

---

**SUMMARY**

---

*This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to invest in the [REDACTED].*

*There are risks associated with any investment in the [REDACTED]. Some of the particular risks associated with an investment in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].*

**OVERVIEW**

Established in 2000, we are a one-stop build-to-print precision engineering services provider headquartered in Singapore, specialising in providing precision machining and welding services for international companies in the semiconductor and other sectors. According to the CIC Report, we ranked seventh in terms of revenue from the semiconductor segment of the precision component engineering industry in Singapore in 2022 with a market share of 2.9%.

We offer our customers precision engineering services including (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 micrometer, and (ii) precision welding services which involve the application of weldment equipment and specialised welding technique on a workpiece in a very precise and controlled fashion and which are typically used for small parts, parts with tight dimensional tolerances, or parts requiring a barely visible line weld. Leveraging our technical capabilities and know-how and machinery and equipment, we have established our market position in the precision component engineering value chain by offering specialised services tailored to our customers’ specific technical requirements and commercial needs.

Throughout the years, we have grown our business to serve customers in various sectors, including semiconductor, aerospace and data storage industries. Many of our customers are well-recognised international companies in these industries, including Customer A, a U.S. based corporation which supplies equipment used for fabrication of integrated circuits and displays of electronic products such as televisions, smartphones, laptops, personal computers, etc.. Our major customers have selected us as a key long-term partner as we possess essential industry-specific certifications and have passed the stringent and extended in-house supplier qualification processes of these reputable customers. We have established long-standing business relationships with our five largest customers during the Track Record Period for an average of approximately eleven years and we will seek to maintain sustainable and mutually beneficial relationships with our customers.

---

## SUMMARY

---

We have demonstrated a proven track record in providing quality and efficient precision engineering services to our customers. We have a dedicated quality control team to conduct stringent incoming, in-process and final quality assessment by conducting a wide range of technical testing, such as leak checking using helium leak detectors, to ensure that our components and parts are of the exact and precise measurements as specified by our customers. We have obtained the SSQA certification, which qualified us to conduct precision machining work in the semiconductor industry. We have also been accredited with ISO 9001:2015 quality management system certification in respect of fabrication of precision machinery parts since 2019, and ISO 14001:2015 environmental management system certification in respect of fabrication of machinery parts since 2018.

Our business is headquartered in Singapore with production facilities in Singapore (the “**Singapore Factory**”) and Malaysia (the “**Malaysia Factory**”). We are equipped with machinery with sophisticated functions and specifications and technicians who have accumulated skills in handling different production processes which enable us to offer services to cater for the specific design and requirements of our customers. Most of our machinery and equipment can be used to produce a range of products for diverse end-use industries with different specifications.

### OUR BUSINESS MODEL

As a one-stop build-to-print precision engineering services provider, we offer precision machining services and precision welding services to OEMs and CMs in various sectors. We have started our business in providing precision machining services since 2000 and further expanded our business to include precision welding services upon completion of our acquisition of SPW in December 2021 (the “**Acquisition**”). The Acquisition was driven by SPW’s expertise in precision welding which is a crucial value-adding process in precision component engineering for manufacturing complex products and the synergy brought by the shared customer base between Metasurface Technologies and SPW. With the acquisition of SPW, we are able to provide one-stop solutions for various manufacturing process of precision component engineering, which has reinforced our presence in the value-chain. For more information on the Acquisition, see “History and Development — Reorganisation — 2. Acquisition of SPW”.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

## SUMMARY

The following table sets out our revenue breakdown during the Track Record Period by service type, customer sector and customer geographical location, respectively:

	<b>For the year ended 31 December</b>			
	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<i>S\$'000</i>	<i>% of total revenue</i>	<i>S\$'000</i>	<i>% of total revenue</i>
<b><i>By service type:</i></b>				
Precision machining	22,913	58.6	15,545	40.1
Precision welding	16,203	41.4	23,224	59.9
Total	<u>39,116</u>	<u>100.0</u>	<u>38,769</u>	<u>100.0</u>
<b><i>By customer sector:</i></b>				
Semiconductor	35,729	91.3	34,077	87.9
Aerospace	101	0.3	1,646	4.3
Data storage	2,423	6.2	2,411	6.2
Others <sup>(1)</sup>	863	2.2	635	1.6
Total	<u>39,116</u>	<u>100.0</u>	<u>38,769</u>	<u>100.0</u>
<b><i>By customer geographical location:</i></b>				
Singapore	20,741	53.0	14,807	38.2
Malaysia	12,627	32.3	16,072	41.5
U.S.	3,507	9.0	5,267	13.6
Others <sup>(2)</sup>	2,241	5.7	2,623	6.7
Total	<u>39,116</u>	<u>100.0</u>	<u>38,769</u>	<u>100.0</u>

