



**GRAND VENTURE TECHNOLOGY LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 201222831E)

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**UNAUDITED SIX MONTHS AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 FOR GRAND VENTURE TECHNOLOGY LIMITED (THE “COMPANY” AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)**

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**Comparative financial year**

For the purposes of this results announcement:

- The current financial year being reported on relating to the full year from 1 January 2022 to 31 December 2022, shall be referred to herein as “**FY2022**”.
- The corresponding financial year from 1 January 2021 to 31 December 2021, shall be referred to herein as “**FY2021**”.
- The current financial period being reported on, refers to the six months from 1 July 2022 to 31 December 2022, shall be referred to herein as “**2H2022**”, and
- The corresponding financial period of the immediately preceding financial year, the six months from 1 July 2021 to 31 December 2021, will be referred to herein as “**2H2021**”.

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## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		2HFY2022 S\$'000	2HFY2021 S\$'000	Changes %	FY2022 S\$'000	FY2021 S\$'000	Changes %
Revenue	4	64,023	62,716	2.1%	131,087	116,256	12.8%
Cost of sales		(46,284)	(42,750)	8.3%	(95,287)	(78,570)	21.3%
<b>Gross profit</b>		<b>17,739</b>	<b>19,966</b>	(11.2)%	<b>35,800</b>	<b>37,686</b>	(5.0)%
Other income <sup>Note (a)</sup>		(182)	573	(131.8)%	1,515	1,212	25.0%
Selling and distribution costs		(720)	(558)	29.0%	(1,349)	(1,041)	29.6%
General and administrative expenses		(7,575)	(7,249)	4.5%	(14,798)	(12,527)	18.1%
Other operating expenses		(2,581)	(1,470)	75.6%	(4,930)	(2,704)	82.3%
Finance costs		(1,205)	(888)	35.7%	(2,354)	(1,731)	36.0%
<b>Profit before tax</b>	6	<b>5,476</b>	<b>10,374</b>	(47.2)%	<b>13,884</b>	<b>20,895</b>	(33.6)%
Income tax expense	9	717	(1,326)	(154.1)%	(559)	(3,339)	(83.3)%
<b>Profit after tax</b>		<b>6,193</b>	<b>9,048</b>	(31.6)%	<b>13,325</b>	<b>17,556</b>	(24.1)%
Other comprehensive income: <i>Items that maybe reclassified subsequently to profit or loss</i>							
Currency translation differences arising from consolidation of foreign operations		(3,299)	94	NM	(5,032)	(130)	NM
<b>Total comprehensive income for the financial year attributable to owners of the Company</b>		<b>2,894</b>	<b>9,142</b>	(68.3)%	<b>8,293</b>	<b>17,426</b>	(52.4)%
Earnings per share (cents per share) - Basic and diluted	7	1.83	2.82		3.94	5.87	
<b>EBITDA</b> <sup>Note (b)</sup>		<b>13,849</b>	<b>16,045</b>		<b>29,916</b>	<b>31,436</b>	(4.8)%

NM: Not meaningful

Note (a): Other income in 2HFY2022 has included a reversal of the foreign exchange gain of S\$960K, and the balance of net foreign exchange loss S\$177K was recorded under general and administrative expenses.

Note (b): EBITDA refers to Earnings before Interest, Tax, Depreciation and Amortisation  
i.e. Profit before Tax + Interest cost - Interest Income + Depreciation + Amortisation

## B. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-22 S\$'000	31-Dec-21 S\$'000	31-Dec-22 S\$'000	31-Dec-21 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	12	84,408	56,360	16,332	16,670
Investment in subsidiaries		-	-	45,796	15,492
Prepayments		-	3,055	-	-
Intangible assets	13	10,191	2,015	-	-
Loans to subsidiaries		-	-	6,150	4,150
Deferred tax assets		746	333	-	-
Total non-current assets		<u>95,345</u>	<u>61,763</u>	<u>68,278</u>	<u>36,312</u>
<b>Current assets</b>					
Cash and bank balances		23,148	46,338	13,149	39,132
Trade and other receivables		32,003	30,018	14,376	12,323
Prepayments		3,042	3,835	2,161	4,658
Forward contract		-	6	-	6
Inventories		50,637	40,911	12,840	10,818
Loans to subsidiaries		-	-	5,400	4,900
Total current assets		<u>108,830</u>	<u>121,108</u>	<u>47,926</u>	<u>71,837</u>
<b>Total assets</b>		<b><u>204,175</u></b>	<b><u>182,871</u></b>	<b><u>116,204</u></b>	<b><u>108,149</u></b>
<b>Current liabilities</b>					
Trade and other payables		23,183	25,053	8,380	7,428
Loans and borrowings	14	18,682	16,250	3,234	3,369
Lease liabilities	14	2,358	1,326	33	31
Deferred income		236	90	236	90
Forward contract		116	-	116	-
Provision for income tax		15	431	255	257
Total current liabilities		<u>44,590</u>	<u>43,150</u>	<u>12,254</u>	<u>11,175</u>
<b>Net current assets</b>		<b><u>64,240</u></b>	<b><u>77,958</u></b>	<b><u>35,672</u></b>	<b><u>60,662</u></b>
<b>Non-current liabilities</b>					
Loans and borrowings	14	32,285	29,550	12,875	15,816
Lease liabilities	14	6,599	4,303	1,535	1,567
Deferred income		773	427	773	427
Deferred tax liabilities		1,844	836	177	216
Total non-current liabilities		<u>41,501</u>	<u>35,116</u>	<u>15,360</u>	<u>18,026</u>
<b>Total liabilities</b>		<b><u>86,091</u></b>	<b><u>78,266</u></b>	<b><u>27,614</u></b>	<b><u>29,201</u></b>
<b>Net assets</b>		<b><u>118,084</u></b>	<b><u>104,605</u></b>	<b><u>88,590</u></b>	<b><u>78,948</u></b>
<b>Equity attributable to owners of the Company</b>					
Share capital	15	87,590	78,926	87,590	78,926
Currency translation reserve		(6,030)	(998)	-	-
Share-based payment reserve		-	764	-	764
Retained earnings/(accumulated losses)		36,524	25,913	1,000	(742)
<b>Total equity</b>		<b><u>118,084</u></b>	<b><u>104,605</u></b>	<b><u>88,590</u></b>	<b><u>78,948</u></b>

