Grand Venture Technology

ENGINEERING THE FUTURE OF INNOVATION

ANNUAL REPORT 2021

CONTENTS

VISION

To be the leading manufacturing solutions and services provider in Asia Pacific, providing world class precision manufacturing expertise with core competencies in ultra precision machining, complex mechatronics assembly and advanced materials capabilities

MISSION

To offer undeniable flexibility and customization, as well as quick turnaround time to our customers.

CORPORATE OVERVIEW

Founded in 2012, Grand Venture Technology Limited ("**GVT**") is a fast-growing and trusted solutions and services provider for the manufacture of complex precision machining, sheet metal components and mechatronics modules.

Our manufacturing plants in Singapore, Penang (Malaysia) and Suzhou (China) are backed by the latest automated computer numerical control (CNC) manufacturing technologies, Class 10,000 cleanroom facilities and a certified quality management system. Harnessing these, our highly experienced and dedicated team of engineering talent has been serving a strong global network of established partners and suppliers with our wide range of engineering, assembly, testing and product life cycle management solutions.

GVT's portfolio of customers hail from the semiconductor, electronics, life sciences, medical and industrial automation industries, and represent some of the largest OEMs in their respective markets.

GVT is listed on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**")

CORPORATE OVERVIEW

WHAT WE DO

DIFFERENTIATED CAPABILITIES TO SERVE AND CROSS-SELL TO A DIVERSE BLUE-CHIP CUSTOMER BASE

VALUE ENGINEERING

Design for manufacturability and assembly (DFM / DFA): Early customer engagement and participation in the design process to maximise manufacturability and streamline assembly

PRODUCE, ASSEMBLE & TEST

One-stop solution with fully integrated and end-to-end manufacturing capabilities comprising **precision machining, sheet metal fabrication, assembly and testing**

DELIVER, SUPPORT & UPGRADE

Manage entire product life cycle, to form **strong and lasting customer relationships**

WITH SUPPORT FROM

DEDICATED AND CAPABLE TEAM

DIGITALISATION AND INDUSTRIAL 4.0

BUSINESS PRESENCE

BUSINESS PRESENCE

Country	Location	Entity	Land Area	Activities
Singapore	Changi North	Grand Venture Technology Limited	86,736 sq ft	Corporate Headquarters Precision Machining Assembly and Testing
Malaysia	Penang	Grand Venture Technology Sdn Bhd	332,659 sq ft	Precision Machining Sheet Metal Fabrication Assembly and Testing
	Johor Bahru	Formach Asia Sdn Bhd	73,818 sq ft	Sheet Metal Fabrication Assembly
China	Suzhou	Grand Venture Technology (Suzhou) Co., Ltd	120,069 sq ft	Precision Machining Sheet Metal Fabrication Assembly
		J-Dragon Tech (Suzhou) Co., Ltd	156,195 sq ft	Precision Machining Assembly

KEY MILESTONES IN FY2021

CORPORATE ACTIVITIES

ORGANIC GROWTH

INORGANIC EXPANSION

MARCH

NEW MAJOR SHAREHOLDER

Novo Tellus, a Singapore-based private equity firm, becomes a major shareholder following a S$30 million investment

SEPTEMBER

PLACEMENT EXERCISE

Completed a placement exercise raising S$27 million in net proceeds

MARCH

CAPACITY EXPANSION IN PENANG

Acquired Plot 360 to expand capacity in Penang

SEPTEMBER

COMPLETED PHASE 1 OF INDUSTRIAL 4.0 IN SINGAPORE

Smart factory evolution enabling GVT to scale up profitably

KEY MILESTONES IN FY2021

NOVEMBER

TRANSFERRED TO SGX MAINBOARD

Listed on the Mainboard from 30 November 2021

NOVEMBER

CAPACITY EXPANSION IN SUZHOU

Rented additional factory space to expand sheet manufacturing capacity

Grand Venture Technology

DECEMBER

REFRESHED BRANDING

A modern and progressive logo that reflects our ambitions and values

JANUARY 2022

CAPACITY EXPANSION IN PENANG; PLANS FOR INTEGRATED MANUFACTURING HUB

Acquired third manufacturing facility in two years

To be amalgamated with GVT Malaysia's existing facilities to create integrated manufacturing hub

强龙科技（苏州）有限公司
J-DRAGON TECH (SUZHOU) Co.,LTD

formachAsia

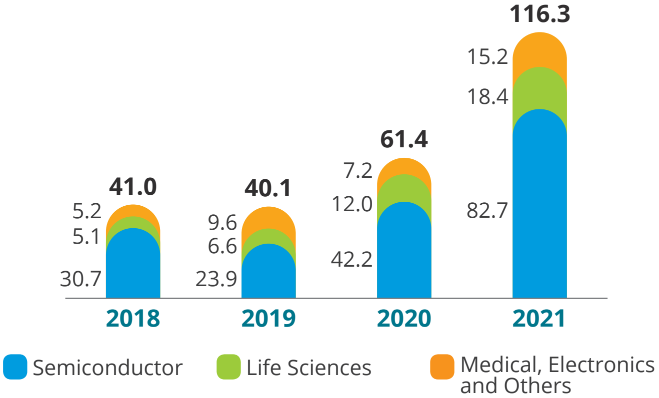
MARCH 2022

NEW ACQUISITIONS

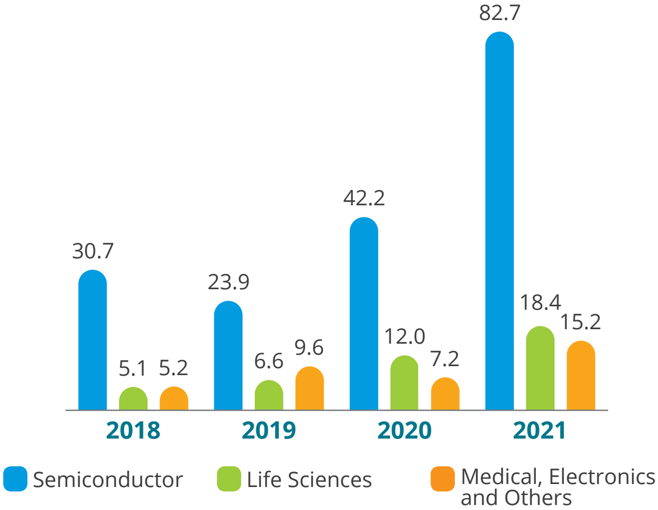
Acquired two companies in China and Malaysia; enters aerospace sector, expand medical segment and other synergistic customer base

FINANCIAL HIGHLIGHTS

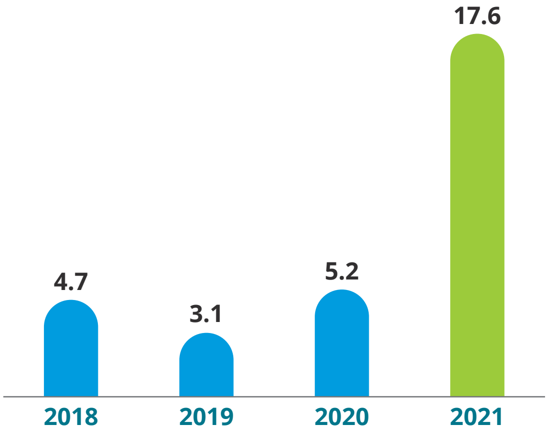
GROUP REVENUE
(S$'m)



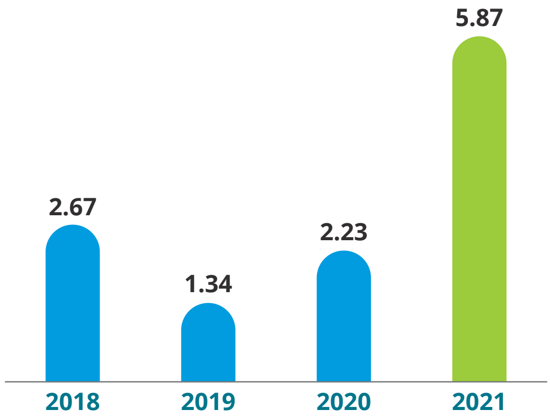
SEGMENTAL REVENUE
(S$'m)



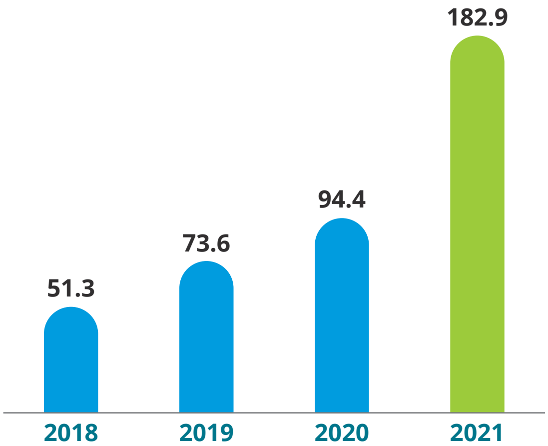
NET PROFIT AFTER TAX
(S$'m)



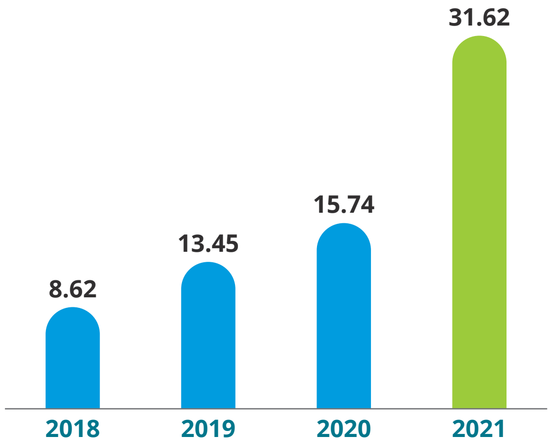
EARNINGS PER SHARE
(S$ Cent)



TOTAL ASSETS
(S$'m)



NET ASSET VALUE PER SHARE
(S$ Cent)



CORPORATE INFORMATION

BOARD OF DIRECTORS
Lee Tiam Nam, Ricky
Executive Chairman

Ng Wai Yuen, Julian
CEO and Executive Director

Loke Wai San
Non-Executive Director

Liew Yoke Pheng, Joseph
Lead Independent Director

Pong Chen Yih
Independent Director

Heng Su-Ling, Mae
Independent Director

AUDIT COMMITTEE
Liew Yoke Pheng, Joseph
Chairman

Pong Chen Yih
Heng Su-Ling, Mae

NOMINATING COMMITTEE
Pong Chen Yih
Chairman

Liew Yoke Pheng, Joseph
Heng Su-Ling, Mae
Lee Tiam Nam, Ricky

REMUNERATION COMMITTEE
Heng Su-Ling, Mae
Chairman

Liew Yoke Pheng, Joseph
Pong Chen Yih

COMPANY SECRETARY
Yap Peck Khim

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
2 Changi North Street 1
GVT Building
Singapore 498828

SHARE REGISTRAR
Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00 Singapore 068898

INDEPENDENT AUDITOR
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Teo Li Ling
(a practising member of the Institute of Singapore Chartered Accountants)
(with effect from financial year ended 31 December 2019)

PRINCIPAL BANKERS
DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

The Hongkong and Shanghai Banking Corporation Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 Level 48
Singapore 018983

CHAIRMAN'S STATEMENT

Dear Shareholders,

FY2021 marked a year of significant progress for GVT. Amid various pandemic-induced challenges, we successfully strengthened our financial position, built up our capabilities and announced a couple of strategic acquisitions which we believe has brought us a step closer to realising our vision of being a leading global player in the provision of precision manufacturing services. Along with this, we have also refreshed our identity and successfully transferred our listing to the Singapore Exchange Mainboard.

BUILDING FINANCIAL STRENGTH

Notwithstanding operational disruptions arising from pandemic control measures mandated in Singapore, Malaysia and China, as well as the floods in Malaysia and power outage in Suzhou, China, we managed to turn in an 89.3% rise in revenue to S$116.3 million for FY2021, compared to S$61.4 million in the preceding financial year. This was on the back of demand growth across all our business segments. Net profit attributable to shareholders rose 236.6% to S$17.6 million, from S$5.2 million in FY2020, mainly lifted by higher margins from improved capacity utilisation.

In conjunction with the positive results, the Board has proposed a final tax-exempt dividend of 0.5 Singapore cent. This is subject to your approval at the forthcoming Annual General Meeting on 27 April 2022 and, if approved, will be paid out in May 2022. Together with the interim dividend of 0.5 Singapore cent per share paid in September 2021, the total dividend for FY2021 will amount to 1 Singapore cent per share.

Along with our improved performance, our financial strength was further boosted by two private placements undertaken in 2021, which yielded us a total of S$51.1 million in net proceeds as well as a new substantial shareholder - Novo Tellus PE Fund 2.

BUILDING DEPTH AND BREADTH OF CAPABILITIES

Our growth strategy is underpinned by our desire to better serve our customers and differentiate ourselves from the competition. Our capabilities in design for manufacturing and assembly has allowed us to be involved in planning the manufacturing of our customers' products from an early stage. Nevertheless, we see room to add greater value by expanding these capabilities and enlarging our customer base by venturing into new market segments, and have utilised part of the proceeds from the share placements for the purpose of acquiring new capabilities and capacity to help us achieve our objectives.

CHAIRMAN'S STATEMENT

In December 2021, we announced our acquisition of Suzhou-based J-Dragon Tech (Suzhou) Co., Ltd ("**J-Dragon**"). J-Dragon offers design, development and manufacturing services to an established pool of customers in the aerospace, medical diagnostics and semiconductor industries in China and the acquisition will place us in a good position to tap the huge market potential and positive trends in the aerospace and medical industries in China and international market.

Together with the J-Dragon acquisition, we also announced our acquisition of Formach Asia Sdn Bhd ("**Formach**") in Johor, as part of our strategy to ramp up our precision sheet metal manufacturing capacity. The additional capacity will lend strength to our efforts to increase the wallet share of our existing life sciences and semiconductor customers, as well as to attract new customers in the front-end semiconductor manufacturing space. We are delighted to have already received significant interest from potential customers following this announcement.

Formach's services are complementary to our operations in Singapore, where we have completed the first phase of our Industry 4.0 rollout and are reaping the fruit of improved capacity management and production efficiency.

In January 2022, we made our third facility acquisition in Malaysia in two years, in anticipation of growing demand for our services from the semiconductor, life sciences, electronics, medical and other industries. The facility in Penang Science Park is located between two other facilities that we had acquired earlier in February 2020 and March 2021, and just down the road from our first factory in Malaysia. Upon taking over the facility, we plan to amalgamate it with our existing facilities to form an integrated manufacturing hub offering a complete range of precision machining, sheet metal fabrication, complex mechatronics assembly and testing services, as well as cleanroom facilities.

THE YEAR AHEAD

As the world enters a new era of digitalisation and 5G, our capabilities and financial strength have positioned us well to capture opportunities in the market. Going forward, we will continue to leverage our competitive advantage as one of the few players in the region that can deliver ultra-high-precision machining capabilities to support our customers' requirements. We also remain committed to our goal of developing capabilities in advanced materials, including quartz and ceramic, in-house while scouting for suitable bolt-on acquisitions that will help us expand the depth and breadth of our capabilities. Deepening our customer relationships to build trust with enhanced capabilities continues to be at the core of who we are.

ACKNOWLEDGEMENTS

We welcome Mr Loke Wai San to the Board as Non-Executive Director, with effect from 29 April 2021. Mr Loke brings leadership and industry experience as co-founder and managing partner of Novo Tellus Capital Partners Pte Ltd and has strong expertise in private equity investments in diverse sectors including semiconductor, manufacturing and medical equipment.

On behalf of the Board, I wish to express my deepest gratitude to all our staff and management who have met with the challenges of the COVID-19 pandemic face on and overcome them as a team in the past year. I am also grateful to our customers, business partners and shareholders for giving us their strong support and trust. We look forward to journeying with you to mark new milestones in GVT's growth together.

Lee Tiam Nam, Ricky
Executive Chairman

CEO'S OPERATING AND FINANCIAL REVIEW

Dear Shareholders,

FY2021 has turned out to be the most hectic but also the most exciting year for GVT. In the course of the year, we undertook a number of strategic initiatives that included two share placement exercises, the onboarding of a new majority shareholder, the acquisition of two companies and two facilities, the transfer of our listing to the SGX Mainboard and the adoption of a new corporate identity. Notwithstanding the flurry of activities, we managed to turn in a record financial performance that bears testament to our focus and determination to deliver on a value-creating growth strategy. I am pleased to provide an update on our activities as follows:

FINANCIAL REVIEW

We recorded an 89.3% growth in revenue to S$116.3 million, from S$61.4 million in FY2020, on the back of stronger performance across all our business segments.

The 96.1% growth in revenue for the Semiconductor segment from S$42.2 million a year ago to S$82.7 million was mainly driven by the global ramp-up in demand for semiconductor chips, in tandem with the macro demand for digitalisation, smart electronics, cloud computing, 5G, electric vehicles ("**EV**"), artificial intelligence ("**AI**"), and the internet of things ("**IoT**").

Revenue for the Life Sciences segment rose 53.2% to S$18.4 million, from S$12.0 million in FY2020, as the group commenced mass production of mass spectrometers following receipt of customers' qualification approvals. Along with this, the Group also benefited from higher by industry demand for analytical life sciences equipment amid a marked increase in drug discovery, and vaccine production and testing activities globally.

On the back of robust demand for electronics products, as well as the increased production of components and modular assemblies for medical equipment such as surgical microscopes used by neurosurgeons, revenue for the Electronics, Medical and Others segment recorded a 109.7% improvement to S$15.2 million, from S$7.2 million in FY2020.

With cost of sales rising 85.0% to S$78.6 million, compared to S$42.5 million in FY2020, our overall gross profit and gross margin came in at S$37.7 million and 32.4% respectively. This marked improvement from the gross profit and gross margin of S$18.9 million and 30.8% respectively in FY2020, which reflected the greater economies of scale enjoyed by our Semiconductor segment and took into account the absence of Covid-19 jobs support grants from the Singapore government in FY2021, versus S$0.6 million of such grants received in FY2020.

General and administrative expenses increased by S$3.0 million, from S$9.5 million in FY2020 to S$12.5 million in FY2021, mainly driven by higher staff cost of S$3.0 million in tandem with headcount increases across its entities. In addition, the Group also incurred approximately S$0.5 million of non-recurring including COVID-19 related

CEO'S OPERATING AND FINANCIAL REVIEW

expenses incurred in securing vaccination doses, test kits and supplies for its workers, professional expenses in relation to the Group's acquisition activities. The increase takes into account S$0.5 million in net foreign exchange loss incurred in FY2020. No such losses was incurred in FY2021.

Other operating expenses was S$2.7 million, a S$0.7 million increase from S$2.0 million in FY2020. This was mainly driven by higher depreciation expenses, and repair and maintenance costs, in view of the Group's business and operational expansion during the year.

Finance costs increased by S$0.3 million from S$1.4 million in FY2020 to S$1.7 million in FY2021, mainly driven by credit facilities drawn down to support the Group's higher working capital and capital expenditure requirements in tandem with business growth.

Taking into account the higher taxation of S$3.3 million compared to S$0.8 million in FY2020, our net profit attributable to shareholders rose by 236.6% to S$17.6 million, compared to S$5.2 million in the preceding financial year.

Non-current assets increased to S$61.8 million as at end-FY2021, compared to S$46.4 million as at 31 December 2020, mainly due to a S$13.0 million increase in the net book value of property, plant and equipment and a S$3.1 million increase in prepayment for acquisition of production facilities to support our capacity expansion. The increase was partially offset by a S$0.7 million decrease in the level of deferred tax assets.

Our current assets rose to S$121.1 million as at 31 December 2021, compared to S$48.0 million at the end of the preceding financial year. The increase resulted from the placement exercises we undertook during the year, a S$38.8 million increase in cash balances and the subsequent conversion to higher working capital level comprising a S$20.0 million increase in inventories, a S$14.3 million increase in trade, other receivables and prepayments. These are in line with the increase in business and capacity expansion activities.

Total liabilities as at end-FY2021 increased to S$78.3 million, compared to S$57.5 million at end-FY2020. The increase was mainly due to higher level of trade and other payables of S$11.9 million in tandem with the rise in business volume, a S$6.1 million net increase in net borrowings in conjunction with the higher levels of working capital expenditure requirements, as well as higher lease liabilities of S$1.5 million as the Group expanded its production facilities via leases.

CEO'S OPERATING AND FINANCIAL REVIEW

REVIEW OF OPERATIONS

We began FY2021 by onboarding a new substantial shareholder, Industrial & Technology-focused private equity fund - Novo Tellus PE Fund 2 ("**Novo Tellus**") in March 2021. The fund had effectively taken a controlling stake in our enlarged share capital after taking up a placement of 71.5 million new GVT shares at S$0.33 apiece and acquiring 19 million of vendor shares from Metalbank Singapore for approximately S$6.3 million. The net proceeds of approximately S$23.5 million from the placement to Novo Tellus form part of the aggregate proceeds of S$51.1 million raised from two share placement exercises undertaken during the year. The second placement exercise of 25 million new shares, which took place in September 2021, raised net proceeds of S$27.6 million.