*Notes:*

1. Others mainly refer to solar industry and oil and gas industry.
2. Others mainly refer to Switzerland.

---

## SUMMARY

---

### OUR STRENGTHS

We believe that the following competitive strengths have contributed and may contribute to our success and distinguish us from our competitors:

- long standing and strong business relationships with reputable international customers;
- advanced production technologies and manufacturing capabilities to produce products that meet various specifications required by the customers;
- possession of industry-specific qualifications and certifications for precision machining and precision welding services; and
- experienced management team supported by high calibre engineers with advanced technical capabilities.

### OUR STRATEGIES

Our business objective is to provide best-in-class value in precision engineering which is built on trust, knowledge, innovation and synergies as well as to forge mutually beneficial partnership with our customers. To accomplish this objective, we plan to:

- maintain and strengthen our long-term partnership with reputable international customers and expand and diversify our customer base;
- continue to seek business expansion and increase our scale of operation through (a) enhancing our cashflow management and supply chain management; and (b) enhancing our human resources management; and
- enhance our quality assurance capability and optimise our operational efficiency.

### MAJOR CUSTOMERS AND SUPPLIERS

We have established strong and long-standing business relationships with our major customers. In each year during the Track Record Period, revenue contributed from our five largest customers was approximately S\$29.8 million and S\$31.0 million, respectively, representing approximately 76.0% and 80.0%, respectively, of our total revenue. In each year during the Track Record Period, revenue contributed from our largest customer, was approximately S\$12.4 million and S\$9.0 million, respectively, representing approximately 31.8% and 23.1%, respectively, of our total revenue. We have established and maintained business relationships with our five largest customers during the Track Record Period for approximately eleven years on average. For more information on Customer A and other major customers, see “Business — Our Customers”.

---

## SUMMARY

---

In each year during the Track Record Period, purchases from our five largest suppliers were approximately S\$7.5 million and S\$6.8 million, respectively, representing approximately 47.4% and 52.2%, respectively, of our total purchases, and purchases from our largest supplier were approximately S\$2.4 million and S\$1.9 million, respectively, representing approximately 14.9% and 14.6%, respectively, of our total purchases in each year during the Track Record Period.

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

#### Description of selected consolidated statements of comprehensive income line items

The following table sets forth our selected consolidated statements of comprehensive income for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	<b>Years ended 31 December</b>	
	<b>2022</b>	<b>2023</b>
	<i>S\$000</i>	<i>S\$000</i>
<b>Continuing operations</b>		
Revenue	39,116	38,769
Cost of sales	<u>(23,060)</u>	<u>(24,354)</u>
<b>Gross profit</b>	16,056	14,415
Other income	1,130	2,731
Other gains/(losses), net	177	(426)
Administrative expenses	<u>(10,489)</u>	<u>(11,666)</u>
<b>Operating profit</b>	6,874	5,054
Finance costs	(1,579)	(1,343)
Share of loss from an associate	<u>—</u>	<u>(366)</u>
<b>Profit before tax</b>	5,295	3,345
Income tax expense	<u>(1,495)</u>	<u>(1,061)</u>
Profit from continuing operations	3,800	2,284
<b>Discontinued operation</b>		
(Loss)/profit from discontinued operation	<u>(1,095)</u>	<u>2,143</u>
<b>Profit for the year</b>	<u><u>2,705</u></u>	<u><u>4,427</u></u>

Our gross profit was approximately S\$16.1 million and S\$14.4 million for the years ended 31 December 2022 and 2023, respectively. Our overall gross profit margin was approximately 41.0% and 37.2% for the years ended 31 December 2022 and 2023, respectively, the decrease of which was mainly due to the decrease in the gross profit margin for our precision machining services from approximately 43.2% for the year ended 31

---

## SUMMARY

---

December 2022 to approximately 31.4% for the year ended 31 December 2023. The decrease in the gross profit margin for our precision machining services was mainly attributable to the decrease in sales for our precision machining services by approximately 32.2% while the cost of sales for our precision machining services decreased by approximately 18.2% only during the year as the cost of sales of our precision machining services comprised a portion of overhead costs such as staff costs and depreciation of property, plant and equipment and right-of-use assets which were relatively static regardless of sales performance.