### C. Condensed interim statements of changes in equity

	Note	Share capital S\$'000	Currency translation reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Group</b>						
<b>Balance as at 1 January 2021</b>		<b>27,843</b>	<b>(868)</b>	<b>-</b>	<b>9,886</b>	<b>36,861</b>
<i>Transactions with owners, recognised directly in equity</i>						
Issuance of shares	15	52,103	-	-	-	52,103
Shares issuance expenses	15	(1,020)	-	-	-	(1,020)
Share awards granted		-	-	764	-	764
Dividends paid		-	-	-	(1,529)	(1,529)
<b>Total</b>		<b>51,083</b>	<b>-</b>	<b>764</b>	<b>(1,529)</b>	<b>50,318</b>
<i>Total comprehensive income for the year</i>						
Profit for the year		-	-	-	17,556	17,556
Other comprehensive income for the year		-	(130)	-	-	(130)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(130)</b>	<b>-</b>	<b>17,556</b>	<b>17,426</b>
<b>Balance as at 31 December 2021</b>		<b>78,926</b>	<b>(998)</b>	<b>764</b>	<b>25,913</b>	<b>104,605</b>
<b>Balance as at 1 January 2022</b>		<b>78,926</b>	<b>(998)</b>	<b>764</b>	<b>25,913</b>	<b>104,605</b>
<i>Transactions with owners, recognised directly in equity</i>						
Issuance of shares	15	8,664	-	(764)	-	7,900
Dividends paid		-	-	-	(2,714)	(2,714)
<b>Total</b>		<b>8,664</b>	<b>-</b>	<b>(764)</b>	<b>(2,714)</b>	<b>5,186</b>
<i>Total comprehensive income for the year</i>						
Profit for the year		-	-	-	13,325	13,325
Other comprehensive income for the year		-	(5,032)	-	-	(5,032)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(5,032)</b>	<b>-</b>	<b>13,325</b>	<b>8,293</b>
<b>Balance as at 31 December 2022</b>		<b>87,590</b>	<b>(6,030)</b>	<b>-</b>	<b>36,524</b>	<b>118,084</b>

	Note	Share capital S\$'000	Share-based payment reserve S\$'000	Retained earnings/ (accumulated losses) S\$'000	Total S\$'000
<b>Company</b>					
<b>Balance as at 1 January 2021</b>		<b>27,843</b>	-	<b>(1,805)</b>	<b>26,038</b>
<i>Transactions with owners, recognised directly in equity</i>					
Issuance of shares	15	52,103	-	-	52,103
Shares issuance expenses	15	(1,020)	-	-	(1,020)
Share awards		-	764	-	764
Dividends paid		-	-	(1,529)	(1,529)
<b>Total</b>		<b>51,083</b>	<b>764</b>	<b>(1,529)</b>	<b>50,318</b>
<i>Total comprehensive income for the year</i>					
Profit for the financial year, representing total comprehensive income for the year		-	-	2,592	2,592
<b>Balance as at 31 December 2021</b>		<b>78,926</b>	<b>764</b>	<b>(742)</b>	<b>78,948</b>
<b>Balance as at 1 January 2022</b>		<b>78,926</b>	<b>764</b>	<b>(742)</b>	<b>78,948</b>
<i>Transactions with owners, recognised directly in equity</i>					
Issuance of shares	15	8,664	(764)	-	7,900
Dividends paid		-	-	(2,714)	(2,714)
<b>Total</b>		<b>8,664</b>	<b>(764)</b>	<b>(2,714)</b>	<b>5,186</b>
<i>Total comprehensive income for the year</i>					
Profit for the financial year, representing total comprehensive income for the year		-	-	4,456	4,456
<b>Balance as at 31 December 2022</b>		<b>87,590</b>	-	<b>1,000</b>	<b>88,590</b>

