

Prepared on: 15 January 2019



GRAND VENTURE TECHNOLOGY LIMITED
(Company Registration Number: 201222831E)
(Incorporated in Singapore on 17 September 2012)

INVITATION IN RESPECT OF ORDINARY SHARES (“SHARES”) IN THE CAPITAL OF GRAND VENTURE TECHNOLOGY LIMITED (THE “COMPANY”, AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”) PURSUANT TO WHICH THE COMPANY IS ISSUING 42,918,000 SHARES (THE “INVITATION SHARES”) COMPRISING: (A) A PUBLIC OFFER OF 800,000 ORDINARY SHARES (“OFFER SHARES”); AND (B) A PLACEMENT OF 42,118,000 ORDINARY SHARES (“PLACEMENT SHARES”), AT THE PRICE OF S\$0.275 (THE “INVITATION PRICE”) FOR EACH INVITATION SHARE (THE “INVITATION”)

Prior to making a decision to purchase the Invitation Shares, you should carefully consider all the information contained in the offer document dated 15 January 2019 issued by the Company in respect of the Invitation (the “Offer Document”). This Product Highlights Sheet should be read in conjunction with the Offer Document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Invitation Shares, you should consult your legal, financial, tax or other professional adviser.

This Product Highlights Sheet is an important document⁽¹⁾.

- It highlights the key information and risks relating to the Invitation contained in the Offer Document. It complements the Offer Document⁽²⁾.
- You should not purchase the Invitation Shares if you do not understand the nature of an investment in our ordinary shares, our business or if you are not comfortable with the accompanying risks.
- If you wish to subscribe for the Invitation Shares, you will need to make an application in the manner set out in the Offer Document. If you do not have a copy of the Offer Document, please contact the Company, the Sponsor and Issue Manager or the Underwriter and Placement Agent to ask for one.

Issuer	Grand Venture Technology Limited	Place of incorporation	Singapore
Details of the Invitation	42,918,000 Invitation Shares comprising: (a) 800,000 Offer Shares; and (b) 42,118,000 Placement Shares	Total amount to be raised in this Invitation	Gross proceeds of approximately S\$13.2 million and net proceeds of approximately S\$10.9 million will be raised from the issuance of the Invitation Shares and the Cornerstone Subscription

⁽¹⁾ This Product Highlights Sheet does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Any decision to subscribe for any securities must be made solely on the basis of information contained in the Offer Document. Capitalised terms used in this Product Highlights Sheet, unless otherwise defined, shall bear the meanings as defined in the Offer Document.

⁽²⁾ The Offer Document, registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore on 15 January 2019, may be obtained on request, subject to availability, during office hours from CGS-CIMB Securities (Singapore) Pte. Ltd., CGS-CIMB Investment Centre, 50 Raffles Place, #01-01, Singapore Land Tower, Singapore 048623 or accessible on the SGX-ST’s website at <http://www.sgx.com>.

Invitation Price	S\$0.275 for each Invitation Share	Listing status of issuer and the securities	Acceptance of applications will be conditional upon, amongst others, the allotment and issuance of the Invitation Shares and permission being granted by the SGX-ST for the listing and quotation of all the Company's existing issued shares, the Invitation Shares, the Cornerstone Shares, the Option Shares and the Award Shares. The Shares are expected to be listed on 23 January 2019
Sponsor and Issue Manager	CIMB Bank Berhad, Singapore Branch	Underwriter and Placement Agent	CGS-CIMB Securities (Singapore) Pte. Ltd.

OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

OUR BUSINESS

We are a trusted manufacturing solutions and service provider for the semiconductor, analytical life sciences, electronics and other industries, with operations in Singapore, Malaysia (Penang) and the PRC (Suzhou). We serve some of the largest OEMs in these industries, by providing a range of engineering, assembly, testing and product lifecycle management services for the manufacture of complex precision machining and sheet metal components and modules.

