financial year then ended;
- the consolidated statement of cash flows for the financial year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the international Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment assessment of goodwill

Refer to Note 2.8, 3(a) and 15 to the consolidated financial statements.

As at 31 December 2024, the carrying amount of goodwill on the consolidated statement of financial position of the Group amounted to S\$4,429,000.

An annual impairment assessment was performed on the goodwill where the recoverable amount of the Cash Generating Unit ("CGU") was estimated on a value-in-use basis using a discounted cash flow ("DCF") model. No impairment loss was recognised as the recoverable amount was higher than the carrying value of the CGU.

We focused on this area as management's impairment assessment of goodwill requires significant judgment in making estimates of the underlying assumptions used in the discounted cash flow projections.

Our procedures focused on the appropriateness of management's annual impairment assessment process, and included the following:

- obtained understanding of management's internal control and assessment process of impairment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud;
- assessed the reasonableness of the key assumptions adopted by management in the discounted cash flows projections, including revenue growth and gross profit margin rate, based on our knowledge of the economic and industry conditions that are relevant to the Group's operations, and checked that the projections are based on the approved budget and supported by available market data;
- involved our valuation expert to evaluate the reasonableness of other key assumptions such as the discount and terminal growth rates applied by management in the cash flow projections by comparing to available market data;
- evaluated the sensitivity analysis prepared by management on key assumptions of the cash flow projections and the extent of such changes to the recoverable amount; and
- considered the adequacy of the relevant disclosures in the consolidated financial statements relating to the impairment assessment of goodwill.

We found the judgments and assumptions used in the impairment assessment to be supported by available evidence.

Key Audit Matter

How our audit addressed the Key Audit Matter

Expected credit loss assessment of amount due from an associate

Refer to note 2.10, 3(b) and 21 to the consolidated financial statements.

As at 31 December 2024, the Group recorded amount due from an associate amounted to S\$2,880,000 on the consolidated statement of financial position, and a corresponding impairment allowance of S\$97,000.

The Group applies the approach under IFRS(I) 9 "Financial Instruments" in determining the expected credit loss ("ECL") allowance. Management considered the repayment plan of the associate, its estimated future cash flows, and forward-looking information in determining the total ECL allowance required.

Significant estimates and judgements is applied in determining the ECL allowance. Accordingly, we consider this to be a key audit matter.

Our audit procedures included the following:

- reviewed and assessed the reasonableness of the key assumptions adopted by management in the estimated future cash flows and the repayment plan of the associate;
- involved our valuation expert to evaluate the reasonableness of other key assumptions such as the probability of defaults and the loss given default applied by the management;
- validating the comparable companies' data used in the computation of loss-rate and forward-looking information;
- involved our valuation expert to assist in evaluating the appropriateness of valuation methodology used by management; and
- reviewed the presentation and disclosures of ECL allowance related to amount due from an associate in the consolidated financial statements in accordance with the requirements of the relevant financial reporting standards.

Based on the results of the above procedures, we found management's assessment of the ECL allowance of the amount due from an associate to be reasonable.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





INDEPENDENT AUDITOR'S REPORT

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Rebekah Khan.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 22 April 2025



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Revenue	4	37,722	38,769
Cost of sales	7	(24,856)	(24,354)
Gross profit		12,866	14,415
Other income	5	2,741	2,731
Other gains/(losses), net	6	1,189	(426)
Administrative expenses	7	(10,417)	(11,666)
Operating profit		6,379	5,054
Finance costs	8	(1,237)	(1,343)
Share of loss from an associate		(438)	(366)
Profit before tax		4,704	3,345
Income tax expense	10	(1,511)	(1,061)
Profit from continuing operations		3,193	2,284
Discontinued operation			
Profit from discontinued operation	38	—	2,143
Profit for the year		3,193	4,427
Profit/(loss) attributable to:			
Owners of the Company		3,193	4,607
Non-controlling interests		—	(180)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences on foreign operations		(110)	(9)
Total comprehensive income for the year		3,083	4,418
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		3,083	4,598
Non-controlling interests		—	(180)
		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		—	2,143
		3,083	4,598
Earnings per share for profit attributable to owners of the Company for the year			
Basic/diluted earnings per ordinary share (expressed in S\$ per share)	11		
Continuing operations		0.02	0.02
Discontinued operation		—	0.02
		0.02	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Property, plant, and equipment	12	5,900	5,710
Prepayments	22	—	203
Right-of-use assets	13	25,951	26,249
Investment property	14	534	575
Goodwill	15	4,429	4,429
Intangible assets	16	1,993	2,281
Other assets	17	371	359
Other receivables			
— Amount due from an associate	21	2,783	2,880
Investment in an associate	18	895	1,015
Deferred tax assets	19	614	644
Total non-current assets		43,470	44,345
Current assets			
Inventories	20	6,076	6,641
Trade and other receivables	21	8,955	7,742
Prepayments	22	25	1,907
Cash and bank balances	23	17,974	9,225
Total current assets		33,030	25,515
Total assets		76,500	69,860
EQUITY AND LIABILITIES			
Equity			
Share capital	24	26	1
Accumulated losses		(2,924)	(6,117)
Currency translation reserve		(264)	(154)
Share premium	24	8,327	—
Capital reserve	24	34,247	33,267
Total equity attributable to owners of the Company		39,412	26,997
Non-controlling interests	38	—	—
		39,412	26,997

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 \$'000	2023 \$'000
LIABILITIES			
Current liabilities			
Borrowings	25	2,390	4,018
Lease liabilities	26	2,434	2,652
Trade and other payables	27	5,646	7,564
Income tax payable		1,186	1,381
Total current liabilities		11,656	15,615
Non-current liabilities			
Borrowings	25	145	219
Lease liabilities	26	24,613	26,214
Trade and other payables	27	—	489
Provisions	28	279	269
Deferred tax liabilities	19	395	57
Total non-current liabilities		25,432	27,248
Total liabilities		37,088	42,863
Total equity and liabilities		76,500	69,860
Net current assets		21,374	9,900

The consolidated financial statements on pages 68 to 143 were approved by the Board of Directors on 22 April 2025 and were signed on its behalf

Chua Chwee Lee
Director

Jee Wee Jene
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Note	Attributable to owners of the Company						Non-controlling interests S\$'000	Total equity S\$'000
		Share capital S\$'000	Accumulated losses S\$'000	Currency translation reserve S\$'000	Share premium S\$'000	Capital reserve S\$'000	Total S\$'000		
At 1 January 2024		1	(6,117)	(154)	—	33,267	26,997	—	26,997
Profit for the financial year		—	3,193	—	—	—	3,193	—	3,193
Other comprehensive loss for the financial year, net of tax		—	—	(110)	—	—	(110)	—	(110)
Total comprehensive income/(loss) for the financial year		—	3,193	(110)	—	—	3,083	—	3,083
Transactions with owners:									
Issuance of shares upon listing	24(a)	5	—	—	11,343	—	11,348	—	11,348
Capitalisation of shares	24(a)	20	—	—	—	(20)	—	—	—
Capitalisation of listing expenses	24(a)	—	—	—	(3,016)	—	(3,016)	—	(3,016)
Reclassification of put option to equity	27	—	—	—	—	1,000	1,000	—	1,000
At 31 December 2024		26	(2,924)	(264)	8,327	34,247	39,412	—	39,412

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Note	Attributable to owners of the Company				Non-controlling interests	Total equity
		Share capital	Accumulated losses	Currency translation reserve	Capital reserve		
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2023		— *	(10,724)	(145)	32,165	21,296	22,309
Profit for the financial year		—	4,607	—	—	4,607	4,427
Other comprehensive loss for the financial year, net of tax		—	—	(9)	—	(9)	(9)
Total comprehensive income/(loss) for the financial year		—	4,610	(9)	—	4,598	4,418
Transactions with owners:							
Share swap as part of reorganisation:							
Share issuance to the original parent in exchange for existing shares	24(b)	1	—	—	19,368	19,369	19,369
Share reorganisation	24(b)	—	—	—	(19,369)	(19,369)	(19,369)
Disposal of a subsidiary	38	—	—	—	—	(928)	(928)
Share-based payment expenses for the employees and shareholders	31	—	—	—	1,149	1,149	1,198
Change in non-controlling interests in a subsidiary	38	—	—	—	(46)	(46)	—
At 31 December 2023		1	(6,117)	(154)	33,267	26,997	26,997

* Less than \$1,000.

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Net cash generated from operations	32(a)	7,402	11,478
Interest received		291	—
Income tax paid		(1,333)	(992)
Net cash generated from operating activities		6,360	10,486
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	38	—	(133)
Net cash used in investing activities		(1,520)	(407)
Cash flows from financing activities			
Proceeds from issue of new shares of a subsidiary		—	1,000
Payment of listing expenses		(1,204)	(787)
Interest paid	32(b)	(1,209)	(1,287)
Payment of principal portion of lease liabilities	32(b)	(2,870)	(2,803)
Proceeds of borrowings	32(b)	110	300
Issuance of new shares		11,348	—
Repayment of borrowings	32(b)	(1,921)	(1,505)
Advances from a director	32(b)	—	228
Repayment of advances from a director	32(b)	(228)	(225)
Net cash generated from/(used in) financing activities		4,026	(5,079)
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 as at beginning of the year		9,225	4,204
Cash and cash equivalents as at end of the year	23	17,974	9,225

NOTES TO THE FINANCIAL STATEMENT

1. GENERAL INFORMATION

Metasurface Technologies Holdings Limited (the “Company”) 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 company. Pursuant to a reorganisation (the “Reorganisation”) in preparation for the listing of the Company’s shares on the GEM Board of The Stock Exchange of Hong Kong Limited (the “GEM Board”), the Company became the holding company of the other companies comprising the Group. The Company and its subsidiaries (the “Group”) headquartered in Singapore principally engaged in the business of, among others, precision machining services and precision welding services. The principal activities of its subsidiaries are disclosed below. The ultimate controlling party is Mr. Chua Chwee Lee and Ms. Jee Wee Jene (“Mr. Chua” and “Mrs. Chua”, the “Controlling Shareholders”), who are also directors of the Company. The Reorganisation was completed on 16 May 2023 and the Company’s shares have been listed on the GEM Board since 2 July 2024.

