

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i). An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income for the full year ended 31 December 2019. These figures have not been audited.

	Group		Increase/ (Decrease)
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000	
Revenue	40,074	40,997	(2.3%)
Cost of sales	(25,158)	(26,168)	(3.9%)
Gross profit	14,916	14,829	0.6%
Other operating income	627	1,284	(51.2%)
Selling and distribution costs	(519)	(642)	(19.2%)
General and administrative expenses	(8,117)	(6,918)	17.3%
Other operating expenses	(1,971)	(1,721)	14.5%
Finance costs	(1,093)	(929)	17.7%
Profit before tax	3,843	5,903	(34.9%)
Income tax expense	(746)	(1,215)	(38.6%)
Profit after tax	3,097	4,688	(33.9%)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations	(139)	(125)	11.2%
Total comprehensive income for the financial year attributable to owners of the Company	2,958	4,563	(35.2%)

The profit before tax ("PBT") for FY2019 included the following items:

1. Approximately S\$2.9 million of expenses incurred in relation to new capabilities enhancement exercise undertaken by the Group as well as higher production activities in the year:
 - a) Increase in salaries costs related to production manpower, engineers and support staff due to increased headcount: S\$2.8 million; and
 - b) Tools purchased for new machines: S\$0.1 million.
2. Continuing listing compliance expenses of approximately S\$0.3 million, mainly comprising of directors fees, sponsorship fee and SGX listing expenses.

The PBT for FY2018 included IPO expenses of S\$1.5 million.

With the exceptions of above expenses, the PBT for FY2019 and FY2018 would have been S\$7.0 million and S\$7.4 million, respectively, representing a normalised year-on-year decrease in PBT of approximately 5.4%.



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1(a)(ii). Notes to the Consolidated Statement of Comprehensive Income

Profit before tax is arrived at after charging / (crediting) the following:

	Group	
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000
Amortisation expenses	24	24
Amortisation of deferred income	(97)	(4)
Depreciation expenses of property, plant and equipment and right-of-use assets	4,906	3,674
Employee benefits expenses	15,072	11,619
Foreign exchange loss/(gain)	147	(403)
Interest expense	1,093	929
Interest income	(22)	(9)
IPO expenses	-	1,452
Loss on disposal of fixed assets	4	2
Operating lease expenses for short-term leases and low-value assets	199	442
(Write-back)/allowance for expected credit loss	(4)	17

1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at		As at	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	21,874	24,068	10,424	10,735
Right-of-use assets	12,812	-	4,133	-
Investment in subsidiaries	-	-	12,085	10,390
Intangible assets	2,040	2,079	-	-
Prepayments	639	312	361	293
Loan to subsidiaries	-	-	2,000	720
Deferred tax assets	1,084	1,185	521	667
	<u>38,449</u>	<u>27,644</u>	<u>29,524</u>	<u>22,805</u>
Current assets				
Cash and bank balances	5,769	2,472	2,721	629
Trade and other receivables	12,993	9,573	6,009	4,296
Prepayments	698	1,085	32	713
Inventories	15,696	10,575	5,128	2,784
Loan to subsidiaries	-	-	4,900	4,100
	<u>35,156</u>	<u>23,705</u>	<u>18,790</u>	<u>12,522</u>
Total assets	<u>73,605</u>	<u>51,349</u>	<u>48,314</u>	<u>35,327</u>
Current liabilities				
Trade and other payables	10,696	10,782	4,761	6,461
Loans and borrowings	9,340	10,271	7,059	7,025
Lease liabilities	3,609	-	732	-
Deferred income	188	4	188	4
Provision for income tax	157	130	-	-
	<u>23,990</u>	<u>21,187</u>	<u>12,740</u>	<u>13,490</u>
Net current assets/(liabilities)	<u>11,166</u>	<u>2,518</u>	<u>6,050</u>	<u>(968)</u>
Non-current liabilities				
Shareholder loan	5,000	5,600	5,000	5,600
Loans and borrowings	4,180	8,507	3,418	4,956
Lease liabilities	8,891	-	2,793	-
Deferred income	43	4	43	4
	<u>18,114</u>	<u>14,111</u>	<u>11,254</u>	<u>10,560</u>
Total liabilities	<u>42,104</u>	<u>35,298</u>	<u>23,994</u>	<u>24,050</u>
Net assets	<u>31,501</u>	<u>16,051</u>	<u>24,320</u>	<u>11,277</u>
Equity attributable to owners of the Company				
Share capital	27,843	15,351	27,843	15,351
Currency translation reserve	(1,011)	(872)	-	-
Retained earnings/(accumulated losses)	4,669	1,572	(3,523)	(4,074)
Total equity	<u>31,501</u>	<u>16,051</u>	<u>24,320</u>	<u>11,277</u>

