



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

ANNOUNCEMENT

FY2021 ANNUAL REPORT – RESPONSE TO SGX’S QUERIES

The Board of Directors (“**Board**” or the “**Directors**”) of Grand Venture Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to provide responses to the queries from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in their email dated 20 April 2022, in the information set out below:

Query 1

It was noted in the FY2021 AR that there were no interested person transactions of S\$100,000 and above during FY2021, but it was further disclosed in Note 26 to the Financial Statements that the Company recorded, among others, S\$20.194m in purchases from subsidiaries. Please provide a breakdown of the various related party transactions recorded under Note 26 and clarify why these are not considered interested person transactions under the Listing Rules.

Company’s response

Breakdown of the various related party transactions recorded under Note 26 of the Annual Report FY2021 is as follows:

Related parties / Transactions	Advisory fee to an affiliate shareholder (S\$’000)	Purchases from subsidiaries (S\$’000)	Management fees from subsidiaries (S\$’000)	Interest income from subsidiaries (S\$’000)	Sales to subsidiaries (S\$’000)
Grand Venture Technology (Suzhou) Co., Ltd.	-	(11,147)	81	102	30
Grand Venture Technology Sdn. Bhd.	-	(9,047)	403	147	15
Novo Tellus Capital Partners Pte Ltd	(32)	-	-	-	-
Total	(32)	(20,194)	484	249	45

Grand Venture Technology (Suzhou) Co., Ltd. and Grand Venture Technology Sdn. Bhd. are wholly-owned subsidiaries of the Company and are not interested persons for the purposes of Chapter 9 of the Listing Manual. The transactions with these two wholly-owned subsidiaries are therefore not interested person transactions for the purposes of Chapter 9 of the Listing Manual. Separately, while the advisory fee paid to an affiliate shareholder, Novo Tellus Capital Partners Pte Ltd, is an interested person transaction, the transaction is less than S\$100,000 and is therefore not required to be disclosed pursuant to Rule 907 of the Listing Manual.

Query 2

We note that the Company has 6 directors comprising the executive chairman, 1 executive director, 1 non-executive director and 3 independent directors.

Please clarify how the board composition complies with Provision 2.2 of the Code of Corporate Governance.

Company's response

In explaining the compliance of its current board composition with Provision 2.2 of the 2018 Code of Corporate Governance, the Board took into consideration the fact that there are currently 6 directors on the Board, two of whom are executive, three of whom are independent and non-executive, and one of whom is non-independent and non-executive. Save for the Nominating Committee which the Executive Chairman is a member of, the Board committees are constituted of independent non-executive directors. Hence, the Board was of the view that 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, which addresses the principles of Provision 2.2.

The Board also notes that Provision 2.2 of the 2018 Code of Corporate Governance came into effect on 1 January 2022 and the annual report of the Company is for its financial year ended 31 December 2021. The corresponding Guideline 2.2 in the 2012 Code of Corporate Governance states that independent directors should make up at least half of the Board where the Chairman is not an independent director. This guideline has been fully complied with.

Nonetheless, in the interests of good corporate governance and full compliance with the 2018 Code of Corporate Governance and in particular, Provision 2.2, the Company will be taking steps to look into reconstituting its Board in its financial year ending 31 December 2022.

BY ORDER OF THE BOARD

LEE TIAM NAM

Executive Chairman

21 April 2022