



GRAND VENTURE TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201222831E)

ANNOUNCEMENT

PROPOSED ACQUISITION OF (1) 100% OF THE EQUITY INTERESTS OF J-DRAGON TECH (SUZHOU) CO., LTD.; AND (2) 100% OF THE SHARE CAPITAL OF FORMACH ASIA SDN. BHD.

– COMPLETION OF THE TRANSACTIONS

1. INTRODUCTION

The Board of Directors (“**Board**” or the “**Directors**”) of Grand Venture Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 17 December 2021, 5 January 2022 and 24 February 2022 in relation to (a) the proposed acquisition of 100% of the equity interests of J-Dragon Tech (Suzhou) Co., Ltd. (“**J-Dragon**”) (the “**J-Dragon Acquisition**”) and (b) the proposed acquisition of 100% of the share capital of Formach Asia Sdn. Bhd. (“**Formach**”) (the “**Formach Acquisition**”, and together with the J-Dragon Acquisition, the “**Transactions**”) (the “**Previous Announcements**”).

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as in the Previous Announcements in respect of each Transaction.

2. COMPLETION OF THE TRANSACTIONS

The Board is pleased to announce that all the conditions to the J-Dragon Acquisition and the Formach Acquisition have been fulfilled and/or waived. Accordingly, the parties to the J-Dragon Acquisition and the Formach Acquisition had proceeded with completion of the Transactions on 2 March 2022 (the “**Completion Date**”).

As a result of the completion of the Transactions,

- (a) the Company has acquired (i) 100% of the equity interests of J-Dragon; and (ii) 100% of the issued and paid-up share capital of Formach;
- (b) the Company has satisfied S\$10,982,732 of the Aggregate Consideration for the J-Dragon Acquisition in the following manner:
 - (i) the allotment and issuance of 6,885,274 Consideration Shares at an issue price of S\$1.1619 for each Consideration Share to the Relevant Vendors; and
 - (ii) the payment of S\$2,982,732 in cash to the Vendors as partial satisfaction of the Cash Consideration (the “**J-Dragon Partial Cash Consideration**”).

The remaining Cash Consideration of S\$1,220,304 shall be paid to the Vendors on the Withholding Payment Date in accordance with the J-Dragon SPA;

- (c) the Company has satisfied S\$7,020,000 of the Aggregate Consideration for the Formach Acquisition in the following manner:
 - (i) the allotment and issuance of 860,658 Consideration Shares at an issue price of S\$1.1619 for each Consideration Share to the Vendors; and
 - (ii) the payment of S\$6,020,000 in cash to the Vendors as partial satisfaction of the Cash Consideration (the “**Formach Partial Cash Consideration**”).

The remaining Cash Consideration of S\$780,000 shall be paid to the Vendors on the Withholding Payment Date in accordance with the Formach SPA; and

- (d) the total issued and paid-up share capital of the Company has increased from 331,508,500 Shares to 339,254,432 Shares, with the total number of Consideration Shares representing approximately 2.28% of the enlarged issued and paid-up share capital of the Company.

The Consideration Shares are subject to the moratorium restrictions as described in the Previous Announcements. The Consideration Shares will rank pari passu with all existing shares in the capital of the Company, save that they do not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date of which falls on or before the Completion Date.

The listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST is expected to take place with effect from 9.00 a.m. on 4 March 2022. The listing and quotation of the Consideration Shares is not to be taken as an indication of the merits of the Consideration Shares, the Shares, the Company and/or its subsidiaries.

3. UPDATE ON THE USE OF IPO PROCEEDS AND PLACEMENT PROCEEDS

Pursuant to Rule 704(30) of the Listing Manual, the Board wishes to provide an update on the utilisation of the IPO Proceeds and the Placement Proceeds as at the date of this announcement and pursuant to the payment of the J-Dragon Partial Cash Consideration and the Formach Partial Cash Consideration, as follows:

IPO Proceeds

Use of proceeds	Allocated (according to the Offer Document dated 15 January 2019) 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	-

Notes:

(1) S\$1,500,000 of the IPO Proceeds were utilised to fund the 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 general working capital used:

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

Placement Proceeds

Use of proceeds	Allocated (according to the circular dated 5 February 2021) S\$'000	Re-allocated (according to the announcement dated 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

Notes:

- (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 Formach 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

4. FURTHER ANNOUNCEMENTS

The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, when there are material developments in respect of the J-Dragon Acquisition and the Formach Acquisition.

5. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the shares and securities of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

BY ORDER OF THE BOARD

LEE TIAM NAM

Executive Chairman

2 March 2022