In March 2021, we announced the acquisition of an industrial leasehold property in Penang Science Park, Malaysia, for a purchase price of MYR19.4 million. The property spans a land area of 74,056 sq ft and a built-up factory area of 65,076 sq ft. Its strategic location directly beside our existing first factory and in close proximity to the property acquired earlier in FY2020 is advantageous in allowing us to scale up and extend our scope of our production activities efficiently to support increasing demand for our services. The acquisition was fully funded by internal resources and bank borrowings.

In December 2021, we entered into separate conditional sale and purchase agreements amounting to S$20.0 million, to acquire 100% of the equity interests of J-Dragon Tech (Suzhou) Co., Ltd ("**J-Dragon**"), a Suzhou-based precision engineering company engaged in the design, development and manufacturing of parts, modules and tooling for the aerospace, medical and semiconductor industries, and Formach Asia Sdn Bhd ("**Formach**"), a Johor-based precision sheet metal manufacturer engaged in the manufacture of sheet metal, machine structure weldment, and provision of electro-mechanical assembly services.

Our acquisition of J-Dragon will enable us to gain immediate access to its patents, know-how, and engineering development capabilities, and facilitate our strategic expansion into the aerospace and medical business segments. With the addition of J-Dragon's capabilities and partner network in China, we are well-positioned to tap on the huge market potential and positive trends in the aerospace and medical industries, starting with China, and then internationally. Consequently, the acquisition is expected to contribute positively to our immediate and future revenue streams, and provide us with a broader set of capabilities and partners necessary to build a sustainable precision engineering business over the long term. J-Dragon's operations are expected to supplement GVT's manufacturing nodes, capacity expansion and complementary capabilities for customers.

Formach's capabilities in precision sheet metal fabrication, along with the resulting increase in production capacity post-acquisition, will enable us to accelerate our time to market, and facilitate faster onboarding of new customers. We look forward to leveraging our improved efficiency to advance the growth of our front-end semiconductor and life sciences business.

The acquisitions of J-Dragon and Formach were completed on 2 March 2022.

On 5 January 2022, we announced the acquisition of a two-storey, 49,000-sq-ft facility that occupies a 74,000-sq-ft plot of land at the Penang Science Park. This marks our third facility acquisition in Malaysia in two years as we gear up to meet the anticipated growth in demand for our services from the semiconductor industry. This latest acquisition is timely as we have expanded our capabilities and customer base across various industries significantly since our listing in 2019. Upon taking over the facility, we plan to refurbish and amalgamate it with our existing six facilities to form an integrated manufacturing hub, spanning over 350,000 sq ft., offering a complete range of precision manufacturing, sheet metal fabrication, complex assembly and testing services, as well as cleanroom services for the manufacture of semiconductor original equipment manufacturer (OEM) products.

CEO'S OPERATING AND FINANCIAL REVIEW

GEARING UP FOR FURTHER GROWTH

We have also made good progress towards our Industry 4.0 ("**i4.0**") initiatives at our Singapore facility, with the automation of a range of activities in the production floor, including material handling, fabrication, tool change and quality inspection. We have embarked on our technological roadmap to future-proof our operations, improve productivity and in overcoming manpower costs and restrictions.

Going forward, we will continue our R&D in advanced manufacturing techniques, including mechatronics, and advanced materials such as quartz and ceramics to enhance our product and service offerings to existing and prospective customers.

We are working expeditiously to deploy the capital raised from the share placement exercises to maximise shareholder value. We anticipate the deployment of capital into the strategic merger and acquisition of engineering know-how, competencies, operational capabilities, and market share, as well as organic growth in scaling existing competencies and market. We marked another milestone in October 2021 with the transfer of our listing status from the SGX Catalist to SGX Mainboard. This move is set to promote our corporate profile both locally and internationally while providing us with greater visibility and recognition in the capital markets and amongst public investors. In keeping with the times, we have also refreshed our corporate identity through the adoption of a clean and modernised logo that depicts the simplicity and progressiveness that characterises GVT. We believe that our transfer to SGX Mainboard along with our new corporate identity will enhance our standing for talent attraction and acquisition, and help us to reach out to a larger investor base for future fund-raising opportunities to maximise our growth potential.

APPRECIATION

I am thankful to all our staff and management, whom have stood by the Company and continued to give their best during a challenging 2021.

I would like to acknowledge our customers, business partners and bankers whose confidence and support for us have been key to our sustained growth. To my fellow Board members, I am grateful for your counsel. I also want to appreciate our shareholders for their strong belief in us.

I look forward to sharing our success with you.

Ng Wai Yuen, Julian
Chief Executive Officer

BOARD OF DIRECTORS

Lee Tiam Nam, Ricky *Executive Chairman*

Mr Ricky Lee, 61, is our Executive Chairman and is responsible for the overall strategic direction and development of our Group. He was one of our founding Directors and has been appointed to our Board since our incorporation on 17 September 2012. He also serves as a member of the Nominating Committee.

Mr Lee has over 38 years of experience in the manufacturing, assembly/servicing and precision engineering industries. He was the president of the Society of Modern Management Singapore from 2013 to 2017.

Currently, Mr Lee is a member of the school management committee of his alma mater – Chung Cheng High School, Chung Cheng High School (Yishun) and Nanyang Junior College.

Mr Lee began his career in 1982 as a machinist in Pan-World Precision Engineering Pte Ltd, and left in 1985 to start Square Contractor, a partnership engaged in the servicing and installation of vending machines. While at Square Contractor, Mr Lee founded Centrelines Precision Engineering, a partnership engaged in the installation of industrial machinery and equipment, and mechanical engineering works, in 1988 which was subsequently corporatised as Centrelines Engineering (S) Pte Ltd. In 1999, pursuant to the Singapore Economic Development Board's "3C" (co-investment, collaboration and consolidation) initiative, Centrelines Engineering (S) Pte Ltd merged with Norelco Precision Engineering Pte Ltd to form Norelco Centreline Pte Ltd, which was thereafter listed in 2001 under Norelco Centreline Holdings Limited. Mr Lee was a Managing Director of Norelco Centreline Holdings Limited until its subsequent merger with UMS Holdings Limited in 2004. Subsequently, in 2006, Mr Lee became an adviser to Eng Tic Lee Achieve Pte. Ltd. and was made a director and its Executive Vice-Chairman in 2007. Eng Tic Lee Engineering (S) Pte Ltd was eventually listed in 2007 as ETLA Limited, and Mr Lee remained a director thereof until the start of 2011.

Ng Wai Yuen, Julian *CEO and Executive Director*

Mr Julian Ng, 50, is our Chief Executive Officer ("**CEO**") and Executive Director and is responsible for the overall management and growth of our Group. He was appointed to our Board on 22 September 2015, and was last re-elected on 28 April 2020.

Mr Ng has over 20 years of experience in the manufacturing and precision engineering industries. Mr Ng began his career in 1993 as a Research Specialist with Singapore's Ministry of Defence. He then joined Norelco Centreline Pte Ltd in 1999 and rose to the position of Sales and Marketing Manager. In 2005, Mr Ng left to establish Achieve Manufacturing Solutions Pte. Ltd., which specialised in manufacturing and precision engineering. The assets of Achieve Manufacturing Solutions Pte. Ltd. were subsequently acquired by Eng Tic Lee Engineering (S) Pte Ltd in 2005 and pursuant thereto, Eng Tic Lee Engineering (S) Pte Ltd was renamed Eng Tic Lee Achieve Pte Ltd, and Mr Ng joined Eng Tic Lee Achieve Pte Ltd as its Sales and Marketing Director. Eng Tic Lee Achieve Pte Ltd was eventually listed in 2007 as ETLA Limited, and Mr Ng remained its sales and marketing director until 2014 when he left to join our Company as our Sales and Marketing Director.

Mr Ng holds a Diploma in Shipbuilding & Offshore Engineering from Ngee Ann Polytechnic, Singapore.

BOARD OF DIRECTORS

Loke Wai San *Non-Executive Director, Non-Independent Director*

Mr Loke Wai San, 53, was appointed to our Board on 29 April 2021 as a Non-Independent, Non-Executive Director.

He is the Chairman and Director of AEM Holdings Ltd and an Independent Director on the Board of Enterprise Singapore since 1 April 2020. Mr Loke was appointed as Executive Chairman and CEO of Novo Tellus Alpha Acquisition on 10 January 2022.

Mr Loke is the founder and CEO of a private equity fund adviser, Novo Tellus Capital Partners. His expertise is in cross-border private equity investments in various sectors including semiconductors, IT, enterprise software, medical equipment, and manufacturing. From 2000 to 2010, he was with Baring Private Equity Asia, where he was a Managing Director and head of Baring Asia's US office and subsequently co-head for Southeast Asia. Prior to joining Baring Asia, Mr Loke was a Vice President at venture capital fund, H&Q Asia Pacific, from 1999 to 2000, a Senior Manager at management consulting firm, AT Kearney, from 1995 to 1999, and an R&D engineer with Motorola from 1991 to 1993. Mr Loke was a former Chairman and President of Singapore American Business Association in San Francisco.

Mr Loke holds an MBA degree from the University of Chicago, and a BSEE from Lehigh University.

Liew Yoke Pheng, Joseph *Lead Independent Director*

Mr Joseph Liew, 66, is our Lead Independent Director and serves as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He was appointed to our Board on 11 January 2019, and was last re-elected on 27 April 2021.

Mr Liew is currently the Executive Chairman and Chief Executive Officer of Hoe Leong Corporation Limited, a Singapore-listed company. He is also an Independent Director of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited, a Singapore and Shanghai listed company. He is also director of Lew Foundation and Char Yong (Dabu) Foundation.

Mr Liew was General Manager of business compliance and senior adviser on internal audit at Giti Tire (China) Investment Company Ltd from 2014 to 2018. He was a Consultant with GT Asia Pacific Holdings Pte Ltd from 2018 to 2019. Mr Liew was an independent director of Innovalues Holdings Limited from 2013 to 2017 and Shanghai Turbo Enterprises Ltd in 2020.

Mr Liew began his career in 1980 as an auditor with Peat Marwick, Mitchell & Co. (now part of KPMG). He then joined Caltex Asia Limited in 1982 as an internal auditor. From 1985 to 1988, Mr Liew was head of operations and information technology audit with Great Eastern Life Assurance Company Limited. Mr Liew then left to become director of Base Management Systems Pte. Ltd. in 1989, before returning to Great Eastern Life Assurance Company Limited in 1992 as head of internal audit. Subsequently, between 1995 and 2003, Mr Liew was a director of RSM Chio Lim Stone Forest Group of companies. Mr Liew joined Sunlife Everbright Life Insurance Company Limited in 2003 as its Chief Financial Officer, followed by Sage Software Asia Pte. Ltd., from 2006 to 2014, as its director and Asia regional Chief Financial Officer.

Mr Liew holds a Bachelor of Commerce from Nanyang University, Singapore. He is a Certified Information Systems Auditor, a Certified Fraud Examiner, a Fellow of the Institute of Singapore Chartered Accountants, a Fellow of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS

Pong Chen Yih *Independent Director*

Mr Pong Chen Yih, 46, is our Independent Director and serves as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He was appointed to our Board on 11 January 2019 and was last re-elected on 28 April 2020.

Mr Pong is the Chief Operating Officer of Novus Corporate Finance Pte. Ltd., a corporate finance firm licenced by both SGX-ST and the Monetary Authority of Singapore. Prior to joining Novus Corporate Finance Pte. Ltd., Mr Pong was the lead partner for the Singapore Capital Markets Group of Baker McKenzie Wong & Leow where he practiced law in the main areas of capital markets work, compliance, investments and mergers and acquisitions. Mr Pong has been in practice since May 2002 when he started his legal practice as an associate in Shook Lin & Bok LLP. He joined WongPartnership LLP as an associate in 2003 before becoming a partner in 2008. Mr Pong subsequently joined Baker Mckenzie Wong & Leow in 2014 prior to taking up his current position in Novus Corporate Finance Pte. Ltd. Mr Pong is an independent non-executive director of Singapore-listed Figtree Holdings Limited.

Mr Pong holds a Bachelor of Laws from the National University of Singapore.

Heng Su-Ling, Mae *Independent Director*

Ms Mae Heng, 51, is our Independent Director and serves as Chairman of the Remuneration Committee and a member of the Nominating and Audit Committees. She was appointed to our Board on 11 January 2019, and was last re-elected on 27 April 2021.

Ms Heng spent over 17 years with Ernst & Young Singapore. She is also an independent non-executive director of Singapore-listed HRnet Group Limited, Chuan Hup Holdings Limited, Ossia International Limited, Novo Tellus Alpha Acquisition and Malaysia-listed Apex Healthcare Berhad. Ms Heng also holds directorships in her family-owned investment holding companies.

Ms Heng holds a Bachelor of Accountancy from the Nanyang Technological University. She is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants (ISCA) and a member of ASEAN Chartered Professional Accountant (ASEAN CPA).

KEY MANAGEMENT

TAN CHUN SIONG
Chief Operating Officer ("COO")

Mr Tan Chun Siong is our COO and he assists our CEO and Executive Director, Mr Julian Ng, in overseeing our Group's operations. He joined our Group in February 2014. Mr Tan has over 20 years of experience in the manufacturing and precision engineering industries.

Mr Tan began his career in 1999 as an assistant engineer with Apple South Asia Pte. Ltd.. He then joined Norelco Centreline Pte Ltd in 2000 as an engineer and rose to become a project manager. In 2004, Mr Tan joined Eng Tic Lee Engineering (S) Pte Ltd as its project manager. Eng Tic Lee Engineering (S) Pte. Ltd. was subsequently renamed Eng Tic Lee Achieve Pte Ltd, and was eventually listed in 2007 as ETLA Limited, and Mr Tan advanced and remained as its General Manager until 2014 when he left to join our Company as our Operation Director. Mr Tan was appointed as our COO in 2018.

Mr Tan holds a Diploma in Mechanical Engineering from Singapore Polytechnic.

ROBBY SUCIPTO
Chief Financial Officer ("CFO")

Mr Robby Sucipto joined the Group as CFO in March 2020 and is responsible for the accounting, financial administration, analysis and planning, and compliance and reporting obligations of our Group.

Backed by the Big 4 fundamentals in financial audit and M&A experiences, Mr Sucipto has more than 14 years of experience in delivering leadership and values to organisations through finance and accounting. He previously served in Ernst & Young, KPMG, a group company of Hitachi Ltd and Singapore-listed Company, Pacific Star Development Limited.

Mr Sucipto graduated with a Bachelor of Commerce (Double Major, Finance and Accounting) from Monash University, Australia. He is a member of Institute of Singapore Chartered Accountants (ISCA), a member of ASEAN Chartered Professional Accountant (ASEAN CPA) and a certified Internal Auditor for ISO9001:2015, ISO14001:2015 and OHSAS18001.

Mr Sucipto is currently pursuing his Executive Master of Business Administration (EMBA) at the National University of Singapore.

KEY MANAGEMENT

KONG SANG WAH

Managing Director (Malaysia)

Kong Sang Wah is our Managing Director (Malaysia) and he assists our CEO and Executive Director, Mr Julian Ng, with the overall management and growth of Grand Venture Technology Sdn. Bhd. ("**GVT Malaysia**").

Mr Kong has over 30 years of experience in the manufacturing and precision engineering industries. Mr Kong began his career in 1988 as a machinist with Cosmo Engineering, a Malaysian partnership engaged in precision engineering. He then joined Centrelines Engineering (S) Pte Ltd in 1990 as a machinist. In 1993, Mr Kong left to start Centrepoint Precision Engineering, a Malaysian partnership engaged in precision engineering, with our Group Senior Director of Sales, Mr Saw Yip Hooi. This was followed by Centretechnics Engineering Works (PG) Sdn. Bhd. in 1994. Mr Kong then joined CF Engineering Sdn. Bhd. in 1995 as an Operations Manager, before returning to Centretechnics Engineering Works (PG) Sdn. Bhd. in 1997 as its Managing Director. Mr Kong then joined Norelco Centreline (PG) Sdn. Bhd. in 2000 as its Managing Director before moving to Norelco Centreline (M) Sdn. Bhd. in 2003 to be its director, and then Norelco-UMS (M) Sdn. Bhd. in 2005 (also to be its director). In 2008, he joined Ultimate Manufacturing Solutions (M) Sdn. Bhd. as its director and left in 2009 to be a full time private investor. Mr Kong then took over the operations of GVT Malaysia in 2010 with our Group Senior Director of Sales, Mr Saw Yip Hooi, and joined our Group in 2013 pursuant to our acquisition of GVT Malaysia by way of a share swap.

SAW YIP HOOI

Group Senior Director of Sales (Malaysia)

Mr Saw Yip Hooi is our Group Senior Director of Sales and he assists our Managing Director (Malaysia), Mr Kong Sang Wah, with driving the growth of GVT Malaysia.

Mr Saw has 30 years of experience in the manufacturing and precision engineering industries. Mr Saw began his career in 1990 as a machinist with Centrelines Engineering (S) Pte. Ltd.. In 1993, Mr Saw left to start Centrepoint Precision Engineering, a Malaysian partnership engaged in precision engineering, with our Managing Director (Malaysia), Mr Kong Sang Wah. This was followed by Centretechnics Engineering Works (PG) Sdn. Bhd. in 1994 where he assumed the role of Director of Sales and Marketing. Mr Saw then joined Norelco Centreline (PG) Sdn. Bhd. in 2000 as its Sales and Program Director before moving to Norelco Centreline (M) Sdn. Bhd. in 2003 to be its Sales and Program Director, and then Norelco-UMS (M) Sdn. Bhd. in 2005 (also as its Sales and Program Director). In 2008, he joined Ultimate Manufacturing Solutions (M) Sdn. Bhd. as its Sales and Marketing Director and left in 2009 to be a full-time private investor. Mr Saw then took over the operations of GVT Malaysia in 2010 with our Managing Director (Malaysia), Mr Kong Sang Wah, and joined our Group in 2013 pursuant to our acquisition of GVT Malaysia by way of a share swap.

Mr Saw has Module Certificates in Turning, Milling and Grinding of the National Technical Certificate Grade 3 from the Institute of Technical Education, Singapore and the Vocational and Industrial Training Board of Singapore.

KEY MANAGEMENT

LU JIN FENG, ALAN
General Manager (China)

Mr Alan Lu is our General Manager (China) and he assists our CEO and Executive Director, Mr Julian Ng, with the overall management and growth of Grand Venture Technology (Suzhou) Co., Ltd. ("**GVT Suzhou**"). He joined our Group in January 2018.

Mr Lu has over 20 years of experience in the manufacturing and precision engineering industries. Mr Lu began his career in 1997 as a technician and purchaser with Hongguan Technologies Machinery (Suzhou) Co., Ltd.. He then joined VDL Enabling Technologies Group of Suzhou Ltd. in 2001 as a purchaser. In 2008, Mr Lu left to start SIP Innovation. This was followed shortly thereafter with SIP Excellence in 2010. Further to the establishment of our wholly-owned subsidiary GVT Suzhou, and the subsequent acquisition by GVT Suzhou of the business and assets of SIP Innovation and SIP Excellence, Mr Lu was appointed our General Manager (China) in January 2018.

Mr Lu graduated with a Diploma in Turn-Mill Machining from the Suzhou Technician Institute, PRC, in 1997.

SUSTAINABILITY
REPORT

SUSTAINABILITY REPORT

ABOUT THIS REPORT

The Board of Grand Venture Technology Limited ("**GVT**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present the Group's first Sustainability Report as we remain committed towards building a sustainable business.

This report is prepared in compliance with the requirements of Rules 711A and 711B of Listing Manual Section A: Rules of Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"), with references to the Global Reporting Initiative ("**GRI**") Standards – Core Option. This report is also aligned to the SGX Sustainability Reporting Guide set out in Practice Note 7.6 of the Listing Manual.

This Sustainability Report aims to provide a balanced account of GVT's policies, efforts and ambitions towards becoming a responsible corporate citizen. We will continue to improve on our reporting as our sustainability journey progress and matures.

BOARD STATEMENT

The Group's vision is to be the leading manufacturing solutions and services provider in Asia Pacific, providing world class precision engineering services expertise and a full range of manufacturing services, attracting and building the best talent towards value creation and sustainable growth for stakeholders, employees and communities.

The Board has ultimate responsibility for the issuer's sustainability reporting. On an ongoing basis, the Board oversees the management and monitors the Group's material environmental, social and governance ("**ESG**") factors and sustainability practices. The Board has reviewed and determined the Group's material ESG factors which is presented together with its materiality assessment process in this report, covering period from 1 January 2021 to 31 December 2021 ("**FY2021**"). The comparative period was from 1 January 2020 to 31 December 2020 ("**FY2020**").