- 1(b)(ii). In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

	Group			
	Unaudited As at 31-Dec-19		Audited As at 31-Dec-18	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less or on demand	12,949	-	10,271	-
Amount payable after one year	13,071	5,000	8,507	5,600
	26,020	5,000	18,778	5,600

Details of any collateral

The Group has provided different securities for its various secured loan and credit facilities which include:

- (i) Open all monies first party first legal charge over the Group's properties in Penang.
- (ii) First legal mortgage over the property in Singapore.
- (iii) Corporate guarantee by our Company.
- (iv) Charge over certain of the Group's equipment and vehicles.
- (v) Deposits with a licensed bank of the Group.
- (vi) Joint and several personal guarantees by certain members of our management team.

1(c). **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000
Operating activities		
Profit before tax	3,843	5,903
Adjustments for:		
Depreciation expenses of property, plant and equipment and right-of-use assets	4,906	3,674
Amortisation expense	24	24
Amortisation of deferred income	(97)	(4)
Loss on disposal of property, plant & equipment	4	2
Interest income	(22)	(9)
Interest expense	1,093	929
(Write-back)/allowance for expected credit loss	(4)	17
Inventories written-down	20	-
(Write-back)/provision for unutilised leave	(86)	67
Provision for sales rebate	53	-
Unrealized foreign exchange gain	(218)	(101)
	9,516	10,502
Operating profit before changes in working capital		
Increase in trade and other receivables	(3,448)	(890)
Increase in inventories	(4,918)	(4,171)
Increase in prepayments	(663)	(1,063)
Increase in trade and other payables	197	3,591
	684	7,969
Cash flows generated from operations		
Tax paid	(618)	(731)
Interest received	22	9
Interest paid	(1,284)	(922)
	(1,196)	6,325
Net cash flows (used in)/generated from operating activities		
Investing activities		
Purchase of property, plant & equipment	(6,026)	(5,175)
Proceeds from disposal of property, plant & equipment	21	2
Capital expenditure grant received	319	12
Net cash outflow on acquisition of business	-	(755)
	(5,686)	(5,916)
Net cash flows used in investing activities		
Financing activities		
Proceeds from issuance of shares	13,204	1,200
Repayment of finance lease obligations	(2,387)	(2,485)
Payment of principal portion of lease liabilities	(278)	-
Proceeds from/(repayment of) trade financing	481	(179)
Proceeds from loan and borrowings	2,093	4,270
Repayment of loan and borrowings	(2,017)	(1,000)
Proceeds from advances from shareholder	-	1,000
Repayment of loan from shareholder	(600)	(2,300)
Increase in placement of short-term fixed deposits	(16)	(268)
	10,480	238
Net cash flow generated from financing activities		
Net increase in cash and cash equivalents	3,598	647
Effects of foreign exchange rate changes, net	(43)	(8)
Cash and cash equivalents at the beginning of the year	1,832	1,193
Cash and cash equivalents at the end of the year	5,387	1,832
<hr/>		
Cash and cash equivalents on Balance Sheet	5,769	2,472
Less: Short-term fixed deposits	(382)	(366)
Less: Bank overdrafts	-	(274)
Cash and cash equivalents on Cash Flow Statement	5,387	1,832