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name	Principal activities	Country of business/ incorporation	Issued and fully paid share capital	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares directly held by Group	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares directly held by Group
				31 December 2024		31 December 2023	
				\$'000	%	%	%
Directly held by the Company							
Metasurface Technologies Pte. Ltd.*	Manufacture of dies, moulds, tools, jigs and fixtures, Singapore	Singapore, 6 January 2000	S\$25,936	100%	100%	100%	100%
Indirectly held by the company							
Singapore Precision Welding Pte. Ltd.	Manufacturer and suppliers of ultra high vacuum) & high vacuum weldment, ultra high purity & high purity gas line weldment for semiconductor industry, Singapore	Singapore, 15 November 2006	S\$70	—	100%	—	100%
SGP 1st Engineering Sdn. Bhd.	Industries engineering, Malaysia	Malaysia, 6 August 2013	MYR1,361	—	100%	—	100%

* Pursuant to restructuring deed dated 26 April 2023, each shareholder of Metasurface Technologies transferred all shares in Metasurface Technologies held by him/her to the Company, at a consideration of S\$1 for which the Company issued 5,596,510 ordinary shares in the Company to him/her (or an entity designated by him/her) in proportion of their respective shareholdings in Metasurface Technologies (Note 24).

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial information has been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in Note 2.14.

Changes in accounting policies and disclosures

The Group has adopted all the revised standards and amendments that are relevant to the Group's operations and mandatory for annual period beginning 1 January 2024. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results or financial position.

The Group has adopted the following amendments for the first time for annual reporting period beginning 1 January 2024.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendment to IAS 1	Non-current liabilities with covenants
Amendment to IFRS 16	Lease liability in a sale and leaseback
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements

New standards and interpretations not yet adopted

The following standards and amendments were in issue but not yet effective and have not been early adopted by the Group:

	Effective for annual periods beginning on or after
Amendments to IAS 21 — Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 — Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

The Group is assessing the full impact of these new and amended standards. Certain of them may lead to changes in presentation, disclosure and measurements of certain items on the Group's results of operations and financial position, but the impacts are not expected to be significant.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

For the purposes of the Consolidated Financial Statements, the results and financial position of each entity in the Group are expressed in Singapore dollars ("S\$"), which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

(ii) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of each reporting period are recognised in profit or loss.

Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the Consolidated Financial Statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting profit or loss are presented in net gain/loss in profit or loss within "other operating expenses" unless a significant net gain will be presented within "other income".

(iii) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the reporting date;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Foreign currency translation (Continued)

(iii) Translation of Group entities' financial statements (Continued)

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

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.3 Principles of Consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the Consolidated Financial Statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.



2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Principles of Consolidation and equity accounting (Continued)

(ii) *Disposal of subsidiary*

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(iii) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the owners of the Company.

(iv) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. Interests in associates are accounted for using the equity method of accounting (see (v) below), after initially being recognised at cost.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of comprehensive income.

Equity method

Under the equity method of accounting, the investments in associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates is eliminated to the extent of the Group's interest in the entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.8.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Consolidated Financial Statements of the investee's net assets including goodwill.

2.5 Segment reporting

An operating segment is a component in the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided and reviewed regularly to the chief operating decision-makers of the Group ("CODM"), which has been identified as the chief executive officer, chief financial officer and the chief operating officer of the Group.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

No provision for depreciation is made on freehold land. Depreciation of other property, plant and equipment is calculated on the straight-line method so as to write off the cost of the assets over their estimated useful lives as follows:

Category	Useful life
Freehold building	50 years
Office equipment	10 years
Renovation	5 to 10 years
Plant and machinery	3 to 15 years
Motor vehicles	10 years
Computers	3 years
Furniture and fittings	10 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate. The effects of any revision are recognised in profit or loss when the changes arise.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Property, plant and equipment (Continued)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Investment property

Investment property is property that held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives as follows:

	Useful life
Leasehold property	28 years

The residual values, useful lives and depreciation method of investment property is reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise. Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.8 Impairment of non-financial assets

Non-financial assets of the Group comprise investment property, property, plant and equipment, right-of-use assets, investment in an associate, intangible assets, goodwill and prepayments.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortised but is tested for impairment annually.

License, patents, customer contracts and customer relationship

License, patents, customer contracts and relationship acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are to be amortised to profit or loss using the straight-line method over years, which is the shorter of their estimated useful lives and periods of contractual rights as follows:

Category	Useful life
Know-how	7 years
Customer contracts	0.5 years
Customer relationship	10 years
License	10 years

The useful lives of know-how and license are estimated with reference to the technical obsolescence and product life cycles, expected usage and the expiries of the respective contracts.

The useful life of customer-contracts and customer relationships are estimated based on the attrition rate, historical experience, contract periods and life cycles of customers.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets

(a) *Initial recognition and measurement*

Financial assets are recognised when, and only when the entity becomes a party to the contractual provisions of the instruments.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

(b) *Subsequent measurement*

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The Group's debt instruments at amortised cost comprise trade and other receivables, and cash and cash equivalents.

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in profit or loss using the effective interest method. Gains and losses on debts instrument are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(c) *Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(d) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables a, the Group applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Financial liabilities

Financial liabilities of the Group comprise trade and other payables, borrowings and lease liabilities. Financial liabilities are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities.

For a contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount (for example, for the present value of the forward repurchase price, option exercise price or other redemption amount).

(a) *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

(b) *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(c) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.13 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Allowance is made for obsolete, slow moving and defective inventories.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Keyman insurance

The Group acquired a keyman insurance contract. The insurance contract is initially recognised at the amount of the premium paid and subsequently carried at cash surrender value at the end of each reporting period, with changes in cash surrender value recognised in profit or loss.

Changes in the cash surrender value are recognised in “other gains, net”.

2.15 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 21 for further information about the Group's accounting for trade receivables and Note 34 for a description of the Group's impairment policies.

Prepayments, deposits and other receivables mainly comprise prepaid listing expense based on the percentage of work done by professional parties, rental deposits, utilities deposits as well as GST receivables.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Fair value measurement (Continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2.18 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.19 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Borrowings and borrowing costs

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Borrowings and borrowing costs (Continued)

Borrowings (Continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.21 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and Malaysian Employees Provident Fund, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8 “Impairment of non-financial assets”.

The Group’s right-of-use assets are presented in Note 13.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the lessee’s incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group’s lease liabilities are presented in Note 26.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Leases (Continued)

(a) As lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.23 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.24 Revenue and income recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Group's recognition policies on revenue from contracts with customers, other sources of revenue and other income are further described as follows.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Revenue and income recognition (Continued)

(a) *Sales of goods and services*

The Group supplies parts and components of precision engineering equipment through provision of precision machining and precision welding services.

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services.

Revenue is recognised at a point in time upon satisfaction of the PO, which generally coincides with the delivery of goods and when services are rendered. Revenue from these sales is recognised based on the price specified in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No significant element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practice. The Group concluded obligation to repair or replace faulty products under the standard warranty terms is remote and no provision has been recognised.

(b) *Service income*

Service income represents the provision of handling and logistics services to the customers. The service income is recognised as other income in profit or loss upon completion of the services.

(c) *Scrap material sales income*

The sale value of scrap is credited to profit and loss account as other income.

(d) *Other income – lease income*

Lease income from operating leases where the Group is a lessor is recognised in other income on a straight-line basis over the lease term.

2.25 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Offsetting

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel include all directors of the Company.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.28 Share capital

Classification

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares or options are deducted against equity. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

Dividend

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Distributions to holders of an equity instrument is recognised directly in equity.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.29 Share-based payments

Share-based compensation benefits are provided to employees and shareholders. Information relating to these schemes is set out in Note 31.

The fair value of shares granted is recognised as an employee benefits expense or share-based payments to shareholders with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares granted.

If the equity instruments granted vest immediately, the counterparty is not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments. In the absence of evidence to the contrary, the Company shall presume that services rendered by the counterparty as consideration for the equity instruments have been received. In this case, on grant date the entity shall recognise the services received in full, with a corresponding increase in equity.

2.30 Discontinued operation

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business, is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operation are presented separately in the consolidated statements of comprehensive income.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Group performed impairment assessment at each reporting date to determine whether the goodwill may be impaired. The Group estimates the recoverable amount of the goodwill or the cash-generating unit ("CGU"), based on the value in use calculation ("VIU"). The VIU is based on discounted cash flow forecast of the CGU, the preparation of which requires management to use assumptions and estimates relating to revenue growth rate, terminal growth rate and pre-tax discount rate of the CGU. The assumptions and estimates used are inherently subjective and may be affected by uncertainties around future market or economic condition. The impairment assessment and the carrying amount of the goodwill are disclosed in Note 15 to the financial statements.

Non-financial assets other than goodwill of the Group comprise customer contracts and customer relationship are reviewed for impairment whenever there is any indication that the assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of an asset or group of assets is assessed as the higher of its fair value less costs of disposal and its value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Management has concluded that there was no impairment in respect of these assets at the reporting date. The carrying amounts of the Group's intangible assets are disclosed in Note 16 to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Impairment of amount due from an associate

The loss allowances for amount due from an associate are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. As at 31 December 2024, the carrying amount of amount due from an associate is S\$2,783,000, net of allowance for expected credit loss on amount due from an associate.

(c) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over its estimated useful life which is estimated to be within 3 to 50 years based on assets specifications, industry norms, and other factors. This estimate is dependent on variables such as usage levels and technological developments and will be reassessed at the end of every reporting period. The carrying amount of the Group's property, plant and equipment is disclosed in Note 12.

(d) Share based payments

Share-based payments comprises anti-dilution rights granted to certain management and shareholders of the Group, acquisition of identified and unidentified goods and services. The fair value of the shares granted is recognised in profit or loss as share-based payment expense. The fair value of the shares granted is derived using the market approach and subject to assumptions.

In the market approach, the fair value of the equity interest in the entities now comprising the Group is based on the multiplication of the normalised earnings before interest, tax, depreciation and amortisation by an appropriate market multiple. The market approach result is then adjusted for a discount for lack of marketability to arrive at fair value.

The share-based payments recognised are disclosed in Note 31.

4. REVENUE AND OPERATING SEGMENTS

(a) Revenue from contracts with customers

(i) Disaggregation of revenue from contracts with customers:

	2024 \$'000	2023 \$'000
Continuing operations		
Sale of goods and its related services:		
Precision machining	17,077	15,545
Precision welding	20,645	23,224
	37,722	38,769
Total revenue from contracts with customers	37,722	38,769
Timing of revenue recognition for revenue		
Point in time	37,722	38,769
	37,722	38,769

(ii) Contract liabilities

Service fee received in advance where the goods or services have not been delivered are recognised as contract liabilities. The revenue will be recognised in profit or loss at a point in time when the goods or services are delivered.

Revenue recognised in relation to contract liabilities

	2024 \$'000	2023 \$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	—	297

Unsatisfied performance obligations

	2024 \$'000	2023 \$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
— Advance service fee received	—	—

The transaction price allocated to unsatisfied performance obligations in 2022 is recognised as revenue in 2023. As permitted under IFRS 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less is not disclosed.

