
PROPOSED PLACEMENT OF UP TO 25,000,000 NEW SHARES AND UP TO 10,000,000 VENDOR SHARES AT THE PLACEMENT PRICE OF S\$1.140 PER SHARE

– ENTRY INTO PLACEMENT AGREEMENT

1. INTRODUCTION

1.1 The Board of Directors (the “**Board**” or “**Directors**”) of Grand Venture Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company and its controlling shareholder, Metalbank Singapore Pte. Ltd. (the “**Vendor**”), have on 3 September 2021 entered into a placement agreement (the “**Placement Agreement**”) with CGS-CIMB Securities (Singapore) Pte. Ltd. (the “**Placement Agent**”) for the issuance and sale of ordinary shares in the capital of the Company (“**Shares**”).

1.2 Pursuant to the Placement Agreement,

1.2.1 the Company has agreed to issue, by way of placement, and the Placement Agent has agreed to procure subscribers on a best efforts basis for, an aggregate of up to 25,000,000 new Shares (the “**New Shares**”) at an issue price of S\$1.140 for each New Share (the “**Placement Price**”), amounting to an aggregate consideration of up to S\$28,500,000 (the “**GVT Placement**”); and

1.2.2 the Vendor has agreed to offer, by way of placement, and the Placement Agent has agreed to procure purchasers on a best efforts basis for, an aggregate of up to 10,000,000 existing Shares (the “**Vendor Shares**”, together with the New Shares, the “**Placement Shares**”) at the Placement Price (the “**Vendor Placement**”, together with the GVT Placement, the “**Proposed Placement**”). Please refer to section 7 below for further details on the Vendor Placement.

1.3 The Proposed Placement is not underwritten and will be undertaken by way of an exempt offering in Singapore in accordance with Section 274 (institutional investors) and Section 275 (accredited investors and certain other persons) of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, no prospectus, offer document or offer information statement will be issued by the Company or the Vendor in connection with the Proposed Placement.

2. THE GVT PLACEMENT

2.1 Placement Price

The Placement Price represents a discount of approximately 7.8% to the volume weighted average price of the Shares of S\$1.236, for trades done on the SGX-ST on 31 August 2021 and 1 September 2021¹, being the last preceding full

¹ The Company had on 1 September 2021, 09:35 am requested for a trading halt and during which the Placement Agreement was signed on 3 September 2021.

market day and up to the time which the Placement Agreement was signed, and is within the 10% discount limit stipulated in Rule 811(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

2.2 The New Shares

2.2.1 The New Shares represent approximately 8.2% of the existing issued and paid-up share capital of the Company comprising 305,780,000 Shares as at the date of this announcement (excluding treasury shares) ("**Existing Share Capital**") and will represent approximately 7.6% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) of 330,780,000 Shares (assuming that the maximum 25,000,000 New Shares have been subscribed for under the GVT Placement) ("**Enlarged Share Capital**").

2.2.2 The New Shares will be delivered to the end-places freely transferable, free and clear from any pledge, lien, charge security interest, encumbrance, claim, equitable interest or other third party right whatsoever and shall rank in all respects *pari passu* with the existing Shares, save for dividends, rights, allotments and other distributions, the record date of which falls on or before the relevant date of allotment and issue of the New Shares.

2.2.3 The New Shares will not be placed to any person who is a Director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Catalist Rules, unless such subscription is otherwise agreed to by the SGX-ST.

2.3 Authority for the issue of the New Shares

The New Shares will be allotted and issued pursuant to the general share issue mandate (the "**General Mandate**") granted by shareholders of the Company (the "**Shareholders**") to the Directors pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, by way of an ordinary resolution passed at the annual general meeting of the Company on 27 April 2021 (the "**2021 AGM**"). Please refer to section 6 below for further details on the General Mandate.

3. SALIENT TERMS OF THE PLACEMENT AGREEMENT

3.1 Placement Commission

In consideration of the agreement of the Placement Agent procuring end-places on a best efforts basis for the Placement Shares, each of the Company and the Vendor shall pay to the Placement Agent, a placement commission (including incentive fee, if any) of between 2.5% and 3.0% of the Placement Price multiplied by the aggregate number of New Shares or Vendor Shares (as the case may be) for which the Placement Agent has sold or procured the subscription or purchase (as the case may be) for.

3.2 Placement Completion

Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement ("**Completion**") shall take place at 5.00 p.m. (the "**Completion Time**") on the date falling no later than four (4) business days after all the conditions precedent under the Placement Agreement (save for the condition set out in section 3.3.1 below which shall be satisfied or waived on the Completion Date) have been satisfied or waived (as the case may be) (the "**Completion Date**") or such other date and time as the parties to the Placement Agreement may agree.