- 1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Currency translation reserve	(Accumulated losses)/ Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Balance as at 1 January 2018	10,744	(748)	(3,115)	6,881
<i>Transactions with owners, recognised directly in equity</i>				
Conversion of convertible loan	2,407	-	-	2,407
Shares issued for acquisition of business	2,200	-	-	2,200
Total	4,607	-	-	4,607
<i>Total comprehensive income for the year</i>				
Profit for the year	-	-	4,687	4,687
Other comprehensive income for the year	-	(124)	-	(124)
Total comprehensive income for the year	-	(124)	4,687	4,563
Balance as at 31 December 2018	15,351	(872)	1,572	16,051
Balance as at 1 January 2019	15,351	(872)	1,572	16,051
<i>Transactions with owners, recognised directly in equity</i>				
Shares issued pursuant to Company's IPO	13,204	-	-	13,204
Share issuance expenses	(712)	-	-	(712)
Total	12,492	-	-	12,492
<i>Total comprehensive income for the year</i>				
Profit for the year	-	-	3,097	3,097
Other comprehensive income for the year	-	(139)	-	(139)
Total comprehensive income for the year	-	(139)	3,097	2,958
Balance as at 31 December 2019	27,843	(1,011)	4,669	31,501
Company				
Balance as at 1 January 2018	10,744	(3,882)	6,862	
Conversion of convertible loan	2,407	-	2,407	
Shares issued for acquisition of business	2,200	-	2,200	
Loss for the year, representing total comprehensive income for the year	-	(192)	(192)	
Balance as at 31 December 2018	15,351	(4,074)	11,277	
Balance as at 1 January 2019	15,351	(4,074)	11,277	
Shares issued pursuant to Company's IPO	13,204	-	13,204	
Share issuance expenses	(712)	-	(712)	
Profit for the year, representing total comprehensive income for the year	-	551	551	
Balance as at 31 December 2019	27,843	(3,523)	24,320	

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	No. of shares	\$'000
Share Capital		
Balance as at 1 January 2019	186,240,000	15,351
Shares issued pursuant to Company's IPO ⁽¹⁾	48,013,000	13,204
Share issuance expenses	-	(712)
Balance as at 30 June 2019	<u>234,253,000</u>	<u>27,843</u>
Balance as at 31 December 2019	<u>234,253,000</u>	<u>27,843</u>

Note:

(1) Issued pursuant to the Company's IPO on 23 January 2019.

There was no change in the Company's issued share capital (excluding treasury shares) of 234,253,000 ordinary shares amounting to S\$27,843,496 from 30 June 2019 to 31 December 2019.

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings in the Company as at 31 December 2019 and 31 December 2018.

- 1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Number of ordinary shares	As at 31-Dec-19	As at 31-Dec-18
Total number of issued shares excluding treasury shares	<u>234,253,000</u>	<u>186,240,000</u>

There were no treasury shares as at 31 December 2019 and 31 December 2018.

- 1(d)(iv). A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company did not have any treasury shares during and as at the end of the current financial year reported on.

1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting year as compared to the most recent audited annual financial statements as at 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group, as a lessee, has adopted the new Singapore Financial Reporting Standards (International) (“SFRS(I)”) 16 Leases, which took effect on 1 January 2019, using the modified retrospective approach at the date of initial application which is on 1 January 2019. SFRS(I) 16 introduces a single, on-balance sheet lessee accounting model. The rationale of the change is to better reflect the economic substance of lease transactions where it requires a lessee to recognise a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

In compliance with SFRS(I) 16 Leases, the Group has applied the practical expedients to recognise the amount of ROU assets equal to the lease liabilities, adjusted by the amount of accrued lease payment related to that lease recognised in the balance sheets immediately from 1 January 2019.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