SUSTAINABILITY REPORT

ORGANISATIONAL PROFILE

102-1 Name of the organisation
Grand Venture Technology Limited

102-2 Activities, brands, products, and services
The principal activities of the Company are that of manufacturing complex precision machining and sheet metal components and modules.

102-3 Location of headquarters
The Company is headquartered in Singapore with its principal place of business and registered office at 2 Changi North Street 1, GVT Building, Singapore 498828.

102-4 Location of operations
The Group operates in Singapore, Malaysia (Penang) and China (Suzhou).

102-5 Ownership and legal form
GVT is a public limited Company that owns several subsidiaries across Malaysia and China.

102-6 Markets served
GVT serves customers in the market segments, including:
- Semiconductor
- Life sciences
- Electronics, Medical and others

and customers from countries, including:
- Singapore
- Malaysia
- United States
- China
- Others

102-7 Scale of the organisation

Total number of employees	1,153
Net revenue:	S$116.3 million
Products and services provided:	Precision machining of parts and components, complex mechatronics assembly and sheet metal fabrication

SUSTAINABILITY REPORT

102-8 Information on employees and other workers

Total number of employees by employment contract (permanent and temporary), by gender

	Male	Female	Total
Permanent	724	175	899
Temporary	246	8	254
Total	**970**	**183**	**1,153**

Total number of employees by employment contract (permanent and temporary), by region

	Singapore	Malaysia	China	Total
Permanent	145	625	129	899
Temporary	14	218	22	254
Total	**159**	**843**	**151**	**1,153**

Total number of employees by employment type (full-time and part-time), by gender

	Male	Female	Total
Permanent	724	175	899
Temporary	246	8	254
Total	**970**	**183**	**1,153**

The information above has been compiled by respective Human Resource database of the Group, as at 31 December 2021.

102-9 Supply chain
Our supply chain comprises multiple suppliers and vendors of raw materials for our operations such as aluminium, stainless, plastic and glass. Our suppliers are mainly located in the Asia Pacific region.

SUSTAINABILITY REPORT

102-10 Significant changes to the organization and its supply chain
The Group do not foresee significant changes to the organisation and its supply chain.

102-11 Precautionary Principle or approach
The Group adopts a precautionary approach to its risk management in operational planning.

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, including those relating to sustainability, to safeguard the interest of the Company and its stakeholders.

GVT reviews its business in the context of the value chain and determine what ESG factors in relation to its interaction with its physical environment and social community and its governance, are material for the continuity of its business. Refer to Material Topics raised on pages 33 to 34 of this Annual Report.

102-12 External initiatives
The Group adheres to requirements and standards, including the following:
- Applicable provisions of the Securities and Futures Act (Chapter 289)
- Listing Manual
- Code of Corporate Governance 2018
- Group's internal control policies and procedures

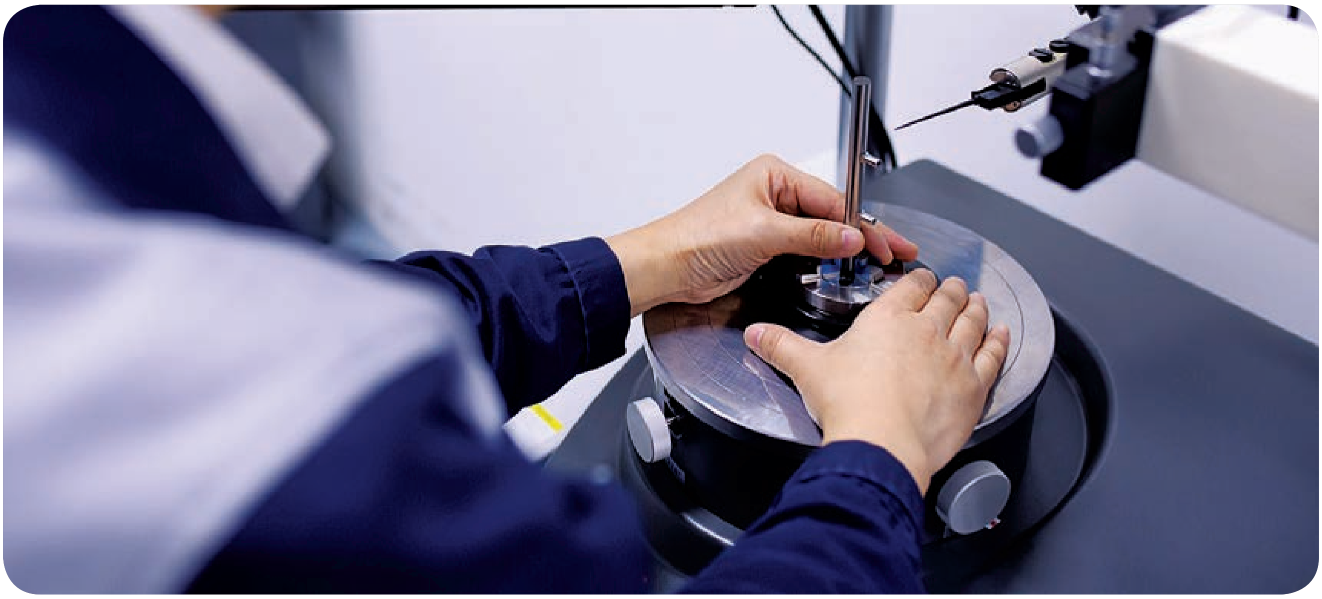
102-13 Membership of associations
- Singapore Precision Engineering & Technology Association
- Singapore Semiconductor Industry Association
- Singapore Business Federation

STRATEGY

102-14 Statement from senior decision-maker

"Our strategic vision is to be the leading manufacturing solutions and services provider in Asia Pacific, providing world class precision engineering services expertise and a full range of manufacturing services. Beyond economic growth, we are committed to conducting our business in an environmentally, socially and ethically sustainable manner."

Ng Wai Yuen, Julian
Chief Executive Officer



SUSTAINABILITY REPORT

ETHICS AND INTEGRITY

102-16 Values, principles, standards, and norms of behavior
The Group abides strictly by the Code of ethics, conduct, environmental, health and safety as specified in the Group's employee handbook and policies as released from time to time.

In order to gain the respect and trust of our stakeholders, it is necessary for the Group to conduct its business with integrity and in compliance with regulatory requirements. All forms of conduct such as corruption, bribery, unfair competition, fraud, embezzlement, threats and extortion are strictly prohibited. All employees are expected to demonstrate high standard of conduct and behaviour in performance of their duties.

The Group adopts a whistle-blowing policy which provides whistle-blowers a confidential avenue in reporting to the Lead Independent Director without fear of reprisals or victimisations.

GOVERNANCE

102-18 Governance structure
The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company. To assist the Board in executing its responsibilities, the Board is supported by the Audit Committee, Nominating Committee and the Remuneration Committee.

The Board currently comprises six Directors, of whom two are Executive Directors, one Non-Executive and Non-Independent Directors and three are Non-Executive and Independent Directors.

The NC has recommended that all GVT directors undergo training on sustainability matters in 2022, as prescribed by SGX-ST.

BOARD DIVERSITY POLICY

GVT is committed to building a diverse, inclusive and collaborative culture. GVT recognises and embraces the benefits of diversity in the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. A diverse Board will include and leverage on differences between the Directors in terms of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires in order to be effective.

The Nominations Committee ("**NC**") reviews and assesses Board composition and recommends the appointment of new Directors to the Board. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including but not limited to those described above. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of having diversity in the Board.

Please refer to pages 37 to 38 of the FY2021 Annual Report for further details on Board Composition and Guidance.

STAKEHOLDER ENGAGEMENT

102-42 Identifying and selecting stakeholders
In the stakeholder analysis, stakeholders are mapped out from the identification of internal and external stakeholders and selected based on the level of influence they have on the operations of the Group.

SUSTAINABILITY REPORT

102-40 List of stakeholder groups;

102-43 Approach to stakeholder engagement, and

102-44 Key topics and concerns raised

Stakeholder Groups	Mode of Engagement	Key Topics	Frequency of Engagement
Shareholders	Annual meetings	Financial performance Corporate governance	Annual
Investors	Meetings Electronic communication	Financial performance Corporate governance	As required
Employees	Meetings Company events	Employee satisfaction Career progression Recognition Communication	Regularly Regularly
Customers	Project discussions Meetings Electronic communication	Product quality Service levels Response time	Regularly Regularly Regularly
Suppliers	Project discussions Meetings Electronic communication	Product specifications Project timeline Delivery timeline Project plan	Regularly Regularly Regularly
Professionals / Service providers	Project discussions Meetings Electronic communication	Specific subject matters including Legal, Accounting	Regularly Regularly Regularly
Government / Regulators	Meetings Electronic communication	Financial performance Compliance News updates	As required As required
Media	Meetings Electronic communication	Financial performance Compliance News updates	As required As required

102-41 Collective bargaining agreements
The Group's employees are not covered by any collective bargaining agreement.

SUSTAINABILITY REPORT

REPORTING PRACTICE

102-45 Entities included in the consolidated financial statements

In FY2021, entities included in the consolidated financial statements are as follows:
- Grand Venture Technology Limited
- Grand Venture Technology Sdn. Bhd.
- Grand Venture Technology (Suzhou) Co., Ltd.
- Grand Venture Technology (Penang) Sdn. Bhd.

102-46 Defining report content and topic boundaries
GVT has prepared this report in accordance with Rules 711A and 711B of the Listing Manual. This report is also prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards Sustainability Reporting Guidelines 2016 - Core Option and its reporting principles and Task Force on Climate-related Financial Disclosures ("**TCFD**").

GVT has not sought external assurance for this report and will consider it when our reporting matures over time or if the complexity of the Group's operations requires such external assurance.

We will work towards refining and improving on our reporting scope and content as we advance in our sustainability reporting journey. The material topics in this report have been identified through active engagement with our key stakeholders, including shareholders, investors, employees, customers, suppliers and regulators.

102-48 Restatements of information
There are no restatements of information since the previous report.

102-49 Changes in reporting
Save for the inclusion of TCFD related documentation, we have not changed our reporting substantially since the previous report.

102-50 Reporting period
The reporting period covers 1 January 2021 to 31 December 2021.

102-51 Date of most recent report
The most recent report was issued on 22 March 2021.

102-52 Reporting cycle
The Group adopts an annual reporting cycle.

102-53 Contact point for questions regarding the report

Name:	Robby Sucipto
Email:	Contact@gvt.com.sg
Position:	Chief Financial Officer
Telephone:	+65 6542 3000

102-54 Claims of reporting in accordance with the GRI Standards
This report has been prepared in accordance with the GRI Standards: Core option.

102-56 External assurance
We have not sought external assurance for this report. However, we will consider such requirements when reporting matures over time or if the complexity of the Group's operations requires such external assurance or assistance

SUSTAINABILITY REPORT

GRI Standard	Disclosure		Page number/ reference	Omissions
GENERAL DISCLOSURE				
ORGANISATIONAL PROFILE				
GRI 102: General Disclosures 2016	102-1	Name of the organization	22	
	102-2	Activities, brands, products, and services	22	
	102-3	Location of headquarters	22	
	102-4	Location of operations	22	
	102-5	Ownership and legal form	22	
	102-6	Markets served	22	
	102-7	Scale of the organization	22	
	102-8	Information on employees and other workers	23	
	102-9	Supply chain	23	
	102-10	Significant changes to the organization and its supply chain	24	
	102-11	Precautionary Principle or approach	24	
	102-12	External initiatives	24	
	102-13	Membership of associations	24	
STRATEGY				
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	24	
ETHICS AND INTEGRITY				
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	25	
GOVERNANCE				
GRI 102: General Disclosures 2016	102-18	Governance structure	25	
STAKEHOLDER ENGAGEMENT				
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	26	
	102-41	Collective bargaining agreements	26	
	102-42	Identifying and selecting stakeholders	25	
	102-43	Approach to stakeholder engagement	26	
	102-44	Key topics and concerns raised	26	

SUSTAINABILITY REPORT

GRI Standard	Disclosure		Page number/ reference	Omissions
REPORTING PRACTICE				
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	27	
	102-46	Defining report content and topic boundaries	27	
	102-47	List of material topics	29 to 30	
	102-48	Restatements of information	27	
	102-49	Changes in reporting	27	
	102-50	Reporting period	27	
	102-51	Date of most recent report	27	
	102-52	Reporting cycle	27	
	102-53	Contact point for questions regarding the report	27	
	102-54	Claims of reporting in accordance with the GRI Standards	27	
	102-55	GRI content index	28 to 30	
	102-56	External assurance	27	
MATERIAL TOPICS				
TOPIC: ECONOMIC				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	33	
	103-2	The management approach and its components	33	
	103-3	Evaluation of the management approach	33	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	33	

SUSTAINABILITY REPORT

GRI Standard	Disclosure		Page number/ reference	Omissions
TOPIC: ENVIRONMENTAL				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	33	
	103-2	The management approach and its components	33	
	103-3	Evaluation of the management approach	33	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	33	
TOPIC: SOCIAL				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	33 to 34	
	103-2	The management approach and its components	33 to 34	
	103-3	Evaluation of the management approach	33 to 34	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	33 to 34	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	34	
	403-10	Work-related ill health	34	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	34	

SUSTAINABILITY REPORT

Climate-Related Risks and Potential Financial Impacts

Potential financial impact level: LOW MEDIUM HIGH

Timeline:
Short: 0 to 1 year
Medium: 1 to 5 years
Long: 5 to 20 years

Climate-related Risks

Risk Type		Potential Financial Impact (-)	Short	Medium	Long	Mitigation Strategy
Transition	Policy and legal	Increased pricing of greenhouse gas emissions due to regulations				GVT has deployed solar panels to internally subsidize energy consumption costs and intend to further roll out to its other facilities.
		Increased compliance costs and potential disruption related to new mandates and regulations on existing products				GVT proactively engages with governments, regulators and industry organisations to get updated on requirements and further improve its sustainability efforts.
	Technology	Costs to adopt/deploy new practices and processes				GVT remains diligent in pursuing process improvements, energy cost reduction.
	Market	Reduced demand for goods and services due to shift in consumer preferences				GVT is expanding its capabilities and competencies by identifying strategic partnerships and acquisitions and improving its sustainability practices to meet changing market demand.
	Reputation	Reduced revenue from decreased production capacity (e.g., supply chain interruptions)				Supply chain development, materials positioning with alignment of efforts on climate and sustainability.
Physical	Acute	Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)				Business Continuity Planning with capacity supplementary across GVT's production sites, backed by material planning and positioning.
	Chronic	Increased capital costs (e.g., damage to facilities)				Maintaining sufficient insurance coverage and incorporating adequate repair and maintenance protocol.

SUSTAINABILITY REPORT

Risk Type	Potential Financial Impact (-)	Short	Medium	Long	Mitigation Strategy
Resource Efficiency	Reduced operating costs through efficiency gains and cost reductions by moving to more efficient production operations				GVT constantly seeks energy-efficient alternatives and initiatives to run its production facilities, including deployment of solar panel, energy efficient air-conditioning. Continual target to reduce production scrap rate.
Energy source	Reputational benefits resulting in increased demand for goods/ services				Conscientious and diligent sustainability efforts in-line with global and supply chain climate concerns.
Products and Services	Improved margin performance from lower energy consumption				Improves process efficiencies, production cycle times and deployment of solar panels across GVT production facilities.
Markets	Increased diversification of financial assets (e.g., green bonds and infrastructure)				Access to funding as GVT embarks on growth and expansion of its competencies and production facilities.
Resilience	Increased reliability of supply chain and ability to operate under various conditions				Engagement and coordination with suppliers on sustainable operations.

Future Risk from Carbon Pricing - Scenario Analysis

GVT currently has largely low exposure related to carbon pricing risk. Notwithstanding, under the 2°C and 1.5°C alignment scenarios, the potential carbon pricing emergence of increasing taxes on fuel, GHG emissions or participation in emissions trading schemes could increase the GVT's carbon pricing risk.

SUSTAINABILITY REPORT

MATERIAL TOPICS

Economic - Economic Performance

Economic performance measures the effectiveness of GVT's business plan and strategy. It underpins the sustainability of our value chain across our stakeholders including customers, suppliers, employees and shareholders.

GVT's approach is to establish a robust management reporting system which reviews its underlying financial performance together with the revenue and cost drivers on a regular basis. GVT identifies opportunities for growth and improvements and strives to establish a resilient and robust earnings in preserving shareholders' values.

Refer to pages 64 to 68 of the Annual Report FY2021 for details of the Group's financial performance. The Group strives to establish resilient and robust financial performance in preserving shareholders' values in the forthcoming year.

Environmental – Environmental Compliance

The nature of our manufacturing operations, consumption of electricity and water, directly impacts the environment and the local community where we operate.

The Group measures success beyond economic growth, it extends towards environmental sustainability as we carry out our business as a responsible corporate citizen. We continually review our approach and remain committed to ensuring full compliance with local environmental laws and regulations to minimise impact from our operations.

Further, the Group looks into avenues to reduce our carbon footprint such as (i) deploying solar energy at our facilities to supplement our current level of energy consumption (ii) adopts green practices such as switching off lights at our offices where no users are present, using energy efficient equipment, setting our computers to energy-saving mode and using air-conditioning only where and when function/meeting rooms are used.

GVT has not identified any non-compliance with environmental laws and/or regulations. In FY2021, we did not incur any fines for non-compliance with environmental laws and/or regulations (FY2020: Nil). The Group continues to maintain zero non-compliance with environmental laws and/or regulations in the forthcoming year.

Social – Training and Education

Our employees are one of the most important resources in ensuring the long-term growth and development of the Group. The Group endeavours to develop a high-performing workforce in its talent development and talent acquisition plans. The Human Resource departments of the respective entities of the Group regularly works closely with line managers and reviews the employees' competencies, training needs and opportunities to enhance our workforce capabilities and productivity.

The Group provides training opportunities and facilities in order for our employees to:
- Acquire the skills, knowledge and related qualifications needed to perform the duties and tasks for which they are employed;
- Develop their potential to meet the future manpower needs of the Company;
- Further their career pursuits and personal development within the Company, developing them in exceptional cases beyond the Company's immediate and foreseeable needs.

In FY2021, we conducted formal training sessions for our employees according to training needs identified by the respective departments. New employees undergo in-house orientation to familiarise them with our equipment, policies and procedures, and on-the-job training is provided to equip them with the necessary working knowledge and practical skills to perform their tasks. Employees are also provided with training by our equipment suppliers and other external trainers from time to time.

SUSTAINABILITY REPORT

We selectively send our employees to industry conferences and seminars. Attendance at such events enables our staff to gain industry-specific know-how and insight, and to form new business relationships from meeting and interacting with others in our industry. The Group aims to provide to our employees the relevant training opportunities and exposures to industry conferences and seminars, in-person or virtually subject to COVID-19 restrictions, in the forthcoming year.

Social – Occupational Health and Safety

The Group is committed to the health and safety of our employees by providing a safe working environment. We believe the safety and well-being of our employees are important to the employee's morale, productivity and satisfaction.

The Group adopts an internal Health and Safety policies, contained within the Employee Handbook. The Health and Safety policies are designed to protect the employees' health and safety during the course of work, which include segments such as fire safety, personal protective equipment, house keeping and cleanliness and reporting process for work-related injuries/incidences.

In FY2021, the Group has recorded zero case of work-related injury and work-related ill health (FY2020: Nil). The Group aims to maintain the zero case of work-related injury and work-related ill health in the forthcoming year.

Social – Socioeconomic Compliance

We recognise that we have an obligation towards our employees, shareholders, suppliers, customers, competitors and the community as a whole. We believe our reputation, together with the trust and confidence of those with whom we deal, to be one of our most valuable assets. In order to keep this reputation and trust, we demand and seek to raise standards.

We adopt the good practices recommended in the Code of Corporate Governance 2018 and the following Group policies in upholding our accountability to the stakeholders:
- Conflict of Interest Policy
- Insider Trading Policy
- Interested Person Transaction Policy
- Fraud and Whistleblowing Policy
- Privacy Policy

GVT has not identified any non-compliance with socioeconomic laws and/or regulations. In FY2021, we did not incur any fines or non-monetary sanctions for non-compliance with socioeconomic laws and/or regulations (FY2020: Nil). The Group continues to maintain a target of zero non-compliance with socioeconomic laws and/or regulations for the forthcoming year.

CORPORATE GOVERNANCE **REPORT**

CORPORATE GOVERNANCE REPORT

Grand Venture Technology Limited (the "**Company**" or "**GVT**") and its subsidiaries (the "**Group**") are committed to maintaining a high standard of corporate governance within the Group. The Company believes that good corporate governance is essential in preserving the interests of all stakeholders and strengthening investors' confidence in the Group thereby enhancing long-term shareholders' value.