The following table sets forth the breakdown of our gross profit and gross profit margin by service type for the periods indicated:

	Year ended 31 December			
	2022		2023	
	Gross profit	Gross profit	Gross profit	Gross profit
	margin	margin	margin	margin
	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Precision machining	9,887	43.2	4,887	31.4
Precision welding	<u>6,169</u>	<u>38.1</u>	<u>9,528</u>	<u>41.0</u>
<b>Total/Overall</b>	<u><u>16,056</u></u>	41.0	<u><u>14,415</u></u>	37.2

We recorded net profits of approximately S\$2.7 million and S\$4.4 million for the years ended 31 December 2022 and 2023, respectively. The increase was primarily attributable to (i) the recognition of gains on disposal of a subsidiary of approximately S\$2.5 million during the year ended 31 December 2023; and (ii) the increase in our other income by approximately S\$1.6 million mainly due to the increase in our rental income generated from our investment property in Singapore and part of our Tuas Property which was sublet to independent third parties by approximately S\$1.0 million.

### Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with the IFRS, we also use adjusted profit for the financial year (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, the IFRS.

---

## SUMMARY

---

We believe that our presentation of the adjusted profit for the financial year (non-IFRS measure) when shown in conjunction with the corresponding IFRS measure provides useful information to potential investors and management in facilitating a comparison of our operating performance from period to period by eliminating the impacts of the share-based payments, [REDACTED], gains on disposal of a subsidiary and a gain on dilution of shareholding in an associate which are not incurred during the ordinary and usual course of our business. However, our presentation of the adjusted profit for the financial year (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of the adjusted profit for the financial year (non-IFRS measure) has limitations as any other analytical tool, and should not be considered in isolation from, or as a substitute for or superior to, the analysis of our results of operations or financial condition as reported under the IFRS.

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

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	<b>2023</b>
	<i>S\$'000</i>	<i>S\$'000</i>
Profit for the year	2,705	4,427
<b>Add:</b>		
Share-based payments <sup>(1)</sup>	1,228	3,257
[REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
<b>Deduct:</b>		
Gains on disposal of a subsidiary	—	(2,529)
Gain on dilution of shareholding in an associate	<u>—</u>	<u>(23)</u>
Adjusted profit for the year (non-IFRS measure)	<u>5,863</u>	<u>7,028</u>
Adjusted net profit margin <sup>(2)</sup> (non-IFRS measure)	15.0%	18.1%

*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.
- (2) Adjusted net profit margin (non-IFRS measure) equals adjusted profit for the year (non-IFRS measure) as a percentage of revenue.



---

## SUMMARY

---

### Description of selected consolidated statements of financial position line items

The following table sets forth our consolidated statements of financial position as at the dates indicated:

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2023</b>
	<i>S\$'000</i>	<i>S\$'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>	46,705	44,345
<b>Current assets</b>	22,701	25,515
<b>Total assets</b>	69,406	69,860
<b>LIABILITIES</b>		
<b>Current liabilities</b>	18,603	15,615
<b>Net current assets</b>	4,098	9,900
<b>Non-current liabilities</b>	28,494	27,248

We recorded net current assets of approximately S\$4.1 million, S\$9.9 million and S\$9.8 million as at 31 December 2022, 31 December 2023 and 31 January 2024.

Our inventories decreased from approximately S\$7.9 million as at 31 December 2022 to approximately S\$6.6 million as at 31 December 2023 mainly due to (i) the utilisation of our raw materials to cope with our sales near the year end; and (ii) the provision for inventory obsolescence of approximately S\$0.4 million. Our current and non-current borrowings decreased by approximately S\$1.3 million from approximately S\$5.5 million as at 31 December 2022 to approximately S\$4.2 million as at 31 December 2023, which was primarily attributable to settlement of our current bank loans during the year ended 31 December 2023. Our trade receivables decreased by approximately S\$1.4 million from approximately S\$8.0 million as at 31 December 2022 to approximately S\$6.6 million as at 31 December 2023 due to a larger settlement of trade receivables by our customers near year end of 2023. Our trade payables decreased by approximately S\$3.5 million from approximately S\$5.9 million as at 31 December 2022 to approximately S\$2.4 million as at 31 December 2023 primarily due to our prompt repayment of trade payables near the year end. Our current and non-current non-trade payables increased by approximately S\$2.1 million from approximately S\$3.6 million as at 31 December 2022 to approximately S\$5.7 million as at 31 December 2023 primarily due to (i) increase in amount due to a shareholder of approximately S\$1.0 million which represents amount payable to a [REDACTED] investor for non-[REDACTED] put option in relation to the 3rd [REDACTED] Investment; (ii) increase in other payables to third party by approximately S\$0.4 million and (iii) the increase in accrued expenses by approximately S\$0.7 million as a result of the increase in our accrued [REDACTED] as at 31 December 2023.