**(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).**

	Group	
	Unaudited FY2019	Audited FY2018
Profit, net of tax (S\$'000)	3,097	4,688
Weighted average number of ordinary shares ('000)	231,228	175,893
Earnings per Share - Basic and diluted (cents)	1.34	2.67

The basic and fully diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2019 and 31 December 2018.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.**

	Unaudited As at 31-Dec-19	Audited As at 31-Dec-18
Group		
Net asset value per ordinary shares (S\$ cents)	13.45	8.62
No. of ordinary shares used in computation of net asset value per ordinary share ('000)	234,253	186,240
Company		
Net asset value per ordinary shares (S\$ cents)	10.38	6.06
No. of ordinary shares used in computation of net asset value per ordinary share ('000)	234,253	186,240

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review for the performance of the Group for the financial year ended 31 December 2019 ("FY2019") as compared to the financial year ended 31 December 2018 ("FY2018").

Consolidated Statement of Comprehensive Income

Revenue

Industry	Unaudited FY2019		Audited FY2018	
	Total Sales	% of	Total Sales	% of
	S\$'000	Total Sales	S\$'000	Total Sales
Life science, Electronics and Others	16,254	40.6%	10,308	25.1%
Semiconductor	23,820	59.4%	30,689	74.9%
	40,074	100.0%	40,997	100.0%

The Group recorded total revenue of S\$40.1 million in FY2019 as compared to S\$41.0 million in FY2018, a marginal decrease of 2.3%.

Revenue from Semiconductor segment remained as the main contributor to the Group's revenue in FY2019 despite the lower revenue recorded in this segment in the financial year. The decline in the revenue in Semiconductor segment was mainly due to the semiconductor industry facing softer near term demand by customers in response to global trade tensions. These trends exerted downward pressure on the Group's revenue in all geographical markets.

On the other hand, the revenue from Life science, Electronic and Others segment in FY2019 recorded an improvement in sales of 57.7% as compared to FY2018. The higher sales in this segment was mainly driven by the increased orders from customers following the receipt of first article approvals from certain customers in FY2019.

Gross profit

Gross profit and gross profit margin ("GPM") of the Group remained relatively consistent at S\$14.8 million and 36.2% in FY2018, and S\$14.9 million and 37.2% in FY2019, respectively.

Industry	Unaudited FY2019		Audited FY2018	
	Total GP	GP	Total GP	GP
	S\$'000	margin	S\$'000	margin
Life science, Electronics and Others	6,163	37.9%	2,290	22.2%
Semiconductor	8,753	36.7%	12,539	40.9%
	14,916	37.2%	14,829	36.2%

GPM of Semiconductor segment declined slightly from 40.9% in FY2018 to 36.7% in FY2019 mainly due to a slight shift in the customer mix.

GPM of Life science, Electronic and Others segment improved significantly from 22.2% in FY2018 to 37.9% in FY2019 mainly driven by the ramp-up in the production and assembly activities in this segment after the receipt of first article approval from certain customers. This enabled the Group to benefit from improved capacity utilisation and economies of scale.

Other operating income

Other operating income decreased by S\$0.7 million or 51.2% from S\$1.3 million in FY2018 to S\$0.6 million in FY2019. The decrease was mainly due to:

- (a) lower rental income recorded by S\$0.3 million as the Group repossessed part of its factory space at 2 Changi North Street 1 previously rented to third parties in order to cater for the Group's new capabilities enhancement exercise; and
- (b) absence of foreign exchange gain in FY2019 as the Group recorded foreign exchange loss of approximately S\$0.2 million in FY2019 as compared to foreign exchange gain of S\$0.4 million in FY2018.

Selling and distribution expenses

Selling and distribution expenses decreased by S\$0.1 million or 19.2% from S\$0.6 million in FY2018 to S\$0.5 million in FY2019. This was mainly due to lower transportation costs incurred in relation to deliveries to customers in Semiconductor segment following the decreased sales in this segment in FY2019.