## D. Condensed interim consolidated statement of cash flows

	Note	Group	
		FY2022 S\$'000	FY2021 S\$'000
<b>Operating activities</b>			
Profit before tax		13,884	20,895
Adjustments for:			
Depreciation of property, plant and equipment	6	13,443	8,857
Amortisation of intangible assets	6	530	24
Inventories written down	6	68	-
Net loss/(gain) on disposal of property, plant and equipment	6	62	(16)
Amortisation of deferred income	6	(242)	(49)
Interest income	6	(53)	(22)
Interest expense	6	2,354	1,731
Share-based payment		-	764
Provision for sales rebate		408	386
Provision for unutilised leave	6	-	100
Unrealised foreign exchange gain		(498)	(110)
<b>Operating cash flows before changes in working capital</b>		<b>29,956</b>	<b>32,560</b>
Decrease/(increase) in trade and other receivables		2,680	(12,210)
Increase in inventories		(2,882)	(20,086)
Decrease/(increase) in prepayments		768	(1,680)
(Decrease)/increase in trade and other payables		(13,500)	11,376
<b>Cash flows generated from operations</b>		<b>17,022</b>	<b>9,960</b>
Income tax paid		(1,298)	(1,621)
Interest received		53	22
Interest paid		(2,351)	(1,731)
<b>Net cash flows generated from operating activities</b>		<b>13,426</b>	<b>6,630</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment		(9,733)	(19,792)
Capital expenditure grants received		733	288
Proceeds from disposal of property, plant and equipment		83	16
Net cash outflow on acquisition of subsidiaries	16	(6,879)	-
<b>Net cash flows used in investing activities</b>		<b>(15,796)</b>	<b>(19,488)</b>
<b>Financing activities</b>			
Net proceeds from issuance of shares		-	51,083
Proceeds from loans and borrowings		4,038	8,181
Repayment of loans and borrowings		(11,522)	(2,848)
Repayment of hire purchases		(4,758)	(4,528)
(Repayment of)/proceeds from trade financing		(3,080)	2,143
Payment of principal portion of lease liabilities		(2,067)	(860)
Dividends paid to shareholders		(2,714)	(1,529)
Decrease in placement of short-term fixed deposits		169	136
<b>Net cash flows (used in)/generated from financing activities</b>		<b>(19,934)</b>	<b>51,778</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(22,304)</b>	<b>38,920</b>
Effect of foreign exchange rate changes, net		(732)	65
Cash and cash equivalents at the beginning of the financial year		46,090	7,105
<b>Cash and cash equivalents at the end of the financial year</b>		<b>23,054</b>	<b>46,090</b>
<b>Cash and cash equivalents represented by:</b>			
Cash and bank balances		23,148	46,338
less Short-term fixed deposits		(94)	(248)
		<b>23,054</b>	<b>46,090</b>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Grand Venture Technology Limited (the “**Company**”) is incorporated in Singapore with its principal place of business and registered office at 2 Changi North Street 1, Singapore 498828.

These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Group and the Company are that of manufacturing ultra-precision machining parts, modules, complex sheet metal and mechatronics assembly.

### **2. Basis of Preparation**

The condensed interim financial statements for the financial year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (“**S\$’000**”), except when otherwise indicated.

#### **2.1. New and amended standards adopted by the Group**

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except for the assumptions and estimation uncertainties arising from the identification of assets acquired and liabilities assumed arising from the business combination as disclosed in Note 16, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 13 – Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts.
- Note 16 – Identification of assets acquired and liabilities assumed in a business combination, and the determination of the fair value of the identifiable assets acquired, including intangible assets.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment and revenue information**

Revenue is recognised at the point in time when control over the goods has been transferred to the customer, usually on delivery of goods and acceptance by the customer. The goods are sold with retrospective sales rebates based on sales over a period of time.

The Group is organised into the following main business segments:

- Semiconductor

The semiconductor segment involves the manufacturing of precision machined components, complex sheet metal manufacturing and mechatronics assembly for customers who are leading equipment providers for semiconductor manufacturing and electronics assembly solutions.

- Life sciences

The life sciences segment involves the manufacturing of key components of mass spectrometers, high performance liquid chromatography instruments and bolt-on instruments used for various laboratories testing and pharmaceutical applications.

- Electronics, aerospace, medical and others

The electronics, aerospace, medical and others segment involves the manufacturing of consumable parts, manufacturing and assembly of parts and components for aircraft carriers, surgical microscopes and the assembly of complex modules for customers in the business of industrial automation and manufacturing equipment.

These operating segments are reported in a manner consistent with internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments. Segment performance is evaluated based on gross profit or loss.

By business segment

Group	Electronics, aerospace, medical and others			Total S\$'000
	Semiconductor S\$'000	Life sciences S\$'000	S\$'000	
<b>2HFY2022</b>				
Revenue	30,982	11,518	21,523	64,023
Cost of sales	(21,271)	(7,700)	(17,313)	(46,284)
<b>Gross profit</b>	<b>9,711</b>	<b>3,818</b>	<b>4,210</b>	<b>17,739</b>
<b>2HFY2021</b>				
Revenue	43,821	10,126	8,769	62,716
Cost of sales	(29,519)	(6,416)	(6,815)	(42,750)
<b>Gross profit</b>	<b>14,302</b>	<b>3,710</b>	<b>1,954</b>	<b>19,966</b>
<b>FY2022</b>				
Revenue	72,616	20,955	37,516	131,087
Cost of sales	(50,679)	(13,979)	(30,629)	(95,287)
<b>Gross profit</b>	<b>21,937</b>	<b>6,976</b>	<b>6,887</b>	<b>35,800</b>
<b>FY2021</b>				
Revenue	82,676	18,389	15,191	116,256
Cost of sales	(54,658)	(11,977)	(11,935)	(78,570)
<b>Gross profit</b>	<b>28,018</b>	<b>6,412</b>	<b>3,256</b>	<b>37,686</b>

Revenue by geographical segment

	Group			
	2HFY2022 S\$'000	2HFY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Malaysia	24,918	32,613	53,778	63,579
Singapore	18,030	17,110	35,833	32,132
China	11,543	5,031	20,988	9,629
United States	7,330	7,385	16,950	9,503
Others	2,202	577	3,538	1,413
<b>Total</b>	<b>64,023</b>	<b>62,716</b>	<b>131,087</b>	<b>116,256</b>

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2022 and 31 December 2021:

	Group		Company	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
<b>Financial assets</b>				
Cash and bank balances and trade and other receivables (amortised cost)	55,157	76,007	39,075	60,398
<b>Financial liabilities</b>				
Trade and other payables and borrowings (amortised cost)	83,107	76,482	26,057	28,212

