
FUTURE PLANS AND [REDACTED]

BUSINESS OBJECTIVES AND STRATEGIES

Our business objective is to provide best-in-class value in precision manufacturing which is built on trust, knowledge, innovation and synergy as well as to forge mutually beneficial partnership with our customers. See “Business — Our Strategies” for a detailed description of our future plans.

REASONS FOR THE [REDACTED]

Our directors believe that the [REDACTED] would be instrumental in enabling us to achieve our business strategies and provide us with the following:

Broader access to capital for future growth

Our operations are working capital intensive due to the nature of our industry including capital investment on advanced production machinery and equipment and purchase of raw materials. In order to fund our growth during the Track Record Period, we have relied on our bank credit facilities and other borrowings to finance our working capital. Our Directors consider that it is necessary for us to diversify our funding sources rather than to rely on our existing banking credit facilities to fund our growth and maintain our operation going forward.

The [REDACTED] can provide us with a fund-raising platform for external financial resources with a broadened shareholder base. It can also provide us with the flexibility to adjust our capital structure from time to time through accessing a wider spectrum of fund raising venue, including debt and equity funding raising, and negotiating more favourable terms of financing from financial institutions as and when appropriate. This will in turn enable us to implement any future expansion plans and better withstand external shocks and market fluctuations.

Expand customer base with wider industries coverage and increase competitiveness

The precision engineering industry is highly competitive. Most of our customers are listed companies which have stringent supplier selection criteria, thereby our reputation and corporate profile are vital as it is one of the criteria for their selection of suppliers. We believe that we can expand our customer base in different industries upon [REDACTED] as we will have enhanced corporate profile and brand image and customers are generally more inclined to develop business relationship with a listed company with public financial disclosures, regulatory supervision and better business reputation. We believe that with higher standard of corporate governance, we could provide better assurance and confidence to our customers which could enhance our competitiveness and expand our customer base.

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Stronger ability to attract talent and retain existing staff

As a precision engineering services provider, our operation depends on the continued service of our skilled workforce and on our ability to attract, retain and motivate such workforce. As disclosed in the section headed “Business — Business Strategies” in this document, the competition for talent is intense in Singapore and we need to continue to attract and recruit additional machinists and technicians to utilise our production capacity. We believe that the [REDACTED] will provide us with more means, such as offering a more attractive employment environment, with more career advancement opportunities, to attract and retain quality talents to further expand our business.

Based on the above, our Directors believe that the [REDACTED] will benefit our Group as a whole.

[REDACTED]

Our Directors have drawn up an implementation plan during the period up to 30 June 2026 with a view to developing ourselves along our business strategies for achieving our business objectives. The detailed implementation plan and expected timetable for the implementation of the plan with respect to items requiring us to make material financial commitments are summarised below. We intend to apply all our [REDACTED] of the [REDACTED] by 30 June 2026.

We estimate that the [REDACTED] of the [REDACTED], after deducting [REDACTED], and other estimated expenses in relation to the [REDACTED], are approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]), assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share. We intend to use such [REDACTED] for the following purposes:

1. approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for expanding our scale of operation and enhancing our production capabilities, among which:
 - (a) approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]), will be used for procurement of raw materials as part of our effort to enhance our cash flow management and supply chain management;
 - (b) approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) and approximately [REDACTED]% of our total estimated [REDACTED]) will be used for enhancing our human resources management.

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2. approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for strengthening our quality control capabilities, among which:
 - (a) approximately HK\$[REDACTED] million (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for enhancing our information system;
 - (b) approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for acquiring a new coordinate measuring machine;
3. approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) and approximately [REDACTED]% of our total estimated [REDACTED]) will be used for enhancing our marketing efforts for the purpose of maintaining relationships with existing customers and diversifying our customer base;
4. approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for repayment of bank borrowings; and
5. approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for working capital and general corporate purposes.