4. REVENUE AND OPERATING SEGMENTS (CONTINUED)

(b) Information about major customers

Revenue from each major customer which contributed 10% or more of the Group's revenue during the years ended 31 December 2024 and 31 December 2023, is set out belows:

	2024 \$'000	2023 \$'000
Customer A	9,672	8,400
Customer B	11,985	7,804
Customer F	6,457	8,960

5. OTHER INCOME

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

Note:

Government grants consist of Special Employment Credit, Senior Employment Credit, Progressive Wage Credit Scheme, and Jobs Growth Incentive. Special Employment Credit was introduced in 2012 to encourage businesses to hire Singaporean employees aged above 55. The Special Employment Credit will be paid to eligible employers for a 9 year period from 2012 to 2022. The Senior Employment Credit effected from 2023 to 2035, by 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 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.

6. OTHER GAINS/(LOSSES), NET

	2024 \$'000	2023 \$'000
Continuing operations		
Unrealised gains (Note 17)	12	— *
Net currency exchange gains/(losses)	579	(489)
Gain on disposal of plant and equipment	238	40
Gain on disposal of right-of-use assets	42	—
Gain on dilution of shareholding in an associate (Note 18)	318	23
	1,189	(426)
Discontinued operation		
Gain on disposal of a subsidiary		
— Gain on disposal of controlling interest (Note 38)	—	1,574
— Gain on retained investment (Note 38)	—	955
	—	2,529

7. EXPENSES BY NATURE

	2024 \$'000	2023 \$'000
Continuing operations		
Change in work-in-progress and finished goods	(179)	378
Raw materials and consumables used	14,821	13,095
Production and direct costs*	2,116	2,718
Inventories provision (Note 20)	126	414
Depreciation of property, plant and equipment (Note 12)	983	1,291
Depreciation of right-of-use assets (Note 13)	2,263	2,086
Depreciation of investment property (Note 14)	41	41
Amortisation of intangible assets (Note 16)	288	288
Business development expenses	519	289
Employee benefit expenses (Note 9.1)	9,585	11,087
Share-based payments for the shareholders (Note 31)	—	875
Listing expenses**	2,604	1,896
Professional fees	179	187
Auditor's remuneration		
— Audit services	270	48
— Non-audit services**	—	—
Repair and maintenance	452	186
Property tax	205	249
Utilities	330	345
Insurance	137	157
Bank charges and administrative fees	88	17
Allowance for expected credit loss	97	—
Other expenses	348	373
Total cost of sales and administrative expenses	35,273	36,020
Discontinued operation		
Amortisation of intangible assets (Note 16)	—	209
Share-based payments shareholders (Note 31)	—	—
Employee benefit expenses (Note 9.1)	—	139
Production and direct costs	—	—
Other expense	—	39
	—	387

* Included in the production and direct costs are mainly handling, delivery, freight charges, welding gases, subcontractor costs.

** During the year ended 31 December 2024, auditor's remuneration for non-audit services of S\$538,000 (2023: S\$693,000) represented the audit fees in connection with the listing of the Company, of which were included as part of the listing expenses in the consolidated statement of comprehensive income and the remaining approximately S\$308,000 (2023: S\$Nil) represented the portion of listing expenses capitalized into equity upon listing.

8. FINANCE COSTS

	2024 \$'000	2023 \$'000
Interest expense on borrowings (Note 32(b))	145	207
Interest expense on lease liabilities (Note 26)	1,064	1,080
Interest expense on provision for reinstatement cost	10	9
Interest expense on deposits received	47	18
Interest expense on non-Listing put option	(29)	29
	1,237	1,343

9. EMPLOYEE BENEFIT EXPENSES

9.1 Employee benefit expenses (including directors' emoluments)

	2024 \$'000	2023 \$'000
Continuing operations		
Salaries and bonuses	8,702	7,535
Contributions to defined contribution retirement benefits schemes	600	987
Share-based payments for the employees (Note 31)	—	2,276
Staff welfare	283	289
	9,585	11,087
Discontinued operation		
Salaries and bonuses	—	33
Share-based payments for the employees (Note 31)	—	106
	—	139

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

	2024 \$'000	2023 \$'000
Cost of sales	5,732	5,349
Administrative expenses	3,853	5,738
Total	9,585	11,087

During the year ended 31 December 2024 and 2023, no forfeited contributions were utilised by the Group to reduce its contributions to retirement benefits schemes. There is no balance available as at 31 December 2024 and 2023 to reduce future contributions.

9. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

9.1 Employee benefit expenses (including directors' emoluments) (Continued)

Five highest paid individuals

The five highest paid individuals during the years ended 31 December 2024 and 31 December 2023 included two and three directors of the Company for the years ended 31 December 2024 and 2023 with details of the emoluments reflected in the analysis shown in Note 9.2. Details of the emoluments payable to five highest paid individuals for the years ended 31 December 2024 and 2023 were as follows:

	2024 \$'000	2023 \$'000
Salaries and allowances	1,453	1,234
Bonus	156	188
Contributions to defined contribution retirement benefits schemes	114	73
Share-based payments for the employees (Note 31)	—	2,276
Total	1,723	3,771

The emoluments of the remaining non-director individuals fell within the following bands:

Number of individuals

	2024	2023
<i>Emolument bands</i>		
Nil to S\$180,000 (equivalent to Nil to HK\$1,000,000)	2	1
S\$180,001 to S\$270,000 (equivalent to HK\$1,000,001 to HK\$1,500,000)	1	1

9. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

9.2 Benefits and interests of directors

(a) Directors' emoluments

The emoluments paid or payable to the directors of the Company were as follows:

Year ended 31 December 2024

Name	Fees S\$'000	Salary (note (i)) S\$'000	Discretionary bonuses (note (ii)) S\$'000	Allowances and benefits in kind S\$'000	Employer's contribution to a retirement benefit scheme S\$'000	Other emoluments paid or payable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (note (iii)) S\$'000	Total S\$'000
Mr. Tan Chek Kian	12	—	—	—	—	—	12
Mr. Chan Yang Kang	12	—	—	—	—	—	12
Mr. Ang Yong Sheng, Jonathan	12	—	—	—	—	—	12
Mr. Chua Chwee Lee	—	618	56	—	24	—	698
Ms. Jee Wee Jene	—	258	26	—	24	—	308
Mr. Thng Chong Kim	—	60	—	—	7	—	67
	36	936	82	—	55	—	1,109

Year ended 31 December 2023

Name	Fees S\$'000	Salary (note (i)) S\$'000	Discretionary bonuses (note (ii)) S\$'000	Allowances and benefits in kind S\$'000	Employer's contribution to a retirement benefit scheme S\$'000	Other emoluments paid or payable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (note (iii)) S\$'000	Total S\$'000
Mr. Chua Chwee Lee	—	617	75	—	22	—	714
Ms. Jee Wee Jene	—	257	21	—	17	—	295
Mr. Thng Chong Kim	—	84	—	—	10	2,276	2,370
	—	958	96	—	49	2,276	3,379

Notes:

- Salary to a director is generally an emolument paid or payable to the directors in respect of that person's services in connection with the management of the affairs of the Company or its subsidiaries undertakings.
- Discretionary bonuses are determined based on the financial performance of the Group and the performance of each individual.
- The share-based payments paid to Mr. Thng Chong Kim comprised of S\$217,000 for his services rendered under the continuing operations for the year ended 31 December 2023. The share-based payments compensated for his services rendered under the discontinued operation was S\$2,059,000 for the year ended 31 December 2023.

9. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

9.2 Benefits and interests of directors (Continued)

(b) Directors' retirement and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the years ended 31 December 2024 and 31 December 2023.

(c) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the years ended 31 December 2024 and 31 December 2023.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

Other than disclosed in Note 27 and Note 32(b), there are no loans, quasi-loans and other dealings in favour of directors, controlled body corporate by and connected entities with such Directors during the years ended 31 December 2024 and 31 December 2023.

(e) Directors' material interests in transactions, arrangements or contracts

Other than disclosed in Note 29, there are no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of 31 December 2024 and 31 December 2023 or at any time during the years ended 31 December 2024 and 31 December 2023.

10. INCOME TAXES

Singapore and Malaysia, two of the Group's main tax jurisdictions, had headline corporate tax rates of 17% and 24% (2023: 17% and 24%) respectively.

The amount of income tax expense charged to the consolidated statements of comprehensive income represents:

	2024 \$'000	2023 \$'000
Income tax		
— Current year	1,244	1,412
— Over provision in prior year	(101)	(32)
	1,143	1,380
Deferred tax		
— Current year	138	(134)
— Under/(Over) provision in prior year	230	(185)
	368	(319)
Income tax expense		
Continuing operations	1,511	1,061
Discontinued operation	—	—
	1,511	1,061

The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the Group as follows:

	2024 \$'000	2023 \$'000
<i>Reconciliation of taxation</i>		
Profit from continuing operations before income tax	4,704	3,345
Profit from discontinued operation before income tax	—	2,143
Profit before tax	4,704	5,488
Tax calculated at tax rate of 17%	800	933
Difference in overseas tax rate	(38)	8
Expenses not deductible for tax purposes	631	791
Income not subject to tax	(110)	(437)
Unabsorbed capital allowance and unutilised tax losses not recognised as deferred tax assets	116	—
Tax exemption (Note)	(17)	(17)
Under/(Over) provision in prior year	129	(217)
Income tax expense from continuing operations	1,511	1,061

Note: During the years of assessment 2020 onwards, tax exemption relates to 75% tax exemption of the first S\$10,000 of normal chargeable income and a further 50% tax exemption on the next S\$190,000 of normal chargeable income.

11. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the number of ordinary shares outstanding during the financial year.

	2024 \$'000	2023 \$'000
Profit attributable to owners of the Company (\$'000)		
Continuing operations	3,193	2,284
Discontinued operations	—	2,323
	3,193	4,607
Weighted average number of ordinary shares in issue for basic earnings per share (Note)	136,500,000	123,000,000
Earnings per share (\$)		
Continuing operations	0.02	0.02
Discontinued operations	—	0.02
	0.02	0.04

Note: 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 and 117,403,489 shares capitalised on 2 July 2024.

(b) Diluted earnings per share

As the Company has no dilutive instruments for the years ended 31 December 2024 and 2023, the Group's diluted earnings per share equals to its basic earnings per share.