## 6. Profit before taxation

The following items have been included in arriving at profit before tax:

	Group			
	2HFY2022 S\$'000	2HFY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Employee benefits expenses	16,037	15,109	30,722	26,270
Depreciation of property, plant and equipment	7,096	4,821	13,443	8,857
Interest expense	1,205	888	2,354	1,731
Foreign exchange loss/(gain)	1,137	(41)	177	(322)
Amortisation of intangible assets	221	12	530	24
Operating lease expenses for short-term leases	81	83	176	166
Inventories written down	68	-	68	-
Amortisation of deferred income	(105)	(36)	(242)	(49)
Net loss/(gain) on disposal of property, plant and equipment	(46)	-	62	(16)
Interest income	(44)	(14)	(53)	(22)
Rental income	(39)	(90)	(180)	(185)
Provision for unutilised leave	-	13	-	100

## 7. Earnings per share

	<b>Group</b>			
	<b>2HFY2022</b>	<b>2HFY2021</b>	<b>FY2022</b>	<b>FY2021</b>
Profit after tax (S\$'000)	6,193	9,048	13,325	17,556
Weighted average numbers of ordinary shares ('000)	339,289	320,590	337,964	298,940
Basic and diluted Earnings Per Share (" <b>EPS</b> ") (Singapore cents)	<u>1.83</u>	<u>2.82</u>	<u>3.94</u>	<u>5.87</u>

The basic and diluted EPS for the respective financial periods are computed based on the weighted average number of ordinary shares in issue during the respective financial period.

The basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue in FY2022 and FY2021.

## 8. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the period:

	<b>Group</b>		<b>Company</b>	
	<b>FY2022</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Advisory fee to an affiliate of shareholder	(96)	(32)	(96)	(32)
Factory rental paid to a related party	(72)	-	-	-
Purchase from subsidiaries	-	-	(18,923)	(20,914)
Management fee	-	-	860	484
Sales of fixed assets to a subsidiary	-	-	383	-
Interest income from subsidiaries	-	-	317	249
Sales to subsidiaries	-	-	226	45

The remuneration of directors and other members of key management during the years were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>FY2022</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Short-term benefits	2,285	2,307	1,464	1,452
Defined contributions plans	194	161	70	64
<b>Total</b>	<u><b>2,479</b></u>	<u><b>2,468</b></u>	<u><b>1,534</b></u>	<u><b>1,516</b></u>

## 9. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>			
	<b>2HFY2022</b>	<b>2HFY2021</b>	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax expense	(257)	257	707	1,812
Deferred income tax (credit)/expense relating to origination and reversal of temporary differences	(460)	1,069	(148)	1,527
<b>Total income tax expense in the statement of profit or loss and other comprehensive income</b>	<b>(717)</b>	<b>1,326</b>	<b>559</b>	<b>3,339</b>

## 10. Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Net assets (S\$'000)	118,084	104,605	88,590	78,948
Number of ordinary shares ('000)	339,289	330,780	339,289	330,780
<b>Net asset value per ordinary share (Singapore cents)</b>	<b>34.80</b>	<b>31.62</b>	<b>26.11</b>	<b>23.87</b>

## 11. Fair value measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of the Group's assets and liabilities not measured at fair value, for which fair value is disclosed:

Company	Fair value measurements at the end of the reporting period using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
<b>31 December 2022</b>				
Loans to subsidiaries (non-current)	-	-	6,122	6,122
<b>31 December 2021</b>				
Loans to a subsidiary (non-current)	-	-	3,821	3,821

The fair value as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending and borrowing arrangements at the end of the reporting period.

The carrying amount of loans and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

## 12. Property, plant and equipment

During the year, the Group acquired assets amounting S\$30,076,000 (31 December 2021: S\$21,809,000) and disposed of assets with a carrying amount of S\$145,000 (31 December 2021: S\$0.64).

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Capital commitments in respect of property, plant and equipment	5,901	10,707	-	329

### 13. Intangible assets

	<b>Group</b>		
	<b>Customer relationship S\$'000</b>	<b>Goodwill S\$'000</b>	<b>Total S\$'000</b>
<b>Cost:</b>			
At 1 January 2021	1,244	1,868	3,112
Translation differences	-	4	4
At 31 December 2021 and 1 January 2022	1,244	1,872	3,116
Acquisition of subsidiaries	3,763	5,478	9,241
Translation differences	-	(535)	(535)
At 31 December 2022	5,007	6,815	11,822
<b>Accumulated amortisation:</b>			
At 1 January 2021	1,077	-	1,077
Amortisation for the year	24	-	24
At 31 December 2021 and 1 January 2022	1,101	-	1,101
Amortisation for the year	530	-	530
At 31 December 2022	1,631	-	1,631
<b>Carrying amount</b>			
At 31 December 2021	143	1,872	2,015
At 31 December 2022	3,376	6,815	10,191

#### 13.1 Customer relationship

Customer relationship have an average remaining amortisation period of 9.8 years (FY2021: 6 years).

#### 13.2 Impairment testing of goodwill

Goodwill acquired through business combinations are attributable to the acquisition of the Company's subsidiaries, which are also considered as cash-generating units ("**CGUs**") for impairment testing as follows:

	<b>31-Dec-22 S\$'000</b>	<b>31-Dec-21 S\$'000</b>
Formach Asia Sdn. Bhd. (" <b>Formach</b> ")	3,070	-
J-Dragon Tech (Suzhou) Co., Ltd (" <b>J-Dragon</b> ")	1,998	-
Grand Venture Technology Sdn. Bhd. (" <b>GVT MY</b> ")	1,282	1,362
Grand Venture Technology (Suzhou) Co., Ltd. (" <b>GVT SZ</b> ")	465	510
<b>Total</b>	<b>6,815</b>	<b>1,872</b>

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

### *GVT MY and GVT SZ*

The key assumptions used in the value-in-use calculations are as follows:

	<b>GVT MY</b>	<b>GVT SZ</b>
Long-term growth rates	2.0%	2.0%
Pre-tax discount rates	14.2%	13.9%

The long-term growth rates and pre-tax discount rates assumed were the same for the years ended 31 December 2022 and 2021.