This Report outlines the Company's corporate governance practices that were in place for the financial year ended 31 December 2021 ("**FY2021**") with specific reference made to the principles and guidelines of the Code of Corporate Governance 2018 (the "**Code**"). The Board of Directors of the Company (the "**Board**") confirms that the Company has substantially complied with the principles and guidelines as set out in the Code. In areas where the Group has not complied with the Code, explanations have been provided.

BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The business and affairs of the Group are managed under the direction of the Board. Apart from its statutory duties and responsibilities, the key functions of the Board are to:

(a) provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;

(c) review Management's performance;

(d) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;

(e) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) consider sustainability issues, including environmental and social factors, as part of its strategic formulation.

The Board of Directors objectively discharge its duties and responsibilities at all times in the interest of the Company. Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction with the Group as soon as is practicable after the relevant facts have come to his/her knowledge.

To assist the Board in executing its responsibilities, the Board is supported by the Audit Committee, Nominating Committee and Remuneration Committee. These Committees function within clear written terms of reference, which are reviewed on a regular basis, to ensure effectiveness of each Committee. Any changes to the terms of reference for any Board Committee require the approval of the Board.

Matters which are specifically reserved for the Board's approval are material transactions, that do not ordinarily fall within the normal day-to-day operations of the Group, which include amongst others, investments, acquisitions and disposals, annual budgets, approval of annual reports and audited financial statements, declaration of dividends, convening of general meetings and approval of interested person transactions.

Formal Board meetings are held at least half yearly and ad-hoc meetings are convened when required. The Company's Constitution allows a Board meeting to be conducted through electronic means such as telephone and video conferences. Board and Board Committees' meetings have been scheduled well in advance in consultation with the Directors to ensure maximum attendance. Ad-hoc meetings will be convened where circumstances require as such.

CORPORATE GOVERNANCE REPORT

The number of meetings held by the Board and Board Committees and attendance since 1 January 2021 to the date of this report is disclosed below:

	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
Name of Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Number of meetings attended								
Mr Lee Tiam Nam	6	6	NA	NA	3	3	NA	NA
Mr Ng Wai Yuen Julian	6	6	NA	NA	NA	NA	NA	NA
Mr Loke Wai San[(1)]	6	5	NA	NA	NA	NA	NA	NA
Mr Liew Yoke Pheng Joseph	6	6	5	5	3	3	2	2
Mr Pong Chen Yih	6	6	5	5	3	3	2	2
Ms Heng Su-Ling Mae	6	6	5	5	3	3	2	2

(1) Mr Loke Wai San was appointed as a Non-Executive Director on 29 April 2021.

All Directors possess years of corporate experience and are familiar with their duties and responsibilities as Directors. Newly appointed Directors would receive a formal letter setting out the Director's duties and obligations.

Directors are provided with board papers and related materials, background or explanatory information relating to matters to be brought before the Board, prior to each Board and Board Committee meetings to enable the Board to make informed decisions. The Board also has separate and independent access to Management, the Company Secretary and external advisors (if necessary). Directors are entitled to request additional information from Management as and when required.

The Company will arrange orientation programs to familiarise new Directors with the Group's business activities and directions of the Group, as well as have meetings with senior management. As and where appropriate, the Company will also arrange and fund regular trainings for all Directors to ensure that Directors are updated on the latest governance and listing rules. Relevant courses include seminars conducted by the Singapore Institute of Directors or other training institutes.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board currently comprises six Directors, of whom two are Executive Directors, three are Non-Executive and Independent Directors and one Non-Executive and Non-Independent Director. As such, the Company complies with the recommendation under the Code that Non-Executive Directors should make up a majority of the Board.

Provision 2.2 of the Code recommends that independent directors make up a majority of the Board where the Chairman is not independent. In the case of the Company, the Chairman is not independent as he is an Executive Director. In order to address the issue of independence given that the Chairman is not independent, the Independent Directors make up half of the Board and the majority of the Board Committees and majority of the Board are Non-Executive Directors. Taking into account the above, the Board is of the view that the Company complies with Principle 2 of the Code as there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence.

The criteria for independence are defined in the Code and the independence of each of the Directors is reviewed by the Nominating Committee. In accordance with the Code, the Board considers an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

CORPORATE GOVERNANCE REPORT

The current Board of Directors and Board Committees comprise:

Board members		Audit Committee	Nominating Committee	Remuneration Committee
Mr Lee Tiam Nam	Executive Chairman	–	Member	–
Mr Ng Wai Yuen Julian	Chief Executive Officer and Executive Director	–	–	–
Mr Loke Wai San[1]	Non-Executive Director	–	–	–
Mr Liew Yoke Pheng Joseph	Lead Independent Director	Chairman	Member	Member
Mr Pong Chen Yih	Independent Director	Member	Chairman	Member
Ms Heng Su-Ling Mae	Independent Director	Member	Member	Chairman

(1) Mr Loke Wai San was appointed as a Non-Executive Director on 29 April 2021.

The Board has examined its size in reference to current scope and nature of Group's operations, and is of the view that the current Board size of six Directors is appropriate and facilitates effective decision-making, after taking into account the scope and nature of the operations of the Group.

In addition, the current Board comprises Directors who as a group provide an appropriate balance and diversity of skills, including finance, legal, business and management experience as well as industry knowledge that are critical for the Group's business objectives. Key information regarding our Directors, such as academic and professional qualifications, is set out in the Annual Report under "Board of Directors".

Board Diversity

GVT is committed to building a diverse, inclusive and collaborative culture. GVT recognises and embraces the benefits of diversity in the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. A diverse Board will include and leverage on differences between the Directors in terms of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires in order to be effective.

The Nominations Committee ("**NC**") reviews and assesses Board composition and recommends the appointment of new Directors to the Board. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including but not limited to those described above. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of having diversity in the Board.

There is no Independent Director who has served beyond 9 years since the date of his first appointment. All the Independent Directors were appointed on 11 January 2019.

The role of the Non-Executive Directors is to review Management's performance, monitor the Group's performance and constructively challenge and help to develop proposals on strategy. Non-Executive Directors may meet privately without the presence of Management to review any matter as an appropriate check and balance on Management. The chairman of such meetings shall provide feedback to the Board and/or Chairman as appropriate.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman is Mr Lee Tiam Nam who is an Executive Director. Mr Lee Tiam Nam is responsible for the overall strategic direction and development of our Group.

The Group's Chief Executive Officer ("**CEO**") is Mr Ng Wai Yuen Julian who is responsible for the overall management and growth of Group.

CORPORATE GOVERNANCE REPORT

The Company practices a clear division of responsibilities between the Chairman and the CEO. This ensures an appropriate balance of power between the Chairman and the CEO, which facilitates accountability and aids the Board in making independent decisions. The Group keeps the posts of the Chairman and CEO separate and they are not related family members.

In accordance with the Code, the Company has appointed a Lead Independent Director, Mr Liew Yoke Pheng Joseph, who would be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Chief Financial Officer ("**CFO**") has failed to resolve or is inappropriate.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Board has established a Nominating Committee ("**NC**") to make recommendations to the Board on all board appointments. The NC comprises four Directors, the majority of whom, including the NC Chairman, are Independent Directors. The lead Independent Director is also a member of the NC.

The current NC comprises:

- Mr Pong Chen Yih (Chairman);
- Mr Liew Yoke Pheng Joseph;
- Ms Heng Su-Ling Mae; and
- Mr Lee Tiam Nam

The duties and responsibilities of the NC, under its terms of reference, are as follows:

(a) reviewing of succession plans for Directors, in particular, the appointment and/or replacement of our Chairman, CEO and Key Management Personnel;

(b) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Directors' contribution and performance;

(c) reviewing and determining the process and criteria for evaluation of the performance of our Board, its committees and our Directors;

(d) determining on an annual basis whether or not a Director is independent;

(e) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards;

(f) reviewing the adequacy of training and professional development programmes for the Board and its Directors;

(g) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; and

(h) reviewing and approving any new employment of related persons and the proposed terms of their employment.

The NC has in place a formal process for the selection, appointment and re-appointment of Directors to the Board. In sourcing for new Directors, the NC will tap on recommendations of the Company's professional advisors and the Directors' personal contacts for potential Board candidates, postings via Singapore Institute of Directors and engagement of executive recruitment consultants. In the selection process, the NC considers attributes such as balance and diversity of skills vis-à-vis existing Board members, industry knowledge, requirements of the Group and time commitment ability. Background checks are also carried out on the shortlisted Board candidate(s). The NC meets with the shortlisted Board candidates to assess their suitability and availability before making recommendations to the Board for its consideration and approval.

CORPORATE GOVERNANCE REPORT

The NC determines annually, and as and when circumstances require, if a Director is independent in accordance with the guidelines stipulated in the Code. The NC also decides whether Directors, who have multiple board representations, have sufficient time and attention given to the affairs of the Company. Key information regarding directors, including their directorships in listed companies and principal commitments, is set out in the Annual Report under “Board of Directors”.

During FY2021, the NC has reviewed the independence of the Independent Directors namely Mr Liew Yoke Pheng Joseph, Mr Pong Chen Yih and Ms Heng Su-Ling Mae, according to the criteria set out in the Code. These Directors have demonstrated strong independence in character and judgement over the years in discharging their duties and responsibilities as Independent Directors. They continue to express their individual viewpoints, debate on issues, objectively scrutinise and challenge Management’s proposals as well as participate in discussions on business activities and transactions involving conflicts of interests and other complexities. During FY2021, there was no alternate Director on the Board.

According to the Company’s Constitution, every Director shall retire from office at least once every three years and for this purpose, at each Annual General Meeting (“**AGM**”), one-third of the Directors shall retire from office by rotation. The retiring Directors are eligible to offer themselves for re-election. Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination as a Director.

The NC, having considered the attendance and participation of the following Directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Mr Lee Tiam Nam and Mr Pong Chen Yih who will be retiring pursuant to Regulation 117 of the Constitution of the Company and Mr Loke Wai San who will be retiring pursuant to Regulation 122 of the Constitution of the Company at the forthcoming AGM.

If re-elected as a Director of the Company:

(a) Mr Lee Tiam Nam will remain as Executive Chairman and a member of the NC;

(b) Mr Pong Chen Yih will remain as an Independent Director, Chairman of the NC and a member of the AC and RC; and

(c) Mr Loke Wai San will remain as a Non-Executive and Non-Independent Director of the Company.

Mr Pong Chen Yih will be considered independent for the purposes of Rule 704(8) of the of Listing Manual Section A: Rules of Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”).

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.

A formal assessment process is in place to assess the effectiveness of the Board as a whole and its board committees and for assessing the contribution by the Chairman and each individual Director to the effectiveness of the Board.

The NC has adopted the performance evaluation forms recommended by the Singapore Institute of Directors. The evaluations are conducted annually. As part of the process, the Directors will complete the evaluation forms which are collated by the Company Secretary, who will then summarise the results of the evaluation and present it to the NC. Recommendations for improvement are then submitted to the Board for discussion and for implementation in areas where the performance and effectiveness could be enhanced. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

The performance criteria for the board evaluation are in respect of board size and composition, board independence, board’s decision-making processes, strategic planning, board information and accountability, board performance in relation to discharging its principal functions and financial targets.

The evaluation of the Board is to be performed annually by having all members complete Board and individual Directors’ evaluation questionnaires individually based on the above assessment parameters.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.

The Remuneration Committee ("**RC**") is established to review and recommend to the Board a general framework of remuneration for the Board and Key Management Personnel. The RC reviews and recommends to the Board the specific remuneration packages for each Director as well as for the Key Management Personnel. The RC's recommendations should be submitted for endorsement by the Board. The RC covers all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind.

The RC comprises three Independent Directors, namely:

- Ms Heng Su-Ling Mae (Chairman);
- Mr Liew Yoke Pheng Joseph; and
- Mr Pong Chen Yih

The duties and responsibilities of the RC, under its terms of reference, are as follows:

(a) reviewing and approving the Company's policy for determining executive remuneration including the remuneration of the CEO, Executive Directors, and key management executives (the "**Key Management Personnel**");

(b) reviewing the on-going appropriateness and relevance of the executive remuneration policy and other benefit programmes;

(c) considering, reviewing and approving and/or varying (if necessary) the entire specific remuneration package and service contract terms for each Key Management Personnel and any employee related to the Directors, CEO or substantial shareholders, if any (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts);

(d) considering and approving termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to Key Management Personnel and employees related to the Directors, CEO or substantial shareholders, if any;

(e) obtaining reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the Company, subject to the budgetary constraints imposed by the Board;

(f) reviewing and approving the design of all option plans, stock plans and/or other equity based plans;

(g) for each equity based plan, determining whether awards will be made under that plan;

(h) reviewing and approving each award as well as the total proposed awards under each plan in accordance to the rules governing each plan, including awards to Directors and Key Management Personnel;

(i) reviewing, approving and keeping under review performance hurdles and/or fulfilment of performance hurdles for each equity based plan; and

(j) approving the remuneration framework (including Directors' fees) for non-executive Directors of the Company.

The RC can seek expert advice, where necessary, inside and/or outside the Company on remuneration of all Directors, at the Company's expense. No remuneration consultants were engaged by the Company for the financial year 2021.

CORPORATE GOVERNANCE REPORT

No Director is involved in deciding his own remuneration.

The Company has entered into service agreements (the "**Service Agreements**") with Mr Lee Tiam Nam (Chairman) and Mr Ng Wai Yuen Julian (CEO) respectively, effective 23 January 2019. The parties may terminate the respective Service Agreements by giving the other party not less than three months' notice in writing and does not contain onerous termination clauses.

The termination clauses contained in the contracts of service for Key Management Personnel are fair and reasonable and not overly generous. The RC aims to be fair and avoid rewarding poor performance.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The remuneration policy of the Group is designed to attract, retain and motivate executive Directors and Key Management Personnel and at the same time link rewards to corporate and individual performance so as to align with the interest of shareholders and promote the long-term success of the Group.

Total remuneration package of executive Directors and Key Management Personnel comprises fixed cash component of salary and allowances, variable performance incentives and contributions to the Central Provident Fund. Variable performance incentives are tied to the performance of the Group or business unit and the individual's performance. The RC conducts annual review to ensure that the remuneration paid to executive Directors and Key Management Personnel is in line with industry norms and commensurate with the performance of each employee.

The Company also has in place long-term incentive schemes such as GVT Performance Share Plan and GVT Employee Share Option Scheme ("**GVT ESOS**") as set out in the Company's Offer Document dated 15 January 2019 and its subsequent amendments in circular to shareholders dated 1 November 2021. Both schemes shall be administered by the Administration Committee, which is also the Remuneration Committee. Currently, no share options have been granted under the GVT ESOS since its commencement. On 21 January 2022, 728,500 Share Awards were granted to selected employees of the Group pursuant to the GVT Share Plan.

The Group does not use contractual provisions to reclaim incentive components of remuneration from executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the company. The Group believes that such exceptional events could tantamount to breach of fiduciary duties of the executive Directors and Key Management Personnel, which would provide the Group with legal remedies.

Non-executive Directors do not have any service agreements with the Company and receive Directors' fees, in accordance with their level of contribution, taking into account factors such as effort and time spent and responsibilities of the Directors. The Independent Directors do not receive any other forms of remuneration from the Company. Executive Directors do not receive Directors' fees. Directors' fees of S$170,000 for the year ending 31 December 2022 has been proposed for the shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration bands of the Directors of the Company for FY2021 are as follows:

Name of Directors	Fixed Salary (%)	Directors' Fees (%)	Variable Bonus (%)	Total (%)
S$250,001 – S$500,000				
Mr Lee Tiam Nam[(1)]	80%	–	20%	100%
Mr Ng Wai Yuen Julian	79%	–	21%	100%
Below S$50,000				
Mr Liew Yoke Pheng Joseph	–	100%	–	100%
Mr Pong Chen Yih	–	100%	–	100%
Ms Heng Su-Ling Mae	–	100%	–	100%
Mr Loke Wai San[(2)]	–	100%	–	100%

(1) Mr Lee Tiam Nam is a controlling shareholder of the Company.
(2) Mr Loke Wai San was appointed as a Non-Executive Director on 29 April 2021 and he is a deemed controlling shareholder of the Company.

The Group has five Key Management Personnel (who are not Directors or CEO). The remuneration bands of the Key Management Personnel for FY2021 are as follows:

Name of Key Management Personnel	Fixed Salary (%)	Variable Bonus (%)	Total (%)
S$250,001 – S$500,000			
Mr Tan Chun Siong	80%	20%	100%
Mr Robby Sucipto	67%	33%	100%
Mr Kong Sang Wah	56%	44%	100%
Mr Saw Yip Hooi	56%	44%	100%
Below S$250,000			
Mr Alan Lu	82%	18%	100%

The total remuneration paid to the above Directors and Key Management Personnel for FY2021 was S$2,347,000. Total remuneration paid to the Key Management Personnel for FY2021 was S$1,542,000.

The Company is of the view that full disclosure of the actual remuneration of each individual Director, CEO and Key Management Personnel is not in the interest of the Company due to the confidentiality and sensitivities of remuneration matters and that the disclosure in S$250,000 bands enables investors to understand the link between performance and remuneration paid to Directors and Key Management Personnel.

There are no termination, retirement or post-employment benefits granted to Directors, CEO and other Key Management Personnel.

CORPORATE GOVERNANCE REPORT

The details of the employees who are immediate family members of a Director or CEO whose remuneration exceeds S$100,000 during the FY2021 are as follows:

Name of employee	Relationship with Director	Designation and responsibilities
S$100,001 – S$150,000		
Mr Lee Ching Ann	Younger brother of Mr Lee Tiam Nam	Senior Sales Manager who is responsible for managing and maintaining certain key customer relationship.
Mr Lee Ban Seng	Nephew of Mr Lee Tiam Nam	Operations Manager who is responsible for operations and production.

The remuneration of the employees who are related to our Directors, Substantial Shareholders and Controlling Shareholders will be reviewed annually by the RC to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the RC. In addition, any new employment of related employees and the proposed terms of their employment will also be subject to the review and approval of the NC and RC. In the event that a member of the NR or RC is related to the employee under review, he will abstain from the review.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is assisted by the Audit Committee ("**AC**") to oversee the Group's risk management framework and policies. The Board recognises the importance to maintain a good system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. However, the Board is also mindful that internal controls can only provide reasonable and not absolute assurance to totally guard against human errors, poor judgement or fraud in a cost effective manner.

Since the financial year 2018, the Group has appointed Foo Kon Tan Advisory Services Pte Ltd ("**FKT**") as internal auditors to evaluate and test the adequacy and effectiveness of internal controls in selected areas that are in place in major operating companies in Singapore, Malaysia and China. The internal audit review will be conducted with a view to identify control gaps in the current business processes, ensure that operations were conducted within the policies and procedures laid down and identify areas for improvements, where controls can be strengthened.

In addition, the external auditors will also highlight internal control weaknesses which may have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations will be reported to the AC.

The Board has received assurance from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the CEO and CFO that the Group's risk management and internal control systems are effective.

Based on the foregoing, the Board, with the concurrence of the AC, is of the opinion that the internal controls, including financial, operational, compliance and information technology controls, and risk management systems of the Group were adequate and effective for the FY2021.

CORPORATE GOVERNANCE REPORT

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

The AC comprises three Independent Directors, namely:

- Mr Liew Yoke Pheng Joseph (Chairman);
- Mr Pong Chen Yih; and
- Ms Heng Su-Ling Mae

The duties and responsibilities of the AC, under its terms of reference, are as follows:

(a) assisting the Board in the discharge of its responsibilities to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal control of the Company, with the overall objective of ensuring that the management of the Company creates and maintains an effective control environment in the Group;

(b) reviewing with the external auditors, the audit plans, their audit report, their management letter and response from Management;

(c) considering the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the external auditors;

(d) making recommendations to the Board on the proposals to the shareholders on the appointment and removal of external auditors and the remuneration and terms of engagement of the external auditors;

(e) reviewing with the internal auditors the internal audit plans and their evaluation of the adequacy of our internal control and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report, where necessary;

(f) reviewing, at least annually, the effectiveness and adequacy of our internal control and procedures and ensure coordination between the external auditors and Management, and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss (in the absence of Management where necessary);

(g) reviewing the co-operation given by the Company's officers to external auditors;

(h) reviewing the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

(i) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the financial performance;

(j) reviewing the assurance from CEO and CFO on the financial records and financial statements;

(k) reviewing and discussing with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and response from Management;

(l) reviewing transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual (if any);

(m) reviewing potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;

(n) reviewing the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;

CORPORATE GOVERNANCE REPORT

(o) reviewing the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;

(p) undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(q) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;

(r) reviewing arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;

(s) reviewing our Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time;

(t) reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group; and

(u) reviewing the whistle-blowing policy and procedures.

The AC has the authority to investigate any matters within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The AC can seek professional advice, where necessary, and at the Company's expense.

The AC comprises three directors, and all of whom, including the AC Chairman, are non-executive and independent. Two of the AC members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. The AC members are not former partner or Director of the Company's existing auditing firm and they have no financial interest in such auditing firm.

