



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

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**UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024 FOR GRAND VENTURE TECHNOLOGY LIMITED (THE “COMPANY” AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)**

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**Comparative financial period**

For the purposes of this results announcement:

- The current financial period being reported on relating to the half year from 1 January 2024 to 30 June 2024, shall be referred to herein as “**1HFY2024**”; and
- The corresponding financial period from 1 January 2023 to 30 June 2023, shall be referred to herein as “**1HFY2023**”.

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

	Note	Group		Changes %
		1HFY2024 S\$'000	1HFY2023 S\$'000	
Revenue	4	68,309	53,866	26.8%
Cost of sales		(50,301)	(40,347)	24.7%
<b>Gross profit</b>		<b>18,008</b>	<b>13,519</b>	33.2%
Other income	5	1,526	1,218	25.3%
Selling and distribution costs		(590)	(409)	44.3%
General and administrative expenses		(9,608)	(6,732)	42.7%
Other operating expenses		(3,034)	(2,350)	29.1%
Finance costs		(1,499)	(1,184)	26.6%
<b>Profit before tax</b>	7	<b>4,803</b>	<b>4,062</b>	18.2%
Income tax expense	10	(495)	(659)	(24.9)%
<b>Profit after tax</b>		<b>4,308</b>	<b>3,403</b>	26.6%
<b>Other comprehensive income:</b>				
<i>Items that maybe reclassified subsequently to profit or loss</i>				
Currency translation differences arising from consolidation of foreign operations		268	(3,395)	NM
<b>Total comprehensive income for the financial year attributable to owners of the Company</b>		<b>4,576</b>	<b>8</b>	NM
Earnings per share (cents per share)				
- Basic and diluted	8	1.27	1.00	
<b>EBITDA</b> <sup>Note (a)</sup>		<b>13,913</b>	<b>12,176</b>	14.3%

NM: Not meaningful

Note (a): 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	
		30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	13	96,201	83,549	12,938	14,057
Investment in subsidiaries		-	-	67,334	50,334
Intangible assets	14	9,887	9,455	-	-
Loans to subsidiaries		-	-	3,112	3,112
Deferred tax assets		723	778	-	-
<b>Total non-current assets</b>		<b>106,811</b>	<b>93,782</b>	<b>83,384</b>	<b>67,503</b>
<b>Current assets</b>					
Cash and bank balances		21,775	19,148	9,568	11,714
Trade and other receivables		39,807	30,640	16,986	13,624
Prepayments		5,903	3,035	1,141	200
Inventories		60,803	56,728	13,922	13,882
Loans to subsidiaries		-	-	4,900	4,900
Forward contract		-	45	-	33
<b>Total current assets</b>		<b>128,288</b>	<b>109,596</b>	<b>46,517</b>	<b>44,353</b>
<b>Total assets</b>		<b>235,099</b>	<b>203,378</b>	<b>129,901</b>	<b>111,856</b>
<b>Current liabilities</b>					
Trade and other payables		31,524	26,230	7,816	6,061
Loans and borrowings	15	25,719	20,785	2,985	2,800
Lease liabilities	15	1,948	2,200	36	35
Deferred income		237	266	237	247
Forward contract		41	-	33	-
Provision for income tax		459	156	292	232
<b>Total current liabilities</b>		<b>59,928</b>	<b>49,637</b>	<b>11,399</b>	<b>9,375</b>
<b>Net current assets</b>		<b>68,360</b>	<b>59,959</b>	<b>35,118</b>	<b>34,978</b>
<b>Non-current liabilities</b>					
Loans and borrowings	15	41,922	28,225	25,468	10,073
Lease liabilities	15	6,921	4,645	1,482	1,500
Deferred income		597	716	597	716
Deferred tax liabilities		2,883	1,544	472	472
<b>Total non-current liabilities</b>		<b>52,323</b>	<b>35,130</b>	<b>28,019</b>	<b>12,761</b>
<b>Total liabilities</b>		<b>112,251</b>	<b>84,767</b>	<b>39,418</b>	<b>22,136</b>
<b>Net assets</b>		<b>122,848</b>	<b>118,611</b>	<b>90,483</b>	<b>89,720</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	16	87,590	87,590	87,590	87,590
Currency translation reserve		(9,761)	(10,029)	-	-
Retained earnings		45,019	41,050	2,893	2,130
<b>Total equity</b>		<b>122,848</b>	<b>118,611</b>	<b>90,483</b>	<b>89,720</b>

