

## GRAND VENTURE TECHNOLOGY LIMITED

Registration No.: 201222831E

(Incorporated in Singapore)

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### PURCHASE OF PROPERTY

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#### 1. INTRODUCTION

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 Grand Venture Technology Sdn. Bhd. (the “**Purchaser**”), a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement dated 1 February 2020 (the “**Agreement**”) with EDM Holdings Sdn. Bhd. (the “**Vendor**”) for the purchase (the “**Proposed Purchase**”) of the property known as Pajakan Negeri No. Hakmilik 10628, No. Lot 20258, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang (the “**Property**”).

#### 2. PROPOSED PURCHASE

##### 2.1 Information on the Property

The Property has a sixty (60) years lease expiring on 21 January 2073, measuring approximately 69,950 square ft in land area and 29,948 square ft in floor area of the factory (which the Company intends to renovate) and bearing the assessment address of No. 1172, Lorong Perindustrian Bukit Minyak 20, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.

None of the Vendor nor directors and shareholders of the Vendor are related to the Directors or controlling shareholders of the Company and their respective associates.

##### 2.2 Rationale for the Proposed Purchase

The Directors are of the view that the Proposed Purchase is needed for the expansion of the Group's production capacity and is in the best interests of the Group. This will enable the Group to strengthen its operational efficiency; and to allow the Group to remain competitive in the market.

##### 2.3 Purchase Price

The purchase price of the Property is RM12,000,000 (the “**Purchase Price**”).

The Purchase Price was determined based on arm's length negotiations between the parties, and arrived at on a willing buyer, willing seller basis, after taking into account the prevailing market conditions and the open market value of the Group's existing factory (“**First Factory**”) which was last valued in 2018 and situated beside the Property.

The First Factory consists of a 6,977 square meters parcel of leasehold industrial land, built-upon with a 2-storey detached factory annexed with a 2-storey office block and other ancillary buildings. Based on the valuation report on 8 June 2018, the First Factory was valued at RM16,000,000.

Based on the Agreement, the Purchase Price shall be paid as follows:

- (a) a deposit of RM1,200,000, equivalent to 10% of the Purchase Price, paid on the date of execution of the Agreement, and
- (b) RM10,800,000 shall be paid to the Vendor's solicitors within three months from the Effective Date<sup>1</sup> of fulfilling certain conditions, with an automatic extension of one

month subject to the Purchaser paying to the Vendor late payment interest to be calculated at the rate of six per centum (6%) per annum calculated on daily basis on the amount of the balance purchase price remaining outstanding.

<sup>1</sup> Effective Date shall be the date of fulfillment of both:-

- when the original copy of the State Authority's Approval to Transfer and the Penang Development Corporation's Approval is forwarded to the Purchaser's solicitors; and
- when the Vendor has duly fulfilled the conditions precedent as set out in sub-clauses 1 and 2 of the Agreement

The Completion Date shall be the date of the full and final payment of the Purchase Price.

The Purchase Price shall be funded by internal resources and bank borrowings of the Group.

### 3. **RELATIVE FIGURES UNDER RULE 1006 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL SECTION B: RULES OF CATALIST (THE "CATALIST RULES")**

The relative figures for the Proposed Purchase as computed on the bases set out in Rule 1006 of the Catalist Rules and the unaudited consolidated financial statements of the Group for the half year ended 31 December 2019 are as follows:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative figures (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not applicable <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	6.3% <sup>(2)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(3)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

**Notes:**

- (1) Rule 1006(b) of the Catalist Rules is not applicable as the Property is not a revenue-generating asset.
- (2) Based on the Purchase Price and the Company's market capitalisation of approximately S\$63.04 million. The market capitalisation of the Company was computed based on 234,253,000 issued shares of the Company ("**Shares**") and the volume weighted average price of the Shares of S\$0.2691 per Share on 31 January 2020 (being the last day on which the Shares were traded prior to the date of the Agreement).
- (3) Rule 1006(d) of the Catalist Rules is not applicable as no equity securities will be issued by the Company as consideration for the Proposed Purchase.

Based on the relative figures computed above, the Proposed Purchase constitutes a disclosable transaction under Part VI of Chapter 10 of the Catalist Rules, and therefore does not require the approval of shareholders of the Company.

### 4. **FINANCIAL EFFECTS OF THE PROPOSED PURCHASE**

#### **Net tangible assets ("NTA") per share**

For illustration purposes only, based on the latest unaudited consolidated financial

statements of the Group for the financial year ended 31 December 2019 and assuming the Proposed Purchase had been effected on 31 December 2019, the financial effects of the Proposed Purchase on the NTA per share of the Group are estimated as follows:

	<b>Before the Proposed Purchase</b>	<b>After the Proposed Purchase</b>
Consolidated NTA attributable to the shareholders of the Company (S\$'000)	29,461	29,275
Number of issued shares ('000)	234,253	234,253
NTA per share (cents)	12.58	12.50

### **Earnings per share**

For illustration purposes only, based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2019 and assuming the Proposed Purchase had been effected on 1 January 2019, the financial effects of the Proposed Purchase on the earnings per share of the Group are estimated as follows:

	<b>Before the Proposed Purchase</b>	<b>After the Proposed Purchase</b>
Net profit attributable to the shareholders after tax (S\$'000)	3,097	2,911
Weighted average number of issued shares ('000)	231,228	231,228
Earnings per share (cents)	1.34	1.26

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Purchase. No representation is made as to the actual financial position and/or results of the Company after completion of the Proposed Purchase.

## **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Purchase (other than through their shareholdings in the Company, if any).

## **6. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Agreement is available for inspection at the registered office of the Company at 2 Changi North Street 1 Singapore 498828 during normal business hours for three months from the date of this announcement.

By Order of the Board

LEE TIAM NAM  
Executive Chairman  
Date: 26 February 2020

*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 announcement, 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, Managing Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*