



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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 FOR GRAND VENTURE TECHNOLOGY LIMITED (THE “COMPANY” AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)

Comparative financial year

For the purposes of this results announcement:

- The current financial year being reported on relating to the full year from 1 January 2021 to 31 December 2021, shall be referred to herein as “**FY2021**”; and
- The corresponding financial year from 1 January 2020 to 31 December 2020, shall be referred to herein as “**FY2020**”.

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

	Note	Group		Changes
		FY2021 S\$'000	FY2020 S\$'000	
Revenue	4	116,256	61,400	89.3%
Cost of sales		(78,570)	(42,466)	85.0%
Gross profit		37,686	18,934	99.0%
Other income ^{(Note (a))}		1,212	529	129.1%
Selling and distribution costs		(1,041)	(467)	122.9%
General and administrative expenses ^{(Note (a))}		(12,527)	(9,535)	31.4%
Other operating expenses		(2,704)	(2,009)	34.6%
Finance costs		(1,731)	(1,423)	21.6%
Profit before tax	6	20,895	6,029	246.6%
Income tax expense	9	(3,339)	(813)	NM
Profit after tax		17,556	5,216	236.6%
Other comprehensive income:				
<i>Items that maybe reclassified subsequently to profit or loss</i>				
Currency translation differences arising from consolidation of foreign operations		(130)	144	NM
Total comprehensive income for the financial year attributable to owners of the Company		17,426	5,360	225.1%
Earnings per share (cents per share)				
- Basic and diluted	7	5.87	2.23	

NM: Not meaningful

Note (a): Gain or loss in foreign exchange forward contract has been recorded as a net amount with the Group's gain or loss in foreign exchange transactions.

B. Condensed interim statements of financial position

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

C. Condensed interim statements of changes in equity

	Note	Share capital S\$'000	Currency translation reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Group						
Balance as at 1 January 2020		27,843	(1,012)	-	4,670	31,501
<i>Total comprehensive income for the year</i>						
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
<i>Transactions with owners, recognised directly in equity</i>						
Shares issued pursuant to Placement Agreements	15	52,103	-	-	-	52,103
Shares issuance expenses	15	(1,020)	-	-	-	(1,020)
Dividend paid		-	-	-	(1,529)	(1,529)
Share awards	16	-	-	764	-	764
Total		51,083	-	764	(1,529)	50,318
<i>Total comprehensive income for the year</i>						
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

	Note	Share capital S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Company					
Balance as at 1 January 2020		27,843	-	(3,523)	24,320
<i>Total comprehensive income for the year</i>					
Profit for the financial 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
<i>Transactions with owners, recognised directly in equity</i>					
Shares issued pursuant to Placement Agreements	15	52,103	-	-	52,103
Shares issuance expenses	15	(1,020)	-	-	(1,020)
Dividend paid		-	-	(1,529)	(1,529)
Share awards	16	-	764	-	764
Total		51,083	764	(1,529)	50,318
<i>Total comprehensive income for the year</i>					
Profit for the financial year, representing total comprehensive income for the year		-	-	2,592	2,592
Balance as at 31 December 2021		78,926	764	(742)	78,948

D. Condensed interim consolidated statement of cash flows

Note	Group	
	FY2021 S\$'000	FY2020 S\$'000
Operating activities		
Profit before tax	20,895	6,029
Adjustments for:		
Depreciation of property, plant and equipment	6 8,857	6,718
Amortisation of intangible assets	6 24	24
Amortisation of deferred income	6 (49)	(31)
Gain on disposal of property, plant and equipment	(16)	-
Gain on lease modification	(5)	-
Interest income	6 (22)	(8)
Interest expense	6 1,731	1,423
Share-based payment	16 764	-
Provision for sales rebate	386	188
Provision for unutilised leave	6 100	-
Inventories written-down	6 -	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	(16,262)	(7,421)
Proceeds from disposal of property, plant and equipment	16	7
Capital expenditure grants received	288	78
Net cash flows used in investing activities	(15,958)	(7,336)
Financing activities		
Net proceeds from issuance of shares	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	(4,528)	(3,585)
Payment of principal portion of lease liabilities	(860)	(677)
Dividend paid to shareholders	(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 financial year	7,105	5,387
Cash and cash equivalents at the end of the financial year	46,090	7,105
Cash and cash equivalents represented by:		
Cash and bank balances	46,338	7,493
/less Short-term fixed deposits	(248)	(388)
	46,090	7,105

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Group and the Company are that of manufacturing complex precision machining and sheet metal components and modules.