## C. Condensed interim statements of changes in equity

<b>Group</b>	<b>Note</b>	<b>Share capital S\$'000</b>	<b>Currency translation reserve S\$'000</b>	<b>Share- based payment reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
<b>Balance as at 1 January 2023</b>		<b>87,590</b>	<b>(6,030)</b>	-	<b>36,524</b>	<b>118,084</b>
<i>Transactions with owners, recognised directly in equity</i>						
Dividends paid		-	-	-	(1,018)	(1,018)
<b>Total</b>		-	-	-	(1,018)	(1,018)
<i>Total comprehensive income for the financial period</i>						
Profit for the financial period		-	-	-	3,403	3,403
Other comprehensive income for the financial period		-	(3,395)	-	-	(3,395)
<b>Total comprehensive income for the financial period</b>		-	(3,395)	-	3,403	8
<b>Balance as at 30 June 2023</b>		<b>87,590</b>	<b>(9,425)</b>	-	<b>38,909</b>	<b>117,074</b>
<b>Balance as at 1 January 2024</b>		<b>87,590</b>	<b>(10,029)</b>	-	<b>41,050</b>	<b>118,611</b>
<i>Transactions with owners, recognised directly in equity</i>						
Dividends paid		-	-	-	(339)	(339)
<b>Total</b>		-	-	-	(339)	(339)
<i>Total comprehensive income for the financial period</i>						
Profit for the financial period		-	-	-	4,308	4,308
Other comprehensive income for the financial period		-	268	-	-	268
<b>Total comprehensive income for the financial period</b>		-	268	-	4,308	4,576
<b>Balance as at 30 June 2024</b>		<b>87,590</b>	<b>(9,761)</b>	-	<b>45,019</b>	<b>122,848</b>

	Note	Share capital S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Company</b>					
<b>Balance as at 1 January 2023</b>		<b>87,590</b>	-	<b>1,000</b>	<b>88,590</b>
<i>Transactions with owners, recognised directly in equity</i>					
Issuance of shares	16	-	-	-	-
Dividends paid		-	-	(1,018)	(1,018)
Total		-	-	(1,018)	(1,018)
<i>Total comprehensive income for the financial period</i>					
Profit for the financial period, representing total comprehensive income for the financial period		-	-	1,412	1,412
<b>Balance as at 30 June 2023</b>		<b>87,590</b>	-	<b>1,394</b>	<b>88,984</b>
<b>Balance as at 1 January 2024</b>		<b>87,590</b>	-	<b>2,130</b>	<b>89,720</b>
<i>Transactions with owners, recognised directly in equity</i>					
Dividends paid		-	-	(339)	(339)
Total		-	-	(339)	(339)
<i>Total comprehensive income for the financial period</i>					
Profit for the financial period, representing total comprehensive income for the financial period		-	-	1,102	1,102
<b>Balance as at 30 June 2024</b>		<b>87,590</b>	-	<b>2,893</b>	<b>90,483</b>