---

## SUMMARY

---

Our net current assets remained relatively stable as at 31 January 2024.

### Description of selected consolidated cash flow statements data

The following table sets forth our selected consolidated cash flow items for the periods indicated:

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2023</b>
	<i>S\$'000</i>	<i>S\$'000</i>
Operating cash flows before working capital changes	11,793	12,169
Changes in working capital	(2,457)	(691)
Income tax paid	<u>(301)</u>	<u>(992)</u>
Net cash generated from operating activities	9,035	10,486
Net cash used in investing activities	(647)	(407)
Net cash used in financing activities	<u>(6,275)</u>	<u>(5,079)</u>
Net increase in cash and cash equivalents	2,113	5,000
Effect of currency translation on cash and cash equivalents	(72)	21
Cash and cash equivalents as at beginning of the year	<u>2,163</u>	<u>4,204</u>
<b>Cash and cash equivalents as at end of the year</b>	<b><u>4,204</u></b>	<b><u>9,225</u></b>

For the years ended 31 December 2022 and 2023, our net cash generated from operating activities was approximately S\$9.0 million and S\$10.5 million, respectively. The net cash generated from operating activities increased to S\$10.5 million for the year ended 31 December 2023 primarily due to the increase in our profit before tax by approximately S\$1.3 million, as adjusted for certain non-cash or non-operating items, offset by negative changes in working capital such as increase in trade and other receivables and increase in prepayments. Our net cash used in financing activities for the years ended 2022 and 2023 was approximately S\$6.3 million and S\$5.1 million, respectively. The net cash used in financing activities decreased to approximately S\$5.1 million for the year ended 31 December 2023 primarily due to (i) payment of principal portion of lease liabilities mainly in relation to [machineries under hire purchase arrangement and rental payment for our Tuas Property; (ii) repayment of borrowings; (iii) interest paid; (iv) [REDACTED] paid, partially offset by proceeds from issue of new shares of a subsidiary and proceeds from new borrowings.

---

## SUMMARY

---

### Key Financial Ratios

The following table sets forth our key financial ratios for the periods and as at the dates indicated:

	As at/for the year ended	
	31 December	
	2022	2023
Current Ratio	1.2	1.6
Quick Ratio	0.8	1.2
Return on Assets (%)	3.9	6.3
Return on Equity (%)	15.0	17.1
Gearing Ratio (%)	24.8	15.7

Our return on assets increased from approximately 3.9% for the year ended 31 December 2022 to approximately 6.3% for the year ended 31 December 2023 due to increase in our profit for the year as a result of the increase in our other income and the recognition of gains on disposal of a subsidiary.

Our return on equity increased from approximately 15.0% for the year ended 31 December 2022 to approximately 17.1% for the year ended 31 December 2023 due to increase in our profit for the year as a result of the increase in our other income and the recognition of gains on disposal of a subsidiary.

Our gearing ratio decreased from approximately 24.8% as at 31 December 2022 to approximately 15.7% as at 31 December 2023, primarily due to reduction of our total borrowings of approximately S\$1.3 million as at 31 December 2023.

### OUR CONTROLLING SHAREHOLDERS

Upon completion of the [REDACTED] and the [REDACTED] and without taking into account any Shares which may be issued and allotted upon exercise of any options which may be granted under the [REDACTED] Share Option Scheme, (i) SGP BVI, which is directly wholly-owned by Mr. Chua (the spouse of Mrs. Chua), will be interested in approximately [REDACTED]% of the issued share capital of the Company, and (ii) Baccini, which is directly wholly-owned by Mrs. Chua (the spouse of Mr. Chua), will be interested in approximately [REDACTED]% of the issued share capital of the Company. As such, Mr. Chua and Mrs. Chua, who are close associates under the GEM Listing Rules and jointly control our Group, will be together interested in approximately [REDACTED]% of the issued share capital of the Company in aggregate. Accordingly, each of SGP BVI, Mr. Chua, Baccini and Mrs. Chua will be regarded as our Controlling Shareholders immediately after the [REDACTED].