### *J-Dragon and Formach*

Goodwill was recognised from the acquisitions of new subsidiaries during the year arising from the excess of the fair value of the consideration transferred ("**total consideration**") and the fair value of the identifiable assets acquired and liabilities assumed.

The key assumptions in determining the fair values are disclosed in Note 16.

The key assumptions used in the value-in-use calculations are as follows:

	<b>J-Dragon</b>	<b>Formach</b>
Long-term growth rates	2.0%	2.0%
Pre-tax discount rates	12.6%	12.2%

### *Goodwill acquired through business combinations*

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amounts.

Accordingly, no impairment loss on goodwill was recognised for the financial year ended 31 December 2022 and 2021 as their recoverable amounts were in excess of their carrying values.



## 14. Borrowings

	Group			
	31-Dec-22		31-Dec-21	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less or on demand	14,313	6,727	17,576	-
Amount payable after one year	38,884	-	33,853	-
<b>Total</b>	<b>53,197</b>	<b>6,727</b>	<b>51,429</b>	<b>-</b>
The above includes lease liabilities, as follows:				
Amount payable in one year or less or on demand	2,358	-	1,326	-
Amount payable after one year	6,599	-	4,303	-
<b>Total</b>	<b>8,957</b>	<b>-</b>	<b>5,629</b>	<b>-</b>

### 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 (Malaysia);
- (ii) First legal mortgage over the property in Singapore;
- (iii) Corporate guarantees by the Company and its wholly-owned subsidiary, Grand Venture Technology Sdn Bhd ("GVT MY"); and
- (iv) Charge over certain of the Group's equipment and vehicles.

## 15. Share capital

	31-Dec-22		31-Dec-21	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Beginning of period	330,780,000	78,926	234,253,000	27,843
Issuance of ordinary shares	8,509,432	8,664	96,527,000	52,103
Share issuance expenses	-	-	-	(1,020)
<b>End of period</b>	<b>339,289,432</b>	<b>87,590</b>	<b>330,780,000</b>	<b>78,926</b>

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2022 and 31 December 2021.

### Issuance of ordinary shares pursuant to share awards

On 21 February 2022, the Company granted share awards and allotted 728,500 ordinary shares at S\$1.00 per share to selected key employees of the Group and on 11 May 2022, the Company granted share awards and allotted 35,000 ordinary shares at S\$1.00 per share to associates of a controlling shareholder. A total of 763,500 ordinary shares were issued in relation to the Group's performance for the financial year ended 31 December 2021 pursuant to the GVT Performance Share Plan.

### Acquisition of subsidiaries

In connection with the acquisition of its new subsidiaries, 7,745,932 ordinary shares of the Company were allotted and issued to the previous shareholders of J-Dragon and Formach for the equity consideration as disclosed in Note 16.

## 16. Investment in subsidiaries

### Composition of the Group

The Group has acquired Formach and J-Dragon during FY2022, composition of the Group as at 31 December 2022 is as follows:

Name of subsidiaries	Principal activities (Principal place of business)	Proportion of ownership interest	
		FY2022 %	FY2021 %
<b>Held by the company</b>			
Grand Venture Technology Sdn. Bhd.	Manufacturing of machinery parts (Malaysia, Penang)	100	100
Grand Venture Technology (Penang) Sdn. Bhd.	Manufacturing of machinery parts (Malaysia, Penang)	100	100
Grand Venture Technology (Suzhou) Co., Ltd.	Manufacturing of machinery parts (China, Suzhou)	100	100
Formach Asia Sdn. Bhd.	Manufacturing of machinery parts (Malaysia, Johor)	100	-
J-Dragon Tech (Suzhou) Co., Ltd.	Manufacturing of machinery parts (China, Suzhou)	100	-

On 2 March 2022, the Group completed the acquisition of 100% equity interests in J-Dragon and Formach (the “Acquirees”).

#### *J-Dragon*

J-Dragon is involved in the manufacturing of parts, modules and tooling for the aerospace, medical and semiconductor segments.

The acquisition of J-Dragon will enable the Group to gain immediate access to the former’s patents, know-how, and capabilities, and facilitate the Company’s strategic expansion into the aerospace and medical business segments.

#### *Formach*

Formach is the manufacturer of complex sheet metal, machine structure weldment, and provision of electro-mechanical machine assembly services.

Its operations are expected to supplement the Group’s manufacturing nodes, capacity expansion and complementary capabilities for customers.

### Acquisition-related costs

The Group incurred acquisition related cost of S\$0.4 million on legal fees, due diligence costs, transaction advisory fees and other professional fees for the above acquisition, of which S\$0.2 million was recognised in FY2021 as the expenses were incurred. These costs have been included in general & administrative expenses within the consolidated statement of profit or loss and other comprehensive income.