## D. Condensed interim consolidated statement of cash flows

	Note	Group	
		1HFY2024 S\$'000	1HFY2023 S\$'000
<b>Operating activities</b>			
Profit before tax		4,803	4,062
Adjustments for:			
Depreciation of property, plant and equipment	7	7,587	7,166
Amortisation of intangible assets	7	204	195
Amortisation of deferred income	5	(129)	(351)
Interest income	5	(51)	(80)
Interest expense	7	1,499	1,184
Gain on lease modification		-	(18)
Net loss on disposal of property, plant and equipment	7	6	-
Unrealised foreign exchange gain		(39)	(157)
<b>Operating cash flows before changes in working capital</b>		<b>13,880</b>	<b>12,001</b>
(Increase)/decrease in trade and other receivables		(5,698)	1,244
Increase in inventories		(3,520)	(2,964)
(Increase)/decrease in prepayments		(2,695)	352
Increase/(decrease) in trade and other payables		3,865	(5,791)
<b>Cash flows generated from operations</b>		<b>5,832</b>	<b>4,842</b>
Income tax paid		(380)	(506)
Interest received		51	80
Interest paid		(1,499)	(1,184)
<b>Net cash flows generated from operating activities</b>		<b>4,004</b>	<b>3,232</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment		(4,067)	(2,004)
Proceeds from disposal of property, plant and equipment		1	-
Net cash outflow on acquisition of subsidiaries		(12,460)	-
<b>Net cash flows used in investing activities</b>		<b>(16,526)</b>	<b>(2,004)</b>
<b>Financing activities</b>			
Proceeds from loans and borrowings		21,300	5,923
Repayment of loans and borrowings		(6,263)	(4,009)
Repayment of hire purchases		(1,816)	(2,283)
Proceeds from/(repayment) of trade financing		1,890	(2,409)
Payment of principal portion of lease liabilities		(1,338)	(1,157)
Dividends paid to shareholders		(339)	(1,018)
Decrease in placement of short-term fixed deposits		(1)	-
<b>Net cash flows generated from/(used) in financing activities</b>		<b>13,433</b>	<b>(4,953)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>911</b>	<b>(3,725)</b>
Effect of foreign exchange rate changes, net		15	(345)
Cash and cash equivalents at the beginning of the financial period		19,088	23,054
<b>Cash and cash equivalents at the end of the financial period</b>		<b>20,014</b>	<b>18,984</b>
<b>Cash and cash equivalents represented by:</b>			
Cash and bank balances		21,775	19,115
less: Restricted cash		(1,700)	-
less: Short-term fixed deposits		(61)	(131)
		<b>20,014</b>	<b>18,984</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 six months ended 30 June 2024 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, mechatronics assembly, provision of customised electro-plating and surface treatment services.

### **2. Basis of preparation**

The condensed interim financial statements for the financial period ended 30 June 2024 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 annual financial statements for the year ended 31 December 2023.

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.

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 2023.

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 14 – Goodwill impairment assessment: key assumptions underlying recoverable amounts.
- Note 17 – Accounting for business combination: key assumptions underlying the determination of customer relationships.

### **3. Seasonal operations**

The Group's businesses were not affected significantly by seasonal factors during the financial period. However, the Group experienced negative impact from the cyclical downturn of the Semiconductor segment.

### **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, 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 commercial aircraft, 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	Semiconductor S\$'000	Life sciences S\$'000	Electronics, aerospace, medical and others	Total S\$'000
			S\$'000	
<b>1HFY2024</b>				
Revenue	34,287	10,244	23,778	68,309
Cost of sales	(24,405)	(7,108)	(18,788)	(50,301)
<b>Gross profit</b>	<b>9,882</b>	<b>3,136</b>	<b>4,990</b>	<b>18,008</b>
<b>1HFY2023</b>				
Revenue	26,062	9,824	17,980	53,866
Cost of sales	(18,546)	(6,824)	(14,977)	(40,347)
<b>Gross profit</b>	<b>7,516</b>	<b>3,000</b>	<b>3,003</b>	<b>13,519</b>

Revenue by geographical segment

	Group	
	1HFY2024 S\$'000	1HFY2023 S\$'000
Malaysia	26,916	22,620
Singapore	17,693	15,323
China	11,152	9,363
United States	6,097	4,263
Others	6,451	2,297
<b>Total</b>	<b>68,309</b>	<b>53,866</b>

**5. Other income**

	Group	
	1HFY2024 S\$'000	1HFY2023 S\$'000
Government grants	333	104
Proceed from scrapped materials	286	227
Amortisation of deferred income	129	351
Interest income	51	80
Rental income	4	98
Utilities charged to tenants	-	59
Gain on disposal of property, plant and equipment	-	9
Gain on lease modification	-	18
Foreign exchange gain, net	723	272
<b>Total</b>	<b>1,526</b>	<b>1,218</b>

## 6. 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 30 June 2024 and 31 December 2023:

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financial assets</b>				
Cash and bank balances and trade and other receivables (amortised cost)	60,328	49,540	34,566	33,345
<b>Financial liabilities</b>				
Trade and other payables and borrowings (amortised cost)	108,034	82,085	37,787	20,469