NOTES TO THE FINANCIAL STATEMENT

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land S\$'000	Freehold building S\$'000	Office equipment S\$'000	Renovation S\$'000	Plant and machineries S\$'000	Motor vehicles S\$'000	Furniture and fittings S\$'000	Computers S\$'000	Construction in progress S\$'000	Total S\$'000
Group Cost										
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 (Note 38)	—	—	—	—	—	—	—	(308)	—	(308)
Currency translation differences	(35)	(81)	(1)	(8)	(24)	(1)	(2)	—	—	(152)
At 31 December 2023	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 differences	34	80	1	8	24	1	2	*	—	150
At 31 December 2024	607	1,418	41	1,655	19,459	74	709	322	947	25,232
Accumulated depreciation										
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 (Note 38)	—	—	—	—	—	—	—	(8)	—	(8)
Currency translation differences	—	(10)	(1)	(7)	(24)	*	(2)	—	—	(44)
At 31 December 2023	—	187	37	1,207	17,863	129	359	278	—	20,060
Depreciation for the year	—	27	3	78	781	5	67	22	—	983
Disposal	—	—	—	—	(1,692)	(65)	—	—	—	(1,757)
Currency translation differences	—	12	1	7	24	*	2	—	—	46
At 31 December 2024	—	226	41	1,292	16,976	69	428	300	—	19,332
Carrying amount										
At 31 December 2023	573	1,151	3	440	3,129	22	348	44	—	5,710
At 31 December 2024	607	1,192	—	363	2,483	5	281	22	947	5,900

Depreciation was charged to profit or loss during the years ended 31 December 2024 and 31 December 2023 as set out below:

	2024 \$'000	2023 \$'000
Cost of sales	779	1,032
Administrative expenses	204	259
Total	983	1,291

13. RIGHT-OF-USE ASSETS

	Leasehold property S\$'000	Machineries S\$'000	Motor vehicles S\$'000	Total S\$'000
Group 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
Addition	—	1,303	780	2,083
Disposal	—	—	(237)	(237)
31 December 2024	29,821	11,329	1,855	43,005
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
Depreciation for the year	1,283	731	249	2,263
Disposal	—	—	(119)	(119)
At 31 December 2024	12,981	3,579	494	17,054
Carrying amount				
At 31 December 2023	18,123	7,178	948	26,249
At 31 December 2024	16,840	7,750	1,361	25,951

The lease payments of these right-of-use assets are payable on a monthly-basis and the details of related lease liabilities is disclosed in Note 26.

The Group entered into lease arrangements for leasehold property, machineries and motor vehicles. The lease terms of these leased assets are disclosed as follows:

	Lease term (Years)
Leasehold property	23.5
Machineries	10–15
Motor vehicles	10

The lease payments of these right-of-use assets are payable on a monthly-basis and the details of related lease liabilities is disclosed in Note 26.

13. RIGHT-OF-USE ASSETS (CONTINUED)

Depreciation was charged to profit or loss during the years ended 31 December 2024 and 31 December 2023 as set out below:

	2024 \$'000	2023 \$'000
Cost of sales	1,462	1,368
Administrative expenses	801	718
Total	2,263	2,086

14. INVESTMENT PROPERTY

	\$'000
Historical cost	
As at 1 January 2023, 31 December 2023 and 31 December 2024	1,150
Accumulated depreciation	
As at 1 January 2023	(534)
Depreciation for the year	(41)
As at 31 December 2023	(575)
Depreciation for the year	(41)
As at 31 December 2024	(616)
Carrying Amount	
As at 31 December 2023	575
As at 31 December 2024	534

Amounts recognised in profit and loss for an investment property

	2024 \$'000	2023 \$'000
Rental income from operating leases	102	99
Direct expenses from property that generated rental income	18	57

The investment property as at 31 December 2024 and 2023 was pledged for a term loan as disclosed in Note 25(a)(i).

14. INVESTMENT PROPERTY (CONTINUED)

Amounts recognised in profit and loss for an investment property (Continued)

Fair value measurement

	2024 \$'000	2023 \$'000
Fair value for disclosure purposes only:		
Fair value at end of financial year	900	900

The fair value of the investment property was measured as at 31 December 2024 and 2023 based on a valuation made by a firm of independent professional valuers. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued.

15. GOODWILL

	\$'000
At 1 January 2023, 31 December 2023 and 31 December 2024	4,429

Impairment tests for goodwill

The goodwill is arisen from the acquisition of SPW, a subsidiary of the Group, under the precision welding segment, being a cash generating unit ("CGU") of the Group.

The Group assesses whether goodwill has suffered any impairment on an annual basis. For the years ended 2024 and 2023, the recoverable amount was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates. The pre-tax discount rate reflects specific risks relating to the relevant segment and the countries in which it operates.

The following table sets out the key assumptions for the value-in-use calculation:

	2024	2023
Revenue growth rate	0%–5.1%	0%–5.1%
Pre-tax discount rate	18.1%	16.9%
Terminal growth rate	1.8%	1.8%

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

15. GOODWILL (CONTINUED)

Impairment tests for goodwill (Continued)

If the following key parameters (i.e. revenue growth rate and pre-tax discount rate) change, with all other variables held constant, the headroom between the estimated recoverable amount and the carrying amount of the relevant goodwill would decrease as follows:

	2024 S\$'000	2023 S\$'000
Revenue growth rate decreased by 4% (2023: 4%)	12,723	18,795
Pre-tax discount rate increased by 3% (2023: 3%)	15,557	22,575

There was no provision for impairment of goodwill for the years ended 31 December 2024 and 2023.

16. INTANGIBLE ASSETS

	Know-how S\$'000	Customer contracts S\$'000	Customer relationship S\$'000	License S\$'000	Total S\$'000
Group Cost					
At 1 January 2023	1,900	776	2,881	2,880	8,437
Disposal of a subsidiary (note a, b) (Note 38)	(1,900)	—	—	(2,880)	(4,780)
At 31 December 2023 and 31 December 2024	—	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 (Note 38)	441	—	—	420	861
At 31 December 2023	—	(776)	(600)	—	(1,376)
Amortisation for the year	—	—	(288)	—	(288)
At 31 December 2024	—	(776)	(888)	—	(1,664)
Carrying amounts					
As at 31 December 2023	—	—	2,281	—	2,281
As at 31 December 2024	—	—	1,993	—	1,993

16. INTANGIBLE ASSETS (CONTINUED)

Note (a)

On 8 September 2021 and 1 November 2021, Mr. Thng transferred know-how to the Group in exchange for certain shareholding in Metasurface Technologies and Metaoptics Technologies.

The valuation of the know-how acquired by the Group was undertaken by an independent qualified professional valuer. The fair values of the know-how amounting to S\$1,900,000 were derived using the income approach, relief from royalty method and subject to a number of assumptions including as royalty rates, useful lives of the know-how, discount rates and rates of obsolescence.

Note (b)

The Group entered into a licence agreement with Accelerate (the "Licence Agreement") on 10 December 2021, pursuant to which Accelerate grants the Group the rights to, among others, use Accelerate's technologies and intellectual property rights to develop enhancements and to commercialise Accelerate's technologies and licensed products for a consideration of S\$2,880,000.

17. OTHER ASSETS

	2024 S\$'000	2023 S\$'000
Keyman insurance:		
At 1 January	359	359
Unrealised gain recognised in profit or loss (Note 6)	12	— *
	371	359

* Less than S\$1,000.

Keyman insurance asset (life insurance settlement contract) is initially recognised at the amount of the premium paid and subsequently carried at cash surrender value at the end of each reporting period, with changes recognised in profit or loss.

Changes in the cash surrender value are recognised in "other gains, net".

18. INVESTMENT IN AN ASSOCIATE

The investment in Metaoptics Technologies is initially recognised at its fair value on 16 May 2023 upon its loss of control.

Following the Group's disposal of Metaoptics Technologies on 16 May 2023 (Note 38), Metaoptics Technologies has entered into share subscription agreements in December 2023 and allotted additional ordinary shares to Autec, Aquaspring and Haur-Jye Technology Co., Ltd. Upon completion of the share issuance, Metasurface Technologies' shareholding was diluted and decreased from 20.2% to 18.78%. As at 31 December 2024 and 2023, the Group held 16.19% and 18.78% in Metaoptics Technologies respectively.

	Group	
	2024 \$'000	2023 \$'000
<i>Equity investment at cost</i>		
At 1 January	1,015	—
Fair value of the retained interest arising from the partial disposal of a subsidiary (Note 38)	—	1,358
Share of loss		
— Share of results of an associate	(438)	(366)
— Gain on dilution of shareholding in an associate (Note 6)	318	23
At 31 December	895	1,015

The summarised financial information of the associate, not adjusted for the proportion ownership interest held by the Group, was as follows:

	2024 \$'000	2023 \$'000
Summarised statement of financial position		
Current assets	1,305	358
Non-current assets	6,892	9,081
Current liabilities	(554)	(3,168)
Non-current liabilities	(2,118)	(865)
Net assets	5,525	5,406
Group's share in %	16.19%	18.78%
Group's share in net assets (in S\$'000)	895	1,015
Carrying amounts as at 31 December (in S\$'000)	895	1,015

18. INVESTMENT IN AN ASSOCIATE (CONTINUED)**Summarised statement of profit or loss (in S\$'000)**

	2024 \$'000	2023 \$'000
Revenue	79	—
Cost of sales	(53)	—
Gross profit	26	—
Administrative expenses (in S\$'000)	(2,553)	(1,947)
Loss before tax	(2,527)	(1,947)
Tax expenses	(178)	—
Loss after tax	(2,705)	(1,947)
Group's share in%	16.19%	18.78%
Share of losses for the year (in S\$'000)	(438)	(366)

19. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The balances shown in the consolidated statement of financial position, after appropriate offsetting, are as follows:

	2024 \$'000	2023 \$'000
Deferred tax assets	614	644
Deferred tax liabilities	(395)	(57)

The movement in the net deferred income tax account is as follows:

	2024 \$'000	2023 \$'000
At 1 January	587	268
(Charged)/credited to profit or loss (Note 10)	(368)	319
At end of year	219	587

19. DEFERRED INCOME TAXES (CONTINUED)

The movement in deferred income tax assets and liabilities prior to offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets

	Tax losses S\$'000	Lease liabilities S\$'000	Unabsorbed capital allowance S\$'000	Total S\$'000
At 1 January 2023	220	4,374	477	5,071
(Charged)/credited to profit or loss	(45)	(166)	113	(98)
At 31 December 2023	175	4,208	590	4,973
(Charged)/credited to profit or loss	—	(167)	(348)	(515)
At 31 December 2024	175	4,041	242	4,458

Deferred income tax liabilities

	Property, plant and equipment S\$'000	Right-of-use assets S\$'000	Intangible assets S\$'000	Total S\$'000
At 1 January 2023	912	3,337	554	4,803
(Credited)/Charged to profit or loss	(362)	110	(165)	(417)
At 31 December 2023	550	3,447	389	4,386
(Credited)/Charged to profit or loss	(379)	281	(49)	(147)
At 31 December 2024	171	3,728	340	4,239

The deferred income tax assets recognised can be carried forward and used to offset against future taxable income. The Group did not recognise capital allowances with no expiry date of S\$0.005 million and Nil as of 31 December 2024 and 2023 respectively. In addition, there are unutilised tax losses can be carried forward for a maximum period of ten consecutive years of assessment of S\$0.478 million and Nil which has not been recognised as deferred tax assets as of 31 December 2024 and 2023 for which no foreseeable future taxable income to be utilised for the subsidiary.