We primarily serve three (3) industries:

- Semiconductor** – Our services and products cater to customers who are leading capital equipment manufacturers for semiconductor and electronics manufacturing and assembly solutions that in turn support the global automotive, consumer, communications, industrial and computing industries. We manufacture and supply key and high-precision components such as chamber lids, cooldown plate bases, hinge brackets, “SFD” type pivots that go into the vacuum chamber of chemical vapour disposition equipment, machine bases, as well as assemble complex modules, such as linear guides, that are used in the manufacture of die bonders, wire bonders and wedge bonders equipment. We also manufacture and supply key and high-precision components such as bridge plate bases that are used in automated test machines, as well as assemble complex modules, such as zero insertion force (ZIF) assemblies.
- Analytical Life Sciences** – We manufacture and supply key components of both single and hybrid mass spectrometers (eg. vacuum chambers and interfaces, and complex parts of the mass filters and the ion source). We also assemble key modules of ion source for mass spectrometers. We also manufacture key components of high performance liquid chromatography instruments (eg. manifolds, valves and plugs) used in laboratories for environmental testing, food and beverage testing, pharmaceutical applications, forensics screening and clinical diagnosis.
- Electronics and Others** – We mainly manufacture key and high-precision components, such as key components of feeder systems in surface mount technology (SMT) machines, as well as assemble the complex modules thereof, for customers who produce a range of industrial automation and manufacturing equipment. From time to time, we also provide customised engineering solutions to customers who are involved in the hard disk drive, automotive and general industrial applications industries.

Further Information

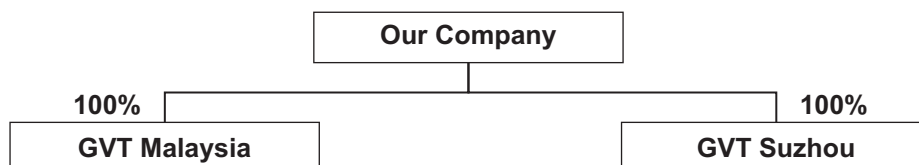
Refer to “*Offer Document Summary – Overview of our Group*” on page 25 of the Offer Document and “*General Information on our Group – our Business*” on pages 108 to 109 of the Offer Document for more information.

Refer to “*Group Structure*” on page 69 of the Offer Document for the detailed structure of our Group.

Since our Group's establishment, we have received multiple awards and accreditations from various industry authorities such as ISO 9001, AS9100D and bizSAFE Level 3. In addition to the above, we routinely receive recognition from our customers. Most recently, in 2018, we received the "Best Performance Supplier 2017/2018 (Fabrication Part)" award from Besi APac Sdn. Bhd., a subsidiary of BE Semiconductor Industries N.V..

OUR GROUP STRUCTURE

The structure of our Group as at the date of this Product Highlights Sheet is summarised below:



WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

DIRECTORS

- Mr. Lee Tiam Nam (Executive Chairman)
- Mr. Ng Wai Yuen Julian (Wu Weixian Julian) (Chief Executive Officer and Executive Director)
- Mr. Liew Yoke Pheng Joseph (Lead Independent Director)
- Mr. Pong Chen Yih (Independent Director)
- Ms. Heng Su-Ling Mae (Independent Director)

EXECUTIVE OFFICERS

- Mr. Tan Chun Siong (Chief Operating Officer)
- Mr. Wang Leon Kai (Chief Financial Officer)
- Mr. Lu Jinfeng (陆锦峰) (General Manager (China))
- Mr. Kong Sang Wah (Managing Director (Malaysia))
- Mr. Saw Yip Hooi (Group Senior Director of Sales)

Refer to "Directors, Executive Officers and Employees – Directors" and "Directors, Executive Officers and Employees – Executive Officers" on pages 149 to 155 of the Offer Document for more information.

WHO ARE OUR CONTROLLING SHAREHOLDERS?

Our Controlling Shareholders and their respective shareholdings as a percentage of our Company's total share capital immediately before and after the Invitation (and the Cornerstone Subscription) are set out below:

	Immediately before the Invitation		Immediately after the Invitation	
	Direct Interest (%)	Deemed Interest (%)	Direct Interest (%)	Deemed Interest (%)
Mr. Lee Tiam Nam ⁽¹⁾	-	71.7	-	57.0
Metalbank Singapore Pte. Ltd. ⁽²⁾	71.7	-	57.0	-

Notes:

- Our Executive Chairman, Mr. Lee is deemed interested in Metalbank Singapore Pte. Ltd.'s ("**Metalbank**") Shares by virtue of his 43.6% shareholding in Metalbank.
- Metalbank is an investment holding company incorporated in Singapore whose shareholders are certain executives of the Group who swapped shareholdings in the Company for shares in Metalbank on 1 February 2018. Metalbank's shareholders and their respective shareholdings are as follows: Mr. Lee Tiam Nam (43.6%), Mr. Ng Wai Yuen Julian (Wu Weixian Julian) (11.6%), Mr. Tan Chun Siong (11.6%), Mr. Kong Sang Wah (11.6%), Mr. Saw Yip Hooi (11.6%), Mr. Ng Kok Chai (4.1%), Mr. Loh Kien Giap (4.1%) and Mr. Chan Kok Heong (1.7%).