2. Basis of Preparation

The condensed interim financial statements for the financial year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

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

2.1. New and amended standards adopted by the Group

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

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

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

- Note 12 – Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts.

3. Seasonal operations

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

4. Segment and revenue information

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

The Group is organised into the following main business segments:

- Semiconductor

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

- Life sciences

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

- 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.

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

By business segment

	Semiconductor S\$'000	Life sciences S\$'000	Electronics, medical and others S\$'000	Total S\$'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

Revenue by geographical segment

	FY2021 S\$'000	FY2020 S\$'000
Singapore	32,132	17,709
Malaysia	63,579	35,597
United States	9,503	3,118
China	9,629	3,768
Others	1,413	1,208
Total	116,256	61,400

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31-Dec-21 S\$'000	31-Dec-20 S\$'000	31-Dec-21 S\$'000	31-Dec-20 S\$'000
Financial assets				
Cash and bank balances and trade and other receivables (amortised cost)	76,007	25,270	60,398	19,084
Financial liabilities				
Trade and other payables and borrowings (amortised cost)	76,482	57,016	28,212	28,842

6. Profit before taxation

6.1 Significant items

	Group	
	FY2021 S\$'000	FY2020 S\$'000
Profit before tax has been arrived at after charging/(crediting) the following:		
Employee benefits expenses	26,270	17,359
Depreciation of property, plant and equipment	8,857	6,718
Interest expense	1,731	1,423
Operating lease expenses for short-term leases	166	175
Provision for unutilised leave	100	-
Amortisation of intangible assets	24	24
Foreign exchange (gain)/loss	(322)	496
Rental income	(185)	(194)
Amortisation of deferred income	(49)	(31)
Interest income	(22)	(8)
Provision for inventories written-down	-	9

7. Earnings per share

	FY2021	FY2020
Profit after tax (S\$'000)	17,556	5,216
Weighted average numbers of ordinary shares ('000)	298,940	234,253
Basic and diluted Earnings Per Share (" EPS ") (Singapore Cents)	<u>5.87</u>	<u>2.23</u>

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

The basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue in FY2021 and FY2020.

8. Related party transactions

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

	Group		Company	
	FY2021 S\$'000	FY2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Advisory fee to an affiliate of 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

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

	Group		Company	
	FY2021 S\$'000	FY2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Short-term benefits	2,307	1,482	1,452	1,036
Defined contributions plans	161	127	64	62
Total	<u>2,468</u>	<u>1,609</u>	<u>1,516</u>	<u>1,098</u>

9. Taxation

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

	Group	
	FY2021 S\$'000	FY2020 S\$'000
Current income tax expense	1,812	753
Deferred income tax expense relating to origination and reversal of temporary differences	1,527	60
	<u>3,339</u>	<u>813</u>

10. Net asset value

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net assets (S\$'000)	104,605	36,861	78,948	26,038
Number of ordinary shares ('000)	330,780	234,253	330,780	234,253
Net asset value per ordinary share (Singapore cents)	<u>31.62</u>	<u>15.74</u>	<u>23.87</u>	<u>11.12</u>

11. Fair value measurement

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

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

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

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

Company	Fair value measurements at the end of the reporting period using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
31 December 2021				
Loans to a subsidiary (non-current)	-	-	4,083	4,083
31 December 2020				
Loans to a subsidiary (non-current)	-	-	2,061	2,061

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

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

12. Intangible assets

Group	Customer relationship S\$'000	Goodwill S\$'000	Total S\$'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

12.1. Customer relationship

Customer relationship have an average remaining amortisation period of 6 years (FY2020: 7 years).