20. INVENTORIES

	2024 \$'000	2023 \$'000
Raw materials	1,487	1,984
Work in progress	3,463	3,629
Finished goods	1,180	1,220
Product consumables	72	222
	6,202	7,055
Less: Provision for inventory obsolescence	(126)	(414)
	6,076	6,641

The cost of inventories recognised as an expense and included in “cost of sales” amounted to S\$16,937,000 (2023: S\$14,901,000) for the year ended 31 December 2024. The Group has provided inventory provision of S\$126,000 (2023: S\$414,000) for the year ended 31 December 2024. These were recognised as an expense and included in “cost of sales” in the consolidated statement of comprehensive income.

21. TRADE AND OTHER RECEIVABLES

	2024 S\$'000	2023 S\$'000
Non-current		
Non-trade		
Amount due from an associate	2,880	2,880
Less: Allowance for doubtful debts	(97)	—
	2,783	2,880
Current		
Trade		
Trade receivables from third parties	7,504	6,614
Non-trade		
Amounts due from shareholders	—	— *
Other receivables from third party	73	—
GST receivables	225	36
	298	36
Deposits	1,153	1,092
	8,955	7,742

* Less than S\$1,000.

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

a) Trade receivables from contracts with customers

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.

As at 31 December 2024 and 31 December 2023, the ageing analysis of the trade receivables based on invoice date were as follows:

	2024 \$'000	2023 \$'000
0 to 30 days	5,084	4,642
31 to 60 days	2,000	1,597
61 to 90 days	374	196
Over 90 days	46	179
	7,504	6,614

The Group's trade receivables are denominated in Singapore Dollar ("S\$").

- b) Amounts due from shareholders, an associate and a subsidiary is non-trade in nature, interest-free and repayable on demand.
- c) The Group's exposure to credit risk is disclosed in Note 34(a) "Credit risk".

22. PREPAYMENT

	2024 S\$'000	2023 S\$'000
Non-current	—	203
Current	25	1,907
	25	2,110

Included in prepayments were primarily prepaid listing expenses amounting to S\$1,812,000 as at 31 December 2023 which had been capitalised in equity upon listing of the Group.

23. CASH AND BANK BALANCES

	2024 \$'000	2023 \$'000
Cash at bank	17,973	9,224
Cash on hand	1	1
	17,974	9,225

The currency exposure profile of cash and cash equivalents is disclosed in Note 34.

24. SHARE CAPITAL AND RESERVES

(a) Share capital

Share capital as at 31 December 2024 and 31 December 2023 represent the paid-up share capital of the Company.

	No. of ordinary shares		Amount			
	Authorised share capital	Issued share capital	Authorised share capital S\$'000	Share capital S\$'000	Share premium S\$'000	Total S\$'000
2024						
Beginning of financial year, ordinary shares at par value, HK\$0.001	380,000,000	5,596,511	67	1	—	68
Increased in authorised share capital (Note (i))	620,000,000	—	105	—	—	105
Capitalisation issue (Note (ii))	—	117,403,498	—	20	—	20
Issuance of shares (Note (iii))	—	27,000,000	—	5	8,327	8,352
End of financial year, ordinary shares at par value, HK\$0.001	1,000,000,000	150,000,000	172	26	8,327	8,525

- (i) 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.
- (ii) 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.
- (iii) 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 amounting to \$11,343,000 net of listing expenses capitalised at \$3,016,000.

24. SHARE CAPITAL AND RESERVES (CONTINUED)

(a) Share capital (Continued)

	No. of ordinary shares		Amount	
	Authorised share capital	Issued share capital	Authorised share capital S\$'000	Issued share capital S\$'000
2023				
Beginning of financial year, ordinary shares at par value, HK\$0.001	380,000,000	1	67	—*
Share reorganisation	—	5,596,510	—	1
End of financial year, ordinary shares at par value, HK\$0.001	380,000,000	5,596,511	67	1

* Less than S\$1,000.

(b) Capital reserves

Capital reserve represents:

- (i) The difference between the share capital of the Company issued of \$1,000 to acquire Metasurface Technologies and the existing net assets carrying value of Metasurface Technologies, which amounted to S\$19,370,000 as at the date of acquisition, which resulted in a debit balance of approximately S\$19,369,000; and
- (ii) The contributions from the owners and the non-controlling interests to the share-based payments for the employees and shareholders upon the issuance or transfer of shares of the subsidiaries of the Group.

25. BORROWINGS

	2024 \$'000	2023 \$'000
Current (Note (a))		
Bank loans (Note (a) & (b))		
— secured and guaranteed	2,316	2,064
— unsecured and guaranteed	74	1,954
	2,390	4,018
Non-current		
Bank loan, secured and guaranteed (Note (a))	145	219
	2,535	4,237

25. BORROWINGS (CONTINUED)

(a) Securities granted

- (i) Bank borrowing of S\$230,000 and S\$285,000 as at 31 December 2024 and 2023 respectively was secured by a mortgage of the investment property of the Group as disclosed in Note 14 above and the personal guarantees of Mr. Chua and Mrs. Chua. The loan was repayable over 18 years commencing from August 2010. The effective interest rate was 3.42% and 3.44% as at 31 December 2024 and 2023 respectively.
- (ii) Bank borrowing of MYR 5,846,000 (equivalent to approximately S\$1,779,000) and MYR 6,194,000 (equivalent to approximately S\$1,779,000) and as at 31 December 2024 and 2023 respectively was repayable monthly over a period of 12 years commencing from August 2016. It was secured by a) corporate guarantee of a subsidiary of the Group; b) legal charge over the properties of the Group as disclosed in Note 12 above and c) personal guarantee of Mr. Chua. The effective interest rate was 4.79% and 4.44% as at 31 December 2024 and 2023 respectively.
- (iii) Bank borrowing of S\$23,000 and S\$111,000 as at 31 December 2024 and 2023 was secured by the personal guarantees of Mr. Chua and Mrs. Chua. The loan was repayable over 5 years commencing from April 2020. The effective interest rate was 7% per annum as at 31 December 2024 and 2023.
- (iv) Bank borrowing of S\$Nil and S\$1,489,000 as at 31 December 2024 and 2023 respectively was repayable monthly over a period of 5 years commencing from June 2020. It was secured by a property owned by Mr. Chua and Mrs. Chua and their personal guarantees. The effective interest rate was 2.75% per annum as at 31 December 2023.
- (v) Bank borrowing of S\$284,000 and S\$284,000 as at 31 December 2024 and 2023 respectively was secured by a legal assignment of all company's rights, title, interest and benefits under and arising out of the Keyman Insurance Policy (Note 17) including all proceeds receivable under the policy and all proceeds of any repayment or refund of premiums by the insurer. The effective interest rate was 5.75% per annum as at 31 December 2024 and 2023.
- (vi) Bank borrowing of S\$219,000 and S\$289,000 as at 31 December 2024 and 2023 was secured by the personal guarantee of Mr. Chua Chwee Lee and Mrs. Chua. The loan was repayable over 4 years commencing from November 2023. The effective interest rate was 5.5% per annum as at 31 December 2024 and 2023.

(b) Financial covenant

In accordance with the loan agreements relating to a total loan balance of S\$1,955,000 and S\$2,351,000, as at 31 December 2024 and 2023 the lenders reserved their right to demand repayment at their discretion at any time (the "on-demand clauses") although the agreed repayment schedules are more than one year. As a result of these on-demand clauses, the Group does not have an unconditional right to defer settlement of these liabilities for more than twelve months. Accordingly, these borrowings have been classified as current liabilities as at 31 December 2024 and 2023.

(c) Note 34(b) set out disclosures of liquidity risk.

26. LEASE LIABILITIES

	2024 \$'000	2023 \$'000
Current		
Leasehold property	1,112	982
Leased machineries	1,124	1,531
Leased motor vehicles	198	139
	2,434	2,652
Non-current		
Leasehold property	22,624	23,737
Leased machineries	1,187	2,015
Leased motor vehicles	802	462
	24,613	26,214
	27,047	28,866

The Group as a lessee

The Group has lease contracts for leasehold property, machineries and motor vehicles. The lease terms of these leased assets are disclosed in Note 13.

The Group also has certain leases of office equipment with low value. The Group applies the 'lease of low-value assets' recognition exemptions for these leases.

(i) Amounts recognised in the profit or loss

	2024 \$'000	2023 \$'000
Depreciation expenses:		
— Right-of-use assets (Note 13)	2,263	2,086
— Investment property (Note 14)	41	41
Interest expense on lease liabilities (Note 8)	1,064	1,080
Expense relating to short-term and low-value leases	—	8

26. LEASE LIABILITIES (CONTINUED)

The Group as a lessee (Continued)

(ii) Total cash outflows

The Group had total cash outflows for leases including short-term and low-value leases of S\$3,935,000 and S\$3,882,000 for the years ended 31 December 2024 and 2023 respectively.

The future minimum rentals payable under non-cancellable operating leases are as follows:

	2024 \$'000	2023 \$'000
Not later than one year	1,954	1,893
Two to five years	8,277	8,020
More than five years	20,033	22,248

The Group as a lessor

The Group leases certain portion of the warehouse premise to third party under operating lease arrangements. These non-cancellable leases have remaining lease terms of 2 months.

The future minimum rentals receivable under non-cancellable operating leases are as follows:

	2024 \$'000	2023 \$'000
Not later than one year	140	1,404
Two to five years	—	217

27. TRADE AND OTHER PAYABLES

	2024 S\$'000	2023 S\$'000
Current		
Trade		
Trade payables to third parties	3,139	2,357
	3,139	2,357
Non-trade		
Other payables to a subsidiary	—	—
Other payables to third party	529	350
Amount due to a shareholder (Note (a))	—	1,029
Amount due to a director	—	228
Accrued expenses	1,663	3,592
GST payables	—	1
Deposits received	315	7
	2,507	5,207
	5,646	7,564
Non-current		
Non-trade		
Deposits received	—	489
	5,646	8,053

Note (a): The amount due to a shareholder relates to a non-Listing put option granted to the shareholder. Upon Listing in 2024, the non-Listing put option to require the Company to purchase all of its shares expired without delivery and the carrying amount of the non-Listing put option has been reclassified to equity during the year ended 31 December 2024.