Refer to "Shareholders – Shareholding and Ownership Structure" on pages 59 to 61 of the Offer Document for more information.

HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

Key Profit and Loss Information

(S\$'000)	← Audited →		→ Unaudited Pro Forma ⁽¹⁾ ←	
	FY2015	FY2016	FY2017	FY2017
Revenue	8,819	15,794	30,856	33,926
Gross Profit	881	3,968	8,433	9,067
Profit/(loss) before tax	(2,501)	142	2,582	3,230
Profit/(loss) after tax ⁽²⁾	(2,436)	102	3,840	4,420
EPS (cents)⁽²⁾	(1.31)	0.05	2.06	2.37
EPS (fully diluted) (cents)⁽³⁾	(1.04)	0.04	1.64	1.89

(S\$'000)	← Unaudited →		→ Pro Forma ⁽¹⁾ ←
	HY2017	HY2018	HY2018
Revenue	15,839	21,848	21,848
Gross Profit	4,688	7,022	7,022
Profit/(loss) before tax	2,026	3,957	3,957
Profit/(loss) after tax ⁽²⁾	2,051	2,875	2,875
EPS (cents)⁽²⁾	1.10	1.54	1.54
EPS (fully diluted) (cents)⁽³⁾	0.88	1.23	1.23

Notes:

- (1) Presented based on pro forma adjustments for: (i) conversion of convertible loans into 800,000 Shares (before the Sub-Division) to the holders thereof in February 2018, (ii) acquisition of business assets of Suzhou Industrial Park Excellence Precision Machinery Co., Ltd. (苏州工业园区卓冠精密机电有限公司) and Suzhou Industrial Park Innovation Precision Machinery Co., Ltd. (苏州工业园区创新精密机械有限公司) in January 2018 and (iii) issuance of 800,000 Shares (before the Sub-Division) to ZG Innotech Pte. Ltd. in July 2018.
- (2) For comparative purposes, EPS is calculated based on net profit attributable to equity holders of our Company for the year or period, as the case may be, and our pre-Invitation share capital of 186,240,000 Shares. This represents profit/(loss) after tax attributable to our Shareholders as we do not have non-controlling interests.
- (3) For comparative purposes, EPS is calculated based on net profit attributable to equity holders of our Company for the year or period, as the case may be, and our post-Invitation share capital of 234,253,000 Shares (assuming also, the completion of the Cornerstone Subscription).

Key Balance Sheet Information

(S\$'000)	← Audited →		
	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017
Current assets	6,473	11,690	16,948
Non-current assets	20,122	20,851	21,817
Current liabilities	13,054	20,231	15,420
Non-current liabilities	10,620	9,393	16,465
Total equity	2,921	2,917	6,881
NAV per Share (cents)⁽¹⁾	1.57	1.57	3.69

Refer to "Offer Document Summary Financial Highlights" on pages 27 to 28, and "Management's Discussion and Analysis of Results of Operations and Financial Position" on pages 72 to 100 of the Offer Document for more information on our financial performance and position.

(S\$'000)	Unaudited		
	Pro Forma as at 31 December 2017	As at 31 June 2018	Pro Forma As at 30 June 2018
Current assets	17,455	26,362	27,562
Non-current assets	23,510	25,400	25,400
Current liabilities	13,013	23,019	22,019
Non-current liabilities	16,465	16,337	16,337
Total equity	11,488	12,405	14,605
NAV per Share (cents)⁽¹⁾	6.17	6.66	7.84

Note:

(1) For comparative purposes, NAV per Share is calculated based on the NAV of our Group for the year or period, as the case may be, and our pre-Invitation share capital of 186,240,000 Shares.

