



Grand Venture Technology Limited

(Company Registration Number 201222831E)

NEWS RELEASE

GRAND VENTURE TECHNOLOGY REPORTS 283% JUMP IN 1H21 NET PROFIT TO \$8.5M

- ✓ 1H21 bottom-line exceeded that of full year 2020
 - ✓ Revenue doubled to \$53.5M year-on-year
 - ✓ Improved gross margins on higher capacity utilisation
 - ✓ Declares interim dividend of 0.5 Singapore cents per share
- ✓ Demand for services across the board expected to remain strong in 2H21

Singapore, 10 August 2021 – Homegrown manufacturing solutions and services provider, **Grand Venture Technology Limited**, together with its subsidiaries (杰纬特科技有限公司, “GVT”, or the “Group”) has registered a 282.7% surge in net profit to \$8.5 million in the six months ended 30 June 2021 (“1H21”), from \$2.2 million in the preceding corresponding period (“1H20”). The marked improvement in performance came on the back of an approximate two-fold increase in revenue to \$53.5 million in 1H21, compared to \$26.9 million in 1H20, as robust customer demand lifted business activity across all its business segments.

In line with the increased profitability, earnings per share rose to 3.07 Singapore cents, from 0.95 Singapore cents in 1H20. In conjunction with its improved performance, the Group has declared its first cash dividend of 0.5 Singapore cents per share, which will be paid out to shareholders in September 2021.

Financial Highlights

\$'million	6 months ended 30 June		Change
	2021	2020	%
Revenue	53.5	26.9	98.9
Semiconductor	38.9	18.2	113.7
Life Sciences	8.3	5.1	62.2
Electronics, Medical & Others	6.3	3.6	76.8
Gross profit	17.7	8.0	120.7
Net profit	8.5	2.2	282.7
EPS (Sgp cents)	3.07	0.95	223.7

The Semiconductor segment recorded a 113.7% growth in revenue to \$38.9 million, compared to \$18.2 million a year ago. The strong demand was driven by the global push towards digitalisation, consumer electronics, data, 5G, electronic vehicles, artificial intelligence and internet of things. Nevertheless, the Group's growth was partially constrained by the movement control order in Malaysia that was implemented on 12 May 2021.

Revenue for the Life Sciences segment rose 62.2% to \$8.3 million, from \$5.1 million in 1H20, as the Group commenced mass production of mass spectrometers, following the qualification of its new product introductions by customers, and higher demand for such equipment for use in areas including drug discovery, and vaccine production and testing.

The Electronics, Medical and Others segment recorded a 76.8% rise in revenue to \$6.3 million, from \$3.6 million a year ago, driven by stronger demand for electronics products and the Group's penetration into the medical sector with its production of surgical microscopes for neurosurgery.

The Group's operations in 1H20 were weighed down by Covid-19 containment measures introduced in Malaysia and China, which had led to a temporary shutdown of its Malaysia and Suzhou factories. This was aggravated by supply chain disruptions on the customers' end, which resulted in production inefficiencies. With the stabilisation and easing of the situation for most of 1H21 facilitating an improvement in capacity utilisation and greater economies of scale, gross profit rose 120.7% to \$17.7 million, from \$8.0 million in 1H20. This translated to higher gross margin of 33.1%, versus 29.8% in 1H20.

Commenting on the results, Executive Chairman Mr Ricky Lee said, "We are glad to be able to build on the growth momentum from 2020 and capitalise on the strong demand in the various business segments to deliver a robust performance for 1H21. This is especially so given that the Covid-19 control measures in the countries where we operate had put a cap on our productivity levels. We look forward to the day when the situation improves, and we can fully realise our productivity potential."

Outlook

With demand from the semiconductor and life sciences segment holding strong, the Group expects to experience increased level of business activity in the ensuing months. In light of this, it will be building up its working capital to meet our customers' needs. At the same time, it is also enhancing its capabilities in advanced materials and expanding customer base in the medical and life sciences industries, both organically and inorganically.

Nevertheless, even with the bright outlook, the Group is mindful that potential measures introduced by governments of Singapore and Malaysia to stem the recent spike in Covid-19 cases could lead to supply chain disruptions. In this regard, it is closely monitoring the situation in both countries as it prepares to react nimbly, in the event that such measures are introduced.

Dividend Policy

Going forward, GVT also expects to continue with a dividend payout ratio of up to 20%, subject to its profit performance, balance sheet and cash flow requirements, as well as the availability of market opportunities for value-creating investments.

About Grand Venture Technology Limited (“GVT”)

Founded in 2012, GVT is a fast-growing and trusted solutions and services provider for the manufacture of complex precision machining and sheet metal components and mechatronics modules. Its manufacturing plants in Singapore, Penang (Malaysia) and Suzhou (China) are backed by the latest automated manufacturing technologies, Class 10,000 cleanroom facilities and a certified quality management system. The Group’s highly experienced and dedicated team of engineering talent serves a strong global network of established partners and suppliers with a wide range of engineering, assembly, testing and product life cycle management solutions. Its ISO13485:2016 certification bears further testament of its ability to consistently meet applicable regulatory requirements for the manufacture of medical devices.

GVT’s portfolio of customers hail from the semiconductor, electronics, analytical life sciences, medical and industrial automation industries, and represent some of the largest OEMs in their respective markets. The Group was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) Catalist in 2019. Visit <http://www.gvt.com.sg> for more information.

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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.