---

## SUMMARY

---

For more information, see “Relationship with Our Controlling Shareholders.”

### **RISK FACTORS**

Our business is subject to certain risks involved in our operations, including but not limited to risks relating to our business and the industry in which we operate, risks relating to the [REDACTED] and risks relating to statements made in this document. We believe that the following are some of the major risks that we face: (i) we derive a significant portion of our revenue from our major customers and we cannot assure you that we will successfully maintain business relationships with our major customers and there is no assurance that we will be able to secure new orders from other customers of similar size; (ii) we operate in a cyclical industry and we may not be able to diversify our customer portfolio and expand into new markets; (iii) we do not enter into long-term agreements with most of our customers; (iv) our cash flows and working capital may deteriorate due to potential mismatch in time between receipt of payments from our customers, and payments to our third party suppliers and service providers and failure of our customers to pay the amounts owed to us in a timely manner may adversely affect our liquidity, financial condition and operating results; (v) share-based payments and [REDACTED] may have a material and adverse effect on our financial performance; (vi) we recorded accumulated losses during the Track Record Period, which may adversely affect our ability to declare and pay dividends; and (vii) our credit facilities contain certain covenants that may limit our ability to operate our business and any material breach of the undertakings and/or covenants in our credit facilities could adversely affect our business and financial condition.

As different investors may have different interpretations and standards for determining the materiality of a risk, you should carefully consider all of the information set forth in this document, including the risks and uncertainties described in “Risk Factors”.

### **RECENT DEVELOPMENTS AND MATERIAL ADVERSE CHANGE**

Subsequent to the Track Record Period and up to the Latest Practicable Date, we continued to focus on the provision of precision machining and precision welding services.

Based on our Group’s unaudited management accounts, our total revenue for the one month ended 31 January 2024 increased when compared to the same period in 2023, primarily due to increase in precision machining and precision welding parts and components we sold and delivered to our customers during the period.

As at 31 January 2024, each of Metasurface Technologies and SPW had a backlog of unfulfilled purchase orders of approximately S\$12.5 million and S\$10.0 million, respectively.

---

## SUMMARY

---

On 16 May 2023, as a consensus between our Group and other shareholders of Metaoptics Technologies, Metasurface Technologies transferred 125,767 ordinary shares in Metaoptics Technologies (representing approximately 33.32% of the entire issued share capital therein) to Mr. Thng at a consideration of S\$180,000 determined under an arm’s length negotiation with a premium over the par value of the ordinary shares in Metaoptics Technologies of S\$1 per share. Immediately upon completion of the share transfer, Metaoptics Technologies became our associate company (instead of a subsidiary) and was held by Metasurface Technologies as to approximately 20.19%. Such disposal led to incurrance of share-based payment of approximately S\$2.1 million during the year ended 31 December 2023 as such transfer of Metaoptics Technologies’ shareholding to Mr. Thng is perceived as a form of compensation to remunerate his past services and contribution to our Group in view of his position as an employee of our Group. Subsequent to a series of share transfers among shareholders as well as issuance of new ordinary shares to existing shareholders and new investors of Metaoptics Technologies, as at the Latest Practicable Date, Metaoptics Technologies was held by Metasurface Technologies as to approximately 18.41%.

Save as disclosed in “Financial Information — [REDACTED]”, our Directors confirm that, up to the date of this document, there has been no material adverse change to our financial, operational and/or trading position since 31 December 2023, being the date to which our most recent audited consolidated financial statements were prepared, and there has been no event since 31 December 2023 and up to the date of this document that would materially affect the information shown in our audited consolidated financial information included in the Accountant’s Report set out in Appendix I to this document.

### DIVIDENDS

During the Track Record Period and up to the Latest Practicable Date, no dividend or distribution had been declared, made or paid by our Company or any of the other companies now comprising our Group.