Key Cash Flow Information

(S\$'000)	Audited FY2015	Audited FY2016	Audited FY2017
Net cash generated from operating activities	90	1,760	2,912
Net cash (used in) investing activities	(421)	(2,365)	(650)
Net cash generated from / (used in) financing activities	466	599	(892)
Net increase/(decrease) in cash and cash equivalents	135	(6)	1,370
Effect of foreign exchange rate changes	79	7	3
Cash and cash equivalents at beginning of the year/period	(395)	(181)	(180)
Cash and cash equivalents at end of the year	(181)	(180)	1,193

(S\$'000)	Unaudited HY2017	Unaudited HY2018
Net cash generated from operating activities	1,571	2,387
Net cash (used in) investing activities	(934)	(2,520)
Net cash generated from financing activities	39	2,822
Net increase in cash and cash equivalents	676	2,690
Effect of foreign exchange rate changes	(13)	(13)
Cash and cash equivalents at beginning of the year/period	(180)	1,193
Cash and cash equivalents at end of the period	483	3,870

The most significant factors contributing to our financial performance in the financial year ended 31 December ("FY") 2016 as compared to FY2015 are as follows:

- Our revenue increased by approximately S\$7.0 million or 79.1%, from approximately S\$8.8 million in FY2015 to approximately S\$15.8 million in FY2016 due to an increase in revenue contribution from our Semiconductor, Analytical Life Sciences, Electronics and Others segments.
- Our overall gross profit increased by approximately S\$3.1 million or 350.7% from approximately S\$0.9 million in FY2015 to approximately S\$4.0 million in FY2016. Our overall gross profit margin increased from approximately 10.0% in FY2015 to approximately 25.1% in FY2016. The overall gross profit margin in FY2015 was low due to our low production volume as we

focused on satisfying the audit and accreditation process to be an approved vendor and to clear first articles inspections of certain new customers and products. Consequently, we did not have the economies of scale in defraying our fixed cost. Thereafter, our overall gross profit margin increased in FY2016 as we ramped up production for certain components along with the relevant assembly and testing having cleared the first articles with our customers in prior years.

- Our net profit was approximately S\$0.1 million in FY2016 as compared to a net loss of approximately S\$2.4 million in FY2015, which was in line with the increase in our revenue and gross profit.

The most significant factors contributing to our financial performance in the financial year ended FY2017 as compared to FY2016 are as follows:

- Our revenue increased by approximately S\$15.1 million or 95.4%, from approximately S\$15.8 million in FY2016 to approximately S\$30.9 million in FY2017 due to an increase in revenue contribution from our Semiconductor, Analytical Life Sciences, Electronics and Others segments.
- Our overall gross profit increased by approximately S\$4.5 million or 112.5% from approximately S\$4.0 million in FY2016 to approximately S\$8.4 million in FY2017. Our overall gross profit margin increased from approximately 25.1% in FY2016 to approximately 27.3% in FY2017. The increase in overall gross profit margin was mainly due to improved margins from our Analytical Life Sciences, Electronics and Others segment arising from cost efficiency as we ramped up production volume.
- We incurred fair value loss on convertible loan option of approximately S\$0.4 million in FY2017 as compared to fair value loss on convertible loan option of approximately S\$9,000 in FY2016 mainly due to higher fair value of the Company's share capital as at 31 December 2017 which increased the likelihood of conversion into Shares instead of redemption by these convertible loan investors.
- We recorded an income tax credit of approximately S\$1.3 million in FY2017 as compared to an income tax expense of approximately S\$40,000 in FY2016 mainly due to the recognition of deferred tax assets as a result of unused capitalised allowance arising mainly from the PIC on the purchase of machines for our Singapore operations.
- As a result of the above, our net profit was approximately S\$3.8 million in FY2017 as compared to a net profit of approximately S\$0.1 million in FY2016.