The AC has met the internal auditors, without the presence of Management, in August 2021.

The AC has met the external auditors, without the presence of Management, in August 2021 and February 2022.

The AC assesses the independence of the external auditors annually. In addition, the AC reviewed the independence and objectivity of the external auditors through discussions with them as well as a review of the volume and nature of non-audit services provided by the external auditors during the financial year under review.

The details of the fees of the external auditors of the Group (Messrs Ernst & Young LLP) during FY2021 are set out as follows:

	S$'000
Audit Services	183
Non-Audit Services	17
Total	**200**

The AC has reviewed the non-audit services provided by the external auditors and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditors, and has recommended the re-appointment of Messrs Ernst & Young LLP as the external auditors of the Company at the forthcoming AGM. The Company is in compliance with Rules 715 and 716 of the Listing Manual in relation to the proposed re-appointment of the external auditors.

The Group does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by employees in the course of their work and has in place a whistle blowing policy in February 2019. Employees of the Group and any other persons are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting and other malpractices at the earliest opportunity to the AC Chairman, who oversees an independent AC function, and the identity of the whistleblower would be treated with strict confidentiality.

CORPORATE GOVERNANCE REPORT

The Company has outsourced its internal audit function to FKT to assist the Company in reviewing the design and effectiveness of key internal controls which address financial, operational, compliance and information technology risks and the Company's risk management policy and system as a whole. The AC will review and approve the annual internal audit plan and the appointment and remuneration of the internal auditor. The internal auditor reports directly to the AC on audit matters and to the CEO on administrative matters.

The internal auditors shall carry out its function according to International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

With the appointment of FKT, the AC has reviewed and is satisfied that the internal audit function is independent, effective, and adequately resourced.

AC members have to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements. This is done via regular updates and briefings provided by the external auditors to the AC as well as accounting standards update seminars conducted by various accounting firms or professional bodies.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligation to provide timely and fair disclosure of material information to shareholders, investors and public. The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholder's rights.

The Company announces financial information, major developments and other price sensitive information on the SGXNET in a timely manner to ensure investors are kept abreast of the Group's developments.

Shareholders are encouraged to actively participate at the Company's general meetings. All shareholders of the Company will receive the annual report, circulars and notices of all shareholders' meetings. The notices will be made available on SGXNET. All shareholders are entitled to vote and the Company will conduct poll voting for all resolutions to be passed at general meetings.

If any shareholder is unable to attend, the shareholder is allowed to appoint up to two proxies to attend, speak and vote on his/her behalf at the general meeting through proxy form sent in advance, at least 72 hours before the time of the meeting. The Company's Constitution allows corporations which are considered "relevant intermediary" to appoint more than two proxies to attend, speak and vote at the general meeting.

For the upcoming AGM, due to the current COVID-19 restriction orders in Singapore, a shareholder will not be able to attend the AGM in person. Shareholders are encouraged to register themselves for the live webcast. Shareholders (whether individual or corporate) must appoint the Chairman of the Meeting as their proxy to attend and vote on their behalf at the AGM if they wish to exercise their voting rights at the AGM.

To facilitate and encourage such participation, all the Directors intend to be present and available, via webcast, to address shareholders' queries, submitted in advance, at the forthcoming AGM. All Directors were present via webcast at last year's AGM held on 27 April 2021.

The external auditors would also be present via webcast to address any shareholders' queries (if any), submitted in advance, about the conduct of audit and the preparation and content of the auditors' report. Minutes of general meetings of shareholders will be published on the Company's website at www.gvt.com.sg as soon as practicable. The minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting and responses from the Directors and Management.

CORPORATE GOVERNANCE REPORT

The Company ensures that there are separate resolutions at general meetings on each substantially separate issue. For greater transparency, the Company will put all resolutions to vote by poll and make an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be presented and announced on the same day.

The Company expects to continue with a dividend payout ratio of up to 20%. The Board will take into account various factors, including but not limited to, earnings, balance sheet and cash flow requirements, plans for expansion, availability of market opportunities for value-creating investments and availability of distributable reserves, in determining the form, frequency and amount of dividends to recommend or declare in each particular year or period.

Subject to shareholders' approval at the forthcoming AGM, the Board has recommended a final dividend of 0.5 Singapore cents per share for FY2021.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Communication with shareholders are mainly made via SGXNET. This includes half-yearly and quarterly (if applicable) financial results announcements, public announcements on major developments and price-sensitive information and annual reports. Some of these documents are also made available on the Company's website.

The Company has engaged Ark Advisors Pte Ltd to assist the Company in handling the investor relations matters who focus on facilitating the communications with all stakeholders on a regular basis and attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

Online submission form is available on the Company's website which also include email addresses and contact numbers for operating companies in Singapore, Malaysia and China. It allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Shareholders may contact the Company with questions and receive responses in a timely manner.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Board regularly engages the stakeholders through various means and communication channels. The relationships with material stakeholders have an impact on the company's long term sustainability, service and products standards. By considering and balancing the needs and interests of material stakeholders, it would ensure the interests of the company are best served. The material stakeholders of the Company include investors, employees, customers, investors, government and regulators as well as the community.

The Company's website provides a platform to allow communication and engagement with stakeholders.

CORPORATE GOVERNANCE REPORT

OTHER CORPORATE GOVERNANCE MATTERS

Dealings in the Company's Securities

In compliance with Rule 1207(19) of the Listing Manual, the Company has adopted an internal code of best practices on securities transactions by the Company and its officers. All Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Group's half-year and full-year financial results. Officers should also not deal in the Company's securities on short term considerations and the law of insider trading has to be observed and complied with at all times when officers are in possession of unpublished price sensitive information. Directors and CEO of the Company are required to notify the Company of their dealings in the Company's securities within two business days. Reminders are sent via email to all Directors and key employees.

Interested Person Transactions ("IPT")

The Group has established internal control policies to ensure that transactions with interested persons are properly reviewed and approved, and are conducted at an arm's length commercial terms basis. Any Director who is interested in a transaction will abstain and refrain from deliberating, discussing, making recommendations and approving the transaction. The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a) of the Listing Manual.

An interested person transactions will be properly documented and submitted to the AC for half-yearly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The Group has not obtained a general mandate from shareholders for IPT. There were no interested person transactions of S$100,000 and above during FY2021.

Material Contracts

Save for the Service Agreements between the Company and the Executive Directors, there were no material contracts of the Company or its subsidiaries involving the interest of the CEO, any Director or controlling shareholder during the FY2021.

CORPORATE GOVERNANCE REPORT

Use of Proceeds

The Company raised proceeds from (i) Initial Public Offering ("**IPO**") of approximately S$13.2 million (the "**IPO Proceeds**"), (ii) Placement of new shares of approximately S$23.5 million (the "**NT Placement**") and (iii) Placement of new shares approximately S$27.6 million (the "**September Placement**"). As at the date of this Annual Report, the Gross Proceeds as disclosed in the Offer Document dated 15 January 2019 ("**Offer Document**"), the NT Placement proceeds as disclosed in the circular to shareholders ("**Circular**") dated 5 February 2021 and announcement of September Placement dated on 3 September 2021 have been utilised as follows:

i. IPO proceeds

Use of proceeds	Allocated S$'000	Utilised S$'000	Balance S$'000
Investing and enhancing operational and engineering capabilities	7,500	7,500	–
Expansion via mergers and acquisitions, joint ventures and partnerships	1,500	1,500(1)	–
General working capital(2)	1,404	1,404	–
Repayment of bank borrowings	500	500	–
Listing Expenses	2,300	2,300	–
Total	**13,204**	**13,204**	**–**

(1) S$1,500,000 of the IPO Proceeds were utilised to fund the acquisition of J-Dragon Tech (Suzhou) Co., Ltd. ("**J-Dragon**") partial cash consideration, which is in accordance with the stated use and amount allocated in the Company's Offer Document dated 15 January 2019.

(2) Details of working capital used:

	S$'000
Rental, office expenditure and other operating expenses	994
Professional fees	310
Directors' fees	100
Total	**1,404**

CORPORATE GOVERNANCE REPORT

ii. NT Placement (Placement Agreement dated 12 January 2021)

Use of proceeds	Allocated (5 February 2021) S$'000	Re-allocated (21 May 2021) S$'000	Utilised S$'000	Balance S$'000
Expansion via mergers and acquisitions, joint ventures and partnerships	19,000	14,000	7,503 (1)	6,497
Investing and enhancing operational and engineering capabilities	3,000	8,000	8,000	–
General working capital(2)	1,504	1,504	1,504	–
Total	**23,504**	**23,504**	**17,007**	**6,497**

(1) S$7,502,732 of the Placement Proceeds were utilised to fund (i) the remaining S$1,482,732 of the J-Dragon partial cash consideration; and (ii) the acquisition of Formach Asia Sdn. Bhd. partial cash consideration, which are in accordance with the stated use and percentage allocated in the Company's circular dated 5 February 2021 and announcement dated 21 May 2021.

(2) Details of general working capital used:

	S$'000
Staff cost	1,200
Rental, office expenditure and other operating expenses	304
Total	**1,504**

iii. September Placement (Placement Agreement dated 3 September 2021)

Use of proceeds	Allocated %	Allocated S$'000	Utilised S$'000	Balance S$'000
Expansion via mergers and acquisitions, joint ventures and partnerships	40-45	11,000 to 12,400	–	9,600 to 11,000
Investing and enhancing operational and engineering capabilities	40-45	11,000 to 12,400	8,262	2,738 to 4,138
General working capital(1)	10-20	2,783 to 5,583	5,583	–
Total	**100**	**27,583**	**13,845**	**13,738**

(1) Details of working capital used:

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

CORPORATE GOVERNANCE REPORT

Non-Sponsor Fees

There were no non-sponsor fees paid to the Company's Sponsor, CIMB Bank Berhad, Singapore Branch, during FY2021 to the date of this Annual Report.

The Company has transferred its listing from the Catalist Board of the SGX-ST to the Mainboard of the SGX-ST on 30 November 2021 and therefore the appointment of CIMB Bank Berhad, Singapore Branch as the Company's Sponsor has ceased on the same day.

CORPORATE SOCIAL RESPONSIBILITY

We recognise that for long-term sustainability, we need to look beyond the financial parameters and strike a balance between business profitability and corporate social responsibility. We have taken various steps to play our part in contributing to the welfare of the society and communities in the environment we operate in. Hence, we support important causes such as environmental preservation, donation to the needy, and community services. We have hired certain special needs personnel under our headcount.

We regularly support various services and activities within our community. We have made donations to registered charitable organisations and installed solar panels to supplement the reduction of our carbon footprint in our Singapore facility.

CORPORATE GOVERNANCE REPORT

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION
(Pursuant to Rule 720(6) of the Listing Manual)

Name of Directors	Mr Loke Wai San	Mr Lee Tiam Nam	Mr Pong Chen Yih
Date of appointment	29 April 2021	17 September 2012	11 January 2019
Date of last re-appointment	N/A	29 April 2019	28 April 2020
Age	53	61	46
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on the re-appointment	In connection with the placement of shares to NT SPV 12 ("**NT**") which has been completed on 15 March 2021, NT is entitled to nominate one director for appointment to the Board. NT has nominated Mr Loke Wai San to the Board. With NT's nomination, recommendation of the Nominating Committee and with Mr Loke Wai San's qualifications, experience and suitability, the Board approves his re-appointment as Non-Executive Director of the Company.	Mr Lee is one of the founding directors the Group and he brings with him over 38 years of experience in the precision manufacturing and assembly industry. Mr Lee offers his deep-level sector knowledge, experience and leadership to the core competencies of the Board. The Nominating Committee and the Board recommend the re-appointment of Mr Lee as the Executive Chairman of the Company.	Mr Pong was a practicing lawyer from 2002 till he co-founded Novus Corporate Finance Pte. Ltd. in 2018. He is now the Chief Operating Officer of Novus Corporate Finance Pte. Ltd., a corporate firm licenced by both SGX-ST and the Monetary Authority of Singapore. With his extensive legal knowledge, he will be able to provide greater balance to the core competencies of the Board. The Nominating Committee and the Board recommend the re-appointment of Mr Pong as the Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Chairman	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	▪ Non-Independent, Non-Executive Director	▪ Executive Chairman ▪ Member of Nominating Committee	▪ Independent Director ▪ Chairman of the Nominating Committee ▪ Member of the Audit Committee ▪ Member of the Remuneration Committee
Professional qualifications	▪ Masters of Business Administration/University of Chicago ▪ Bachelor of Science in Electrical and Electronics Engineering/Lehigh University	▪ GCE O' level	▪ Bachelor of Laws from the National University of Singapore
Working experience and occupation(s) during the past 10 years	CEO of Novo Tellus Capital Partners (2010 to present) Chairman of AEM Holdings Ltd. (2011 to present) Executive Chairman and CEO of Novo Tellus Alpha Acquisition (2022 to present)	Executive Chairman of Grand Venture Technology Limited (2012 to present)	WongPartnership LLP – Partner (2008 to 2013) Baker McKenzie Wong & Leow (2014 to 2018) Novus Corporate Finance Pte. Ltd (2018 to present)

CORPORATE GOVERNANCE REPORT

Name of Directors	Mr Loke Wai San	Mr Lee Tiam Nam	Mr Pong Chen Yih
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest of 90,527,000 shares (amounting to 26.68%) in the capital of the Company.	52,000,000 shares (amounting to 15.33%) in the capital of the Company.	NIL
Any relationship (including immediate family relationships with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Mr Loke Wai San is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of New Earth Group 2 Ltd. ("**NEG 2**"). NEG 2 is the general partner of Novo Tellus PE Fund 2, L.P. ("**NT Fund 2**") and NT Fund 2 is the owner of 100% of the shares of NT.	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships	Past (for the last 5 years): ▪ Accellion Inc. ▪ The Novo Tellus Group ▪ Luma International Holdings Pte Ltd ▪ Luxim Corporation Inc. ▪ Novoflex Pte Ltd ▪ Smartflex Technology Pte Ltd ▪ Smartflex Innovation Pte Ltd Present: Directorships: ▪ Grand Venture Technology Limited ▪ Novo Tellus Capital Partners ▪ Novo Tellus Alpha Acquisition ▪ New Earth Group Ltd ▪ New Earth Group 2 Ltd ▪ AEM Holdings Ltd. ▪ Afore Oy ▪ Enterprise Singapore ▪ Integrated Circuits Pte. Ltd. ▪ Procurri Corporation Limited ▪ Sunningdale Tech Ltd ▪ Sunrise Technology Investment Holding (Cayman) Pte Ltd ▪ Sunrise Technology Investment Holding Pte. Ltd. ▪ Tessolve Semiconductor Pvt. Ltd. Other Principal Commitments: NIL	Past (for the last 5 years): ▪ Metalbank Singapore Pte. Ltd. ▪ Proinvest Capital Pte. Ltd. ▪ YGL Convergence Berhad Present: Directorships: ▪ Grand Venture Technology Limited ▪ Chung Cheng High School Ltd. ▪ Punggol 33 Pte. Ltd. Other Principal Commitments: Member of the school management committee of Chung Cheng High School, Chung Cheng High School (Yishun) and Nanyang Junior College	Past (for the last 5 years): ▪ Umbrella Ventures Pte. Ltd. Present: Directorships: ▪ Grand Venture Technology Limited ▪ Figtree Holdings Limited ▪ Novus Corporate Finance Pte. Ltd. ▪ Novus Investment Holdings Pte. Ltd. ▪ Acumen Holdings Pte. Ltd. Other Principal Commitments: ▪ Chief Operating Officer – Novus Corporate Finance Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Name of Directors	Mr Loke Wai San	Mr Lee Tiam Nam	Mr Pong Chen Yih
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "**yes**", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No, save that he was a non-executive director of Umbrella Ventures Pte. Ltd. from August 2020 to June 2021. He was not involved in the day to day management of Umbrella Ventures during the period of his directorship. Following his stepping down as a director, He was informed that Umbrella Ventures was placed under creditors' voluntary liquidation on 21 September 2021 as it was unable to meet its debts as and when they fell due, due to the COVID-19 situation in Singapore which had a significant impact on its business operations in the food and beverage industry. As at the date of this declaration, Umbrella Ventures Pte. Ltd. is still under creditors' voluntary liquidation.
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Directors	Mr Loke Wai San	Mr Lee Tiam Nam	Mr Pong Chen Yih
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Directors	Mr Loke Wai San	Mr Lee Tiam Nam	Mr Pong Chen Yih
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors wish to present their statement to the members together with the audited consolidated financial statements of Grand Venture Technology Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Lee Tiam Nam
Ng Wai Yuen Julian
Liew Yoke Pheng Joseph
Pong Chen Yih (Feng Zengyu)
Heng Su-Ling Mae
Loke Wai San (Appointed on 29 April 2021)

Arrangements to enable directors to acquire shares and debentures

Except as described under "Directors' interest in shares and debentures", neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, 1967, an interest in shares of the Company as stated below:

	Direct interest			Deemed interest		
Name of director	**At beginning of the year or date of appointment**	**At end of the year**	**At 21 January 2022**	**At beginning of the year or date of appointment**	**At end of the year**	**At 21 January 2022**
The Company						
Ordinary shares						
Lee Tiam Nam	199,400	52,000,000	52,000,000	133,472,000	–	–
Ng Wai Yuen Julian	–	12,020,000	12,020,000	–	–	–
Loke Wai San	–	–	–	90,527,000	90,527,000	90,527,000

Loke Wai San is deemed interested in the Company's shares by virtue of his shareholding in the holding company, Novo Tellus PE Fund 2, L.P..

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or date of appointment, if later, or at the end of the financial year.

DIRECTORS' STATEMENT

Options

During the financial year:

(a) No options have been granted by the Company to any person to take up unissued shares in the Company; and

(b) No shares have been issued by virtue of any exercise of option to take up unissued shares of the Company.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

Lee Tiam Nam
Director

Ng Wai Yuen Julian
Director

Singapore

24 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRAND VENTURE TECHNOLOGY LIMITED

For the financial year ended 31 December 2021

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Grand Venture Technology Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Goodwill impairment assessment

As at 31 December 2021, the carrying value of Group's goodwill is $1,872,000 representing 1.0% of the Group's total assets and 3.0% of the Group's non-current assets. Management had in previous years identified the cash-generating units ("**CGUs**") to be the Company's subsidiaries, Grand Venture Technology Sdn. Bhd. and Grand Venture Technology (Suzhou) Co. Ltd., and allocated the goodwill to these two CGUs. The recoverable values of the CGUs have been determined based on value-in-use calculations using cash flow projections approved by management. Given the magnitude of the carrying value of goodwill and goodwill impairment assessment involved significant management judgement, we considered this to be a key audit matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRAND VENTURE TECHNOLOGY LIMITED

For the financial year ended 31 December 2021

Key audit matters (cont'd)

Goodwill impairment assessment (cont'd)

Our procedures included, amongst others, understanding management's impairment assessment process and assessing management's identification of CGUs, to which the goodwill have been allocated to. We reviewed the robustness of management's forecast by comparing previous forecasts to actual results. We discussed with the relevant senior management personnel to understand the basis for the key assumptions used in forming the estimates underpinning the assessment of the recoverable values of the CGUs. We evaluated the key assumptions used in the impairment analysis, in particular, revenue growth rates, pre-tax discount rates and long-term growth rates. We assessed the reasonableness of the revenue growth rates by comparing them to historical performances and industry outlook and by considering information available after year end. We involved our internal valuation specialists to review the reasonableness of the pre-tax discount rates. We reviewed management's analysis of the sensitivity of the value-in-use calculations to a reasonably possible change in the key assumptions.