After completion of the [REDACTED], our Shareholders will be entitled to receive dividend declared, made or paid by us. Any declaration of dividends, however, is subject to the recommendation of our Directors at their discretion, and depending on, among other things, our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant. In addition, any declaration and payment as well as the amount of the dividends will be subject to the provisions of (i) our Articles of Association, which provides that dividends may be declared in any currency to our Shareholders in a general meeting out of the profits of the Company but no dividend shall be declared in excess of the amount recommended by the Board; and (ii) the Cayman Companies Act, which allows dividends to be paid out of sums standing to the credit of the Company’s share premium account if immediately following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business. Our dividend distribution record in the past may not be used as a

---

## SUMMARY

---

reference or basis to determine the level of dividends that may be declared or paid by us in the future. Any future declarations and payments of dividends will be at the absolute discretion of our Directors and may require the approval of our Shareholders.

### [REDACTED] STATISTICS

The statistics below are based on the assumption that [REDACTED] in issue under the [REDACTED]:

	<b>Based on the low end of the indicative [REDACTED] Range of HK\$[REDACTED] per Share</b>	<b>Based on the high end of the indicative [REDACTED] Range of HK\$[REDACTED] per Share</b>
Market capitalisation of our Shares <sup>(1)</sup>	[REDACTED]	[REDACTED]
[REDACTED] adjusted consolidated net tangible assets per Share <sup>(2)</sup>	[REDACTED]	[REDACTED]

*Notes:*

1. [The calculation of market capitalisation is based on [REDACTED] Shares expected to be in issue immediately following the completion of the [REDACTED] and the [REDACTED] but does not take into account any Shares which may be issued and allotted upon the exercise of options which may be granted under the [REDACTED] Share Option Scheme or which may be issued and allotted or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares.]
2. [The [REDACTED] adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is calculated based on [REDACTED] Shares expected to be in issue immediately following the completion of the [REDACTED] and the [REDACTED] but does not take into account any Shares which may be issued and allotted upon the exercise of options which may be granted under the [REDACTED] Share Option Scheme or which may be issued and allotted or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares.]

### [REDACTED]

The estimated total [REDACTED] in connection with the [REDACTED] (based on the mid-point of our indicative price range for the [REDACTED]) are approximately S\$[REDACTED], representing approximately [REDACTED]% of the [REDACTED] of the [REDACTED] (based on the mid-point of our indicative price range for the [REDACTED]). Our [REDACTED] are categorised into [REDACTED] expenses of approximately S\$[REDACTED] and non-[REDACTED] expenses of approximately S\$[REDACTED]. The non-[REDACTED] expenses can be further classified into fees and expenses of legal advisers and accountants of approximately S\$[REDACTED] and other fees and expenses of approximately S\$[REDACTED].

---

## SUMMARY

---

Prior to the Track Record Period, we have incurred [REDACTED] of approximately S\$[REDACTED], of which approximately S\$[REDACTED] was charged to our consolidated statement of comprehensive income and the remaining amount of approximately S\$[REDACTED] was recorded as prepayment which is to be deducted from equity after the [REDACTED]. During the Track Record Period, we had incurred [REDACTED] of approximately [REDACTED], of which approximately [REDACTED] was charged to our consolidated statement of comprehensive income and the remaining amount of approximately [REDACTED] was recorded as prepayment which is to be deducted from equity after the [REDACTED]. We expect to further incur [REDACTED] (including [REDACTED]) of approximately S\$[REDACTED] (based on the mid-point of our indicative price range for the [REDACTED]) by the completion of the [REDACTED], of which an estimated amount of approximately S\$[REDACTED] will be charged to our consolidated statement of comprehensive income for the year ending 31 December 2024 and an estimated amount of approximately S\$[REDACTED] which is directly attributable to the issue of the Shares to the public and to be deducted from equity. The aforementioned [REDACTED] are the latest practicable estimates by us and are provided for reference only and the actual amounts may differ. Based on such an estimate, our Directors expect that the aforementioned [REDACTED] will have an adverse impact on our results of operations for the year ending 31 December 2024.

### [REDACTED]

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: (i) procurement of raw materials and (ii) enhancing our human resources management, including (a) recruitment of machinists and technicians and implementing night shifts, (b) improving the remuneration packages of existing employees and (c) enhancing our in-house logistic capability;
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, which include (i) acquisition of a new coordinate measuring machine and (ii) enhancing our information system upgrading the programming software of our CNC machines;
3. approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (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;

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

---

**SUMMARY**

---

- 4. approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for repayment of certain bank borrowings which were used for general working capital purpose; 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.