
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.

Funding needs for implementing our business strategies

As at 30 April 2024, our cash and bank balances, which represents our immediately available working capital, amounted to approximately S\$11.4 million, as set out in “Financial information — Net current assets”. Our Directors consider that the amount of our cash and bank balances fluctuates from time to time, depending on the timing of (i) payment from our customers; and (ii) payment to our suppliers of raw materials and services. Therefore, the amount of our cash and bank balances as at a particular date may not fully reflect our general liquidity position.

Based on the current scale of our operations and the costs incurred by us during the Track Record Period, our Directors estimate that currently we have to incur an average monthly expense of approximately S\$[3.1] million, primarily comprising material costs, production and administrative staff costs, production overhead and other general administrative costs as well as loan and lease principal repayment, for our daily operations. In particular, as at 30 April 2024, our current liabilities of approximately S\$16.2 million (excluding our income tax payable) consist of trade and other payables, borrowings and lease liabilities. There is no assurance that our customers will repay our trade receivables in a timely manner and our working capital will not deteriorate due to potential mismatch in time between receipt of payments from our customers and payments to our third party suppliers and service providers. For details of the potential mismatch of cashflow, see “Risk Factors — 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”.

Based on the above analysis, and without taking into account other transactions that took place after 30 April 2024, our current cash resources available of approximately S\$11.4 million is sufficient to meet our average monthly expenses only for approximately [three] months. Therefore, our Directors consider that we will need to raise additional funding through the [REDACTED] to facilitate the implementation of our future plans, while maintaining sufficient working capital for our business operations.

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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 net [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.
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 in relation to our precision machining services, among which:
 - (a) approximately HK\$[REDACTED] (equivalent to approximately S\$[REDACTED]) (approximately [REDACTED]% of our total estimated [REDACTED]) will be used for enhancing our information system for our precision machining services;
 - (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 for our precision machining services;

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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.

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]

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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.

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 licenced 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.

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

Business Strategies	Implementation plans	[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) two 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]

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Business Strategies	Implementation plans	[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) 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	[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 to retain and pay remuneration for (i) five machinists for precision machining; and (ii) two 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]

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	Business Strategies	Implementation plans	[REDACTED] <i>S\$'000</i>
(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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For the period from 1 July 2025 to 31 December 2025

Business Strategies	Implementation plans	[REDACTED] S\$'000
(1) Expansion of our scale of operation	(a) To procure raw materials	[REDACTED]
	(b) (i) To retain and pay remuneration for (i) five machinists for precision machining services and two 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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Business Strategies	Implementation plans	[REDACTED] <i>S\$'000</i>
(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]

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Period from 1 January 2026 and 30 June 2026

Business Strategies	Implementation plans	[REDACTED] S\$'000
(1) Expansion of our scale of operation	(a) To procure raw materials	[REDACTED]
	(b) (i) To retain and pay remuneration for (i) five machinists for precision machining services and two technicians for precision welding services and to implement night shifts; (ii) one production planners; and one CNC programmers	[REDACTED]
	(ii) To improve the remuneration packages of existing employees	[REDACTED]
	(iii) To retain and pay remuneration for the truck driver	[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]

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;

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- (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 “Structure and Conditions of the [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.