## 7. Profit before tax

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

	<b>Group</b>	
	<b>1HFY2024</b>	<b>1HFY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Employee benefits expenses	20,456	15,270
Depreciation of property, plant and equipment	7,587	7,166
Interest expense	1,499	1,184
Operating lease expenses for short-term leases	221	230
Amortisation of intangible assets	204	195
Net loss on disposal of property, plant and equipment	6	-
Foreign exchange gain, net	(723)	(272)

## 8. Earnings per share

	<b>Group</b>	
	<b>1HFY2024</b>	<b>1HFY2023</b>
Profit after tax (S\$'000)	4,308	3,403
Weighted average numbers of ordinary shares ('000)	339,289	339,289
Basic and diluted Earnings Per Share (" <b>EPS</b> ") (Singapore Cents)	<u>1.27</u>	<u>1.00</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 1HFY2024 and 1HFY2023.

## 9. 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>1HFY2024</b>	<b>1HFY2023</b>	<b>1HFY2024</b>	<b>1HFY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Advisory fee paid to an affiliate of shareholder	(48)	(48)	(48)	(48)
Factory rental paid to a related party	(132)	(138)	-	-
Purchase from subsidiaries	-	-	(7,615)	(6,054)
Management fee income from subsidiaries	-	-	830	465
Interest income from subsidiaries	-	-	120	147
Sales to subsidiaries	-	-	115	41

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

	<b>Group</b>		<b>Company</b>	
	<b>1HFY2024</b>	<b>1HFY2023</b>	<b>1HFY2024</b>	<b>1HFY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Short-term benefits	1,223	1,009	928	737
Defined contributions plans	89	67	45	24
<b>Total</b>	<u>1,312</u>	<u>1,076</u>	<u>973</u>	<u>761</u>

## 10. Income tax expense

The Group calculates income tax expense for the period 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:

	Group	
	1HFY2024 S\$'000	1HFY2023 S\$'000
Current income tax expense	556	715
Deferred income tax credit relating to origination and reversal of temporary differences	(61)	(56)
<b>Total income tax expense in the statement of profit or loss and other comprehensive income</b>	<b>495</b>	<b>659</b>

## 11. Net asset value

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Net assets (S\$'000)	122,848	118,611	90,483	89,720
Number of ordinary shares ('000)	339,289	339,289	339,289	339,289
<b>Net asset value per ordinary share (Singapore cents)</b>	<b>36.21</b>	<b>34.96</b>	<b>26.67</b>	<b>26.44</b>

## 12. 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			
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	Total S\$'000
<b>30 June 2024</b>				
Loans to subsidiaries (non-current)	-	-	3,067	3,067
<b>31 December 2023</b>				
Loans to subsidiaries (non-current)	-	-	3,144	3,144

Loan to subsidiaries (non-current)

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.

Loan and borrowings

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

### 13. Property, plant and equipment

During the six months ended 30 June 2023, acquisition of property, plant and equipment by means of hire purchase amounted to S\$1,950,000. There was no acquisition of property, plant and equipment by means of hire purchase during the six months ended 30 June 2024. The cash outflow on acquisition of property, plant and equipment amounted to S\$4,067,000 (30 June 2023: S\$2,004,000).

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

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Capital commitments in respect of property, plant and equipment	5,147	3,752	-	-

## 14. Intangible assets

	Group		
	Customer relationship S\$'000	Goodwill S\$'000	Total S\$'000
<b>Cost:</b>			
At 1 January 2023	5,007	6,815	11,822
Translation differences	-	(345)	(345)
At 31 December 2023 and 1 January 2024	5,007	6,470	11,477
Acquisition of subsidiaries	609	5	614
Translation differences	-	22	22
At 30 June 2024	5,616	6,497	12,113
<b>Accumulated amortisation:</b>			
At 1 January 2023	1,631	-	1,631
Amortisation for the year	391	-	391
At 31 December 2022 and 1 January 2023	2,022	-	2,022
Amortisation for the period	204	-	204
At 30 June 2024	2,226	-	2,226
<b>Carrying amount</b>			
At 31 December 2023	2,985	6,470	9,455
At 30 June 2024	3,390	6,497	9,887

### 14.1 Customer relationship

Customer relationship has a remaining amortisation period of 4 to 35 years (FY2023: 4 to 9 years).

