

## BUSINESS UPDATE FOR 1QFY2021

The Board of Directors (the “**Board**”) of Grand Venture Technology Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide a voluntary update on the Group’s business and financial performance for the three months ended 31 March 2021 (“**1QFY2021**”). The comparative financial quarter was for the three months ended 31 March 2020 (“**1QFY2020**”).

### Financial summary

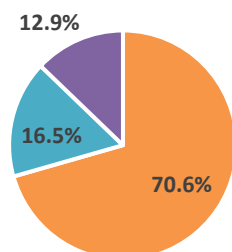
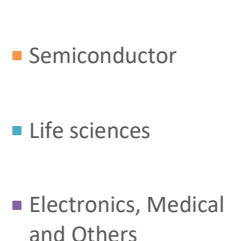
S\$'000	1QFY2021	1QFY2020	Growth%
Revenue	23,023	14,477	59.0%
Gross profit	7,395	3,314	123.1%
Net profit after tax	3,327	622	434.9%
<i>Gross profit margin</i>	32.1%	22.9%	
<i>Net profit margin</i>	14.5%	4.3%	

The Group recorded a 434.9% growth in net profit after tax on the back of (i) revenue increase by 59.0% from S\$14.5 million in 1QFY2020 to S\$23.0 million in 1QFY2021, as the Group continues to grow its wallet share from its key customers and (ii) stronger gross profit margin at 32.1% in 1QFY2021 as compared to 22.9% in 1QFY2020 mainly due to improved capacity utilisation, discussed further below.

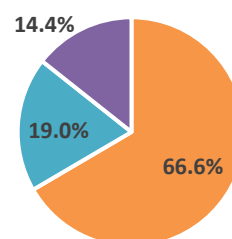
### Revenue summary by segments

	1QFY2021	%	1QFY2020	%	Growth%
	S\$'000		S\$'000		
Semiconductor	16,253	70.6%	9,643	66.6%	68.5%
Life sciences	3,808	16.5%	2,751	19.0%	38.4%
Electronics, Medical and Others	2,962	12.9%	2,083	14.4%	42.2%
<b>Total</b>	<b>23,023</b>	<b>100.0%</b>	<b>14,477</b>	<b>100.0%</b>	<b>59.0%</b>

1QFY2021



1QFY2020



The Group recorded revenue growth across all its business segments, most significantly in the semiconductor segment, which registered a 68.5% increase to \$16.3 million in 1QFY2021, from \$9.6 million in 1QFY2020. Consequently, the segment’s contribution to the Group revenue expanded to 70.6% in 1QFY2021, compared to 66.6% in the previous corresponding quarter.

## Semiconductor

Growth in the semiconductor segment was mainly attributable to global ramp up in demand for semiconductor chips, in line with the macro demand for digitalisation, electronics, data, 5G, electric vehicles (“EV”), artificial intelligence (“AI”), and the internet of things (“IoT”).

## Life sciences

Growth in the life sciences segment was mainly driven by increased mass production of mass spectrometers subsequent to receiving customers’ qualifications, on the back of higher industry demand for such equipment for use in areas including drug discovery, and vaccine production and testing.

## Electronics, Medical and Others

Growth in this segment was mainly driven by strengthening of demand for the electronics segment products and the Group’s increased penetration to the medical sector, such as surgical microscope used by neurosurgeons.

## **Gross profit**

Gross profit has increased by 123.1% from S\$3.3 million in 1QFY2020 to S\$7.4 million in 1QFY2021 on the back of 59.0% higher level of sales and increase in gross profit margin mainly due to overall improved capacity utilisation (1QFY2021: 32.1%; 1QFY2020: 22.9%).

Gross profit margin of 32.1% was achieved for 1QFY2021 as production began to normalise after the initial stages of the COVID-19 pandemic whilst gross profit margin for 1QFY2020 was weighed down by operational disruptions in Suzhou due to facility expansion and relocation, followed by the Chinese New Year holidays and the impact of the COVID-19 pandemic.

## **Corporate updates**

The Company remains committed to maximising shareholder value via the deployment of resources towards (i) strategic growth (both organic and inorganic) in the areas of engineering know-how, competencies and operational capabilities, and (ii) strengthening of financial resources to scale up business size and volume. The Company has since completed its placement exercise (refer to announcement dated 15 March 2021) and received the S\$23.5 million in net proceeds, which it expects to deploy over time towards the execution of its growth strategy,

The Group also continues its research into (i) advanced manufacturing techniques, including mechatronics, and (ii) advanced materials such as quartz and ceramics so as to enhance the product and services offerings to the customers.

## **Disclaimer**

The financial figures contained herein have not been audited nor reviewed by the auditors.

The Company wishes to emphasise that none of the forward-looking statements in this document is intended to be a profit forecast, and should not be treated as such.

## **BY ORDER OF THE BOARD**

### **LEE TIAM NAM**

Executive Chairman

10 May 2021

*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 Catalyst. This document has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr Jason Chian, Head, Corporate Finance, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*