Trade payables to third parties and related parties are non-interest bearing and are generally on 30 to 60 days' terms based on invoice date.

The amounts due to third parties are unsecured, non-interest bearing and repayable on demand.

The ageing analysis of trade payables of the Group based on invoice date were as follows:

	2024 \$'000	2023 \$'000
0–30 days	1,360	1,703
31–60 days	1,209	244
61–90 days	260	143
Over 90 days	310	267
	3,139	2,357

28. PROVISIONS

	2024 \$'000	2023 \$'000
Provision for reinstatement cost	279	269

The provision for reinstatement cost is based on the present value of costs to be incurred to remove the renovations from the leasehold property. The estimate is based on quotations from external contractors.

29. RELATED PARTIES

For the purposes of this report, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

The Group has related party relationship with the related corporations with common shareholders, its directors and key management personnel.

The relationships of related parties are identified below:

Names of related parties	Country of incorporation/ residence	Relationship with the Group
Mr. Chua Chwee Lee	Singapore	Executive director of the Company, chairman of the Board, chief executive officer, and controlling shareholder of the Company
Ms. Jee Wee Jene	Singapore	Executive director of the Company and controlling shareholder of the Company
Mr. Thng Chong Kim	Singapore	Executive director of the Company (Note)
Ms. Pang Chen May	Malaysia	A shareholder and director of the Company and director of a subsidiary of the Company
Metaoptics Technologies Pte. Ltd.	Singapore	An associate since 16 May 2023

Note: The related party transactions with Mr. Thng Chong Kim includes the share-based payments (Notes 9.1 and 31), director's emolument (Note 9.2) and share transfers to Mr. Thng during the years ended 31 December 2023.

Key management personnels are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnels include all directors of the Company.

29. RELATED PARTIES (CONTINUED)

- (a) Details of the related party transactions (other than key management personnel remuneration disclosed in Note 9.2 above) with the Group and the Company are as follows:

	2024 \$'000	2023 \$'000
(i) Shared administrative fee Metaoptics Technologies Pte. Ltd.	7	3

The related party transactions were charged in accordance with the terms of the respective agreements. Outstanding balances are disclosed accordingly in Notes 21 and 27.

(b) Key management compensation

Key management includes the directors of the Group. The compensation paid or payable to key management for employee services is disclosed in Note 9.

(c) Amount due from an associate

As at 31 December 2024, the amount due from an associate was S\$2,880,000. It is non-trade in nature, interest-free and the Group will not seek for repayment for the next 12 months.

30. CAPITAL COMMITMENTS

There was no capital expenditures contracted for but not recognised as at 31 December 2024 and 2023.

31. SHARE-BASED PAYMENTS

Set out below are the summaries of share-based payments arising from shares granted and anti-dilution rights during the year ended 31 December 2023:

Year ended 31 December 2023

Entity	Transaction type	Grant date	Share issuance date	Number of shares	Vesting period	Transaction price \$	Fair value of share/ anti-dilution rights at grant date \$	Share-based payments \$	Note
Employee:									
Metaoptics Technologies	Transfer of shares	2 January 2023	2 January 2023	7,549	Fully vested	1.00	14.04	106	(a)
Metasurface Technologies	Exercise of anti-dilution rights	13 December 2021	30 January 2023	14,728	Fully vested	1.00	14.74	217	(b)
Metaoptics Technologies	Grant of shares	16 May 2023	16 May 2023	125,767	Fully vested	180,000	17.80	2,059	(c)
								2,382	
Shareholders:									
Metasurface Technologies	Grant of shares	30 January 2023	30 January 2023	139,913	Fully vested	1,000,000	12.84	797	(d)
Metasurface Technologies	Exercise of anti-dilution rights	14 October 2022	30 January 2023	7,364	Fully vested	1.00	10.57	78	(b)
								875	
								3,257	

(a) On 2 January 2023, Metasurface Technologies transferred 7,549 shares of Metaoptics Technologies to Dr. Kuznetsov at no consideration as part of his remuneration package for his service to Metaoptics Technologies.

(b) On 30 January 2023, in conjunction with the 3rd Pre-IPO Investment, each of Mr. Chua and Mrs. Chua transferred 7,364 ordinary shares (in total 14,728 ordinary shares) in Metasurface Technologies to Mr. Thng at a nominal consideration of S\$1 pursuant to the First Undertaking. Pursuant to Accelerate's anti-dilution right under the amended and restated shareholders' agreement dated 30 January 2023 entered into among others, Metasurface Technologies, Accelerate and MMI, Accelerate subscribed for, and Metasurface Technologies allotted and issued to Accelerate, 7,364 ordinary shares in Metasurface Technologies at a nominal consideration of S\$1.

(c) On 16 May 2023, pursuant to a share purchase agreement the same date entered into between Mr. Thng and Metasurface Technologies, Metasurface Technologies transferred 125,767 ordinary shares in Metaoptics Technologies held by it, representing approximately 33.3% of the entire issued share capital of Metaoptics Technologies, to Mr. Thng at a consideration of S\$180,000. The consideration was determined based on a negotiation between Metasurface Technologies and Mr. Thng. Upon completion of the share transfer, Metaoptics Technologies became an associate of the Group and since then has been held by Metasurface Technologies as to approximately 20.2%.

Further to the share transfer, on 9 June 2023, Mr. Thng transferred 25,500 ordinary shares in Metaoptics Technologies, representing approximately 6.76% of the entire issued share capital of Metaoptics Technologies, to MMI at a consideration of S\$36,496. Upon completion of this share transfer, Mr. Thng held approximately 36.56% equity interest in Metaoptics Technologies.

Mr. Thng transferred 25,500 ordinary shares in Metaoptics Technologies, representing approximately 6.76% of the entire issued share capital of Metaoptics Technologies, to MMI at a consideration of S\$36,496.

(d) On 30 January 2023, pursuant to a share subscription agreement entered into between Metasurface Technologies and MMI dated the same date, MMI subscribed for, and Metasurface Technologies allotted and issued to MMI, 139,913 ordinary shares in Metasurface Technologies at a consideration of S\$1,000,000 (the "3rd Pre-IPO Investment", together with the 1st Pre-IPO Investment and the 2nd Pre-IPO Investment, the "Pre-IPO Investments"). The consideration was determined by commercial negotiations between Metasurface Technologies and MMI.

31. SHARE-BASED PAYMENTS (CONTINUED)

The valuation of the share-based payment transactions during the year ended 31 December 2023 was undertaken by an independent qualified professional valuer. The valuer has appropriate professional qualifications and recent experience in the valuation of similar business enterprise. The fair values of the shares granted are derived using the market approach in relation to Metasurface Technologies' share-based payment transactions and the asset-based valuation approach in relation to Metaoptics Technologies' share-based payment transactions. These valuation approaches are subject to a number of assumptions and with regard to the limitation of the models.

In the market approach, the fair value of the share-based payment transactions is based on the multiplication of the normalised earnings before interest, tax, depreciation and amortisation ("adjusted EBITDA") and appropriate market multiple, which is derived from an analysis of the trading multiples of certain comparable companies. These trading multiples were computed based on the enterprise values (i.e. market capitalisation implied from traded stock price plus debt) of the comparable companies as at the valuation date divided by their EBITDA. The market approach result is then adjusted for a discount for lack of marketability to arrive at the fair value.

In the asset-based valuation approach, the fair value of the share-based payment transactions is based on the net asset value of the Metaoptics Technologies at the grant date. Under this method, all operating assets and liabilities (including off-balance sheet, intangible and contingent) are adjusted to reflect the application standard or type of value. After all of the operating assets and liabilities of a business are defined and valued, the difference between the value of the total assets and total liabilities provides an estimate of the value for the equity of the business.

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of profit before tax to net cash generated from operations

	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
Continuing operations	4,704	3,345
Discontinued operation	—	2,143
	4,704	5,488
Adjustments for:		
Depreciation of property, plant and equipment (Note 12)	983	1,291
Depreciation of right-of-use assets (Note 13)	2,263	2,086
Depreciation of investment property (Note 14)	41	41
Amortisation of intangible assets (Note 16)	288	497
Allowance for expected credit loss	97	—
Share-based payments for the employees and shareholders (Note 32)	—	3,257
Gain on disposal of plant and equipment	(238)	(40)
Gain on disposal of right-of-use assets	(42)	—
Gain on disposal of controlling interest (Note 6)	—	(1,574)
Gain on retained investment (Note 6)	—	(955)
Inventories provision (Note 7)	126	414
Finance costs (Note 8)	1,237	1,343
Interest received	(291)	—
Unrealised currency translation gain	(28)	(22)
Gain on dilution of shareholding in an associate (Note 6)	(318)	(23)
Share of loss of an associate	438	366
Operating cash flows before working capital changes (note)	9,260	12,169
Changes in working capital:		
Decrease in inventories	447	818
Increase in trade and other receivables	(810)	(1,601)
Decrease/(Increase) in prepayments	274	(261)
Increase in other assets	(12)	—
(Decreased)/Increase in trade and other payables	(1,757)	353
Net cash generated from operations	7,402	11,478

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(a) Reconciliation of profit before tax to net cash generated from operations (Continued)

Note:

Operating cash flows before working capital changes includes:

	2024 \$'000	2023 \$'000
Continuing operations	9,260	12,240
Discontinued operation	—	(71)
	9,260	12,169

(b) Reconciliation of liabilities arising from financing activities

This section sets out an analysis of liabilities arising from financing activities and the movements for each of the years presented.