Against delivery of the Placement Shares by the Company and the Vendor, the Placement Agent shall make payment to, or procure that payment is made to, (i) the Company of the net proceeds in respect of the New Shares; and (ii) the Vendor of the net proceeds in respect of the Vendor Shares, by the Completion Time on the Completion Date.

3.3 Conditions Precedent

Completion of the Proposed Placement pursuant to the Placement Agreement is conditional upon, *inter alia*, the following conditions:

- 3.3.1 all representations and warranties and other statements of the Company and the Vendor being, at and as of the Completion Date with references to the then existing circumstances, true and correct in all respects and the Company having performed all of its undertakings or obligations hereunder to be performed on or before the Completion Date;
- 3.3.2 in respect of the GVT Placement, the receipt of in-principle approval from the SGX-ST for the listing and quotation of the New Shares on the SGX-ST and not having been revoked or amended, and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent and the Company, and, to the extent that any conditions for the listing and quotation of the New Shares on the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled;
- 3.3.3 the transactions contemplated by the Placement Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority (including without limitation, the Monetary Authority of Singapore and the SGX-ST)) in Singapore or any other jurisdiction which is applicable to the Company, the Vendor or the Placement Agent;
- 3.3.4 subsequent to the execution and delivery of the Placement Agreement, there shall not have occurred any circumstance, event or situation which is or are likely to have a Material Adverse Effect or, in the reasonable judgment of the Placement Agent, is likely to be materially adverse in the context of the Proposed Placement or makes or is reasonably likely to make it impracticable or inadvisable or inexpedient to proceed therewith or, in the opinion of the Placement Agent, is likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market; and
- 3.3.5 each of the Company and the Vendor providing the Placement Agent with a certified true copy of the resolution approving its entry into the Placement Agreement.

For the purposes of this section 3.3, "**Material Adverse Effect**" shall mean any material adverse effect on (a) the financial condition, prospects, earnings, business, properties, assets or results of operations of the Group taken as a whole whether or not arising from transactions in the ordinary course of business; or (b) the ability of the Company to perform in any material respect its obligations under the Placement Agreement.

3.4 Lock-Up

From the date of the Placement Agreement until the date falling 90 days from the date of the Placement Agreement (both dates inclusive), the Company will not, without the consent of the Placement Agent, directly or indirectly:

- 3.4.1 allot, offer, issue, sell, contract to issue, grant any option, warrant or other right to subscribe or purchase, grant security over, encumber (whether by way of mortgage, assignment of rights, charge, pledge, pre-emption rights, rights of first refusal or otherwise), or otherwise dispose of or transfer, any Shares or any other securities

of the Company or its consolidated subsidiaries (each a “**Group Company**”) (including any equity-linked securities, perpetual securities and any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of the Company or any Group Company), whether such transaction is to be settled by delivery of Shares or other securities of the Company or Group Company, or in cash or otherwise;

3.4.2 enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any securities of the Company or any Group Company, or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of the Company or any Group Company), whether such transaction is to be settled by delivery of Shares or other securities of the Company or Group Company (including any securities convertible into, or exercisable or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of the Company or any Group Company), or in cash or otherwise;

3.4.3 enter into a transaction which is designed or which may reasonably be expected to result in any of the above;
or

3.4.4 announce or publicly disclose any intention to do any of the above,

provided, however, that the foregoing restrictions shall not apply in respect of (a) the New Shares; and (b) the entry into and the issuance of Shares in connection with any acquisitions or joint ventures proposed by the Company, provided that the issue price per Share be at no more than 10% discount to the 30-day volume weighted average price per Share prior to the date of announcing the intention of, or entry into, such acquisition or joint venture.

4. RATIONALE OF THE GVT PLACEMENT AND USE OF PROCEEDS

4.1 Rationale

In line with the Group’s growth plans, the proceeds raised from the GVT Placement will be deployed to build on the Group’s competencies, customer base, and scale of its capacity. Notwithstanding that the Company has yet to fully utilise the proceeds from its initial public offering and placement exercise completed on 15 March 2021, the GVT Placement is beneficial for the Group as it will provide additional resources and funding for the Group’s future strategic investments and/or acquisitions, and capital expenditures for growth of the Group’s business. The GVT Placement will also further strengthen the Group’s financial position and capital base to support the operational requirements of the Group.

In line with the Company’s intention to undertake a transfer of listing to the Mainboard of the SGX-ST as announced on 1 September 2021, the Proposed Placement will also allow the Company to increase its share trading liquidity, public float and Shareholder count.