12.2. Impairment testing of goodwill

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

	FY2021	FY2020
	S\$'000	S\$'000
Grand Venture Technology Sdn. Bhd. ("GVT MY")	1,362	1,379
Grand Venture Technology (Suzhou) Co., Ltd. ("GVT SZ")	510	489
Total	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. Value-in-use as at 31 December 2021 was determined similarly to the 31 December 2020 goodwill impairment test, and was based on the following key assumptions:

	GVT MY	GVT SZ
Long-term growth rates	2.0%	2.0%
Pre-tax discount rates	14.2%	13.9%

The long-term growth rates and pre-tax discount rates assumed were the same for the year ended 31 December 2020.

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 year ended 31 December 2021 and 31 December 2020 for goodwill as their recoverable values were in excess of their carrying values.

13. Property, plant and equipment

During the year, the Group acquired assets amounting S\$21,809,000 (31 December 2020: S\$15,029,000) and disposed of assets with a carrying amount of S\$0.64 (31 December 2020: Nil).

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

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Capital commitments in respect of property, plant and equipment	10,835	5,276	329	1,600

14. Borrowings

	Group			
	31-Dec-21		31-Dec-20	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less or on demand	17,576	-	11,301	-
Amount payable after one year	33,853	-	32,518	-
Total	51,429	-	43,819	-
The above includes lease liabilities, as follows:				
Amount payable in one year or less or on demand	1,326	-	726	-
Amount payable after one year	4,303	-	3,380	-
Total	5,629	-	4,106	-

Details of any collateral

The Group has provided different securities for its various secured loan and credit facilities which include:

- (i) Open all monies first party first legal charge over the Group's properties in Penang (Malaysia);
- (ii) First legal mortgage over the property in Singapore;
- (iii) Corporate guarantees by the Company and its wholly-owned subsidiary, GVT MY; and
- (iv) Charge over certain of the Group's equipment and vehicles.

15. Share capital

The Company had entered into the following Placement Agreements during the year as follows:

- (i) On 12 January 2021 for the placement of 71,527,000 new ordinary shares in the capital of the Company to NT SPV 12 at an issue price of S\$0.33 for each placement share (the “**NT Placement**”). The NT Placement was completed on 15 March 2021.
- (ii) On 3 September 2021 for the placement of 25,000,000 new ordinary shares in the capital of the Company to subscribers at an issue price of S\$1.14 for each placement share (the “**September Placement**”). The September Placement was completed on 14 September 2021.

Accordingly, the changes in the Company’s issued ordinary shares and share capital, as follows:

	31-Dec-21		31-Dec-20	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Beginning of period	234,253,000	27,843	234,253,000	27,843
Issue of ordinary shares	96,527,000	52,103	-	-
Share issuance expenses	-	(1,020)	-	-
End of period	330,780,000	78,926	234,253,000	27,843

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2021 and 31 December 2020.

16. Share-based payments

On 21 January 2022, the Company has granted 728,500 share awards (“**Share Awards**”) of ordinary shares in the capital of the Company under GVT Performance Share Plan (“**GVT PSP**”) to selected key employees of the Group in relation to its performance for financial year ended 31 December 2021.

The Company has proposed an additional 35,000 Share Awards to be granted to selected key employees, whom are associates of controlling shareholder, Lee Tiam Nam, for independent shareholders’ approval at the forthcoming Annual General Meeting.

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

The Share Awards had been vested on 21 January 2022.

	Group and Company			
	2021		2020	
	No. Shares	S\$'000	No. Shares	S\$'000
Share Awards	763,500	764	-	-

The Share Awards are valued at S\$1.00 per share based on the last transacted share price on 21 January 2022.

17. Subsequent events

On 3 January 2022, the Group’s wholly-owned subsidiary, Grand Venture Technology Sdn. Bhd., entered into an agreement to purchase a piece of land for cash consideration of MYR13,500,000 (equivalent of S\$4,370,000).

