



Grand Venture Technology Limited

(Company Registration Number 201222831E)

NEWS RELEASE

GRAND VENTURE TECHNOLOGY RECORDS THREEFOLD JUMP IN FY21 NET PROFIT TO \$17.6M

- ✓ Revenue growth across all business segments on robust customer demand
 - ✓ Improved profitability on better economies of scale
 - ✓ Proposes dividend of 0.5 cent per share
- ✓ Expands service offerings, strengthens foothold in Malaysia & China and grows customer base through recently announced strategic acquisitions

Singapore, 15 February 2022 – Mainboard-listed **Grand Venture Technology Limited** (杰纬特科技有限公司, “GVT”, or the “Company”), a homegrown precision manufacturing solutions provider, has recorded a 236.6% jump in net profit attributable to shareholders to \$17.6 million for the full year ended 31 December 2021 (“FY21”), from \$5.2 million in the previous financial year (“FY20”). The bottom-line improvement was on the back of an 89.3% rise in revenue to \$116.3 million in FY21, compared to \$61.4 million in FY20, amid robust demand across all business segments. Earnings per share on a significantly larger share base in FY21 was 5.87 cents, growing 163.2% compared to 2.23 cents a year ago.

Commenting on GVT’s performance, Executive Chairman Ricky Lee (李添南) said, “The FY21 results are a strong testament to our hard work and resilience, despite headwinds from the COVID-19 pandemic. We have demonstrated our ability to grow capabilities, capacity and customer base in the course of the year, and announced two strategic acquisitions that brings us closer to our vision of becoming a leading global precision manufacturing solutions provider.”

The Company is proposing a final dividend per share of 0.5 cents, which, together with the interim dividend of 0.5 cents paid out in September 2021, will bring the total dividend per share for FY21 to 1 cent.

Financial Highlights

\$'million	Full year ended 31 December		Change
	2021	2020	%
Revenue	116.3	61.4	89.3
Semiconductor	82.7	42.2	96.1
Life Sciences	18.4	12.0	53.2
Electronics, Medical & Others	15.2	7.2	109.7
Gross profit	37.7	18.9	99.0
Net profit attributable to shareholders	17.6	5.2	236.6
EPS (Sgp cents)	5.87	2.23	163.2

GVT's Semiconductor segment recorded revenue growth of 96.1% to \$82.7 million, mainly fuelled 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, artificial intelligence, and the internet of things. The Life Sciences segment contributed \$18.4 million in revenue, a 53.2% increase year-on-year, as the Company grew customer wallet share with a ramp up in the mass production of mass spectrometer parts, modules and high-level assemblies. Moreover, the Company was a beneficiary of industry tailwinds with a notable rise in drug discovery, vaccine production and testing activities globally that spurred the demand for analytical life sciences equipment. Revenue for the Electronics, Medical and Others segment grew 109.7% improvement to \$15.2 million, from \$7.2 million, year-on-year. This was driven by increased production of components and module assemblies for medical equipment (such as medical microscopes used by neurosurgeons) and electronic manufacturing products.

The Company recorded a considerable improvement in gross profit and gross margin, at \$37.7 million and 32.4% respectively compared to gross profit of \$18.9 million and gross margin of 30.8% in FY20. This is attributable to the greater economies of scale achieved by GVT, despite the absence of COVID-19 government grants in FY21 as compared to \$0.6 million of such grants received in FY20.

As at 31 December 2021, GVT had net assets of \$104.6 million, versus \$36.9 million at the close of 2020. Cash and bank balances stood at \$46.3 million, compared to \$7.5 million at the beginning of the year.

Outlook

Looking ahead, demand from the semiconductor industry is expected to remain robust, which should provide support for GVT's back-end semiconductor segment activities. This should augur well for the Company as it continues to expand its scope of services to front-end semiconductor activities.

The COVID-19 pandemic and healthcare concerns have accelerated the development timelines of drug and vaccine, with the shorter lead and cycle time requirements leading to a corresponding rise in demand for life sciences analytical and diagnostics equipment. The growing penetration of IoT devices and electric vehicles bodes well for electronics manufacturing equipment demand, and the accelerated adoption of Industry 4.0 will boost demand for industrial automation equipment that that incorporates key components produced and assembled by GVT.

The Company has identified new opportunities in the medical diagnostics and aerospace market segments, and is strengthening its foothold in China and expanding its service offerings to a synergistic customer base through the acquisition of Suzhou-based J-Dragon Tech, a company engaged in the development and manufacture of parts, modules and tooling for the aerospace, medical and semiconductor industries.

"This is the start of a new chapter for us. We are well-positioned for our next stage of growth, and I am very excited about what we can achieve in the years ahead," said Mr Lee.

About Grand Venture Technology Limited ("GVT")

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

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

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