We also assessed the adequacy of the disclosures in Note 12 to the consolidated financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRAND VENTURE TECHNOLOGY LIMITED

For the financial year ended 31 December 2021

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Teo Li Ling.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

24 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000
Revenue	4	116,256	61,400
Cost of sales		(78,570)	(42,466)
Gross profit		37,686	18,934
Other income	5	1,212	529
Selling and distribution costs		(1,041)	(467)
General and administrative expenses		(12,527)	(9,535)
Other operating expenses		(2,704)	(2,009)
Finance costs	6	(1,731)	(1,423)
Profit before tax	7	20,895	6,029
Income tax expense	8	(3,339)	(813)
Profit after tax		17,556	5,216
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Currency transaction differences arising from consolidation of foreign operations		(130)	144
Total comprehensive income for the financial year attributable to owners of the Company		17,426	5,360
Earnings per share (cents per share)			
- Basic and diluted	9	5.87	2.23

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	10	56,360	43,349	16,670	15,573
Investments in subsidiaries	13	–	–	15,492	12,085
Intangible assets	12	2,015	2,035	–	–
Prepayments		3,055	–	–	–
Loans to a subsidiary	18	–	–	4,150	2,450
Deferred tax assets	14	333	1,025	–	140
		61,763	46,409	36,312	30,248
Current assets					
Cash and bank balances	15	46,338	7,493	39,132	3,888
Trade and other receivables	16	30,018	17,889	12,323	7,943
Prepayments		3,835	1,685	4,658	666
Forward contract	19	6	–	6	–
Inventories	17	40,911	20,928	10,818	7,515
Loans to a subsidiary	18	–	–	4,900	4,900
		121,108	47,995	71,837	24,912
Total assets		182,871	94,404	108,149	55,160
Current liabilities					
Trade and other payables	20	25,053	13,197	7,428	5,781
Loans and borrowings	21	16,250	10,575	3,369	2,722
Lease liabilities	11	1,326	726	31	29
Deferred income	22	90	41	90	41
Forward contract	19	–	2	–	2
Provision for income tax		431	247	257	–
		43,150	24,788	11,175	8,575
Net current assets		77,958	23,207	60,662	16,337
Non-current liabilities					
Loans and borrowings	21	29,550	29,138	15,816	18,712
Lease liabilities	11	4,303	3,380	1,567	1,598
Deferred income	22	427	237	427	237
Deferred tax liabilities	14	836	–	216	–
		35,116	32,755	18,026	20,547
Total liabilities		78,266	57,543	29,201	29,122
Net assets		104,605	36,861	78,948	26,038
Equity attributable to owners of the Company					
Share capital	23	78,926	27,843	78,926	27,843
Currency translation reserve		(998)	(868)	–	–
Share-based payment reserve	24	764	–	764	–
Retained earnings/ (accumulated losses)		25,913	9,886	(742)	(1,805)
Total equity		104,605	36,861	78,948	26,038

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Group	Note	Share capital	Currency translation reserve	Share-based payment reserve	Retained earnings	Total
		$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2020		27,843	(1,012)	–	4,670	31,501
Total comprehensive income for the year						
Profit for the year		–	–	–	5,216	5,216
Other comprehensive income for the year		–	144	–	–	144
Total comprehensive income for the year		–	144	–	5,216	5,360
Balance as at 31 December 2020		27,843	(868)	–	9,886	36,861
Balance as at 1 January 2021		27,843	(868)	–	9,886	36,861
Transactions with owners, recognised directly in equity						
Issuance of shares	23	52,103	–	–	–	52,103
Share issuance expenses	23	(1,020)	–	–	–	(1,020)
Share awards granted	24	–	–	764	–	764
Dividends paid	30	–	–	–	(1,529)	(1,529)
Total		51,083	–	764	(1,529)	50,318
Total comprehensive income for the year						
Profit for the year		–	–	–	17,556	17,556
Other comprehensive income for the year		–	(130)	–	–	(130)
Total comprehensive income for the year		–	(130)	–	17,556	17,426
Balance as at 31 December 2021		78,926	(998)	764	25,913	104,605

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Company	**Note**	**Share capital**	**Share-based payment reserve**	**Accumulated losses**	**Total**
		$'000	$'000	$'000	$'000
Balance as at 1 January 2020		27,843	–	(3,523)	24,320
Total comprehensive income for the year					
Profit for the year, representing total comprehensive income for the year		–	–	1,718	1,718
Balance as at 31 December 2020		27,843	–	(1,805)	26,038
Balance as at 1 January 2021		27,843	–	(1,805)	26,038
Transactions with owners, recognised directly in equity					
Issuance of shares	23	52,103	–	–	52,103
Share issuance expenses	23	(1,020)	–	–	(1,020)
Share awards granted	24	–	764	–	764
Dividends paid	30	–	–	(1,529)	(1,529)
Total		51,083	764	(1,529)	50,318
Total comprehensive income for the year					
Profit for the year, representing total comprehensive income for the year		–	–	2,592	2,592
Balance as at 31 December 2021		78,926	764	(742)	78,948

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Operating activities			
Profit before tax		20,895	6,029
Adjustments for:			
Depreciation of property, plant and equipment	7,10	8,857	6,718
Amortisation of intangible assets	7,12	24	24
Amortisation of deferred income	5,22	(49)	(31)
Gain on disposal of property, plant and equipment	5	(16)	–
Gain on lease modification	5	(5)	–
Interest income	5	(22)	(8)
Interest expense	6	1,731	1,423
Share-based payment expense	24	764	–
Provision for sales rebate		386	188
Provision for unutilised leave	7	100	–
Inventories written-down	17	–	9
Unrealised foreign exchange gain		(105)	(54)
Operating cash flows before changes in working capital		32,560	14,298
Increase in trade and other receivables		(12,210)	(4,887)
Increase in inventories		(20,086)	(5,242)
Increase in prepayments		(5,210)	(333)
Increase in trade and other payables		11,376	2,197
Cash flows generated from operations		6,430	6,033
Income tax paid		(1,621)	(705)
Income tax credit		–	42
Interest received		22	8
Interest paid		(1,731)	(1,423)
Net cash flows generated from operating activities		3,100	3,955
Investing activities			
Purchases of property, plant and equipment	10	(16,262)	(7,421)
Proceeds from disposal of property, plant and equipment		16	7
Capital expenditure grant received	22	288	78
Net cash flows used in investing activities		(15,958)	(7,336)
Financing activities			
Net proceeds from issuance of shares	23	51,083	–
Proceeds from loans and borrowings		8,181	25,445
Repayment of loans and borrowings		(2,848)	(10,801)
Proceeds from/(repayment of) trade financing		2,143	(358)
Repayment of hire purchases	21	(4,528)	(3,585)
Payment of principal portion of lease liabilities	21	(860)	(677)
Dividends paid to shareholders	30	(1,529)	–
Decrease/(increase) in placement of short-term fixed deposits		136	(8)
Repayment of shareholder loan		–	(5,000)
Net cash flows generated from financing activities		51,778	5,016
Net increase in cash and cash equivalents		38,920	1,635
Effect of foreign exchange rate changes, net		65	83
Cash and cash equivalents at the beginning of the year		7,105	5,387
Cash and cash equivalents at the end of the year	15	46,090	7,105

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. Corporate information

The Company (Registration No. 201222831E) was incorporated in Singapore with its principal place of business and registered office at 2 Changi North Street 1, Singapore 498828.

The principal activities of the Company are that of manufacturing complex precision machining and sheet metal components and modules. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

With effect from 30 November 2021, the Company's ordinary shares were listed on the Mainboard of Singapore Exchange Securities Trading Limited.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and the statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("**SGD**" or "**$**") and all values in the tables are rounded to the nearest thousand ("**$'000**"), except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those previously applied except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	***Effective for annual periods on or after***
Amendments to SFRS(I) 16: *COVID-19 Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-1: *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1: *Presentation of Financial Statements and FRS Practice Statement 2 – Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting dates as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore dollar at the rate of exchange ruling at the end of reporting periods and the profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	-	20 to 60 years
Leasehold properties	-	3 to 33 years
Plant, machinery and equipment	-	5 to 10 years
Furniture and fittings	-	5 to 10 years
Office equipment	-	3 to 10 years
Motor vehicle	-	5 to 10 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.6 Property, plant and equipment (cont'd)

Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

2.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation for customer relationship is calculated on a straight-line basis over the estimated useful lives of 5 to 10 years.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.8 Impairment of non-financial assets (cont'd)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investment in subsidiaries are accounted for at cost less impairment losses.

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are measured using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired, and through amortisation process.

The Group's financial assets at amortised cost are disclosed in Note 16 to the financial statements.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.10 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Financial liabilities not designated at fair value through profit or loss

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "**12-month ECL**"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "**lifetime ECL**").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: costs of purchase on a first-in first-out basis.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.15 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.17 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the leased assets transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment under Note 2.8 to the financial statements.

The Group's right-of-use assets are presented within property, plant and equipment in Note 10 to the financial statements.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

Group as a lessee (cont'd)

(b) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

2.19 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

The Group manufactures and sells components, modules and system assemblies.

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 amount of revenue recognised is based on the expected transaction price, which comprises the contractual price, net of estimated sales rebates.

The Group recognises the expected sales rebates payable to customers as a provision.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.19 Revenue recognition (cont'd)

(b) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.20 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income ("**OCI**") or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.20 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.21 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Share-based payments

Employees of the Group receive remuneration in the form of equity instruments as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value, which is the market price of the shares transacted at grant date. This cost is recognised in profit or loss, with a corresponding increase in equity (share-based payment reserve), over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest.

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are disclosed as below. The Group based its assumptions and estimates on parameters available when financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

When making assessments of key assumptions concerning the future and other key sources of estimation uncertainty, the Group continues to consider the existing and anticipated effects of the outbreak on its existing business model, business activities and related risks.

Goodwill impairment assessment

As disclosed in Note 12 of the financial statements, the recoverable amounts of the cash generating units, which goodwill have been allocated to, are determined based on value-in-use calculations. The value-in-use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. The key assumptions applied in the determination of the value-in-use, are disclosed and further explained in Note 12 to the financial statements.

The carrying amount of goodwill on consolidation is $1,872,000 (2020: $1,868,000).

Leases – Estimating the incremental borrowing rates

The Group cannot readily determine the interest rate implicit in the leases, therefore, it uses its incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available, such as for entities that do not enter into financing transactions, or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates, such as the entities' stand-alone credit rating.

4. Revenue

Revenue represents sales of goods to customers, net of sales rebates, which are recognised at point in time.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. Other income

	Group	
	2021	**2020**
	$'000	$'000
Foreign exchange gain, net	322	–
Government grants	285	–
Rental income	185	194
Utilities charged to tenants	87	89
Amortisation of deferred income	49	31
Interest income	22	8
Gain on disposal of property, plant and equipment	16	–
Gain on lease modification	5	–
Other income	241	207
	1,212	529

Interest income of the Group mainly relates to interest income earned on fixed deposits.

6. Finance costs

	Group	
	2021	**2020**
	$'000	$'000
Interest expense on:		
Bank loans	745	483
Hire purchases	578	511
Interest expense on lease liabilities	230	235
Trade financing	178	130
Shareholder loan	–	64
	1,731	1,423

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

7. Profit before tax

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

	Note	Group 2021 $'000	Group 2020 $'000
Employee benefits expenses			
- Salaries and bonuses		19,123	13,296
- Defined contribution plan		2,219	1,534
- Other benefits		4,164	2,529
- Share awards	24	764	–
Depreciation of property, plant and equipment	10	8,857	6,718
Operating lease expenses for short-term leases		166	175
Provision for unutilised leave		100	–
Amortisation of intangible assets		24	24
Foreign exchange loss, net		–	496

Government grants relating to the Jobs Support Scheme ("**JSS**") amounting to $805,000 has been deducted in reporting the related employee benefits expenses for the financial year ended 31 December 2020.

No government grant relating to JSS was recognised in the statement of profit or loss for the financial year ended 31 December 2021.

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

	Group 2021 $'000	Group 2020 $'000
Current income tax		
- Current income tax	2,076	858
- Over provision in respect of prior years	(265)	(105)
	1,811	753
Deferred tax		
- Origination and reversal of temporary differences	1,315	(79)
- Under provision in respect of prior years	213	139
	1,528	60
Income tax expense recognised in profit or loss	3,339	813

Domestic income tax is calculated at 17% (2020: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. Income tax expense (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021	**2020**
	$'000	$'000
Profit before tax	20,895	6,029
Tax at the domestic rates applicable to profit in the countries where the Group operates	4,734	1,465
Non-deductible expenses	297	112
Income not subject to taxation	–	(137)
Effects of partial tax exemption and tax relief	(1,640)	(661)
Over provision of current income tax in respect of prior years	(265)	(105)
Under provision of deferred income tax in respect of prior years	213	139
Income tax expense recognised in profit or loss	3,339	813

9. Earnings per share

	2021	**2020**
	$'000	$'000
Profit for the year, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share	17,556	5,216
Weighted average number of ordinary shares for basic and diluted earnings per share computation	298,940,000	234,253,000

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to the owners of the Company by the weighted average number of shares held by the owners of the Company.

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. Property, plant and equipment

Group	Leasehold properties	Leasehold land	Plant, machinery and equipment	Furniture and fittings	Office equipment	Motor vehicle	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost:								
At 1 January 2020	17,270	2,235	32,910	3,343	2,035	484	1,334	59,611
Additions	156	1,541	8,107	765	584	–	3,876	15,029
Disposals	–	–	(3)	(6)	(2)	–	–	(11)
Written-off	–	–	–	(123)	(9)	–	–	(132)
Transfers	2,644	–	3	1,416	–	–	(4,063)	–
Translation differences	108	(2)	162	39	5	1	48	361
At 31 December 2020 and 1 January 2021	20,178	3,774	41,179	5,434	2,613	485	1,195	74,858
Additions	2,699	–	15,056	2,383	714	46	911	21,809
Lease modification	(101)	–	–	–	–	–	–	(101)
Disposals	–	–	(321)	–	–	–	–	(321)
Written-off	–	–	–	–	(56)	–	–	(56)
Transfers	87	–	1,032	17	44	–	(1,180)	–
Translation differences	53	(27)	(48)	71	(6)	(5)	(10)	28
At 31 December 2021	22,916	3,747	56,898	7,905	3,309	526	916	96,217
Accumulated depreciation:								
At 1 January 2020	5,224	122	17,227	957	1,066	329	–	24,925
Charge for the year	1,011	76	4,538	659	385	49	–	6,718
Disposals	–	–	(2)	(2)	–	–	–	(4)
Written-off	–	–	–	(123)	(9)	–	–	(132)
Translation differences	20	–	(26)	9	(3)	2	–	2
At 31 December 2020 and 1 January 2021	6,255	198	21,737	1,500	1,439	380	–	31,509
Charge for the year	1,205	100	6,150	834	520	48	–	8,857
Disposals	–	–	(321)	–	–	–	–	(321)
Written-off	–	–	–	–	(56)	–	–	(56)
Translation differences	30	(1)	(163)	15	(8)	(5)	–	(132)
At 31 December 2021	7,490	297	27,403	2,349	1,895	423	–	39,857
Carrying amount:								
At 31 December 2020	13,923	3,576	19,442	3,934	1,174	105	1,195	43,349
At 31 December 2021	15,426	3,450	29,495	5,556	1,414	103	916	56,360

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. Property, plant and equipment (cont'd)

Company	**Leasehold property**	**Leasehold land**	**Plant, machinery and equipment**	**Furniture and fittings**	**Office equipment**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Cost:						
At 1 January 2020	10,810	1,681	8,843	1,487	732	23,553
Additions	–	–	2,368	339	349	3,056
Disposals	–	–	(521)	–	–	(521)
Written-off	–	–	–	–	(8)	(8)
At 31 December 2020 and 1 January 2021	10,810	1,681	10,690	1,826	1,073	26,080
Additions	–	–	2,349	753	440	3,542
Written-off	–	–	–	–	(56)	(56)
At 31 December 2021	10,810	1,681	13,039	2,579	1,457	29,566
Accumulated depreciation:						
At 1 January 2020	4,564	62	3,562	405	403	8,996
Charge for the year	238	62	1,278	175	207	1,960
Disposals	–	–	(441)	–	–	(441)
Written-off	–	–	–	–	(8)	(8)
At 31 December 2020 and 1 January 2021	4,802	124	4,399	580	602	10,507
Charge for the year	238	62	1,596	232	317	2,445
Written-off	–	–	–	–	(56)	(56)
At 31 December 2021	5,040	186	5,995	812	863	12,896
Carrying amount:						
At 31 December 2020	6,008	1,557	6,291	1,246	471	15,573
At 31 December 2021	5,770	1,495	7,044	1,767	594	16,670

During the year, the Group acquired plant, machinery and equipment with an aggregate cost of $3,157,000 (2020: $7,481,000) by means of hire purchases. The cash outflow on acquisition of property, plant and equipment amounted to $16,262,000 (2020: $7,421,000).

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. Property, plant and equipment (cont'd)

The carrying amount of plant, machinery and equipment, motor vehicles and office equipment under hire purchases at the end of the year as disclosed under Note 21 are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Plant, machinery and equipment	17,397	8,948	4,800	3,928
Motor vehicles	27	53	–	–
Office equipment	58	11	–	11
	17,482	9,012	4,800	3,939

Assets pledged as security

The Group's leasehold land and buildings with a carrying amount of $13,456,000 (2020: $13,541,000) are mortgaged to secure the Group's bank loans (Note 21).

11. Leases

Group as a lessee

The Group has lease contracts for leasehold land and properties used for its operations. Leasehold land generally have a lease term of 20 to 60 years, while leasehold properties generally have lease terms between 3 to 33 years.

The Group also has leases of dormitories for its employees' with lease terms of 12 months. The Group applies the "short-term lease" recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. Leases (cont'd)

Group as a lessee (cont'd)

Right-of-use assets

The carrying amounts and movements of the Group's and the Company's right-of-use assets during the year are as follows:

Group	Leasehold properties	Leasehold land	Total
	$'000	$'000	$'000
Cost:			
At 1 January 2020	17,270	2,235	19,505
Additions	156	1,541	1,697
Transfers	2,644	–	2,644
Translation differences	108	(2)	106
At 31 December 2020 and 1 January 2021	20,178	3,774	23,952
Additions	2,699	–	2,699
Lease modification	(101)	–	(101)
Transfers	87	–	87
Translation differences	53	(27)	26
At 31 December 2021	22,916	3,747	26,663
Accumulated depreciation:			
At 1 January 2020	5,224	122	5,346
Charge for the year	1,011	76	1,087
Translation differences	20	–	20
At 31 December 2020 and 1 January 2021	6,255	198	6,453
Charge for the year	1,205	100	1,305
Translation differences	30	(1)	29
At 31 December 2021	7,490	297	7,787
Carrying amount:			
At 31 December 2020	13,923	3,576	17,499
At 31 December 2021	15,426	3,450	18,876

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. Leases (cont'd)

Group as a lessee (cont'd)

Right-of-use assets (cont'd)

Company	**Leasehold property** $'000	**Leasehold land** $'000	**Total** $'000
Cost:			
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	10,810	1,681	12,491
Accumulated depreciation:			
At 1 January 2020	4,564	62	4,626
Charge for the year	238	62	300
At 31 December 2020 and 1 January 2021	4,802	124	4,926
Charge for the year	238	62	300
At 31 December 2021	5,040	186	5,226
Carrying amount:			
At 31 December 2020	6,008	1,557	7,565
At 31 December 2021	5,770	1,495	7,265

Lease liabilities

The carrying amounts and movements of the Group's and the Company's lease liabilities during the year are as follows:

	Group		**Company**	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
At 1 January	4,106	4,548	1,627	1,655
Additions	2,390	127	–	–
Accretion of interest	230	235	95	96
Payments	(1,091)	(912)	(124)	(124)
Lease modification	(106)	–	–	–
Translation differences	100	108	–	–
At 31 December	5,629	4,106	1,598	1,627
Current	1,326	726	31	29
Non-current	4,303	3,380	1,567	1,598
	5,629	4,106	1,598	1,627

The maturity analysis of lease liabilities is disclosed in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. Leases (cont'd)

Group as a lessee (cont'd)

The following are the amounts recognised in profit or loss:

		Group	
		2021	**2020**
	Note	$'000	$'000
Depreciation of right-of-use assets		1,305	1,087
Interest expense on lease liabilities	6	230	235
Operating lease expense relating to short-term leases (included in other operating expenses)	7	166	175
Total amount recognised in profit or loss		1,701	1,497

During the year, the Group's total cash outflows relating to short-term operating leases and repayment of principal and interest portion of lease liabilities amounted to $1,257,000 (2020: operating lease payments of $1,087,000).

As at 31 December 2021 and 2020, there are no future cash outflows relating to leases that have yet to commence.

Group as a lessor

The Group leases out certain areas of its office premises. These non-cancellable leases have remaining lease terms of between 1 to 2 years.

Future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group and Company	
	2021	**2020**
	$'000	$'000
Not later than one year	180	180
Later than one year but not later than five years	15	195
	195	375

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. Intangible assets

Group	Customer relationship	Goodwill	Total
	$'000	$'000	$'000
Cost:			
At 1 January 2020	1,244	1,849	3,093
Translation differences	–	19	19
At 31 December 2020 and 1 January 2021	1,244	1,868	3,112
Translation differences	–	4	4
At 31 December 2021	1,244	1,872	3,116
Accumulated amortisation:			
At 1 January 2020	1,053	–	1,053
Amortisation for the year	24	–	24
At 31 December 2020 and 1 January 2021	1,077	–	1,077
Amortisation for the year	24	–	24
At 31 December 2021	1,101	–	1,101
Carrying amount:			
At 31 December 2020	167	1,868	2,035
At 31 December 2021	143	1,872	2,015

Customer relationship

Customer relationship have an average remaining amortisation period of six years (2020: seven years).