The most significant factors contributing to our financial performance in the six (6) month financial period ended 30 June ("HY") 2018 as compared to HY2017 are as follows:

- Our revenue increased by approximately S\$6.0 million or 37.9%, from approximately S\$15.8 million in HY2017 to approximately S\$21.8 million in HY2018 mainly due to an increase in revenue contribution from both our Semiconductor and Analytical Life Sciences, Electronics and Others segments.
- Our overall gross profit increased by approximately S\$2.3 million or 49.8% from approximately S\$4.7 million in HY2017 to approximately S\$7.0 million in HY2018. Our overall gross profit margin increased from approximately 29.6% in HY2017 to approximately 32.1% in HY2018. The increase in overall gross profit margin was due to improved margins from our Analytical Life Sciences, Electronics and Others segments as we commenced production of new components which command better margins.
- We did not incur any fair value loss on convertible loan option in HY2018 as the holders of the convertible loan had on 1 February 2018 exercised the option and fully converted the entire loan principal into 800,000 Shares (before the Sub-Division).

- Our income tax expense increased by approximately S\$1.1 million from an income tax credit of approximately S\$25,000 in HY2017 to an income tax expense of approximately S\$1.1 million in HY2018. The increase in income tax was due to (i) the full utilisation of the unused capitalised allowance in FY2017 and HY2018 and (ii) the incurrence of certain non-tax deductible expenses by our Singapore and Malaysia operations.
- As a result of the above, we recorded a net profit of approximately S\$2.9 million in HY2018 as compared to a net profit of approximately S\$2.1 million in HY2017.

The above factors are not the only factors contributing to our financial performance in FY2015, FY2016, FY2017, HY2017 and HY2018. Please refer to other factors set out in “Management’s Discussion and Analysis of Results of Operations and Financial Position” on pages 72 to 100 of the Offer Document.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

Our business strategy and future plans entail the following:

Enlarge our customer base in both existing and new market segments, by leveraging on our capabilities and technological know-how. Since our establishment, our Group has cultivated much goodwill and progressed steadily to become a trusted manufacturing solutions and service provider for the semiconductor, analytical life sciences, electronics and other industries.

We intend to leverage on our capabilities, technological know-how and proven track record to further expand our range of offerings to our existing customers, and to acquire new customers across our existing market segments (i.e. the semiconductor, analytical life sciences and electronics industries) via targeted sales and marketing activities. Additionally, we intend to explore new market segments that we believe we are well-poised to service, such as medical imaging, medical diagnostics and medical surgical robots. As part of this initiative, we intend to obtain further certifications from the International Organisation for Standardisation (ISO) such as ISO 13485:2016 certification, which recognises an organisation’s ability to provide medical devices and related services that consistently meet customer and applicable regulatory requirements.

As at the Latest Practicable Date, the Group is currently working on 2,128 cases of first articles relating to new projects from existing and new customers as compared to 1,050, 1,543 and 1,815 cases of first articles for FY2015, FY2016 and FY2017, respectively.

Invest in and enhance our operational and engineering capabilities. To drive our business expansion as described above:

- with respect to Singapore, we intend to: (i) invest in further enhancing our capabilities in respect of the machining of advance materials (i.e. non-conventional materials such as engineering plastics, ceramic and quartz), as well as our sub-micron machining capabilities; (ii) to build additional Class 10,000 cleanrooms; and (iii) to explore alternative manufacturing methods including but not limited to additive manufacturing such as “3D printing” and laser sintering (using a laser to sinter powdered material to create a solid structure);
- with respect to Malaysia, we intend to scale up our operations by acquiring more equipment and hiring more workers to allow us to take on high volume orders, and to enjoy greater cost savings to maintain our competitiveness;
- with respect to the PRC, we intend to expand our factory (and its equipment), as well as our capabilities such as sheet manufacturing and assembly capabilities to target both existing and new market segments such as the medical imaging and diagnostics market.

Refer to “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” on pages 138 to 139 of the Offer Document for more information on our business strategies and future plans.