	<b>J-Dragon S\$'000</b>	<b>Formach S\$'000</b>	<b>Total S\$'000</b>
Total cash consideration	4,203	6,800	11,003
Less: retention	(1,220)	(780)	(2,000)
Cash consideration paid	2,983	6,020	9,003
Cash in acquired companies - J-Dragon and Formach	(1,540)	(584)	(2,124)
<b>Net cash outflow</b>	<b>1,443</b>	<b>5,436</b>	<b>6,879</b>

### Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

#### Asset acquired

#### Valuation technique

#### Property, plant and equipment

*Market comparison method:* The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

#### Intangible assets

- Customer relationships
- Order backlog

*Multi-period excess earnings method:* The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

## Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	<b>J-Dragon</b>	<b>Formach</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Property, plant and equipment	9,460	2,893
Customer relationship	3,380	383
Cash and bank deposits	1,541	584
Trade and other receivables	5,022	1,322
Prepayment	1,143	72
Inventories	7,377	2,308
Trade and other payables	(9,167)	(1,531)
Loan and borrowing	(4,330)	(491)
Lease liabilities	(4,746)	(450)
Income tax (payable) / receivable	(6)	41
Deferred tax liabilities	(669)	(311)
<b>Fair value of identifiable net assets</b>	<b>9,005</b>	<b>4,820</b>
Goodwill arising from acquisition	2,221	3,257
<b>Total consideration</b>	<b>11,226</b>	<b>8,077</b>
<b>Consideration transferred for acquisition of business</b>		
Cash consideration	4,203	6,800
Equity instruments issued at fair value	7,023	877
Deemed transfer of customer deposit	-	400
<b>Total consideration transferred</b>	<b>11,226</b>	<b>8,077</b>

Goodwill arising from the acquisitions of S\$2,221,000 and S\$3,257,000 in relation to J-Dragon and Formach respectively pertains to the benefit of having access to a readily available production facility and operational resources.

## 17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## F. Other information required by Listing Rule Appendix 7.2

### 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.**

Refer to section A. Condensed interim consolidated statement of profit or loss and other comprehensive income.

- 1(a)(ii) Notes to the consolidated statement of comprehensive income.**

Refer to section E. Notes to the condensed interim consolidated financial statements.

- 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.**

Refer to section B. Condensed interim statements of financial position.

- 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:**

Refer to section E. Notes to the condensed interim consolidated financial statements.

- 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.**

Refer to section D. Condensed interim consolidated statement of cash flows.

- 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.**

Refer to section C. Condensed interim statements of changes in equity.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.**

Refer to section E. Notes to the condensed interim consolidated financial statements.

- 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.**

	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Total number of issued shares excluding treasury shares	<u>339,289,432</u>	<u>330,780,000</u>

There were no treasury shares as at 31 December 2022 and 31 December 2021.

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

Not applicable.

- 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.

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

The figures have neither been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2021.

- 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.**

Not applicable.

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).**

Refer to section E. Notes to the condensed interim consolidated financial statements.

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.**

Refer to section E. Notes to the condensed interim consolidated financial statements.

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 of Consolidated Statement of Comprehensive Income**

##### **Revenue**

The Group's revenue grew by S\$14.8 million or 12.8% from S\$116.3 million in FY2021 to S\$131.1 million in FY2022, mainly driven by increased business activities across the Life Sciences, and the Electronics, Aerospace, Medical and Others segments. Accordingly, the sales generated by each business segment are as follows:

	<b>FY2022</b>		<b>FY2021</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
<b>Sales by segment</b>				
Semiconductor	72,616	55.4%	82,676	71.1%
Life sciences	20,955	16.0%	18,389	15.8%
Electronics, aerospace, medical and others	37,516	28.6%	15,191	13.1%
<b>Total</b>	<b>131,087</b>	<b>100.0%</b>	<b>116,256</b>	<b>100.0%</b>

##### *Semiconductor*

Revenue from the Group's Semiconductor segment fell 12.2% from S\$82.7 million in FY2021 to S\$72.6 million in FY2022, mainly on lower demand for the Group's back-end semiconductor services. In tandem with the general industry slowdown, particularly in the memory chips market. The Group has commenced front-end semiconductor services and generate maiden revenue from this business segment. However, the contribution was not significant as the services were only introduced late in the year.

### *Life sciences*

The Life Sciences business recorded steady year-on-year improvement of 14.0% to S\$20.9 million in FY2022, as the Group expanded its wallet share from customers in this segment. The Group also secured more orders for the production of mass spectrometers and its bolt-on products from existing customers, and successfully converted more first article inspections to productions.

### *Electronics, aerospace, medical and others*

Revenue from the Electronics, Aerospace, Medical and Others segment rose 147.0% year-on-year to S\$37.5 million in FY2022. The revenue increase was driven by strong demand from all key customers in the segment, as well as contribution from the Group's recent acquisitions, including S\$8.9 million from the aerospace business.

### **Gross profit ("GP") and margin ("GPM")**

GP decreased by S\$1.9 million from S\$37.7 million in FY2021 to S\$35.8 million in FY2022. Business growth in the Life Sciences, and Electronics, Aerospace, Medical and Others segments was partially eroded by the slowdown in back-end semiconductor activities.

Overall GPM in FY2022 was 27.3% as compared to 32.4% in FY2021, in view of expenses incurred in preparation for the onboarding of customers, amidst softer semiconductor demand during the year. In addition, a S\$0.9 million non-recurring expenses, including fair value adjustments were charged against cost of sales in relation to inventories added from the acquisitions of J-Dragon and Formach. This resulted in approximately 2.2% downward pressure to margins.