F. Other information required by Listing Rule Appendix 7.2

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

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

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

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

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

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

- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

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

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

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

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

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

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

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

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31-Dec-21	31-Dec-20
Total number of issued shares excluding treasury shares	<u>330,780,000</u>	<u>234,253,000</u>

There were no treasury shares as at 31 December 2021 and 31 December 2020.

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2020.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) **Based on the weighted average number of ordinary shares on issue; and**
 (b) **On a fully diluted basis (detailing any adjustments made to the earnings).**

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

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

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

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue grew by S\$54.9 million or 89.3% from S\$61.4 million in FY2020 to S\$116.3 million in FY2021, mainly driven by increased business activities across the following key segments:

Sales by segment	FY2021		FY2020	
	S\$'000	%	S\$'000	%
Semiconductor	82,676	71.1%	42,152	68.7%
Life sciences	18,389	15.8%	12,003	19.5%
Electronics, medical and others	15,191	13.1%	7,245	11.8%
Total	116,256	100.0%	61,400	100.0%

Semiconductor

The 96.1% revenue growth in the semiconductor segment to \$82.7 million was mainly attributable to 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").

Life sciences

The 53.2% increase in revenue from the life sciences segment to S\$18.4 million was mainly driven by the mass production of mass spectrometers following receipt of customers' qualification approvals and on the back of higher industry demand for such equipment for use in areas including drug discovery, and vaccine production and testing.

Electronics, medical and others

The 109.7% revenue growth in this segment to S\$15.2 million was mainly driven by strengthening of 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.

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

GP increased by S\$18.8 million from S\$18.9 million in FY2020 to S\$37.7 million in FY2021 in tandem with the revenue growth. GPM also improved to 32.4% as compared to 30.8% recorded in FY2020.

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

GP and GPM by segment	FY2021		FY2020	
	GP	GPM	GP	GPM
	S\$'000	%	S\$'000	%
Semiconductor	28,018	33.9%	12,795	30.4%
Life sciences	6,412	34.9%	4,450	37.1%
Electronics, medical and others	3,256	21.4%	1,689	23.3%
Total	37,686	32.4%	18,934	30.8%

The semiconductor segment enjoyed greater economies of scale and production efficiencies amidst improved utilisations contributed S\$15.2 million GP growth and delivered an improvement of GPM from 30.4% in FY2020 to 33.9% in FY2021.

Gross profit contribution from the (i) life sciences, and (ii) electronics, medical and others segments collectively increased by S\$3.5 million from S\$6.1 million in FY2020 to S\$9.7 million in FY2021. GPM for the life sciences segment was 34.9%, compared to 37.1% in FY2020, while that for electronics, medical and other segment was 21.4% versus 23.3% in FY2020. The FY2020 GP and GPM figures take into account S\$0.6 million in Singapore government grants by way of (i) Jobs Support Scheme (“**JSS**”) and (ii) Foreign Worker Levy (“**FWL**”) rebate. The Group did not receive any such grants in FY2021.

Other income

Other income in FY2021 was S\$1.2 million, a S\$0.7 million increase from S\$0.5 million in FY2020, mainly driven by (i) a foreign exchange gain of S\$0.3 million and (ii) S\$0.3 million in government incentives in relation to the Group’s operations in Suzhou.

General and administrative expenses

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 (i) higher staff cost of S\$3.0 million in tandem with headcount increases across its entities, (ii) approximately S\$0.5 million of non-recurring expenses, including COVID-19 related expenses such as that incurred in securing vaccination doses, test kits and supplies for its employees, 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

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, indirect production expenses and repair and maintenance costs, in view of the Group’s business and operational expansion during the year.

Finance costs

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 level of working capital and capital expenditure requirements in tandem with business growth.

Income tax expense

Income tax expenses increased by S\$2.5 million from S\$0.8 million in FY2020 to S\$3.3 million in FY2021, in line with the higher profit before tax generated by the Group.

Review of Group's Balance Sheets

Non-current assets

Non-current assets increased by S\$15.4 million from S\$46.4 million as at 31 December 2020 to S\$61.8 million as at 31 December 2021 mainly due to (i) a S\$13.0 million increase in the net book value of property, plant and equipment and (ii) a S\$3.1 million increase in prepayment for acquisition of production facilities to support capacity expansion, that was partially offset by S\$0.7 million lower level of deferred tax assets.