4.2 Use of Proceeds

4.2.1 The estimated net proceeds from the GVT Placement, after deducting estimated fees and expenses (including listing and application fees, the placement commission and incentive fees (if any) payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$1.0 million), is approximately S\$27.5 million (the “**Net Proceeds**”). The Company intends to apply such Net Proceeds in the following estimated proportions:

Proposed use of Net Proceeds	% of Net Proceeds from the GVT Placement
Expansion via mergers and acquisitions, joint ventures and partnerships	40% - 45%
Investing and enhancing operational and engineering capabilities	40% - 45%
General working capital	10% - 20%
Total	100%

4.2.2 Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

4.2.3 The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

4.3 Confirmation by the Directors

In accordance with Rule 810(1)(c) of the Catalist Rules, the Directors are of the opinion that, after taking into consideration:

4.3.1 the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements, and the GVT Placement is being undertaken for the aforesaid reasons and the proposed use of Net Proceeds; and

4.3.2 the present bank facilities available to the Group and the Net Proceeds arising from the GVT Placement, the working capital available to the Group is sufficient to meet its present requirements.

5. FINANCIAL EFFECTS OF THE GVT PLACEMENT

5.1 The *pro forma* financial effects of the GVT Placement on the Group are set forth below and have been computed based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2020 ("FY2020") and six-month financial period ended 30 June 2021 ("1HFY2021"). The financial effects of the GVT Placement are based on the following assumptions:

5.1.1 the maximum 25,000,000 New Shares have been subscribed for under the GVT Placement;

5.1.2 the estimated fees and expenses (including the placement commission payable to the Placement Agent) incurred by the Company in connection with the GVT Placement is approximately S\$1.0 million;

5.1.3 the financial effect on the net tangible assets ("NTA") per Share is computed based on the assumption that the GVT Placement was completed on 31 December 2020 for illustrating the *pro forma* financial effects for FY2020 or 30 June 2021 for illustrating the *pro forma* financial effects for 1HFY2021; and

5.1.4 the financial effect on the earnings per Share (“EPS”) is computed based on the assumption that the GVT Placement was completed on 1 January 2020 for illustrating the *pro forma* financial effects for FY2020 and 1 January 2021 for illustrating the *pro forma* financial effects for 1HFY2021.

5.2 The *pro forma* financial effects of the GVT Placement are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual financial position of the Group following Completion.

5.3 Share Capital

	Number of Shares (excluding treasury shares)
Before the GVT Placement ⁽¹⁾	305,780,000
After the GVT Placement ⁽²⁾	330,780,000

Notes:

(1) Based on the Existing Share Capital of 305,780,000 Shares as at the date of this announcement. The Company has no treasury shares or subsidiary holdings.

(2) Assuming that the maximum number of New Shares have been subscribed for under the GVT Placement, an aggregate of 25,000,000 New Shares will be issued upon Completion.

5.4 NTA per Share

	Before the GVT Placement	After the GVT Placement
NTA as at 31 December 2020 (S\$'000)	34,826	62,326
Number of issued shares as at 31 December 2020	234,253,000	259,253,000
NTA per Share (Singapore cents) as at 31 December 2020	14.87	24.04
NTA as at 30 June 2021 (S\$'000)	66,633	94,133
Number of issued shares as at 30 June 2021	305,780,000	330,780,000
NTA per Share (Singapore cents) as at 30 June 2021	21.79	28.46

5.5 EPS

	Before the GVT Placement	After the GVT Placement
Profit attributable to Shareholders for FY2020 (S\$'000)	5,216	4,216
Weighted average number of issued Shares for FY2020	234,253,000	259,253,000
EPS for FY2020 (Singapore cents)	2.23	1.63
Profit attributable to Shareholders for 1HFY2021 (S\$'000)	8,508	7,508
Weighted average number of issued Shares for 1HFY2021	276,932,000	301,932,000
EPS for 1HFY2021 (Singapore cents)	3.07	2.49

6. MANDATE FOR THE ISSUANCE OF THE NEW SHARES

6.1 The New Shares will be allotted and issued pursuant to the General Mandate. The General Mandate grants authority to the Directors to, *inter alia*, allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of the 2021 AGM, of which the aggregate

number of shares to be issued other than on a pro rata basis to existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of the 2021 AGM.

- 6.2 As at the date of the 2021 AGM, the issued and paid-up share capital of the Company was 305,780,000 Shares. As no Shares were issued under the General Mandate since the 2021 AGM, the maximum number of Shares to be issued other than on a pro rata basis is 152,890,000 Shares. Accordingly, the proposed allotment and issue of up to 25,000,000 New Shares is within the limit of the General Mandate.
- 6.3 The Company (through its Sponsor) will be making an application to the SGX-ST for the listing and quotation of the New Shares on the Catalist of the SGX-ST. The Company will make the necessary announcements in due course upon obtaining the listing and quotation notice from the SGX-ST.