<p>Simultaneous with the above, we intend to further streamline the processes in our production facilities to allow us to increase our responsiveness and efficiency. We intend to do this by transforming our Group into a “smart organisation” and to this end, we intend to implement the following in phases over the next few years:</p> <p>(i) the deployment of enterprise resource planning (ERP) systems, manufacturing execution systems (MES) and warehouse management systems (WMS), which will integrate different functionalities, enabling our Group to better monitor business processes, achieve tighter operational synergy and better information flow. This will in turn allow us to better manage work progress in our production facilities, control our inventories and streamline our warehouse operations. This is currently under implementation in Singapore and we intend to roll this out to Malaysia and PRC in phases; and</p> <p>(ii) the introduction of CNC machine tending robots which will allow our Group to automate certain processes in the loading of raw materials into and the removal of finished parts from our CNC machines. This is currently under implementation in Singapore.</p> <p>Expand our market reach, technological know-how and operational capabilities via mergers and acquisitions, joint ventures and partnerships. We intend to expand our footprint through mergers and acquisitions, joint ventures and partnerships, and we will seize opportunities as and when they arise – in particular, we seek new synergies that will allow us to expand our technological know-how and operational capabilities, as well as acquire new customers. An example of this is our recent entry into a ten (10) year Cooperation Agreement with Austrian company, SICO Technology GmbH, and its Singapore outfit, Sico Asia Quartz Pte. Ltd., to build up our quartz and ceramic machining capabilities. Pursuant thereto, we have commenced quartz machining services. Looking towards 2019, we intend to roll out ceramic machining services with SICO’s know-how.</p>	
<p>WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?</p>	
<p>Barring unforeseen circumstances, our Directors have observed the following trends for FY2018 and for the twelve (12) months from the Latest Practicable Date based on our revenue and operations as at the Latest Practicable Date:</p> <p>(a) We expect our revenue to increase in line with our order book. However, we expect demand for our services and products from customers in the semiconductor industry to be lower in the second half of FY2018 as the procurement cycle for most of our customers start in the last quarter of the preceding year when the design of new products is typically finished. Demand generally tends to be higher in the first half of the year from customers in the semiconductor industry and we expect the same for FY2019.</p> <p>(b) We expect our operating expenses to move in tandem with our level of business activities and to cater for any changes in scale of our business operations.</p> <p>(c) We expect our general and administrative expenses to increase as a result of an upward revision in the basic salaries of our Executive Directors and Executive Officers, in July 2018, to levels similar to that set out in their service agreements. We also expect our general and administrative expenses to increase in FY2019 as a result of entering into service agreements with our Executive Directors and Executive Officers in connection with our listing exercise.</p> <p>(d) We expect to incur higher expenses mainly due to non-tax deductible expenses incurred in connection with the Invitation.</p> <p>(e) We expect to incur higher Directors’ fees due to the appointment of our Independent Directors along with higher compliance costs associated with our listing status in FY2019.</p> <p>(f) In contrast to FY2017 where we recorded a tax credit, we may incur income tax expense in FY2018 and FY2019 due to the full utilisation of the unused capitalised allowance in FY2017 and HY2018.</p>	<p>Refer to “Prospects Business Strategies and Future Plans – Trend Information” on pages 137 to 138 of the Offer Document for more information on our business and financial prospects.</p>