Current assets

Current assets increased by S\$73.1 million from S\$48.0 million as at 31 December 2020 to S\$121.1 million as at 31 December 2021 mainly due to (i) higher cash balance of S\$38.8 million resulting from the Group's placement exercises during the year, and its conversion to higher working capital level comprising (ii) a S\$20.0 million increase in inventories, (iii) a S\$14.3 million increase in trade, other receivables and prepayments, in line with revenue growth, and business and capacity expansion.

Non-current and current liabilities (Total liabilities)

Total liabilities increased by S\$20.7 million from S\$57.5 million as at 31 December 2020 to S\$78.3 million as 31 December 2021. This was mainly due to (i) higher level of trade and other payables amounting to S\$11.9 million in tandem with higher business volume, (ii) a S\$6.1 million net increase in borrowings as the Group in conjunction with higher levels of working capital and capital expenditure requirements and (iii) higher lease liabilities of S\$1.5 million as the Group expanded its production facilities via leases.

Review of Consolidated Cash Flow Statement

In FY2021, operating cash flows generated before working capital changes was S\$32.6 million. Of which, approximately S\$26.1 million was used in working capital to support increased business volume, S\$1.7 million interest paid and S\$1.6 million tax paid, yielding S\$3.1 million net cash flows from operating activities.

The Group invested S\$16.3 million in capital expenditure, mainly in relation to the acquisition of machinery and assets for capacity expansion. Part of the expenditure was offset by S\$0.3 million in capital expenditure grant received during the period.

Net cash generated from financing activities was S\$52.0 million, mainly due to (i) S\$51.1 million in net proceeds from placement exercises in March 2021 and September 2021 and (ii) S\$2.1 million in net inflow from its borrowing facilities and repayment of lease liabilities, offset by S\$1.5 million in dividend paid.

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

Not applicable. No forecast or prospect statement had been previously disclosed by the Company to shareholders for the financial year discussed in this announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is cautiously optimistic of its prospects for the ensuing 12 months. Demand from the semiconductor industry is expected to remain robust, providing support for the Group's back-end semiconductor equipment activities. In light of this, the Group is looking forward to meeting the anticipated increase in demand and expanding its scope of services to include front-end activities through its existing facilities and the proposed acquisition of Johor-based precision sheet metal manufacturer Formach Asia Sdn. Bhd. which is scheduled for completion within first quarter 2022.

The recent increase in drug discovery, vaccine production and testing activities globally has led to a corresponding rise in demand for life sciences analytical and diagnostics equipment, and this should sustain the growth momentum in the Group's life sciences business segment.

The Group's proposed acquisition of Suzhou-based J-Dragon Tech (Suzhou) Co., Ltd. ("**J-Dragon**") is expected to be completed within first quarter of 2022. J-Dragon's capabilities in the manufacture of parts, modules and tooling for the aerospace, medical and semiconductor industries will enable the Group to tap new opportunities in the medical diagnostics and aerospace market segments, establish a stronger foothold in China and expand its service offerings to a synergistic customer base.

Going forward, the Group also intends to continue exploring opportunities to acquire capabilities in advanced materials (eg., quartz, ceramic and engineering plastics) to bolster its service offerings.

In January 2022, the Group announced that it had acquired a manufacturing facility in Penang as part of its effort to create an integrated manufacturing hub for semiconductor industry. Upon its handover, the facility will be amalgamated with the Group's existing facilities to provide a complete range of precision manufacturing, complex sheet metal fabrication, mechatronics assembly and testing services as well as cleanroom facilities for the manufacture of semiconductor OEM (original equipment manufacturer) equipment.

11. If a decision regarding dividend has been made:

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

Yes, final dividend proposed.

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

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

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

Not applicable. No dividend was declared for FY2020.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The dividend is tax exempted.

(d) The date the dividend is payable.

Subject to shareholders' approval at the forthcoming Annual General Meeting of the Company, the proposed final dividend for financial year ended 31 December 2021 will be payable on 20 May 2022.