### 14.2 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:

	30-Jun-24 S\$'000	31-Dec-23 S\$'000
Grand Venture Technology (Johor) Sdn. Bhd. (" <b>GVT JH</b> ") <i>formerly known as Formach Asia Sdn. Bhd.</i>	2,900	2,894
Grand Venture Technology (Suzhou) Limited (" <b>GVT SL</b> ")	1,932	1,920
Grand Venture Technology (Penang) Sdn. Bhd. (" <b>GVT MY</b> ") <i>formerly known as Grand Venture Technology Malaysia Sdn. Bhd. and Grand Venture Technology Sdn. Bhd.</i>	1,210	1,208
Grand Venture Technology (Suzhou) Co., Ltd. (" <b>GVT SZ</b> ")	450	448
ACP Metal Finishing Pte Ltd (" <b>ACP</b> ")	5	-
<b>Total</b>	<b>6,497</b>	<b>6,470</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. The determination of value-in-use as at 30 June 2024 was similar to the goodwill impairment test for 31 December 2023, and was based on the following key assumptions:

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

	<b>GVT MY</b>	<b>GVT JH</b>	<b>GVT SZ</b>	<b>GVT SL</b>
Long-term growth rates	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rates	14.2%	12.2%	13.0%	11.8%

The long-term growth rates and pre-tax discount rates assumed were the same for the years ended 31 December 2023.

#### *ACP*

Goodwill was recognised from the acquisitions of new subsidiaries during the year as the difference between the fair value of the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed.

The key assumptions to determine the fair values are described in Note 17.

The goodwill arising from the acquisition of ACP is not material.

#### *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 2023 and six months ended 30 June 2024 as their recoverable amounts were in excess of their carrying values.



## 15. Borrowings

	Group			
	30-Jun-24		31-Dec-23	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less or on demand	17,425	10,242	13,735	9,250
Amount payable after one year	48,843	-	32,870	-
<b>Total</b>	<b>66,268</b>	<b>10,242</b>	<b>46,605</b>	<b>9,250</b>

The above includes lease liabilities, as follows:

Amount payable in one year or less or on demand	1,948	-	2,200	-
Amount payable after one year	6,921	-	4,645	-
<b>Total</b>	<b>8,869</b>	<b>-</b>	<b>6,845</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 properties in Singapore;
- (iii) First ranking pledge over 100% of a subsidiary's shares;
- (iv) First ranking debenture over the fixed and floating assets of a subsidiary;
- (v) Corporate guarantees by the Company and its wholly-owned subsidiary, GVT MY; and
- (vi) Charge over certain of the Group's equipment and vehicles.

## 16. Share capital

	30-Jun-24		31-Dec-23	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Beginning and end of period	339,289,432	87,590	339,289,432	87,590

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 30 June 2024 and 31 December 2023.

## 17. Investment in subsidiaries

### Composition of the Group

The Group has acquired ACP during 1HFY2024, composition of the Group as at 30 June 2024 is as follows:

Name of subsidiaries	Principal activities (Principal place of business)	Proportion of ownership interest	
		1HFY2024 %	FY2023 %
<b>Held by the company</b>			
Grand Venture Technology (Penang) Sdn. Bhd.	Manufacturing ultra-precision machining parts, modules, complex sheet metal and machatronics assembly (Malaysia, Penang)	100	100
Grand Venture Technology (Penang II) Sdn. Bhd. <i>formerly known as Grand Venture Technology (Penang) Sdn. Bhd.</i>	Dormant	100	100
Grand Venture Technology (Johor) Sdn. Bhd.	Manufacturing ultra-precision machining parts, modules, complex sheet metal and machatronics assembly (Malaysia, Johor)	100	100
Grand Venture Technology (Suzhou) Co., Ltd.	Manufacturing ultra-precision machining parts, modules, complex sheet metal and machatronics assembly (China, Suzhou)	100	100
Grand Venture Techonology (Suzhou) Limited	Manufacturing ultra-precision machining parts, modules, and machatronics assembly (China, Suzhou)	100	100
ACP Metal Finishing Pte Ltd	Provision of customnised electro-plating and surface treatment services	100	-

On 26 March 2024 (the “acquisition date”), the Group acquired 100% equity interest in ACP Metal Finishing Pte Ltd (“**ACP**”), a company incorporated in Singapore which specialises in providing surface treatment services and customised electro-plating services, for a cash consideration of S\$17,000,000, of which S\$15,300,000 was paid upfront with the remaining S\$1,700,000 being a retention amount to be paid 12 months subsequent to the acquisition date. Concurrently, the Group entered into a facility agreement for a loan of S\$17,000,000 to finance the acquisition of ACP.