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In summary, the implementation of our business strategies from the [REDACTED] up to the six months ending 30 June 2026 will be funded by the [REDACTED] of the [REDACTED] as follows:

	From the [REDACTED] to 31 December 2024 S\$'000	For the six months ending 30 June 2025 S\$'000	For the six months ending 31 December 2025 S\$'000	For the six months ending 30 June 2026 S\$'000	Total S\$'000	Approximate percentage of [REDACTED] %
(1) Expansion of scale of operation						
(a) Procurement of raw materials	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(b) Human resources management						
(i) Recruitment and retention of machinists and technicians and implement night shifts	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(ii) Improving remuneration packages of existing employees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(iii) Enhancing in-house logistic capability	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(2) Strengthen our quality control capabilities						
(a) Enhancing our information system						
(i) Upgrading new CNC machinery programming software	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(ii) Acquiring new production management systems	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(b) Purchasing a new coordinate measuring machine	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(3) Diversification of customer base						
Marketing expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(4) Repayment of bank borrowings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(5) Working capital and general corporate purpose	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

In the event that the [REDACTED] is set at the high-end or the low-end of the indicative [REDACTED] range, the estimated [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) or decrease to approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]), after deducting the related [REDACTED], respectively. The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the estimated [REDACTED] range.

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If the [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we will only deposit such [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO).

In the event of any material change in our use of [REDACTED] from the purposes described above or in our allocation of the [REDACTED] among the purposes described above, a formal announcement will be issued in accordance with the GEM Listing Rules.

Our Directors consider that the [REDACTED] from the [REDACTED] together with our internal resources will be sufficient to finance the implementation of our business plans as set forth in the paragraphs headed “Implementation Plans” in this section. Investors should be aware that any part of our business plans may not proceed according to the timeframe as described above due to various factors. Under such circumstances, our Directors will evaluate carefully the situation and will set aside the funds as short-term deposits until the relevant business plan(s) materialise.

IMPLEMENTATION PLANS

In pursuance of the business objective and strategies set out above, our implementation plans are set out below from the [REDACTED] to 31 December 2024 and then for each of the six-month periods until 30 June 2026. Investors should note that the following implementation plans are formulated on the bases and assumptions referred to in the paragraph headed “Bases and assumptions” below. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set out in the section headed “Risk Factors” in this document. There is no assurance that our business objectives will be achieved or our business plans will be implemented according to the estimated timeframe or at all.

FUTURE PLANS AND [REDACTED]

For the period from the [REDACTED] to 31 December 2024

Business Strategies	Implementation plans	Use of [REDACTED] S\$'000
(1) Expansion of our scale of operation	(a) To procure raw materials for our existing and upcoming purchase orders	[REDACTED]
	(b) (i) To recruit (i) five machinists for precision machining services and (ii) six technicians for precision welding services and to implement night shifts	[REDACTED]
	(ii) To improve remuneration packages of existing employees	[REDACTED]
(2) Strengthening our quality control capabilities	(a) To purchase and upgrade the CNC programming software of our CNC machines	[REDACTED]
	(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	[REDACTED]

FUTURE PLANS AND [REDACTED]

Business Strategies	Implementation plans	Use of [REDACTED] S\$'000
(3) Diversification of our customer base	(a) To carry out marketing activities <ul style="list-style-type: none"> (i) To host our existing and prospective customers to our factories to demonstrate or update them regarding our latest production capabilities ii) To maintain our corporate website with external service provider 	[REDACTED]
(4) Repayment of bank borrowings	(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 principal amount of S\$1.5 million as at 31 December 2023	[REDACTED]
(5) Working capital and general corporate purposes	(a) To finance the general working capital needs of our Group	[REDACTED]

FUTURE PLANS AND [REDACTED]