General and administrative expenses

General and administrative expenses increased by S\$1.2 million or 17.3% from S\$6.9 million in FY2018 to S\$8.1 million in FY2019. The increase was mainly due to:

- (a) increase in salaries and staff related costs by approximately S\$2.1 million mainly due to salaries increment as well as increased staff strength by approximately 30% where more staff were hired to cater to the Group's business growth. The additional headcount were employed to work on new customer projects and to support the various capabilities enhancement projects currently undertaken by the Group;
- (b) offset by the lower professional fees by S\$1.5 million as the IPO expenses pursuant to the Company's listing were incurred in FY2018; and
- (c) increase in other administration expenses due to increased headcount and business activities.

Other operating expenses

Other operating expenses comprised mainly repair & maintenance, toolings and office depreciation. The increase in other operating expenses by S\$0.3 million or 14.5% from S\$1.7 million in FY2018 to S\$2.0 million in FY2019 was mainly due to higher expenses incurred in relation to purchase of new toolings as well as upkeep of equipment pursuant to the capabilities enhancement exercise undertaken by the Group.

Finance costs

The finance costs increased by S\$0.2 million or 17.7% from S\$0.9 million in FY2018 to S\$1.1 million in FY2019 mainly due to higher interest payments incurred attributable to the additional loans and finance lease obligations secured by the Group in the financial year.

Income tax expense

The Group recorded tax expense of S\$0.7 million in FY2019, as compared to S\$1.2 million in FY2018.

Review of the Group's Financial Position

Non-Current Assets

Non-current assets increased by approximately S\$10.8 million or 39.1% from S\$27.6 million as at 31 December 2018 to S\$38.4 million as at 31 December 2019. The increase was largely due to:

- (a) additions of property, plant and equipment ("PPE") of S\$10.9 million, which include PPE acquired in FY2019 under finance lease arrangement and are classified as right-of-use assets on the Statement of Financial Position of the Group. These additions were mainly related to purchase of new machineries and enhancement to our existing production facilities to cater to our business growth;
- (b) recognition of the amount of right-of-use assets of S\$4.9 million in relation to operating lease arrangement, in compliance with SFRS(I) 16; and
- (c) partially offset by depreciation expenses for the FY2019 of S\$4.9 million.

Current Assets

Current assets increased by approximately S\$11.5 million or 48.3% from S\$23.7 million as at 31 December 2018 to S\$35.2 million as at 31 December 2019. This was mainly due to:

- (a) increase in trade and other receivables by S\$3.4 million largely due to higher outstanding trade receivables balances. These outstanding balances were mostly related to sales made towards the last quarter of the financial year and remained uncollected as at 31 December 2019 as the balances were still within credit terms granted. As at 14 February 2020, approximately 59% of the outstanding trade receivables as at the balance sheet date have been subsequently collected;
- (b) increase in inventories by S\$5.1 million largely as a result of prolonged delivery schedules as requested by certain customers as well as the higher inventories held as the Group prepared for the anticipated deliveries and sales to be made to customers in Semiconductor industry subsequent to year end. As at 14 February 2020, approximately 44% of the inventories held as at the balance sheet date have been subsequently sold and delivered; and
- (c) increase in cash and bank balances by S\$3.3 million.

Non-Current and Current Liabilities (Total Liabilities)

Total liabilities increased by approximately S\$6.8 million or 19.3% from S\$35.3 million as at 31 December 2018 to S\$42.1 million as at 31 December 2019. This was mainly due to:

- (a) increase in loans and borrowings of S\$0.3 million and finance lease obligations of S\$2.4 million. These borrowings were secured primarily for the financing of new machineries and equipment acquired by the Group in FY2019;
- (b) recognition of lease liabilities of S\$4.5 million in relation to operating lease arrangement, in compliance with SFRS(I) 16; and
- (c) offset with the repayment of shareholder loan of S\$0.6 million in FY2019.