Upon acquisition, ACP became a wholly-owned subsidiary of the Group.

The acquisition is in line with the Group’s strategy to expand its capabilities and provide a full suite of services to better serve its customers and reduce its external reliance for surface treatment services, especially for customers in the aerospace segment. This is essential for the Group’s long-term competency build to further penetrate the front-end semiconductor segment and equip the Group with a differentiated advantage.

### **Acquisition-related costs**

The Group incurred acquisition related cost of S\$150K on legal fees, due diligence costs, transaction advisory fees and other professional fees for the above acquisition, of which S\$89K was recognised in FY2023 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>Total S\$'000</b>
Total cash consideration	17,000
Less: retention	<u>(1,700)</u>
Cash consideration paid	<b>15,300</b>
Cash in acquired companies - ACP	<u>(2,840)</u>
<b>Net cash outflow</b>	<b><u>12,460</u></b>

### **Measurement of fair values**

The valuation techniques used to determine the fair value of material assets acquired involve a thorough evaluation of key assumptions, including revenue growth rates, pre-tax discount rates, and long-term growth rates. These assumptions are benchmarked against historical performance, industry outlooks, and comparable companies within the same industry to ensure their accuracy.

Sensitivity analyses are also integrated into the valuation method to account for potential variations in these key assumptions.

The provisional fair value of the identifiable assets and liabilities of ACP as at the acquisition date were:

	<b>Provisional fair value recognised on acquisition S\$'000</b>
<b>Assets</b>	
Property, plant and equipment	15,046
Trade and other receivables	3,377
Cash and bank balances	2,840
Customer relationship	609
Inventories	342
Prepayments	<u>131</u>
	<u>22,345</u>
<b>Liabilities</b>	
Lease liabilities	(2,425)
Deferred tax liabilities	(1,457)
Trade and other payables	(1,342)
Income tax payable	<u>(126)</u>
	<u>(1,468)</u>
Provisional fair value of identifiable net assets	20,877
Provisional goodwill arising from acquisition	<u>5</u>
<b>Total cash consideration</b>	<b><u>20,882</u></b>

Provisional goodwill arising from the acquisitions of S\$5,000 in relation to ACP pertains to the benefit of having access to a readily available production facility, operational resources, customer synergies and technical competencies.

#### **Fair values measured on a provisional basis**

The fair value of the assets acquired above has been determined provisionally pending completion of an independent valuation. A provisional amount has been recognised and the Group will continue to review the valuation during the measurement period.

If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

#### **18. 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>30-Jun-24</b>	<b>31-Dec-23</b>
Total number of issued shares excluding treasury shares	<u>339,289,432</u>	<u>339,289,432</u>

There were no treasury shares as at 30 June 2024 and 31 December 2023.

- 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 2023.

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 26.8% from S\$53.9 million in 1HFY2023 to S\$68.3 million in 1HFY2024, mainly driven by an increase in business activities across the following key segments:

	<b>1HFY2024</b>		<b>1HFY2023</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
<b>Sales by segment</b>				
Semiconductor	34,287	50.2%	26,062	48.4%
Life sciences	10,244	15.0%	9,824	18.2%
Electronics, aerospace, medical and others	23,778	34.8%	17,980	33.4%
<b>Total</b>	<b>68,309</b>	<b>100.0%</b>	<b>53,866</b>	<b>100.0%</b>

##### *Semiconductor*

Revenue from the Group's Semiconductor segment rose 31.6% from S\$26.1 million in 1HFY2023 to S\$34.3 million in 1HFY2024. This was mainly driven by progressive improvement in demand from key customers. Overall, the Group has strengthened its competitiveness in the semiconductor segment and is well-positioned to support its customers over the long-term.

