**Grand Venture Technology Limited**

(Company Registration Number 201222831E)

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**NEWS RELEASE**

# GRAND VENTURE TECHNOLOGY ANNOUNCES 1Q23 BUSINESS UPDATE

**Singapore, 9 May 2023 –** Mainboard-listed **Grand Venture Technology Limited** (杰纬特科技有限公司, "GVT", or the "Group"), a homegrown precision manufacturing solutions provider, has announced its voluntary business update for the first quarter ended 31 March 2023 ("1Q23").

The Group registered net profit after tax of S$1.5 million, on revenue of S$26.9 million, in 1Q23. This is compared to a net profit after tax of S$3.6 million in the previous corresponding period ("1Q22"), on revenue of S$32.4 million. The decline in revenue was mainly due to a contraction in activity in its Semiconductor segment, particularly in the back-end, partially mitigated by higher revenue contribution from its Electronics, Aerospace, Medical and Others segment.

Gross profit and earnings before interest, tax, depreciation and amortisation ("EBITDA") narrowed to S$6.8 million and S$5.9 million respectively, compared to S$9.2 million and S$7.8 million in 1Q22, as the Group invests ahead of the curve in preparation for supporting its customers' requirements.

The EBITDA for 1Q23 also factored in a S$0.2 million fair value adjustment to the order backlog of its subsidiary, J-Dragon Tech (Suzhou) Co., Ltd., as well as a S$0.3 million foreign exchange loss. Adjusting against these, EBITDA and net profit after tax for 1Q23 would work out to S$6.3 million and S$2.0 million respectively. Nevertheless, the Group EBITDA improved quarter-on-quarter on account of effective cost control measures, while net profit took into account expenses from capacity and capability investments.

Executive Deputy Chairman Ricky Lee (李添南) said, "We are pleased to turn in a positive performance in 1Q23 in spite of geopolitical headwinds, which have clouded the semiconductor industry in particular in the first quarter of 2023. Nevertheless, industry sentiments are expected to improve from the latter half of the year as fundamental demand for semiconductors remains intact. Having invested in capacity and competencies ahead of the curve, we will be well-prepared to ride the momentum of the impending upturn, as one of only a few qualified suppliers with a vertical stack of ultra-precision engineering, mechatronics assembly and complex sheet metal capabilities in this region."

The Group is working closely with its front-end semiconductor customers to develop strategic partnerships, while making good progress in obtaining first article qualifications for parts from them at the same time. It is also in the process of onboarding a new back-end semiconductor customer and growing wallet share with its Life Sciences customers. Meanwhile, the Group is working actively alongside its Medical and Aerospace customers to diversify its income stream for long-term resilience. The Group will continue to pursue talent acquisition and retention, as well as viable inorganic growth opportunities, to reinforce its strategic value-add and long-term competitiveness.

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**About Grand Venture Technology Limited ("GVT")**

Founded in 2012, GVT is a fast-growing and trusted solutions and services provider for the manufacture of complex precision machining, sheet metal components and mechatronics modules. Its manufacturing plants in Singapore, Penang and Johor (Malaysia), and Suzhou (China) are backed by the latest automated manufacturing technologies, Class 10,000 cleanroom facilities and a certified quality management system. The Group's highly experienced and dedicated team of engineering talent serves a strong global network of established partners and suppliers with a wide range of engineering, assembly, testing and product life cycle management solutions.

GVT's portfolio of customers hail from the semiconductor, electronics, analytical life sciences, aerospace, medical and industrial automation industries, and represent some of the largest OEMs in their respective markets. GVT is listed on the Singapore Exchange Mainboard. Visit http://www.gvt.com.sg for more information.

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