Equity Attributable to Owners of the Company

The increase in equity by approximately S\$15.4 million or 96.3% from S\$16.1 million as at 31 December 2018 to S\$31.5 million as at 31 December 2019 was due to:

- (a) increase in share capital by S\$13.2 million pursuant to the issuance of new shares in relation to the Company's IPO on 23 January 2019, offset by the capitalisation of share issuance expenses of S\$0.7 million; and
- (b) net profit achieved in FY2019 of approximately S\$3.1 million.

Review of Group's Cash Flows

In FY2019, net cash outflows from operating activities amounted to S\$1.2 million. The Group generated operating cash flows before working capital changes of S\$9.5 million, which was offset by net working capital outflow of approximately S\$8.8 million, taxes paid of S\$0.6 million and interest paid of S\$1.3 million. The net working capital outflow was mainly due to increase in trade and other receivables of S\$3.4 million and inventories of S\$4.9 million.

Net cash outflows from investing activities in FY2019 amounted to approximately S\$5.7 million mainly due to additions of property, plant and equipment of S\$6.0 million, offset by capital expenditure grant received of S\$0.3 million.

Net cash inflows from financing activities in FY2019 amounted to S\$10.5 million, mainly due to (a) proceeds from issuance of shares pursuant to the Company's IPO of S\$13.2 million; (b) net proceeds of loans and borrowings of S\$0.6 million; (c) repayment of finance lease liabilities of S\$2.4 million; and (d) repayment of shareholders' loan of S\$0.6 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed by the Company to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group continued to deliver positive full year results in a challenging business environment. Despite lower sales and GPM contribution from the Semiconductor segment in FY2019, this was offset by the improved revenue and GPM from Lifescience, Electronics and Other segments. These resulted in a marginal increase in the overall GPM recorded in FY2019.

The Group maintains an optimistic view of the growth prospects of the Semiconductor industry as well as the Lifescience and Electronics market in the mid to long term; and is cautious as the general outlook of the global economy remains uncertain and challenging due to the impact of the trade tensions between the world's two largest economies – United States ("US") and China as well as the unpredictable situation of the Corona Virus Disease 19 ("COVID-19") outbreak in the People's Republic of China ("PRC") since January 2020.

The PRC government has been implementing various policies and measures to curb the disease's spread. As the COVID-19 situation is still evolving, the Group is still assessing the impact of the disease to the operations of the PRC subsidiary of the Company, Grand Venture Technology (Suzhou) Co., Ltd ("GVTSZ") as well as to the Group. GVTSZ mainly manufactures for the supply to the Company in Singapore. In the event production in GVTSZ is affected due to the shortage of manpower caused by the measures and restrictions imposed by the PRC government, the Group is still able to shift the production from GVTSZ to its manufacturing facilities located in Singapore and Malaysia. This will ensure minimal disruption to the production plans of the Group as well as product delivery to customers.

The external sales of GVTSZ as a percentage of the Group's revenue in FY2019 were approximately 3%. The sales contribution from the customers of the Group located in PRC constituted less than 10% of the Group's revenue in FY2019.

Due to the above reasons, Management estimates that the impact from the COVID-19 disease to the operations and financial performance of the Group will not be significant. Notwithstanding that, the Group will stay vigilant on the development of the situation and will be responsive to act on any unforeseen circumstances arising from the impact of the disease.

The Group will also take a market-oriented approach in assessing the factors that will impact its business and adapt its strategies to deal with the challenges accordingly. For instance, the Group has embarked on Industrial 4.0 deployment through investment in various automation and production capabilities enhancement such as Advance Material and Ultra Precision Machining capabilities. The Group is also undertaking capacity expansion plans whereby GVTSZ has moved to a new factory with a larger production area and has been operational since January 2020, and the Malaysia subsidiary of the Company, Grand Venture Technology Sdn. Bhd. ("GVTM") is in the process of acquiring factory spaces near its existing production plant in order to increase its production capacity. These various initiatives will enable the Group to strengthen its operational efficiency; and to allow the Group to remain competitive in the market.