For the period from 1 January 2025 to 30 June 2025

	Business Strategies	Implementation plans	Use of [REDACTED] S\$'000
(1)	Expansion of our scale of operation	(a) To procure raw materials	[REDACTED]
		(b) (i) To recruit (i) one CNC programmer for developing CNC programming instructions to control the CNC machines; (ii) one production planner to conduct production planning to optimise the production flow and raw materials planning; and eight machinists for precision machining services; and to retain and pay remuneration for (i) five machinists for precision machining; and (ii) six technicians for precision welding services	[REDACTED]
		(ii) To improve remuneration packages of existing employees	[REDACTED]
		(iii) To purchase a truck and recruit a truck driver	[REDACTED]
(2)	Strengthening our quality control capabilities	(a) To purchase and install a production planning system to optimise the productions flow and monitor our business performance	[REDACTED]

FUTURE PLANS AND [REDACTED]

	Business Strategies	Implementation plans	Use of [REDACTED] S\$'000
(3)	Diversification of our customer base	(a) To carry out marketing activities (i) To host our existing and prospective customers to our factories to demonstrate or update them regarding our latest production capabilities (ii) To maintain our corporate website with external service provider	[REDACTED]
(4)	Working capital and general corporate purposes	(b) To finance the general working capital needs of our Group	[REDACTED]

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FUTURE PLANS AND [REDACTED]

For the period from 1 July 2025 to 31 December 2025

Business Strategies	Implementation plans	Use of [REDACTED] S\$'000
(1) Expansion of our scale of operation	(a) To procure raw materials	[REDACTED]
	(b) (i) To recruit one CNC programmer and four machinists for precision machining services; to retain and pay remuneration for (i) 12 machinists for precision machining services and six technicians for precision welding services and to implement night shifts; and (ii) one CNC programmer; and one production planner	[REDACTED]
	(c) To improve the remuneration packages of existing employees	[REDACTED]
	(d) To retain and pay remuneration for the truck driver	[REDACTED]
(2) Strengthening our quality control capabilities	(a) To purchase and install a production management system	[REDACTED]

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FUTURE PLANS AND [REDACTED]

Business Strategies	Implementation plans	Use of [REDACTED] S\$'000
(3) Diversification of our customer base	(a) To carry out marketing activities (i) To host our existing and prospective customers to our factories to demonstrate or update them regarding our latest production capabilities (ii) To maintain our corporate website with external service provider	[REDACTED]
(4) Working capital and general corporate purposes	(a) To finance the general working capital needs of our Group	[REDACTED]

FUTURE PLANS AND [REDACTED]

Period from 1 January 2026 and 30 June 2026

	Business Strategies	Implementation plans	Use of [REDACTED] S\$'000
(1)	Expansion of our scale of operation	(a) To procure raw materials (b) (i) To retain and pay remuneration for (i) 17 machinists for precision machining services and six technicians for precision welding services and to implement night shifts; (ii) one production planners; and two CNC programmers (ii) To improve the remuneration packages of existing employees (iii) To retain and pay remuneration for the truck driver	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
(2)	Diversification of our customer base	(a) To carry out marketing activities	[REDACTED]
(3)	Working capital and general corporate purposes	(a) To finance the general working capital needs of our Group	[REDACTED]

FUTURE PLANS AND [REDACTED]

BASES AND ASSUMPTIONS

Potential investors should note that the attainability of our business objective and strategies depend on a number of bases and assumptions, in particular:

- (1) we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which our future plans relate;
- (2) there will be no material changes in the funding requirement for each of our future plans described in this document from the amount as estimated by our Directors;
- (3) there will be no material changes in the existing laws and regulations, or other governmental policies relating to us, or in the political, economic or market conditions in which we operates;
- (4) there will be no material changes in the bases or rates of taxation in those countries in which we operate;
- (5) the [REDACTED] will be completed in accordance with and as described in the section headed “[REDACTED]” in this document;
- (6) there will be no significant changes in the interest rates or the foreign currency exchange rates from those currently prevailing;
- (7) we will be able to retain key personnel in the management and the main operational departments;
- (8) we will be able to solicit new customers or retain our existing customers and suppliers;
- (9) there will be no disasters, natural, political or otherwise, which would materially disrupt our businesses or operations; and
- (10) we will not be materially and adversely affected by any risk factors set out in the section headed “Risk Factors” in this document.