7. THE VENDOR PLACEMENT

- 7.1 As at the date of this announcement, the Vendor is a controlling Shareholder of the Company and holds 94,952,000 Shares representing approximately 31.05% of the Existing Share Capital of the Company.
- 7.2 The Vendor Shares represent approximately 3.3% of the Existing Share Capital of the Company and will represent approximately 3.0% of the Enlarged Share Capital of the Company.
- 7.3 As announced on 1 September 2021, the Company has been informed that the individual shareholders of the Vendor (the "**Metalbank Shareholders**") have expressed an intention to hold their Shares directly and accordingly, the Vendor will be transferring its Shares to the Metalbank Shareholders in proportion to their respective shareholdings in the Vendor, in consideration of a reduction in the number of shares held by the Metalbank Shareholders in the Vendor (the "**Distribution**"). Following the completion of the Distribution, it is expected that the Vendor will cease to be a Shareholder.
- 7.4 The Distribution is expected to take place following Completion of the Proposed Placement.
- 7.5 Similar to the undertaking provided by the Company in section 3.4 above, the Vendor will not, without the consent of the Placement Agent and from the date of the Placement Agreement until the date falling 90 days from the date of the Placement Agreement (both dates inclusive), directly or indirectly:
- 7.5.1 allot, offer, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Shares that it owns as at the date of the Placement Agreement and as at the Completion Date (the "**Vendor Lock-up Shares**"), or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vendor Lock-up Shares, or enter into a transaction that would have the same effect;
- 7.5.2 enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Vendor Lock-up Shares, or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Vendor Lock-up Shares;
- 7.5.3 enter into any transaction which is designed or which may reasonably be expected to result in any of the above;
or
- 7.5.4 announce or publicly disclose any intention to do any of the above,

provided, however, that the foregoing restrictions shall not apply (a) in respect of the Vendor Shares; (b) in respect of any transfer or distribution of the Vendor Lock-up Shares by the Vendor to the Metalbank Shareholders or their designated nominee bank or sub-depository accounts in proportion to their respective shareholdings in the Vendor as at the date of the Placement Agreement, provided that prior to any such transfer or distribution of the Vendor Lock-up Shares to Lee Tiam Nam and/or Ng Wai Yuen Julian, the Vendor shall procure that a separate letter of undertaking be provided by each of Lee Tiam Nam and Ng Wai Yuen Julian (as the case maybe) in respect of the foregoing restrictions, which shall be effective from the date of such letter of undertaking to until the date falling 12 months from the date of the Placement Agreement (both dates inclusive); and (c) in any event, in respect of all the Vendor Lock-up Shares after the Completion Date if the aggregate number of Vendor Shares which the Placement Agent has sold or procured the purchase of is less than 10,000,000.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this announcement, none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Placement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement. The Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be available for inspection during normal business hours at the registered office of the Company at 2 Changi North Street 1, GVT Building, Singapore 498828 for a period of three (3) months commencing from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6542 3000 prior to making any visits to arrange for a suitable time slot for the inspection.

11. FURTHER ANNOUNCEMENTS

The Company will continue to keep Shareholders updated and release announcements relating to the Proposed Placement (including any material developments and progress made) as may be appropriate from time to time.

12. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Placement remains subject to, amongst others, the fulfilment of the conditions precedent under the Placement Agreement. There is no certainty or assurance that the conditions precedent for the Proposed Placement can be fulfilled or that the Proposed Placement will be undertaken at all. Shareholders,

securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

BY ORDER OF THE BOARD

LEE TIAM NAM

Executive Chairman

3 September 2021

IMPORTANT NOTICE

Not for distribution, directly or indirectly, in or into the United States.

This announcement is for information only and does not constitute or form part of any offer to purchase, a solicitation of an offer to purchase, an offer to sell or an invitation or solicitation of an offer to sell, issue or subscribe for, securities in or into the United States or to U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")). No securities mentioned herein have been, or will be, registered under the U.S. Securities Act, or any state securities laws or other jurisdiction of the United States and no such securities may be offered or sold in or into the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and any applicable state or local securities laws of the United States. The securities referred to in this announcement will be offered and sold only outside the United States to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act. The Company does not intend to register any portion of the offering in the United States of America or to conduct a public offering of securities in the United States of America or to, or for the account or benefit of, U.S. persons.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore: The Placement Shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

*This document has been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist. This document has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr Jason Chian, Head, Corporate Finance, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*