Impairment testing of goodwill

Goodwill acquired through business combinations are attributable to the acquisition of the Company's subsidiaries (Note 13), which are also considered as CGU for impairment testing as follows:

	2021	2020
	$'000	$'000
Grand Venture Technology Sdn. Bhd.	1,362	1,379
Grand Venture Technology (Suzhou) Co., Ltd.	510	489
	1,872	1,868

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 pre-tax discount rate applied to the cash flow projections and the growth rates beyond the five-year period are as follows:

	Grand Venture Technology Sdn. Bhd.		Grand Venture Technology (Suzhou) Co., Ltd.	
	2021	2020	2021	2020
Long-term growth rates	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rates	14.2%	14.2%	13.9%	13.9%

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For the financial year ended 31 December 2021

12. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

Long-term growth rates – These are used to extrapolate cash flow projections beyond the period covered by the most recent budgets and are based on management's assessment of the markets and do not exceed the long-term average growth rate for the industries relevant to the CGU.

Pre-tax discount rates – Discount rate reflect the current market assessment of the risk specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. In determining appropriate discount rates, consideration has been given to the weighted average cost of capital ("**WACC**") of the entity. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumption

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.

No impairment loss was recognised for the financial years ended 31 December 2021 and 31 December 2020 for goodwill as their recoverable values were in excess of their carrying values.

13. Investments in subsidiaries

	Note	Company 2021 $'000	Company 2020 $'000
Unquoted shares, at cost:			
At 1 January		12,085	12,085
Additional paid-up capital		2,953	–*
Share awards	(a)	454	–
At 31 December		15,492	12,085

* Denotes $1 paid-up capital during the year in Grand Venture Technology (Penang) Sdn. Bhd.

(a) Share awards

The share awards are shares of the Company granted to the selected key employees of the subsidiaries in relation to their performance for financial year ended 31 December 2021 as disclosed in Note 24 to the financial statements.

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For the financial year ended 31 December 2021

13. Investments in subsidiaries (cont'd)

Composition of the Group

The Group has the following investments in subsidiaries as at the financial years ended 31 December 2021 and 2020:

Name of subsidiary	Principal activities (Principal place of business)	Proportion of ownership interest	
		2021	2020
		%	%
Held by the Company			
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

The subsidiaries are audited by member firms of EY Global in the respective countries.

14. Deferred tax

Deferred tax assets

Movements in deferred tax assets during the year are as follows:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Deferred tax assets:				
At 1 January	1,025	1,084	140	521
Charged to profit or loss	(694)	(60)	(140)	(381)
Translation differences	2	1	–	–
At 31 December	333	1,025	–	140

Deferred tax liabilities

Movements in deferred tax liabilities during the year are as follows:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
At 1 January	–	–	–	–
Charged to profit or loss	834	–	216	–
Translation differences	2	–	–	–
At 31 December	836	–	216	–

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For the financial year ended 31 December 2021

14. Deferred tax (cont'd)

Deferred tax liabilities (cont'd)

Deferred tax assets as at 31 December related to the following:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Deferred tax assets:				
Tax written-down value in excess of net book value of qualifying fixed assets	–	548	–	30
Losses available for offsetting against future taxable income	46	213	–	–
Others	287	264	–	110
	333	1,025	–	140

At the end of the reporting period, the Group has tax losses of approximately $307,000 (2020: $1,420,000) that are available for offset against future taxable profits of the companies in which the losses arose. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date.

Deferred tax liabilities as at 31 December related to the following:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
Net book value of qualifying fixed assets in excess of tax written-down value	836	–	216	–

15. Cash and bank balances

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Cash at banks and on hand	46,090	7,105	39,132	3,888
Short-term fixed deposits	248	388	–	–
	46,338	7,493	39,132	3,888

Cash at banks earns interest at floating rates based on the daily bank deposit rates. Short-term fixed deposits carry interest at the rate of 1.5% to 2.1% (2020: 1.9% to 2.6%) per annum and are made for a period of 12 months (2020: 12 months).

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For the financial year ended 31 December 2021

15. Cash and bank balances (cont'd)

Cash and cash equivalents denominated in respective entities' foreign currencies as at 31 December are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
United States Dollar	7,894	1,613	5,655	531

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2021	**2020**
	$'000	$'000
Cash and bank balance	46,338	7,493
Less: Short-term fixed deposits	(248)	(388)
Cash and cash equivalents	46,090	7,105

16. Trade and other receivables

		Group		Company	
	Note	**2021**	**2020**	**2021**	**2020**
		$'000	$'000	$'000	$'000
Trade receivables:					
Third parties		28,987	17,095	11,632	7,013
Net input tax		349	112	107	97
		29,336	17,207	11,739	7,110
Other receivables:					
Deposits		623	386	79	56
Other receivables		59	213	21	204
Amounts due from holding companies		–	83	–	83
Amounts due from subsidiaries		–	–	484	490
		682	682	584	833
Total trade and other receivables		30,018	17,889	12,323	7,943
Less: Net input tax		(349)	(112)	(107)	(97)
Add: Cash and bank balances	15	46,338	7,493	39,132	3,888
Add: Loans to subsidiaries	18	–	–	9,050	7,350
Total financial assets carried at amortised cost		76,007	25,270	60,398	19,084

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For the financial year ended 31 December 2021

16. Trade and other receivables (cont'd)

Trade receivables

Trade receivables are unsecured, non-interest bearing and are generally on 60 to 90 days (2020: 60 to 90 days) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade receivables denominated in respective entities' foreign currencies as at 31 December are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
United States Dollar	21,194	12,200	10,695	6,485

Amounts due from holding companies and subsidiaries

Amounts due from holding companies and subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Allowance for expected credit losses

As at 31 December 2021 and 2020, the allowance for expected credit losses of trade receivables is $13,000.

17. Inventories

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Balance sheet:				
Raw materials	8,095	2,601	1,104	577
Work-in-progress	21,900	10,102	2,872	1,487
Finished goods	10,916	8,225	6,842	5,451
Total inventories at lower of cost and net realisable value	40,911	20,928	10,818	7,515

	Group	
	2021	**2020**
	$'000	$'000
Income statement:		
Inventories recognised as an expense in cost of sales	78,570	42,324
Inclusive of the following:		
- Inventories written-down	–	9

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For the financial year ended 31 December 2021

18. Loans to subsidiaries

Company	2021		2020	
	Maturity	$'000	Maturity	$'000
Current:				
Loans to a subsidiary	2022	4,900	2021	4,900
Non-current:				
Loans to a subsidiary	2023-2025	4,150	2022-2024	2,450

Loans to a subsidiary (current)

The loans to a subsidiary (current) are unsecured, repayable on demand, bear interest at 3.0% (2020: 3.0%) per annum, and are to be settled in cash.

Loans to a subsidiary (non-current)

The loans to a subsidiary (non-current) are unsecured, repayable between years 2023 to 2025, bear interest at 3.0% (2020: 3.0%) per annum, and are to be settled in cash.

Accordingly, the loans to a subsidiary have been classified as non-current assets.

19. Forward contract

	Group and Company					
	2021			2020		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Forward contract	996	6	–	995	–	(2)

Forward currency contracts are used to hedge foreign currency risk arising from the Group's sales and purchases denominated in United States Dollar ("**USD**") for which firm commitments existed as the end of reporting period, extending to June 2022 (31 December 2020: June 2021).

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For the financial year ended 31 December 2021

20. Trade and other payables

		Group		Company	
	Note	2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Trade payables:					
Third parties		14,031	6,741	1,997	1,260
Amounts due to subsidiaries		–	–	2,578	1,948
		14,031	6,741	4,575	3,208
Other payables:					
Other payables		5,744	2,959	755	1,295
Accrued operating expenses		5,248	3,467	2,068	1,248
Others		30	30	30	30
		11,022	6,456	2,853	2,573
Total trade and other payables		25,053	13,197	7,428	5,781
Add: Lease liabilities	11	5,629	4,106	1,598	1,627
Add: Loans and borrowings	21	45,800	39,713	19,185	21,434
Total financial liabilities carried at amortised cost		76,482	57,016	28,211	28,842

Trade payables

Trade payables are unsecured, non-interest bearing and are normally settled on 30 to 60 days (2020: 30 to 60 days) terms.

Trade payables are denominated in the following currencies:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
United States Dollar	4,246	1,602	3,544	2,324

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21. Loans and borrowings

Group	2021		2020	
	Maturity	$'000	Maturity	$'000
Current:				
Hire purchases	2022	4,071	2021	4,019
Bank loans:				
Bankers' acceptances	2022	4,718	2021	2,610
Term loans in SGD	2022	1,976	2021	1,475
Term loans in MYR	2022	1,265	2021	464
Working capital loan	–	–	2021	78
Short-term loan in RMB	2022	4,220	2021	1,929
		16,250		10,575
Non-current:				
Hire purchases	2023-2025	5,164	2022-2024	6,613
Bank loans:				
Term loans in SGD	2023-2035	13,984	2022-2035	15,931
Term loans in MYR	2023-2039	10,402	2022-2039	5,673
Working capital loan	–	–	2022-2025	921
		29,550		29,138

Company	2021		2020	
	Maturity	$'000	Maturity	$'000
Current:				
Hire purchases	2022	1,393	2021	1,169
Bank loans:				
Term loans in SGD	2022	1,976	2021	1,475
Working capital loan	–	–	2021	78
		3,369		2,722
Non-current:				
Hire purchases	2023-2024	1,832	2022-2024	1,860
Bank loans:				
Term loans in SGD	2023-2035	13,984	2022-2035	15,931
Working capital loan	–	–	2022-2025	921
		15,816		18,712

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For the financial year ended 31 December 2021

21. Loans and borrowings (cont'd)

Bankers' acceptances (secured)

Bankers' acceptances are denominated in Malaysian Ringgit ("**MYR**"), and 3.7% to 4.7% (2020: 4.2% to 5.7%) per annum. The bankers' acceptances are secured by a corporate guarantee from the Company.

Hire purchases (secured)

Hire purchases are secured by a charge over the respective property, plant and equipment (Note 10). The average discount rate implicit in the leases is 6.0% (2020: 6.0%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

Term loans in SGD (secured)

The term loans in SGD bear interest at 2.5% (2020: 2.5%) per annum. The term loans in SGD are secured by mortgage over the Company's leasehold properties (Note 10).

Term loans in MYR (secured)

The term loans in MYR bear interest at rates which ranges from 3.3% to 5.9% (2020: 3.3% to 6.5%) per annum. The term loans in MYR are secured by mortgage over the Group's leasehold properties (Note 10).

Working capital loan (secured)

The working capital loan is denominated in SGD, bears interest at 3.0% (2020: 3.0%) per annum on monthly rests, and was fully repaid during the financial year.

For the financial year ended 31 December 2020, the working capital loan was secured by a corporate guarantee from the Company's wholly-owned subsidiary, Grand Venture Technology Sdn. Bhd..

Short-term loan in RMB (secured)

The short-term loan in RMB is denominated in Chinese Renminbi ("**RMB**"), bears interest at 3.85% (2020: 3.65% to 4.50%) per annum, and is secured by a corporate guarantee from the Company.

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.

Loans and borrowings are denominated in the following currencies as at 31 December:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Singapore Dollar	19,940	22,655	19,185	21,434
Malaysian Ringgit	21,542	14,895	–	–
Chinese Renminbi	4,221	1,929	–	–
Japanese Yen	97	234	–	–
	45,800	39,713	19,185	21,434

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from the Group's financing activities is as follows:

		Cash flows		Non-cash changes				
	Note	1 January 2021	Proceeds/ (repayment)	Acquisitions	Lease modification	Translation differences	Others	31 December 2021
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current								
Hire purchases		4,019	(4,528)	3,157	–	(3)	1,426	4,071
Bank loans		6,556	7,476	–	–	83	(1,936)	12,179
Lease liabilities	11	726	(860)	2,390	(106)	28	(852)	1,326
Non-current								
Hire purchases		6,613	–	–	–	(22)	(1,426)	5,165
Bank loans		22,525	–	–	–	(76)	1,936	24,385
Lease liabilities	11	3,380	–	–	–	71	852	4,303
Total liabilities from financing activities		43,819	2,088	5,547	(106)	81	–	51,429

		Cash flows		Non-cash changes			
	Note	1 January 2020	Proceeds/ (repayment)	Acquisitions	Translation differences	Others	31 December 2020
		$'000	$'000	$'000	$'000	$'000	$'000
Current							
Hire purchases		2,941	(3,585)	2,194	7	2,462	4,019
Bank loans		9,340	(7,264)	262	42	4,176	6,556
Lease liabilities	11	658	(677)	127	21	597	726
Non-current							
Hire purchases		5,012	–	4,049	14	(2,462)	6,613
Bank loans		4,179	21,550	976	(4)	(4,176)	22,525
Shareholder loan		5,000	(5,000)	–	–	–	–
Lease liabilities	11	3,890	–	–	87	(597)	3,380
Total liabilities from financing activities		31,020	5,024	7,608	167	–	43,819

The 'others' column relates to reclassification of non-current portion of loans and borrowings including hire purchases due to the passage of time.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. Deferred income

	Group and Company	
	2021	**2020**
	$'000	$'000
Current:		
Capital expenditure grant	90	41
Non-current:		
Capital expenditure grant	427	237
Total deferred income	517	278

Capital expenditure grant relates to government grants received for the purchase of property, plant and equipment. Capital expenditure grant is amortised over the periods necessary to match depreciation of the property, plant and equipment purchased with the related grants.

	Group and Company	
	2021	**2020**
	$'000	$'000
Capital expenditure grant		
Cost:		
At 1 January	409	331
Received during the financial year	288	78
At 31 December	697	409
Accumulated amortisation:		
At 1 January	131	100
Amortisation for the year	49	31
At 31 December	180	131
	517	278

23. Share capital

	Group and Company			
	2021		**2020**	
	No. of shares	$'000	No. of shares	$'000
Ordinary shares				
At 1 January	234,253,000	27,843	234,253,000	27,843
Issuance of ordinary shares	96,527,000	52,103	–	–
Share issuance expense	–	(1,020)	–	–
At 31 December	330,780,000	78,926	234,253,000	27,843

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

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For the financial year ended 31 December 2021

23. Share capital (cont'd)

Issuance of ordinary shares

The Company had issued 71,527,000 ordinary shares at an issue price of $0.33 on 15 March 2021. Additionally, the Company had issued another 25,000,000 ordinary shares at an issue price of $1.14 on 14 September 2021.

Expenses relating to the issuance of shares via the Placement Agreements amounting to $1,020,000 has been capitalised against the shares issued.

24. Share-based payment reserve

Share-based payment reserve represents the share awards granted to employees.

On 21 January 2022, the Company granted share awards to selected key employees of the Group in relation to its performance for the financial year ended 31 December 2021 under GVT Performance Share Plan ("**GVT PSP**").

A total of 763,500 ordinary shares were granted at $1.00 per share, which was based on the last transacted share price on the date of grant. All share awards had vested on 21 January 2022.

As at 31 December 2021, the number of outstanding share awards held under GVT PSP was 763,500.

	Group and Company			
	2021		**2020**	
	No. of shares	$'000	No. of shares	$'000
Share awards	763,500	764	–	–

25. Capital commitments

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

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Capital commitments in respect of property, plant and equipment	10,707	5,726	329	1,600

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26. Other 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 financial year:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Advisory fee to an affiliate shareholder	(32)	–	(32)	–
Interest expense to a shareholder	–	(64)	–	(64)
Settlement of liabilities on behalf of holding companies	–	55	–	55
Purchase from subsidiaries	–	–	(20,194)	(10,037)
Management fee	–	–	484	361
Interest income from subsidiaries	–	–	249	214
Sales to subsidiaries	–	–	45	102
Sales of fixed assets to a subsidiary	–	–	–	149

Compensation of directors and key management personnel

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Short-term benefits	2,307	1,482	1,452	1,036
Defined contribution plans	161	127	64	62
	2,468	1,609	1,516	1,098

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals.

27. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees on policies and procedures for the management of these risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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27. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the consideration of a default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which could include the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; or
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

27. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, such as Standard and Poor, Moody's and Fitch, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward-looking macroeconomic data such as industry growth.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of Category	Basis for recognition of ECL provision	Basis for calculating interest revenue
Grade 1	Customers have a low risk of default and strong capacity to meet contractual cash flows	12-month ECL	Gross carrying amount
Grade 2	Loans for which there is a significant increase in credit risk.	Lifetime ECL	Gross carrying amount
Grade 3	Interest and/or principal repayments are 60 days past due.	Lifetime ECL	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

The gross carrying amount of loans of the Company as at 31 December 2021 and 2020 which represents the maximum exposure to loss, is $9,050,000 (Group: nil) and $7,350,000 (Group: nil) respectively.

(ii) Trade receivables

The Group provides for lifetime ECL for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance as at 31 December 2021 and 2020 is determined as follows, the ECLs below also incorporate forward-looking information such as forecast of economic conditions deteriorating over the next year, leading to an increased number of defaults.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(ii) Trade receivables (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

	Current	Less than 30 days	31 to 60 days past due	More than 60 days past due	Total
	$'000	$'000	$'000	$'000	$'000
31 December 2021					
Gross carrying amount	23,007	4,818	783	392	29,000
Less: Allowance for expected credit losses	(8)	(2)	(3)	–	(13)
Net carrying amount	22,999	4,816	780	392	28,987
31 December 2020					
Gross carrying amount	13,966	2,178	928	36	17,108
Less: Allowance for expected credit losses	(8)	(2)	(3)	–	(13)
Net carrying amount	13,958	2,176	925	36	17,095

There is no movement of allowance for expected credit losses on trade receivables for the financial years ended 31 December 2021 and 2020 as disclosed in Note 16 to the financial statements.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels. The Group does not apply hedge accounting.

27. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(ii) Trade receivables (cont'd)

Credit risk concentration profile

The Group determines the concentration of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2021		**2020**	
	$'000	% of total	$'000	% of total
By industry sector:				
Semiconductor	20,353	70%	12,132	71%
Life sciences	5,899	20%	3,730	22%
Electronics, medical and others	2,735	10%	1,233	7%
	28,987	100%	17,095	100%

At the end of the reporting period, approximately 36% (2020: 22%) of the Group's trade receivables were due from two (2020: three) major customers.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group.

Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to obtain the most favourable rates available and to minimise the interest rate risks by placing such balances on varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2020: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $458,000 (2020: $397,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. There is no significant exposure to liquidity risk. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. The Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. The Group's liquidity risk management policy is to match maturities of financial assets and liabilities and to maintain available banking facilities of a reasonable level.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities

The following table presents the expected contractual undiscounted cash flows of non-derivative financial instruments, including estimated payments and excluding the impact of netting arrangement:

Group	One year or less	One to five years	Over five years	Total
	$'000	$'000	$'000	$'000
2021				
Financial assets:				
Trade and other receivables	29,669	–	–	29,669
Cash and bank balances	46,338	–	–	46,338
Total undiscounted financial assets	76,007	–	–	76,007
Financial liabilities:				
Trade and other payables	25,053	–	–	25,053
Loans and borrowings	17,612	19,511	23,124	60,247
Lease liabilities	1,090	1,692	2,377	5,159
Total undiscounted financial liabilities	43,755	21,203	25,501	90,459
Total net undiscounted financial assets/ (liabilities)	32,252	(21,203)	(25,501)	(14,452)
2020				
Financial assets:				
Trade and other receivables	17,777	–	–	17,777
Cash and bank balances	7,493	–	–	7,493
Total undiscounted financial assets	25,270	–	–	25,270
Financial liabilities:				
Trade and other payables	13,197	–	–	13,197
Loans and borrowings	11,765	18,999	21,430	52,194
Lease liabilities	928	2,389	2,501	5,818
Total undiscounted financial liabilities	25,890	21,388	23,931	71,209
Total net undiscounted financial liabilities	(620)	(21,388)	(23,931)	(45,939)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company	**One year or less**	**One to five years**	**Over five years**	**Total**
	$'000	$'000	$'000	$'000
2021				
Financial assets:				
Trade and other receivables	12,216	–	–	12,216
Loans to subsidiaries	4,900	4,150	–	9,050
Cash and bank balances	39,132	–	–	39,132
Total undiscounted financial assets	56,248	4,150	–	60,398
Financial liabilities:				
Trade and other payables	7,428	–	–	7,428
Loans and borrowings	3,788	9,134	8,401	21,323
Lease liabilities	124	494	2,377	2,995
Total undiscounted financial liabilities	11,340	9,628	10,778	31,746
Total net undiscounted financial assets/ (liabilities)	44,908	(5,478)	(10,778)	28,652
2020				
Financial assets:				
Trade and other receivables	7,846	–	–	7,846
Loans to subsidiaries	5,130	2,600	–	7,730
Cash and bank balances	3,888	–	–	3,888
Total undiscounted financial assets	16,864	2,600	–	19,464
Financial liabilities:				
Trade and other payables	5,781	–	–	5,781
Loans and borrowings	3,210	11,406	9,421	24,037
Lease liabilities	124	494	2,501	3,119
Total undiscounted financial liabilities	9,115	11,900	11,922	32,937
Total net undiscounted financial assets/ (liabilities)	7,749	(9,300)	(11,922)	(13,473)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the entities in the Group. The foreign currencies in which these transactions are denominated are mainly in USD. Approximately 73% (2020: 78%) of the Group's sales are denominated in foreign currencies whilst almost 69% (2020: 72%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group, with all other variables held constant.