A breakdown of GP and GPM by segment, as follows:

	FY2022		FY2021	
	GP S\$'000	GPM	GP S\$'000	GPM
<b>GP and GPM by segment</b>				
Semiconductor	21,937	30.2%	28,018	33.9%
Life sciences	6,976	33.3%	6,412	34.9%
Electronics, aerospace, medical and others	6,887	18.4%	3,256	21.4%
<b>Total</b>	<b>35,800</b>	<b>27.3%</b>	<b>37,686</b>	<b>32.4%</b>

### **Other income**

Other income increased S\$0.3 million from S\$1.2 million in FY2021 to S\$1.5 million in FY2022, This took into account (i) a S\$0.2 million increase in amortisation of deferred income for grants received and (ii) S\$0.3 million in other income from new subsidiaries – J-Dragon and Formach, offset by (iii) the absence of S\$0.3 million in foreign exchange gain recorded in FY2021.



## **General and administrative expenses**

General and administrative expenses increased by S\$2.3 million from S\$12.5 million in FY2021 to S\$14.8 million in FY2022. The increase mainly comprised (i) a S\$1.1 million increase in staff cost mainly arising from headcount expansion, (ii) S\$0.8 million in expenses from newly acquired subsidiaries and (iii) S\$0.2 million in foreign exchange loss. This has included approximately S\$0.3 million non-recurring expenses including the professional fees in connection with the merger and acquisition activities of the Group.

## **Other operating expenses**

In FY2022, other operating expenses was S\$4.9 million, a S\$2.2 million increase from S\$2.7 million in FY2021. This was mainly due to (i) S\$1.2 million in consolidated expenses from the newly acquired subsidiaries, J-Dragon and Formach, along with (ii) a S\$0.5 million increase in expenses from the amortisation of customer relationships and order backlog relating to these newly acquired entities, and (iii) a S\$0.4 million rise in depreciation charges in conjunction with the Group's organic expansion.

## **Finance costs**

Finance costs increased by S\$0.6 million from S\$1.7 million in FY2021 to S\$2.3 million in FY2022, mainly driven by credit facilities drawn down to support the Group's higher level of working capital and capital expenditure requirement in tandem with growth in business volume.

## **Income tax expense**

Income tax expenses decreased by S\$2.8 million from S\$3.3 million in FY2021 to S\$0.6 million in FY2022, in line with lower level of profit recorded during the year and a S\$0.8 million tax credit recorded as part of government incentives.

## **Review of Consolidated Statement of Financial Position**

### **Non-current assets**

Non-current assets increased by S\$33.6 million from S\$61.8 million as at 31 December 2021 to S\$95.3 million as at 31 December 2022. This took into account a S\$28.1 million increase in fixed assets (including that acquired from J-Dragon and Formach) to support capacity expansion, and a S\$8.2 million increase in intangible assets, net of amortisation, following the completion of the J-Dragon and Formach acquisitions.

### **Current assets**

Current assets as at 31 December 2022 was S\$108.8 million, taking into account S\$23.2 million in cash deployed mainly for capital expenditure and the acquisition of J-Dragon and Formach, which were partially offset by the consolidation of J-Dragon and Formach's current assets comprising inventories, prepayments and trade and other receivables of approximately the same amount.

### **Non-current and current liabilities**

Non-current and current liabilities increased by S\$7.8 million from S\$78.3 million as at 31 December 2021 to S\$86.1 million as at 31 December 2022. This was mainly due to a (i) S\$5.2 million increase in borrowings to support the Group's capacity expansion, and (ii) S\$3.3 million increase in lease liabilities, mainly in respect of J-Dragon and Formach's production facilities, which were partially offset by a S\$1.9 million decline in trade and other payables.

### **Equity attributable to owners of the Company**

Total equity increased by S\$13.5 million from S\$104.6 million as at 31 December 2021 to S\$118.1 million as at 31 December 2022, mainly due to a (i) S\$7.9 million in shares issued as consideration shares for the acquisition

of J-Dragon and Formach, and (ii) S\$8.3 million in total comprehensive income generated during the period which were partially offset by S\$2.7 million in dividends paid.

### **Review of Consolidated Cash Flow Statement**

Net cash generated from operating activities was S\$13.4 million, of which operating cash flows before changes in working capital was S\$30.0 million, offset by (i) S\$12.9 million decrease in working capital, (ii) interest paid of S\$2.4 million, and (iii) tax amount paid of S\$1.3 million.

In FY2022, the Group (i) invested S\$9.7 million in capital expenditure (net of prepayment), mainly for the acquisition of machinery and assets for capacity expansion and (ii) S\$6.9 million net cash outflow for the acquisition of subsidiaries, net of cash acquired and (iii) received S\$0.7 million in capital grant.

Net cash flows used in financing activities was S\$19.9 million, mainly due to (i) S\$15.3 million in net repayment towards Group's borrowing facilities, and (ii) S\$2.7 million in dividends paid.

**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 for the financial year discussed in this announcement.

**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 expects the macro industry environment to remain challenging in the near term, amid geopolitical and economic factors including the ongoing Russia-Ukraine conflict and US-China trade tension, rising inflation and interest rates, and risk of recession. Nevertheless, global trends in digitalisation and innovation in technologies like electric vehicle, AI and 5G are expected to drive semiconductor demand in the medium to long term, with a gradual recovery in market conditions expected from the later part of this year.

With the commencement of its front-end semiconductor business, the Group will focus on onboarding several new customers while actively engaging other prospects. With its dedicated capacities in Singapore, Johor Bahru and Penang all operational, the Group is looking forward to a meaningful contribution from this business segment for the current year. Meanwhile, interest from back-end semiconductor customers remains healthy, with new customers expected to be onboarded in the course of the year.

The Group is also reinforcing its long-term sustainability and resilience by supporting its customers in the life sciences, medical and electronics sectors with higher-level assembly services. The lifting of pandemic travel restrictions is also expected to bode well for the aerospace industry, and J-Dragon's recent relocation to a larger facility in March 2022 should enable it to meet any increase in demand for its services and expand its presence in the aerospace sector.