The Group is making concerted efforts to navigate the current market dynamics to stay ahead of the competition and also expects to further benefit from its diversification strategy by reaching out to new customers in new sectors, thus minimising the external pressure brought by the Sino-US trade friction. The Group is cautiously optimistic of the future demand for its products and solutions, and will remain flexible to address challenges and opportunities as they arise.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend was declared for FY2019.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable. No dividend was declared for FY2018.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) **The date the dividend is payable.**

Not applicable.

- (e) **The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined**

Not applicable.

- 12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or is recommended for FY2019 as the Group wishes to reserve its cash resources for business growth.

- 13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)
Ricky Lee Tiam Nam ("Ricky Lee")	Interest on shareholder's loan <u>149</u>

The Group has not obtained any general mandate for IPTs.

- 14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

15. Use of proceeds

The Company raised gross proceeds from the IPO of approximately S\$13.2 million (the “**Gross Proceeds**”). As at the date of this announcement, the Gross Proceeds have been utilised as follows:

Purpose	Allocation of Gross Proceed (as disclosed in the Prospectus) (S\$'000)	Gross Proceed utilised as at the date of this announcement (S\$'000)	Balance of Gross Proceed as at the date of this announcement (S\$'000)
Investing and enhancing operational and engineering capabilities	7,500	7,500	-
Expansion via mergers and acquisitions, joint ventures and partnerships	1,500	-	1,500
General working capital	1,404	1,404	-
Repayment of bank borrowings	500	500	-
Listing expenses	2,300	2,300	-
	<u>13,204</u>	<u>11,704</u>	<u>1,500</u>
<u>Details for working capital used:</u>	S\$'000		
Professional fees	310		
Directors' fees	100		
Rental, office expenditure and other operating expenses	994		
Total	<u>1,404</u>		

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

By business segment

	Life science, electronics and others S\$'000	Semi- conductor S\$'000	Total S\$'000
2019			
Revenue	16,254	23,820	40,074
Cost of sales	(10,091)	(15,067)	(25,158)
Gross profit	6,163	8,753	14,916
2018			
Revenue	10,308	30,689	40,997
Cost of sales	(8,018)	(18,150)	(26,168)
Gross profit	2,290	12,539	14,829

By geographical segment

Revenue information based on the geographical location of the customers are as follows:

	Revenue	
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000
Singapore	15,578	11,475
Malaysia	18,850	24,347
United States	1,059	1,964
China	2,878	2,201
Others	1,709	1,010
	40,074	40,997

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to section 8 of this announcement for the review of the performance of the Group.

18. A breakdown of sales as follows:

	Group		Increase/ (Decrease) %
	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000	
(a) Sales reported for first half year	18,075	21,848	(17.3%)
(b) Operating profit after tax before deducting minority interests reported for first half year	1,521	2,875	(47.1%)
(c) Sales reported for second half year	21,999	19,149	14.9%
(d) Operating profit after tax before deducting minority interests reported for second half year	1,576	1,813	(13.1%)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend has been declared or recommended for FY2019 and FY2018.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lee Ching Ann	44	Brother of Ricky Lee	Sales Manager of the Company, (year 2013)	Not applicable
Lee Peng Guan	56	Brother of Ricky Lee	Senior Engineer of the Company, (year 2017)	Not applicable
Lee Ban Seng	41	Nephew of Ricky Lee	Operations Manager of the Company, (year 2019)	Not applicable
Lee Ban Sing	30	Son of Ricky Lee	Procurement Engineer of the Company, (year 2019)	Not applicable

BY ORDER OF THE BOARD

Julian Ng
Chief Executive Officer

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