		Increase/(decrease) in profit before tax	
		2021	**2020**
		$'000	$'000
USD/SGD	- strengthened 5%	657	259
	- weakened 5%	(657)	(259)
USD/MYR	- strengthened 5%	463	286
	- weakened 5%	(463)	(286)
USD/RMB	- strengthened 5%	139	69
	- weakened 5%	(139)	(69)

28. Fair value of financial assets and financial liabilities

(a) Fair value hierarchy

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 that 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28. Fair value of financial assets and financial liabilities (cont'd)

(b) Assets and liabilities not measured at fair value, for which fair value is disclosed

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

	Fair value measurements at the end of the reporting period using			
Company	**Quoted prices in active markets for identical instruments**	**Significant observable inputs other than quoted prices**	**Significant unobservable inputs**	**Total**
	$'000	$'000	$'000	$'000
2021				
Financial assets				
Loans to a subsidiary (non-current)	–	–	3,821	3,821
2020				
Financial assets				
Loans to a subsidiary (non-current)	–	–	2,061	2,061

Determination of fair value

Loans to a subsidiary (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.

29. Segment information

For management purposes, the Group is organised into business units based on reports reviewed by the management team that are used to make strategic decisions. There are three reportable operating segment as follows:

(i) 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.

(ii) Life sciences

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

(iii) Electronics, medical and others

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

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

29. Segment information (cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross profit or loss.

	Semiconductor	Life sciences	Electronics, medical and others	Total
	$'000	$'000	$'000	$'000
2021				
Revenue	82,676	18,389	15,191	116,256
Cost of sales	(54,658)	(11,977)	(11,935)	(78,570)
Gross profit	28,018	6,412	3,256	37,686
2020				
Revenue	42,152	12,003	7,245	61,400
Cost of sales	(29,357)	(7,553)	(5,556)	(42,466)
Gross profit	12,795	4,450	1,689	18,934

Geographical information

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Singapore	32,132	17,709	16,671	15,574
Malaysia	63,579	35,597	31,987	21,034
United States	9,503	3,118	–	–
China	9,629	3,768	12,772	8,776
Others	1,413	1,208	–	–
Total	116,256	61,400	61,430	45,384

Non-current assets information presented above consist of property, plant and equipment, and intangible assets as presented in the consolidated balance sheet.

Information about major customers

Revenue from three (2020: five) major customers, each contributing ten per cent or more to the Group's revenue, amounted to $74,833,000 (2020: $52,218,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. Dividends

	Group and Company	
	2021	**2020**
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares		
Interim exempt (one-tier) dividend: 0.5 cents per share (2020: nil)	1,529	–
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM		
Final exempt (one-tier) dividend: 0.5 cents per share (2020: nil)	1,654	–

31. Events occurring after the reporting period

Purchase of leasehold land and building

On 3 January 2022, the Group's wholly-owned subsidiary, Grand Venture Technology Sdn. Bhd., entered into an agreement for the purchase of leasehold land and building for cash consideration of MYR 13,500,000 (equivalent of $4,370,000).

Issuance of ordinary shares pursuant to share awards

In connection to the share awards granted by the Company as disclosed in Note 24 to the financial statements, the Company has issued 728,500 shares on 21 February 2022.

Acquisition of subsidiaries

On 2 March 2022 (the "**Acquisition Date**"), the Company had acquired 100% equity interest of J-Dragon Tech (Suzhou) Co., Ltd ("**J-Dragon**"), a manufacturer of parts, modules and tooling for the aerospace, medical and semiconductor industries in Suzhou, China, and 100% equity interest of Formach Asia Sdn. Bhd. ("**Formach**") (together the "**Acquirees**"), a manufacturer of precision sheet metal in Johor Bahru, Malaysia (together the "**Acquisitions**").

Upon the Acquisitions, both J-Dragon and Formach became subsidiaries of the Group.

The entities were acquired by the Group to expand its business to meet the anticipated increase in demand for the semiconductor industry, tap on new opportunities in the medical diagnostics and aerospace market segments, and to establish a stronger foothold in China and expand its services to a synergistic customer base.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Events occurring after the reporting period (cont'd)

In consideration for the Acquisition, the Company agreed to pay a cash consideration of $11,003,000 and 7,745,932 ordinary shares of the Company were allotted and issued to the previous shareholders of the Acquirees at $1.1619 per share on the Acquisition Date, as follows:

	Cash consideration	Equity instruments issued at fair value	Total consideration
	$'000	$'000	$'000
Acquisition of:			
J-Dragon	4,203	8,000	12,203
Formach	6,800	1,000	7,800
	11,003	9,000	20,003

The Group will be performing a purchase price allocation for the Acquisitions.

32. Authorisation of financial statements

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 24 March 2022.

STATISTICS OF SHAREHOLDINGS

SHARE CAPITAL

Issued and paid-up capital	:	$87,235,985
Number of shares	:	339,254,432
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 18 March 2022, approximately 34.82% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

ANALYSIS OF SHAREHOLDINGS AS AT 18 MARCH 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.11	55	0.00
100 - 1,000	88	9.22	62,900	0.02
1,001 - 10,000	484	50.73	2,811,900	0.83
10,001 - 1,000,000	353	37.00	35,618,458	10.50
1,000,001 AND ABOVE	28	2.94	300,761,119	88.65
TOTAL :	**954**	**100.00**	**339,254,432**	**100.00**

MAJOR SHAREHOLDERS AS AT 18 MARCH 2022

NO.	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	98,170,800	28.94
2	LEE TIAM NAM	52,000,000	15.33
3	SUNSHINE VENTURES PTE LTD	30,000,000	8.84
4	ZG INNOTECH PTE LTD	12,382,900	3.65
5	NG WAI YUEN JULIAN (WU WEIXIAN JULIAN)	12,020,000	3.54
6	TAN CHUN SIONG (CHEN JUNXIONG)	12,020,000	3.54
7	RAFFLES NOMINEES (PTE) LIMITED	10,908,000	3.22
8	HSBC (SINGAPORE) NOMINEES PTE LTD	8,392,900	2.47
9	CITIBANK NOMINEES SINGAPORE PTE LTD	8,163,100	2.41
10	CHAN YEOK PHENG	7,156,000	2.11
11	SAW YIP HOOI	5,574,100	1.64
12	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	4,945,100	1.46
13	PHILLIP SECURITIES PTE LTD	4,301,545	1.27
14	DB NOMINEES (SINGAPORE) PTE LTD	3,759,000	1.11
15	TAN KUAN KHER (CHEN GUANKE)	3,565,800	1.05
16	ENG PAU YUEN (HUANG BAOYUN)	3,442,637	1.01
17	LEE BOON KWONG	3,442,637	1.01
18	UNICORN FINANCIAL SOLUTIONS PTE. LIMITED	3,104,000	0.92
19	DBS NOMINEES PTE LTD	2,788,600	0.82
20	KONG SANG WAH	2,234,600	0.66
	Total	**288,371,719**	**85.00**

STATISTICS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2022

No	Name of shareholders	Direct interest	%	Indirect / Deemed interest	%
1.	Lee Tiam Nam	52,000,000	15.33	–	15.33
2.	Sunshine Ventures Pte. Ltd. (“**Sunshine Ventures**”)	30,000,000	8.84	–	8.84
3.	SF Capital Investment Pte. Ltd.	–	–	30,000,000	8.84
4.	CLSF LLP	–	–	30,000,000	8.84
5.	NT SPV 12	90,527,000	26.68	–	–
6.	Novo Tellus PE Fund 2, L.P. (“**NT Fund 2**”)	–	–	90,527,000	26.68
7.	New Earth Group 2 Ltd. (“**NEG 2**”)	–	–	90,527,000	26.68
8.	Loke Wai San (“**Mr Loke**”)	–	–	90,527,000	26.68
9.	Keith Hsiang-Wen Toh (“**Mr Toh**”)	–	–	90,527,000	26.68

Notes:

1. SF Capital Investment Pte. Ltd. is deemed interested in the shares held by Sunshine Ventures by virtue of its interest of 100% in Sunshine Ventures.

2. CLSF LLP is deemed interested in the shares held by Sunshine Ventures by virtue of its 100% beneficial ownership in SF Capital Investment Pte. Ltd. and Sunshine Ventures.

3. NT Fund 2 is deemed interested in the shares held by NT SPV 12 by virtue of its 100% beneficial ownership in NT SPV 12.

4. NEG 2 is deemed interested in the shares held by NT SPV 12 as NEG 2 is a general partner of NT Fund 2.

5. Mr Toh and Mr Loke are deemed interested in the shares held by NT SPV 12 as they are each entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of NEG 2.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Annual General Meeting** (“**AGM**”) of the Company will be held by way of electronic means on 27 April 2022 at 10:00 a.m. to consider and, if thought fit, to pass the following resolutions :

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2021 and the Auditors’ Report thereon. Resolution 1

2. To declare a final exempt (one-tier) dividend of 0.5 cents per ordinary share for the year ended 31 December 2021. Resolution 2

3. To re-elect Mr Lee Tiam Nam, who is retiring in accordance with Regulation 117 of the Company’s Constitution, as a Director of the Company. Resolution 3

   Mr Lee Tiam Nam shall, upon re-election as a Director of the Company, remain as Chairman of the Board of Directors and as a member of the Nominating Committee.

4. To re-elect Mr Pong Chen Yih, who is retiring in accordance with Regulation 117 of the Company’s Constitution, as a Director of the Company. Resolution 4

   Mr Pong Chen Yih shall, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee. Mr Pong Chen Yih shall be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To re-elect Mr Loke Wai San, who is retiring in accordance with Regulation 122 of the Company’s Constitution, as a Director of the Company. Resolution 5

   Mr Loke Wai San shall, upon re-election as a Director of the Company, remain as Non-Executive Director of the Board of Directors.

6. To approve the payment of Director’s fees of S$20,301 for the financial year ended 31 December 2021. Resolution 6

7. To approve the payment of Directors’ fees of S$170,000 for the year ending 31 December 2022. Resolution 7

8. To re-appoint Messrs Ernst & Young LLP as Auditors for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 8

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without amendments:

9. Authority to allot and issue shares Resolution 9

“That pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and the Listing Manual (“**Listing Manual**”), authority be and is hereby given to the Directors of the Company to allot and issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:-

(i) the aggregate number of Shares and convertible securities to be issued pursuant to this Resolution does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury Shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) of the Company at the time this Resolution is passed after adjusting for:-

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising Share Options (the “**Options**”) or vesting of Share Awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the Options or Awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and

(c) any subsequent bonus issue, consolidation or sub-division of Shares.

(iii) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

See Explanatory Note (i)

NOTICE OF ANNUAL GENERAL MEETING

10. Authority to grant Options in accordance with GVT Employee Share Option Scheme — Resolution 10

"That pursuant to Section 161 of the Companies Act and the Listing Manual, approval be and is hereby given to the Directors of the Company to:

a) offer and grant Options in accordance with the provisions of the GVT Employee Share Option Scheme (the "**GVT ESOS**"); and

b) to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the exercise of the Options under the GVT ESOS provided that the aggregate number of Shares to be allotted and issued pursuant to the GVT ESOS and any other Share Schemes shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the date on which an offer to grant an Option is made."

See Explanatory Note (ii)

11. Authority to grant Awards and to allot and issue Shares under the GVT Performance Share Plan — Resolution 11

"That pursuant to Section 161 of the Companies Act and the Listing Manual, approval be and is hereby given to the Directors of the Company to:

a) grant Awards in accordance with the provisions of the GVT Performance Share Plan (the "**GVT PSP**"); and

b) allot and issue from time to time such number of fully paid-up shares as may be required to be allotted and issued pursuant to the release of Awards under the GVT PSP provided that the aggregate number of Shares to be allotted and issued pursuant to the GVT PSP and any other Share Option Schemes shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding Shares held by the Company as treasury shares) from time to time."

See Explanatory Note (iii)

12. To approve the grant of 35,000 Share Awards to key employees whom are associates of the controlling shareholder, Mr Lee Tiam Nam detailed hereunder:-

a) 15,000 Share Awards to Mr Lee Ban Sing, son of Mr Lee Tiam Nam; and — Resolution 12

b) 20,000 Share Awards to Mr Lee Ching Ann (Andy), brother of Mr Lee Tiam Nam. — Resolution 13

See Explanatory Note (iv)

13. To transact any other business which may be properly transacted at an AGM.

Explanatory Notes:

(i) The Ordinary Resolution proposed in item 9, if passed, will empower the Directors from the date of this AGM until the date of the next AGM, to allot and issue Shares and convertible securities in the Company. The number of Shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed fifty (50%) of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time of passing this Resolution. For allotment and issue of Shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be allotted and issued shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) . This authority will, unless revoked or varied at a general meeting, expire at the next AGM, or by the date by which the next AGM is required by law to be held, whichever is earlier.

NOTICE OF ANNUAL GENERAL MEETING

(ii) The Ordinary Resolution proposed in item 10, if passed, will empower the Directors to offer and grant Options under the GVT ESOS and to allot and issue new ordinary Shares in the capital of the Company upon the exercise of such Options in accordance with the GVT ESOS as may be modified by the Committee from time to time, provided that the aggregate number of Shares to be allotted and issued pursuant to the GVT ESOS and any other Share Schemes shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the date on which an offer to grant an Option is made.

(iii) The Ordinary Resolution proposed in item 11, if passed, will empower the Directors to grant Awards and to issue and allot Shares pursuant to the GVT PSP. The grant of Awards under the GVT PSP will be made in accordance with the provisions of the GVT PSP. The aggregate number of Shares which may be issued pursuant to the GVT PSP and any other Share Option Schemes shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding Shares held by the Company as treasury shares) from time to time.

(iv) The Ordinary Resolutions proposed in item 12, if passed, will empower the Directors to grant 35,000 Share Awards and to issue and allot 35,000 Shares to associates of the Controlling Shareholder, Mr Lee Tiam Nam pursuant to the GVT PSP. The grant of Awards under the GVT PSP will be made in accordance with the provisions of the GVT PSP.

By Order of the Board

YAP PECK KHIM
Company Secretary

Date: 6 April 2022

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL https://www.gvt.com.sg/ and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. As a precautionary measure due to the current COVID-19 situation in Singapore, the AGM will be held by way of electronic means and members will not be able to attend the AGM in person. A member will be able to watch the proceedings of the AGM through a "live" webcast or listen to these proceedings through a "live" audio feed. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 6.00 p.m. (Singapore Time) on 19 April 2022, via the email address contact@gvt.com.sg. Following authentication of his/her/its status as members, authenticated members will receive email instructions ("**Confirmation Email**") on how to access the webcast and audio feed of the proceedings of the AGM by 10.00 a.m. (Singapore Time) on 26 April 2022. Members who have pre-registered for the live audio-visual webcast or live audio-only stream but who have not received the Confirmation Email by 12.00 p.m. (Singapore Time) on 26 April 2022, should contact the Company at contact@gvt.com.sg.

3. A member who pre-registers to watch the "live" webcast or listen to the "live" audio feed may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 10.00 a.m. (Singapore Time) on 18 April 2022 by email at contact@gvt.com.sg. Members will not be able to ask questions during the live audio-visual webcast or live audio-only stream of the AGM proceedings. Therefore, it is important for Members to pre-register and submit their questions in advance of the AGM. The Company will address all substantial and relevant questions (as may be determined by the Company in its sole discretion) received from the Shareholders prior to the AGM via the SGX website at the URL https://www.sgx.com/securities/companyannouncements and the Company's website at the URL https://www.gvt.com.sg.

4. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL https://www.gvt.com.sg/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/companyannouncements.

5. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

6. Investors who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act), including CPF and SRS investors, and who wish to participate in the AGM by (a) observing or listening to the AGM proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the date of the AGM.

7. The Chairman of the Meeting, as proxy, need not be a member of the Company.

8. The Proxy Form, if submitted by post, must be deposited at the registered office of the Company located at 2 Changi North Street 1, GVT Building, Singapore 498828, not less than 72 hours before the time fixed for holding the AGM.

9. The Proxy Form, if submitted electronically, must be submitted via email to contact@gvt.com.sg, not less than 72 hours before the time fixed for holding the AGM. In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

10. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

PERSONAL DATA PRIVACY

By submitting the proxy form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warrant.

GRAND VENTURE TECHNOLOGY LIMITED

Registration No. 201222831E
(Incorporated in Singapore)

PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("**AGM**") will be held and convened by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 6 April 2022 ("**Notice of AGM**") and this Proxy Form will not be sent to members. Instead, the Notice of AGM and this Proxy Form will be sent to members by electronic means via publication on the Company's website at the URL https://www.gvt.com.sg/ and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the AGM by way of electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointment of the Chairman of the Meeting as a proxy at the AGM, are set out in the Notice of AGM.
3. Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe-distancing measures in Singapore, the AGM will be held by way of electronic means and members will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. For investors who have used their CPF monies and/or SRS monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF and/or SRS investors who wish to vote should contact their CPF and/or SRS Approved Nominees to submit their voting instructions at least seven (7) working days before the date of the AGM.
6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in this proxy form.

I/We, ____ (Name)

______________________________________ (NRIC / Passport / Company Registration No.)

of ____ (Address)

being a member(s) of Grand Venture Technology Limited (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our* proxy/proxies* to attend, speak and vote for me/us* on my/our* behalf at the AGM to be held by electronic means on Wednesday, 27 April 2022 at 10.00 a.m. (Singapore Time) and at any adjournment thereof.

I/We* direct my/our* proxy to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting, or abstentions from voting, is given in respect of the resolutions, the appointment of the Chairman of the Meeting as proxy for the resolutions shall be treated as invalid. The resolutions will be put to vote at the AGM by way of poll.

* *Delete as appropriate.*

No.	Resolutions	For#	Against#	Abstain#
ORDINARY BUSINESS				
1	To receive and consider Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021 and the Auditors' Report thereon			
2	To declare a final exempt (one-tier) dividend of 0.5 cents per ordinary share for the year ended 31 December 2021			
3	To re-elect Mr Lee Tiam Nam, who is retiring in accordance with Regulation 117 of the Company's Constitution, as a Director of the Company			
4	To re-elect Mr Pong Chen Yih, who is retiring in accordance with Regulation 117 of the Company's Constitution, as a Director of the Company			
5	To re-elect Mr Loke Wai San, who is retiring in accordance with Regulation 122 of the Company's Constitution, as a Director of the Company			
6	To approve the payment of Director's fees of S$20,301 for the year ended 31 December 2021			
7	To approve the payment of Directors' fees of S$170,000 for the year ending 31 December 2022			
8	To re-appoint Messrs Ernst & Young LLP as Auditors and authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
9	To authorise Directors to allot and issue shares and convertible securities pursuant to Section 161 of the Companies Act 1967			
10	To authorise the Directors to offer and grant options and to issue shares in accordance with the Rules of the GVT Employee Share Option Scheme (the "**GVT ESOS**")			
11	To authorise the Directors to offer and grant awards and to issue shares in accordance with the Rules of the GVT Performance Share Plan (the "**GVT PSP**")			
12	To approve the grant of 15,000 Share Awards to Mr Lee Ban Sing, son of Mr Lee Tiam Nam			
13	To approve the grant of 20,000 Share Awards to Mr Lee Ching Ann (Andy), brother of Mr Lee Tiam Nam			

\# *If you wish to exercise all your votes "For", "Against" or "Abstain", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of ____________________ 2022

Total number of Shares held	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature or Common Seal of shareholder

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2021), you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

2. Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe-distancing measures in Singapore, the AGM will be held by way of electronic means and members will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This Proxy Form may be accessed at the Company's website at the URL https://www.gvt.com.sg/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the date of the AGM.

4. Any member who is a relevant intermediary is entitled to appoint the Chairman of the Meeting to attend, speak and vote (whether to vote in favour of, or against, or to abstain from voting). Relevant intermediary is either:

   (i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (ii) a capital market services license holder which provides custodial services for securities under the Securities and Futures Act 2021 and holds in that capacity; or

   (iii) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company.

6. This Proxy Form, if submitted by post, must be deposited at the registered office of the Company located at 2 Changi North Street 1, GVT Building, Singapore 498828, not less than 72 hours before the time fixed for holding the AGM.

7. This Proxy Form, if submitted electronically, must be submitted via email to contact@gvt.com.sg, not less than 72 hours before the time fixed for holding the AGM. In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. Where this Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

9. Where this Proxy Form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

10. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.

General:

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the AGM, as certified by the CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time fixed for holding the AGM.

Personal data privacy:

By submitting the proxy form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Grand Venture Technology Limited

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