### *Life sciences*

Revenue from the Life Sciences segment recorded a 4.3% improvement to S\$10.2 million in 1HFY2024, compared to S\$9.8 million in 1HFY2023. The increase is attributed to expanded wallet share with key customers, which contributed to the overall growth in the segment.

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

Revenue from Electronics, Aerospace, Medical and Others segment surged by 32.2% to S\$23.8 million in 1HFY2024, compared to S\$18.0 million in 1HFY2023. The S\$5.8 million increase was largely driven by (i) S\$3.9 million contribution by its recent acquisition, ACP, and (ii) robust demand from the Aerospace, Medical and Others industries, offset by weakness in the Electronics segment.

### **Gross profit (“GP”) and margin (“GPM”)**

In line with the increase in revenue, GP rose by S\$4.5 million to S\$18.0 million in 1HFY2024, compared to S\$13.5 million in 1HFY2023.

GPM improved to 26.4% in 1HFY2024, from 25.1% in 1HFY2023. The improvement took into account a S\$0.4 million in non-recurring expenses charged in 1HFY2023, in relation to the fair value inventory adjustments from the acquisitions of GVT SL and GVT JH.

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

	1HFY2024		1HFY2023	
	GP S\$'000	GPM	GP S\$'000	GPM
<b>GP and GPM by segment</b>				
Semiconductor	9,882	28.8%	7,516	28.8%
Life sciences	3,136	30.6%	3,000	30.5%
Electronics, aerospace, medical and others	4,990	21.0%	3,003	16.7%
<b>Total</b>	<b>18,008</b>	<b>26.4%</b>	<b>13,519</b>	<b>25.1%</b>

### **Other income**

Other income increased from S\$1.2 million in 1HFY2023 to S\$1.5 million in 1HFY2024. The increase is largely driven by S\$451K higher foreign exchange gain, offset by S\$153K lower rental income and utilities charged to tenants.

### **General and administrative expenses**

General and administrative expenses rose S\$2.9 million to S\$9.6 million in 1HFY2024, from S\$6.7 million in 1HFY2023. The increase took into account S\$1.1 million expenses from its newly acquired subsidiary, ACP and overall S\$1.2 million higher staff cost as the Group continued to invest in capabilities and competencies for its business expansion.



### **Other operating expenses**

Other operating expenses was S\$3.0 million, a S\$0.6 million increase from S\$2.4 million in 1HFY2023, mainly taking into account (i) S\$0.2 million expenses from its newly acquired subsidiary, ACP, (ii) S\$0.2 million higher depreciation and (iii) S\$0.1 million higher repair and maintenance expenses from the Group's expanded operations and footprint.

### **Finance costs**

Finance costs increased by S\$0.3 million from S\$1.2 million in 1HFY2023 to S\$1.5 million in 1HFY2024, mainly driven by higher level of borrowings in connection to the acquisition of ACP.

### **Income tax expense**

Income tax expenses stood at S\$0.5 million in 1HFY2024, as increase in income from regions with lower tax rates has mainly contributed to a reduction in our effective tax rate and overall tax expense.

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

### **Non-current assets**

Non-current assets increased by S\$13.0 million from S\$93.8 million as at 31 December 2023 to S\$106.8 million as at 30 June 2024. The increase is mainly due to S\$12.7 million increase in property, plant and equipment including fixed assets acquired in connection with newly onboarded subsidiary, ACP.

### **Current assets**

Current assets as at 30 June 2024 was S\$128.3 million as compared to S\$109.6 million as at 31 December 2023, taking into account higher working capital level with business expansion and including newly acquired subsidiary, ACP. The increase was mainly contributed by (i) S\$9.1 million trade and other receivables, (ii) \$4.1 million inventories and (iii) S\$2.9 million prepayments and (iv) S\$2.6 million cash.

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

Non-current and current liabilities increased by S\$27.5 million from S\$84.8 million as at 31 December 2023 to S\$112.3 million as at 30 June 2024. This was mainly due to (i) a S\$18.6 million increases in loans and borrowings in connection with the acquisition of ACP, capital expenditures and trade requirements, (ii) S\$5.3 million increase in trade and other payables with higher business volume and (iii) a S\$2.0 million increase in lease liabilities resulting mainly from the acquisition of ACP.