<p>The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in “Risk Factors” on pages 30 to 50, “Management’s Discussion and Analysis of Results of Operations and Financial Position” on pages 72 to 100 and “Prospects, Business Strategies and Future Plans” on pages 136 to 139 of the Offer Document.</p>	
<p>WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?</p>	
<p>We consider the following to be the most important key risks which had materially affected or could materially affect our business operations, financial condition and results of operations, and your investment in our Shares.</p> <p>We are dependent on our relationship with our major customers. Our six (6) major customers accounted for an aggregate of 78.7%, 92.3%, 89.7% and 94.8% of our sales in FY2015, FY2016, FY2017 and HY2018 respectively.</p> <p>Typically, for our industry, we do not have any long-term supply agreements with our customers. As such, there can be no assurance that we will be able to retain our major customers or maintain or increase our current level of business activities with them. Should any of our major customers cease or reduce their orders, we may not be able to immediately establish new business relationships to make up for the lost sales. Moreover, prior to the establishing of such new business relationships, we may be subject to vetting and verification by our potential customers and there can be no assurance that the results thereof will be satisfactory. Accordingly, the business operations, financial condition, results of operations and prospects of our Group may be materially and adversely affected if we are not able to retain our major customers.</p> <p>We are exposed to the risks of our customers’ end-markets in semiconductor capital equipment, and analytical life sciences equipment, and the cyclical nature of the demand for electronic products. Our businesses serve several market segments, including the semiconductor, analytical life sciences and electronics industries. Each of these end-markets is subject to industry cycles which are beyond our control. These cycles can delay investment decisions for new capital equipment in laboratories and factory production lines, and this in turn affects the demand for the various components, services and products that we provide. In particular, the semiconductor and electronics industries have historically been volatile, alternating between industry upturns and downturns. There can be no certainty that such volatility will be reversed or arrested in future. We are thus also dependent on our customers’ ability to compete successfully in their respective businesses. Although we help our customers by offering quality engineering and competitive manufacturing services, we have no direct influence over them. In the event that our customers are not able to compete successfully in their respective businesses, or if there is a downturn (for whatever reason), our business operations, financial condition, results of operations and prospects may be adversely affected.</p> <p>We may be affected by significant increase in raw material prices. Our main raw materials are aluminium and stainless steel. The aggregate cost of such raw materials constituted an average of approximately 43.9% of our total purchases for FY2015, FY2016, FY2017 and HY2018. Prices fluctuate mainly due to changes in global supply and demand conditions for these raw materials. In the event of a significant increase in the prices of our raw materials and we are unable to pass on the price increase to our customers, or find alternative sources of raw materials of comparable quality at acceptable prices, the business operations, financial condition, results of operations and prospects of our Group may be materially and adversely affected.</p> <p>We are reliant on our suppliers and are exposed to the risk of components and raw materials shortages and price fluctuations. We rely on a regional network of suppliers to supply us with the standard components and raw materials that we do not manufacture ourselves and which are necessary to meet our commitment to our customers. If we are unable to find suitable alternatives in a timely manner, or are required to resort to suitable alternatives at higher prices, this could have a material and adverse effect on our business operations, financial condition, results of operations and prospects.</p> <p>The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial condition, results of operations, prospects and your Shares. Please refer to “Risk Factors” on pages 30 to 50 of the Offer Document for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to subscribe for the Invitation Shares, you should consider all the information contained in the Offer Document.</p>	<p>Refer to “Risk Factors” on pages 30 to 50 of the Offer Document for more information on risk factors.</p>

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at the date of this Products Highlights Sheet, our issued and paid-up share capital (as reflected on the electronic register of members maintained by ACRA) is S\$12,200,000 comprising 186,240,000 Shares. We have only one (1) class of shares, being ordinary shares. The Invitation Shares shall, upon allotment and issue, be free from all pre-emption rights, charges, liens and other encumbrances and, rank in all respects pari passu with our existing issued Shares. Shareholders will be entitled to all rights attached to their Shares in proportion to their shareholding, such as any cash dividends declared by the Company and any distribution of assets upon liquidation of the Company. There are no restrictions on the transfer of fully paid Shares except where required by law or the SGX-ST's Listing Manual Section B: Rules of Catalist or the Constitution of the Company.

Refer to "Share Capital" on pages 56 to 58 and "Appendix D – Description of our Shares" on pages D-1 to D-5 of the Offer Document for more information.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The total net proceeds to be raised from the Invitation and Cornerstone Subscription after deducting the estimated expenses incurred in connection with the Invitation of approximately S\$2.3 million (which includes underwriting and placement commissions, brokerage, management, audit and legal fees, advertising and printing expenses, listing fees payable to the SGX-ST and all other incidental expenses in relation to the Invitation) will be approximately S\$10.9 million. The following table sets out a breakdown of the intended use of the proceeds from the Invitation and Cornerstone Subscription:

Refer to "Use of Proceeds and Listing Expenses" on pages 51 to 52 of the Offer Document for more information.

Intended use	Estimated amount (S\$'000)	Estimated amount allocated for each dollar of gross proceeds raised by us from the issue of Invitation Shares and Cornerstone Subscription (in cents)
Gross proceeds from the Invitation and Cornerstone Subscription	13,204	100.0
Listing and processing fees	58	0.4
Professional fees	1,550	11.7
Underwriting and placement commissions ⁽¹⁾	354	2.7
Other expenses	351	2.7
Net proceeds from the Invitation and the Cornerstone Subscription⁽²⁾	10,891	82.5
Investing and enhancing operational and engineering capabilities	7,500	56.8
Expansion via mergers and acquisitions, joint ventures and partnerships	1,500	11.4
General working capital	1,391	10.5
Repayment of bank borrowings ⁽³⁾	500	3.8

Notes:

- (1) The amount of commission per Invitation Share, agreed upon between the Issue Manager, the Underwriter, the Placement Agent and our Company is 3% of the Invitation Price payable for each Invitation Share. For the avoidance of doubt, no commission is charged on the Cornerstone Shares.
- (2) The total estimated expenses will be borne by our Company. Approximately S\$745,000 will be capitalised against the share capital of our Company and the balance of the estimated expenses will be charged to the profit and loss account of our Company.