	Amount due to a director S\$'000	Lease liabilities S\$'000	Borrowings S\$'000	Total S\$'000
As at 1 January 2024	228	28,866	4,237	33,331
Financing cash flows:				
— Repayment loan to a director	(228)	—	—	(228)
— Interest paid	—	—	(145)	(145)
— Repayment of borrowings	—	—	(1,921)	(1,921)
— Capital element of lease liabilities paid	—	(2,870)	—	(2,870)
— Interest element of lease liabilities paid	—	(1,064)	—	(1,064)
— Proceeds of new borrowings	—	—	110	110
Other changes:				
— Increase in liabilities from entering into new leases	—	1,134	—	1,134
— Disposal of leases	—	(83)	—	(83)
— Interests expense	—	1,064	145	1,209
— Translation difference and reclassification	—	—	109	109
As at 31 December 2024	—	27,047	2,535	29,582

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**(b) Reconciliation of liabilities arising from financing activities (Continued)**

	Amount due to a director S\$'000	Lease liabilities S\$'000	Borrowings S\$'000	Total S\$'000
As at 1 January 2023	225	30,401	5,542	36,168
Financing cash flows:				
— Advances from a director	228	—	—	228
— Repayment of advances to a director	(225)	—	—	(225)
— Interest paid	—	—	(207)	(207)
— Repayment of borrowings	—	—	(1,505)	(1,505)
— Capital element of lease liabilities paid	—	(2,803)	—	(2,803)
— Interest element of lease liabilities paid	—	(1,080)	—	(1,080)
— Proceeds of new borrowings	—	—	300	300
Other changes:				
— Increase in liabilities from entering into new leases	—	1,310	—	1,310
— Interests expense	—	1,080	207	1,287
— Translation difference and reclassification	—	(42)	(100)	(142)
As at 31 December 2023	228	28,866	4,237	33,331

33. FAIR VALUE OF ASSETS AND LIABILITIES**(a)** Assets and liabilities not carried at fair value but which fair values are disclosed:

	Carrying amount \$'000	Fair value measurement Level 2 \$'000
Group		
As at 31 December 2024		
Investment property	534	900
As at 31 December 2023		
Investment property	575	900

The above does not include financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair value due to their short-term nature and where the effect if discounting is immaterial or that they are floating rate instruments that are priced to market interest rates on or near the end of the reporting period.

Fair value measurement of the investment property is disclosed in Note 14.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables, other payables including amounts due to directors and related parties

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Borrowings and lease liabilities

The carrying amounts of borrowings and lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

34. FINANCIAL RISK MANAGEMENT

Financial instruments by categories

The table below provides an analysis of financial instruments categorised as follows:

	2024 \$'000	2023 \$'000
<i>Financial assets at amortised cost</i>		
Trade receivables	7,503	6,614
Other receivables (Note)	4,010	3,972
Cash and bank balances	17,974	9,225
	29,487	19,811

(Note) Excluding prepayments and GST receivables

	2024 \$'000	2023 \$'000
<i>Financial liabilities at amortised cost</i>		
Lease liabilities	27,047	28,866
Trade and other payables	5,646	8,053
Loans and borrowings	2,535	4,237
	35,228	41,156

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by categories (Continued)

The Group's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is and has been the Group's policy throughout the year ended 31 December 2024 and 2023 that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures the risks.

(a) Credit risk

Credit risk is managed on a group basis. The Group's financial assets are trade and other receivables and cash and bank balances.

The amount of those assets stated in the Consolidated Statements of Financial Position represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is concentrated on a number of long-established customers. As at 31 December 2024 and 2023 trade receivables from the top three customers accounted for approximately 34.46%, 32.36%, 7.97% and 15.4%, 28.3%, 27.7% of the Group's total trade receivables, respectively.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and to limit the amount of credit limit to customers to minimise credit risk resulting from counterparty default.

In estimating the expected credit loss, the Group applies the IFRS simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Credit evaluation on individual customer is performed by management. The evaluation focused on assessing credit risk characteristics of each customer, as well as pertaining to the current and future general economic environment in which the customer operates. Management estimates the expected credit loss rate of each customer by performing quantitative assessment on the customers' credit rating, and apply default probability, the likelihood of recovery of the individual customer and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Based on the management's analysis, the loss allowance was determined as immaterial and hence no provision was provided.

The credit risk on cash and bank balances are minimal as they are placed with reputable financial institutions with high credit ratings and no history of default.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by categories (Continued)

(a) Credit risk (Continued)

Amount due from an associate

Expected credit losses ("ECL") are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The ECL associated with a financial instrument is typically a product of its probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted using the original effective interest rate to the reporting date.

The Group relies on a Monte Carlo simulations approach to consider probability-weighted forward-looking scenarios in estimating ECL. The Monte Carlo simulation generates multiple possible future cash flow scenarios by incorporating historical financial data, sector-specific growth rates and market volatility assumptions.

The following table sets out the key assumptions in the computation of ECL:

	Scenario 1: Downside	Scenario 2: Upside
Probability Weights	10%	90%
Probability of Default ("PD")	27.26%	0.70%
PD after Probability Weights		3.36%

Based on the management's analysis, the expected credit loss of S\$97,000 is provided as at 31 December 2024 (2023: S\$Nil).

Sensitivity of ECL

The Group assessed ECL sensitivity for the amount due from an associate under Stage 1 as no significant increase in credit risk since initial recognition of the receivables. The reasonably possible changes in key assumptions did not result in a material impact as at 31 December 2024.

As ECL estimation relies on multiple variables, no single analysis can fully demonstrate the sensitivity of the ECL to changes in macroeconomic variables.

(b) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from the maturities of financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group's operations are financed mainly through equity and borrowings. The directors are satisfied that funds are available to finance the operations of the Group.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by categories (Continued)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount S\$'000	Contractual cash flows S\$'000	One year or less S\$'000	Two to five years S\$'000	More than five years S\$'000
Group 31 December 2024 Financial liabilities					
Borrowings	2,535	2,535	2,390	145	—
Lease liabilities	27,047	33,992	3,475	10,174	20,343
Trade and other payables	5,646	5,646	5,646	—	—
Total undiscounted financial liabilities	35,228	42,173	11,511	10,319	20,343
	Carrying amount S\$'000	Contractual cash flows S\$'000	One year or less S\$'000	Two to five years S\$'000	More than five years S\$'000
Group 31 December 2023 Financial liabilities					
Borrowings	4,237	4,878	1,777	1,663	1,438
Lease liabilities	28,866	36,531	3,651	10,563	22,317
Trade and other payables	8,053	8,075	7,565	510	—
Total undiscounted financial liabilities	41,156	49,484	12,993	12,736	23,755

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by categories (Continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest earning assets and interest-bearing financial liabilities.

Interests earning financial assets are mainly bank balances which are short-term in nature. Therefore, any future variations in interest rates will not have a material impact on the results of the Group.

Interests bearing financial liabilities are mainly borrowings. The interest rates and terms of repayment of term loans of the Group are disclosed in the notes to the financial statements.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	2024 \$'000	2023 \$'000
Variable rate instruments		
Financial liabilities		
Borrowings	2,295	2,348

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing financial instruments at the end of the reporting date. A 1% increase or decrease is used for the possible change in interest rates.

If the interest rates have been 1% higher and all other variables were held constant, the Group's profit or loss would decrease as follows:

	2024 \$'000	2023 \$'000
Effect on profit or loss	(19)	(19)

If the interest rates have been 1% lower and all other variables were held constant, the above will have a vice-versa effect.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by categories (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk

Foreign currency risk arise when transactions are denominated in foreign currencies other than functional currency such as the United States dollars (US\$). The Group has exposure to foreign currency risk arising from sales or purchases that are denominated in US\$.

The Group does not have any significant exposure to foreign currency risk other than the following bank balances and trade and other receivables held by the Group which are denominated in US\$ at the reporting date as follows:

	2024 \$'000	2023 \$'000
Financial assets		
Cash and bank balances	13,771	8,577
Trade and other receivables	5,177	5,516
	18,948	14,093

A 5% strengthening of Singapore dollar against the US\$ denominated balances as at the reporting date would change the result of the Group by the amounts shown below. This analysis assumes that all other variables remain constant.

	Increase/(decrease) in profit before tax	
	2024 \$'000	2023 \$'000
US\$	(786)	(319)

A 5% weakening of Singapore dollar against US\$ would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximize shareholder value. The capital structure of the Group comprises issued share capital and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2024 and 2023. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (excluding provision, deferred tax liabilities and income tax payable) less cash and bank balances. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

	2024 S\$'000	2023 S\$'000
<i>Net debt:</i>		
Borrowings	2,535	4,237
Lease liabilities	27,047	28,866
Trade and other payables	5,646	8,053
Total liabilities	35,228	41,156
Less cash and bank balances	(17,974)	(9,225)
Net debt	17,254	31,931
Total equity	39,584	26,997
Total capital	56,838	58,928
Net debt-to-total capital	0.30	0.54

36. SEGMENT INFORMATION

Management has determined the operating segments based on the report reviewed by senior management that are used to make strategic decisions. Senior management comprises Chief Executive Officer, the Chief Financial Officer, and the department heads of each business within each segment and is the Group's Chief Operating Decision Maker ("CODM").

The Group's CODM considers the business from three segments:

- (a) Precision machining is a machining process of removing materials from a workpiece with standard for high accuracy to create parts and components with tight of tolerance. The Group sells parts that undergo the precision machining process which includes turning, milling, grinding and drilling, etc.
- (b) Precision welding is a process which involves the use of weldment equipment and specialised welding technique on a workpiece in a very precise and controlled fashion. Precision welding is typically used for small parts, parts with tight dimensional tolerance, or parts requiring a barely visible line weld.

The segment information for the reportable segments are as follows:

	Continuing operation		Unallocated items S\$'000	Total S\$'000
	Precision machining S\$'000	Precision welding S\$'000		
2024				
Sales				
Total segment sales	20,858	20,799	—	41,657
Inter-segment sales	(3,782)	(153)	—	(3,935)
Sales to external parties	17,076	20,646	—	37,722
Adjusted EBITDA/(LBITDA)	4,316	8,075	(2,875)	9,516
Depreciation of property, plant and equipment	859	124	—	983
Depreciation of right-of-use assets	2,160	103	—	2,263
Depreciation of investment property	41	—	—	41
Amortisation of intangible assets	—	288	—	288
Segment assets	45,092	29,297	231	74,620
Segment assets includes:				
Additions to:				
— right-of-use assets	2,083	—	—	2,083
— property, plant and equipment	293	804	—	1,097
Segment liabilities	32,895	2,101	511	35,507

36. SEGMENT INFORMATION (CONTINUED)

	Continuing operation		Discontinued operation	Unallocated items	Total
	Precision machining S\$'000	Precision welding S\$'000	Sale of laser diodes S\$'000	S\$'000	S\$'000
2023					
Sales					
Total segment sales	19,077	23,446	—	—	42,523
Inter-segment sales	(3,532)	(222)	—	—	(3,754)
Sales to external parties	15,545	23,224	—	—	38,769
Adjusted EBITDA/LBITDA	4,134	8,506	2,352	(4,246)	10,746
Depreciation of property, plant and equipment	(1,164)	(127)	—	—	(1,291)
Depreciation of right-of-use assets	(2,040)	(46)	—	—	(2,086)
Depreciation of investment property	(41)	—	—	—	(41)
Amortisation of intangible assets	—	(288)	(209)	—	(497)
Segment assets	43,044	22,986	—	1,812	67,842
Segment assets includes:					
Additions to:					
— right-of-use assets	1,032	378	—	—	1,410
— property, plant and equipment	62	42	70	—	174
Segment liabilities	37,232	1,935	—	2,258	41,425

36. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliations

(i) Segment profits

A reconciliation of adjusted LBITDA/EBITDA to profit before tax is as follows:

	2024 S\$'000	2023 S\$'000
Adjusted EBITDA for reportable segments	12,391	12,640
Adjusted EBITDA for discontinued operation	—	2,352
Adjusted LBITDA for unallocated items	(2,875)	(4,246)
Total adjusted EBITDA	9,516	10,746
Depreciation of properties, plant and equipment	(983)	(1,291)
Depreciation of right-of-use assets	(2,263)	(2,086)
Depreciation of investment property	(41)	(41)
Amortisation of intangible assets	(288)	(497)
Finance costs — net	(1,237)	(1,343)
Profit before tax	4,704	5,488

(ii) Segment assets

The amounts reported to the Group's CODM with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than income tax assets and other assets.