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

Total equity increased by S\$4.2 million from S\$118.6 million as at 31 December 2023 to S\$122.8 million as at 30 June 2024, taking into account S\$4.6 million total comprehensive income for the financial year and S\$0.3 million in dividends paid.

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

Net cash generated from operating activities was S\$4.0 million, comprising operating cash flows before changes in working capital of S\$13.9 million, and adjusted for (i) a S\$8.0 million decrease from changes in working capital, (ii) interest paid of S\$1.5 million and (iii) tax amount paid of S\$0.4 million.

In 1HFY2024, the net cash flows used in investing activities was S\$16.5 million, comprising (i) S\$12.5 million in relation to acquisition of ACP, net of cash acquired and (ii) S\$4.1 million in capital expenditure mainly for the acquisition of machinery and assets for capabilities and capacity expansion.

Net cash generated in financing activities amounted to S\$13.4 million, comprising (i) S\$15.1 million in proceeds from bank borrowings, net of repayments, offset by (ii) S\$1.3 million payment of principal portion of lease liabilities and (ii) S\$0.3 million in dividends paid to shareholders.

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

On 29 May 2024, Management has provided a target revenue guidance of achieving the higher end between S\$58 million and S\$64 million for the financial period ended 30 June 2024.

The revenue recorded for financial period ended 30 June 2024 was S\$68.3 million, which is not materially different from the target revenue guidance.

### **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.**

Artificial Intelligence (AI) has bolstered the semiconductor industry over the past 6-9 months driving storage demand for advanced chips powering AI. These chips are more complex in nature and require advanced testing equipment. Similarly, the shift towards 2.5D and 3D DRAM technology will also create new equipment demand due to higher complexity. Both these structural trends in the semiconductor industry are expected to drive retooling needs and create fresh demand for equipment.

The Group is well-positioned to capture these structural growth drivers as it continues to build from strength to strength by participating and winning more higher complexity parts from a blue-chip front-end semiconductor customer. In addition, it has also begun shipping testing equipment for high bandwidth memory (HBM), a critical component in AI processors, to its key back-end semiconductor customer. Further, our core strength in capacity and facilities in Southeast Asia is also expected to benefit from our customers' structural production shift from China to this region.

Whilst rapid innovation trends in AI is driving additional chip demand around GPU (Graphic Processing Unit) and HBM, the outlook varies across the individual semiconductor customers. The Group remains cautiously optimistic about a gradual improvement in semiconductor demand in the later part of 2024, with further strengthening in 2025.

Aside from semiconductors, global air travel activity is expected to surpass pre-pandemic levels in 2024, which in turn will drive demand for commercial aircrafts. The Group expects healthy demand from the aerospace segment and is actively working to secure new orders. Demand from the life sciences and medical segments are also expected to remain resilient.

Following its acquisition of ACP Metal Finishing (“ACP”) in March 2024, the Group has commenced integration of ACP's operations, employees and resources with GVT's. The Group is looking at proliferation of the surface

treatment capabilities operations to the wider Group, potentially starting with its Penang's operations. The Group is also working on driving customer synergies between its aerospace business in Suzhou, GVT SL and ACP.

In view of anchoring the Group's operations in Penang, Mr Saw Yip Hooi's has been redesignated from Group Senior Director of Sales (GVT MY) to Managing Director (GVT MY) from 1 July 2024.

On the back of these tailwinds, management is providing a target revenue guidance for second half financial year period from 1 July 2024 to 31 December 2024 ("**2HFY2024**") of between S\$80 million and S\$86 million.

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

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

No interim dividend was declared for 1HFY2024.

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

Not applicable

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

Not applicable. There was no interim dividend declared for the previous corresponding period.

**(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 pm) 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 1HFY2024 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	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. **Negative confirmation pursuant to Rule 705(5).**

We, Lee Tiam Nam and Ng Wai Yuen Julian, being two directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that to the best of our knowledge, nothing has come to the attention of the Directors of the Company which may render the unaudited half year financial statements for the six months ended 30 June 2024 to be false or misleading, in any material respect.

On behalf of the Board of Directors

Lee Tiam Nam  
Director

Ng Wai Yuen Julian  
Director

15. **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**”).

**BY ORDER OF THE BOARD**

**LEE TIAM NAM**  
Executive Deputy Chairman  
13 August 2024