The Group remains committed to identifying suitable opportunities to acquire capabilities in advanced materials that will complement and enhance its service offerings and value-add to its customers.

**11. If a decision regarding dividend has been made:**

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

Yes, final dividend proposed.

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

<b>Name of dividend</b>	<b>Proposed final dividend</b>
<b>Dividend type</b>	Cash
<b>Dividend amount (SGD)</b>	0.3 cents per ordinary share
<b>Tax rate</b>	One-tier tax exempt

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

<b>Name of dividend</b>	<b>Proposed final dividend</b>
<b>Dividend type</b>	Cash
<b>Dividend amount (SGD)</b>	0.5 cents per ordinary share
<b>Tax rate</b>	One-tier tax exempt

**(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).**

The dividend is tax exempted.

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

Subject to shareholders' approval at the forthcoming Annual General Meeting of the Company, the proposed final dividend for financial year ended 31 December 2022 will be payable on 19 May 2023.

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

Notice is hereby given that the Transfer Books and the Register of Members will be closed on 10 May 2023 for the preparation of the final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #02-00 Singapore 068898, up to 5.00 pm on 9 May 2023 will be registered to determine shareholders' entitlement to the one-tier tax exempt interim dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 9 May 2023 will be entitled to the final dividend.

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

Not applicable.

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	Nature of relationship	Transaction	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
Novo Tellus Capital Partners Pte Ltd	Affiliate shareholder	Advisory fee	*

\* Amount is less than S\$100,000

The Group does not have a general mandate for interested person transactions.

14. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of Listing Manual Section A: Rules of Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”).

## 15. Use of proceeds

The Company has raised net proceeds from placement of new shares amounting to S\$27.6 million (the “**Net Proceeds**”) in September 2021. As at the date of this announcement, the net proceeds as disclosed in announcements dated 3 September 2021, 31 May 2022 and 10 August 2022 have been utilised as follows:

Use of proceeds	Allocated		Utilised (announced 10 August 2022)	Balance (announced 10 August 2022)	Amount re- allocated <sup>(1)</sup>	Balance after re- allocation	Utilised post re- allocation	Balance after re- allocation and utilised
	%	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Expansion via mergers and acquisitions, joint ventures and partnerships	40-45	11,000 to 12,400	4,500	6,500	(4,500)	2,000	-	2,000 <sup>(2)</sup>
Investing and enhancing operational and engineering capabilities	40-45	11,000 to 12,400	11,000	-	4,500	4,500	3,795	705
General working capital <sup>(3)</sup>	10-20	2,783 to 5,583	5,583 <sup>(3)</sup>	-	-	-	-	-
<b>Total</b>	<b>100</b>	<b>27,583</b>	<b>21,083</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>3,795</b>	<b>2,705</b>

### (1) Rationale for the re-allocation of the Net Proceeds

Having reviewed the Group’s internal capacity and capabilities requirements, the Company had re-allocated net proceeds of S\$4.5 million for the immediate priority capital expenditures, including machineries and capacities for the incoming front-end semiconductor customers.

The Board is of the view that it is in the best interest of the Group to re-allocate S\$4.5 million intended for expansion activities via mergers and acquisitions, joint ventures and partnerships to fund its immediate capital expenditure requirements.

- (2) The Company intends to utilise S\$2.0 million from the balance to fund the remaining Cash Consideration on the respective Withholding Payment Dates of the Transactions. In the event of any claims for indemnification by the Company under the Sale and Purchase Agreement (“**SPA**”), such amount claimed shall first be set-off proportionally against the remaining Cash Consideration payable to the Vendors.

- (3) Details of working capital used:

	<b>S\$'000</b>
Staff cost	4,803
Directors’ fees	100
Professional fees, including M&A due diligence costs	170
Rental, office expenditure and other operating expenses	510
<b>Total</b>	<u><u>5,583</u></u>

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 16. Segmented revenue and results for business or geographical 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.**

Please refer to F. Other information required by Listing Rule Appendix 7.2, section 8 of this announcement for the review of the performance of the Group.

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to F. Other information required by Listing Rule Appendix 7.2, section 8 of this announcement for the review of the performance of the Group.

- 18. A breakdown of sales as follows:**

	<b>FY2022 S\$'000</b>	<b>FY2021 S\$'000</b>	<b>Increase/ decrease %</b>
(a) Sales reported for first half year	67,064	53,540	25.3%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	7,132	8,508	(16.2)%
(c) Sales reported for second half year	64,023	62,716	2.1%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	6,193	9,048	(31.6)%

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

	<b>FY2022 S\$'000</b>	<b>FY2021 S\$'000</b>
Interim dividend (ordinary)	1,018	1,529
Final dividend (ordinary)	1,018	1,696
Preference dividend	-	-
<b>Total</b>	<b>2,036</b>	<b>3,225</b>

Final dividend value disclosed above is calculated based on the number of ordinary shares as at the date of this announcement of 339,289,432, subject to shareholders' approval at the forthcoming Annual General Meeting.

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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties year the position was held</b>	<b>Details of changes in duties and position held, if any during the year</b>
Lee Ching Ann	47	Brother of Lee Tiam Nam	Senior Sales Manager of the Company, (year 2021)	Not applicable
Lee Ban Seng	44	Nephew of Lee Tiam Nam	Operations Manager of the Company, (year 2019)	Not applicable

**BY ORDER OF THE BOARD**

**LEE TIAM NAM**  
Executive Deputy Chairman  
20 February 2023