(3) Our Company intends to utilise approximately S\$0.5 million to partially discharge the Fixed Advance Facility I granted by DBS Bank Limited, to reduce its indebtedness and interest expense.	
WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?	
No dividends have been declared or distributed by our Company or subsidiaries during FY2015, FY2016, FY2017 or HY2018. We currently do not have a formal dividend policy. We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. The form, frequency and amount of future dividends on our Shares will depend on our cash and retained earnings, expected and actual future earnings, cash flow, working capital requirements, general financing conditions, projected levels of capital expenditure and other investment plans, restrictions on payments of dividends imposed on us by our financial arrangements (if any) as well as general business conditions and other factors as our Directors may, in their absolute discretion, deem appropriate.	Refer to “Dividend Policy” on page 55 of the Offer Document for more information.
DEFINITIONS	
COMPANIES IN OUR GROUP	
“GVT Malaysia”	: Grand Venture Technology Sdn. Bhd.
“GVT Suzhou”	: Grand Venture Technology (Suzhou) Co., Ltd. (杰纬特科技 (苏州) 有限公司)
GENERAL	
“Award Shares”	: The Shares which may be issued or transferred upon the vesting of share awards granted under the GVT Performance Share Plan
“CNC”	: Computerised Numerical Control. A precise manufacturing process via the automation of machine tools by means of computers executing pre-programmed sequences of machine control commands
“Controlling Shareholder”	: A person who (a) holds directly or indirectly 15.0% or more of the nominal amount of all the voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder, or (b) in fact exercises control over a company
“Cornerstone Shares”	: The 5,095,000 new Shares to be subscribed for, in aggregate, by Sunshine Power pursuant to the Cornerstone Subscription Agreement dated 14 December 2018
“Cornerstone Subscription”	: The subscription of Cornerstone Shares by Sunshine Power Pte. Ltd.
“EPS”	: Earnings per Share
“Executive Directors”	: The executive Directors of the Company as at the date of this Product Highlights Sheet
“Executive Officers”	: The executive officers of the Group as at the date of this Product Highlights Sheet
“Independent Directors”	: The non-executive independent Directors of the Company as at the date of this Products Highlights Sheet
“Latest Practicable Date”	: 30 November 2018, being the latest practicable date prior to the lodgement of the Offer Document with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore
“NAV”	: Net asset value
“OEM”	: Original equipment manufacturer. A manufacturer or producer of complete end products or systems who sells them under its own brand
“Option Shares”	: The Shares which may be issued upon the exercise of the options granted under the GVT Employee Share Option Scheme

“PRC”	: The People’s Republic of China
“SFA”	: The Securities and Futures Act (Chapter 289) of Singapore
“S\$” or “SGD” or “cents”	: Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares, except where the registered holder is the Central Depository (Pte) Limited, the term “Shareholders” shall, in relation to such Shares, mean the Depositors (as defined in Section 81SF of the SFA) whose Securities Accounts (as defined in Section 81SF of the SFA) are credited with Shares
“Shares”	: Fully paid ordinary shares in the capital of our Company
“Sub-Division”	: The sub-division of each Share into 19.4 Shares

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

HOW DO YOU CONTACT US?

The Company	: Grand Venture Technology Limited
Registered Office Address	: 2 Changi North Street 1, GVT Building, Singapore 498828
Telephone Number	: (65) 6542 3000
Email	: contact@gvt.com.sg
Website	: http://www.gvt.com.sg/ Please note that information on our website does not constitute part of the Offer Document or this Product Highlights Sheet and should not be relied on.
Sponsor and Issue Manager	: CIMB Bank Berhad, Singapore Branch
Address	: 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623
Telephone No.	: (65) 6337 5115
Underwriter and Placement Agent	: CGS-CIMB Securities (Singapore) Pte. Ltd.
Address	: 50 Raffles Place, #16-02 Singapore Land Tower, Singapore 048623
Telephone No.	: (65) 6538 9889