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

Notice is hereby given that the Transfer Books and the Register of Members will be closed on 10 May 2022 for the preparation of the final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #02-00 Singapore 068898, up to 5.00 pm on 9 May 2022 will be registered to determine shareholders' entitlement to the one-tier tax exempt interim dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 9 May 2022 will be entitled to the final dividend.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Nature of relationship	Transaction	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000
N/A			

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

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

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

15 Use of proceeds

The Company 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 share approximately S\$27.6 million (the “**September Placement**”). As at the date of this announcement, 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	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
General working capital ⁽¹⁾	1,404	1,404	-
Repayment of bank borrowings	500	500	-
Listing expenses	2,300	2,300	-
Total	13,204	11,704	1,500

⁽¹⁾ Details for general working capital used:

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

Pursuant to announcement dated 17 December 2021, the Company had earmarked S\$1.5 million from the IPO proceeds to fund the proposed acquisition of J-Dragon Tech (Suzhou) Co., Ltd.. Upon disbursement, the net proceeds for expansion via mergers and acquisitions, joint ventures and partnerships would be fully utilised.

(ii) NT Placement (Placement Agreement dated 12 January 2021)	Allocated according to Circular (05/02/21) S\$'000	Re-allocated (21/05/21) S\$'000	Utilised S\$'000	Balance S\$'000
Expansion via mergers and acquisitions, joint ventures and partnerships	19,000	14,000	-	14,000
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	9,504	14,000

⁽²⁾ Details for general working capital used:

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

Pursuant to announcements dated 17 December 2021, the Company had earmarked certain net proceeds from NT Placement of (i) S\$2.7 million to fund the proposed acquisition of J-Dragon Tech (Suzhou) Co., Ltd. and (ii) S\$6.8 million to fund the proposed acquisition of Formach Asia Sdn. Bhd.. Upon disbursement, the net proceeds for expansion via mergers and acquisitions, joint ventures and partnerships have a balance of approximately S\$4.5 million.

(iii) September Placement (Placement Agreement dated 3 September 2021)	Allocated according to placement agreement (03/09/21)	Utilised	Balance
	%	S\$'000	S\$'000
Expansion via mergers and acquisitions, joint ventures and partnerships	40 - 45	11,000 to 12,400	-
Investing and enhancing operational and engineering capabilities	40 - 45	11,000 to 12,400	8,262
General working capital ⁽³⁾	10 - 20	2,783 to 5,583	5,583
Total	100	27,583	13,845

⁽³⁾ Details for general 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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

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

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

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

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

	FY2021 S\$'000	FY2020 S\$'000	Increase/ decrease %
(a) Sales reported for first half year	53,540	26,912	98.9%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	8,508	2,223	282.7%
(c) Sales reported for second half year	62,716	34,488	81.8%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	9,048	2,993	202.3%

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

	FY2021 S\$'000	FY2020 S\$'000
Interim dividend (ordinary)	1,529	-
Final dividend (ordinary)	1,654	-
Preference dividend	-	-
Total	3,183	-

Final dividend value disclosed above is calculated based on the number of ordinary shares as at the date of this announcement of 330,780,000, subject to shareholders' approval at the forthcoming Annual General Meeting.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties year the position was held	Details of changes in duties and position held, if any during the year
Lee Ching Ann	46	Brother of Lee Tiam Nam	Senior Sales Manager of the Company, (year 2021)	Promotion from Sales Manager to Senior Sales Manager
Lee Peng Guan	58	Brother of Lee Tiam Nam	Senior Engineer of the Company, (year 2017)	Not applicable
Lee Ban Seng	43	Nephew of Lee Tiam Nam	Operations Manager of the Company, (year 2019)	Not applicable
Lee Ban Sing	32	Son of Lee Tiam Nam	Assistant Manager (Procurement) of the Company, (year 2021)	Promotion from Procurement Engineer to Assistant Manager (Procurement)

BY ORDER OF THE BOARD

LEE TIAM NAM

Executive Chairman
15 February 2022