Segment assets are reconciled to total assets as follows:

	2024 S\$'000	2023 S\$'000
Segment assets for reportable segments	74,389	66,024
Unallocated items	231	1,818
Total segment assets	74,620	67,842
Unallocated:		
Investment in an associate	895	1,015
Deferred income tax assets	614	644
Other assets	371	359
Total assets	76,500	69,860

36. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliations (Continued)

(iii) Segment liabilities

The amounts provided to the Group's CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than income tax liabilities and lease liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	2024 S\$'000	2023 S\$'000
Segment liabilities for reportable segments	34,996	39,167
Unallocated items	511	2,258
Total segment liabilities	35,507	41,425
Unallocated:		
Current income tax liabilities	1,186	1,381
Deferred income tax liabilities	395	57
Total liabilities	37,088	42,863

(b) Geographical information

The Group is domiciled in Singapore. Majority of the Group's activities are carried out in Singapore and majority of the Group's assets and liabilities are located in Singapore. Revenue from external customers is analysed by geographical location of relevant customers.

The non-current assets, excluding deferred income tax assets and other assets are analysed by the geographical area in which the non-current assets are located.

Revenue by geography

	2024 S\$'000	2023 S\$'000
Singapore*	11,278	14,807
Malaysia	17,037	16,072
United States of America	5,734	5,267
Others	3,673	2,623
	37,722	38,769

* The revenue from the discontinued operation is located in Singapore for the year ended 31 December 2023.

36. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (Continued)

Non-current assets by geography

	2024 S\$'000	2023 S\$'000
Singapore	40,831	41,582
Malaysia	1,826	1,760
	42,657	43,342

37. SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

The Group includes one subsidiary, Metaoptics Technologies Pte. Ltd. with material non-controlling interests in 2022. Metaoptics Technologies Pte. Ltd. has ceased to be a subsidiary and classified as an investment in associate in 2023.

Name	Proportion of ownership interests held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2024	2023	2024	2023	2024	2023
Metaoptics Technologies Pte. Ltd.	—	— [#]	—	180	—	—

[#] Metaoptics Technologies has ceased to be a subsidiary and classified as an investment in associate during the year ended 31 December 2023.

The changes in non-controlling interests during the year are as follows:

	2023 S\$'000
Balance as at 1 January	1,013
Non-controlling interests share of loss for the financial year	(180)
Issue of new shares to non-controlling interest of a non-wholly owned subsidiary	—
Non-controlling interests share of capital reserve arising from:	
— Share-based payments expense [*]	49
Effect of changes in non-controlling interests [#]	46
Derecognition of the carrying value of the non-controlling interest upon disposal	(928)
Balance as at 31 December	—

^{*} This represents the sharing of the contribution from shareholders arising from the share-based payments expense upon issuance or transfer of shares from a subsidiary of the Group to shareholders and employees in the previous years.

[#] This represents the effect of changes in ownership interests held by non-controlling interests in Metaoptics Technologies from 44.5% to 46.5% for the year ended 31 December 2023.

38. DISPOSAL OF SUBSIDIARY AND DISCONTINUED OPERATION

Pursuant to a share purchase agreement dated 16 May 2023 entered into between Mr. Thng and Metasurface Technologies, Metasurface Technologies transferred 125,767 ordinary shares in Metaoptics Technologies held by it, representing approximately 33.3% of the entire issued share capital of Metaoptics Technologies, to Mr. Thng at a cash consideration of S\$180,000. Upon completion of the share transfer, Metaoptics Technologies ceased as a subsidiary of the Group.

Following the disposal of subsidiary with loss of control, the Group's shareholding in Metaoptics Technologies decreased from 53.5% to 20.2%. The Group considers that it still has significant influence over Metaoptics Technologies and reclassified it as an investment in an associate.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operation, the operating results of the Metaoptics Technologies before the completion date of share transfer have been presented as discontinued operation in the Group's consolidated statements of comprehensive income for the financial year ended 31 December 2023.

Financial information relating to the discontinued operation for the period from 1 January 2023 to the date of disposal is set out below.

(i) Financial results and cash flow information

The financial results and cash flow information presented are the financial period from 1 January 2023 to 16 May 2023.

	Period from 1 January 2023 to 16 May 2023 S\$'000
Revenue (Note 4)	—
Cost of sales	—
Gross profit	—
Other income	1
Administrative expense	(387)
Loss after tax	(386)
Gain on disposal of a subsidiary	2,529
(Loss)/profit from discontinued operation	2,143
(Loss)/profit and total comprehensive (loss)/income attributable to:	
Owners of the Company	2,323
Non-controlling interests	(180)
	2,143
Net operating cash outflows	(82)
Net investing cash outflows	(203)
Net financing cash inflows	—
Net cash inflows/(outflows) from discontinued operation	(285)

38. DISPOSAL OF SUBSIDIARY AND DISCONTINUED OPERATION (CONTINUED)**(ii) Details of the discontinued operations**

Net assets of Metaoptics Technologies as at the date of deconsolidation:

	S\$'000
Plant and equipment	300
Intangible assets	3,919
Trade and other receivables	324
Prepayments	29
Cash and bank balances	313
Total assets	4,885
Amount due to a shareholder	(2,880)
Other payables and accruals	(9)
Total liabilities	(2,889)
Net assets disposed of	1,996
Less: non-controlling interests	(928)
Net assets attributable to Metasurface Technologies deconsolidated of	1,068
Consideration	
— Cash consideration	180
— Share-based payment (Note 31)	2,059
	2,239
Fair value of the retained investment in Metaoptics Technologies*	1,358
Less: Carrying amount of net assets attributable to Metasurface Technologies disposed of	(1,068)
Gain on disposal of a subsidiary	2,529
Less: Gain on retained investment	(955)
Gain on disposal of controlling interest	1,574
* The Group engaged a professional independent valuer to carry out a valuation of the retained interest as at the date of disposal.	
	S\$'000
Consideration settled by cash	180
Less: Cash and bank balances disposed of	(313)
Net cash outflow from disposal of a subsidiary	(133)

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

	2024 \$'000	2023 \$'000
ASSETS		
Non-current asset		
Investment in a subsidiary	19,369	19,369
Total non-current asset	19,369	19,369
Current assets		
Trade and other receivables	1,469	—*
Cash and cash equivalents	231	—
Prepayments	—	1,812
Total current assets	1,700	1,812
Total assets	21,069	21,181
EQUITY AND LIABILITY		
Equity		
Share capital	26	1
Capital reserve	19,348	19,368
Currency translation reserve	(102)	—
Share premium	8,327	—
Accumulated losses	(6,701)	(3,895)
Total equity attributable to owners of the Company	20,898	15,474
LIABILITY		
Current liability		
Trade and other payables	171	5,707
Total current liability	171	5,707
Total liability	171	5,707
Total equity and liability	21,069	21,181
Net current asset/(liability)	1,529	(3,895)

* Less than S\$1,000.

The statement of financial position of the Company was approved by the Board of Directors on 22 April 2025 and were signed on its behalf.

Chua Chwee Lee
Director

Jee Wee Jene
Director

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (CONTINUED)

A summary of the Company's reserve is as follows:

	Accumulated losses S\$'000	Share premium* S\$'000	Capital reserve S\$'000	Translation reserve S\$'000	Total S\$'000
At 1 January 2023	(15)	—	—	—	(15)
Profit for the financial year	(3,880)	—	—	—	(3,880)
Share reorganisation	—	—	19,368	—	19,368
At 31 December 2023	(3,895)	—	19,368	—	15,473
Profit for the financial year	(2,806)	—	—	—	(2,806)
Other comprehensive loss	—	—	—	102	102
Issuance of shares upon listing	—	11,343	—	—	11,343
Capitalisation of shares	—	—	(20)	—	(20)
Capitalisation of listing expenses	—	(3,016)	—	—	(3,016)
At 1 December 2024	(6,701)	8,327	19,348	102	21,076

* Refer Note 24 (b) to the consolidated financial statements for details.

The capital reserve represents the difference between share capital of the Company issued to acquire Metasurface Technologies, as disclosed in Note 24 (b) to the consolidated financial statements.

40. EVENTS AFTER 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.

On 24 January 2025, a director of Singapore Precision Welding Pte. Ltd., an indirect wholly-owned subsidiary of the Company transferred certain Shares held by her to eight individuals, among which, six are employees of the Group.

FINANCIAL SUMMARY

A summary of the results, and of the assets, liabilities and equity of the Group for the last 3 financial years, as extracted from the published audited consolidated financial statement or published prospectus of the Company is set out below.

RESULTS

	Year ended 31 December		
	2024 SGD'000	2023 SGD'000	2022 SGD'000
Continuing operations			
Revenue	37,722	38,769	39,116
Cost of sales	(24,856)	(24,354)	(23,060)
Gross profit	12,866	14,415	16,056
Other income	2,741	2,731	1,130
Other gains/(losses), net	1,189	(426)	177
Administrative expenses	(10,417)	(11,666)	(10,489)
Operating profit	6,379	5,054	6,874
Finance costs	(1,237)	(1,343)	(1,579)
Share of loss from an associate	(438)	(366)	—
Profit before tax	4,704	3,345	5,295
Income tax expenses	(1,511)	(1,061)	(1,495)
Profit from continuing operations	3,193	2,284	3,800
Discontinued operation			
Profit from discontinued operation	—	2,143	(1,095)
Profit for the year	3,193	4,427	2,705
Profit for the year attributable to:			
Owners of the Company	3,193	4,607	3,192
Non-controlling interests	—	(180)	(487)
	3,193	4,427	2,705

ASSETS, LIABILITIES AND EQUITY

	2024 SGD'000	2023 SGD'000	2022 SGD'000
TOTAL ASSETS	76,500	69,860	69,406
TOTAL LIABILITIES	(37,088)	(42,863)	(47,097)
TOTAL EQUITY	39,412	26,997	22,309