Grand
Venture
Technology

ANNUAL REPORT 2022

Contents

Corporate Overview

Founded in 2012, Grand Venture Technology Limited ("**GVT**") is a fast-growing and trusted solutions and services provider for the manufacture of ultra-precision machining, sheet metal components and complex mechatronics modules. Our manufacturing plants in Singapore, Penang and Johor (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 serves 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 front-end and back-end semiconductor, electronics, analytical life sciences, aerospace, medical and industrial automation industries, and represent some of the largest Original Equipment Manufacturer ("**OEM**") in their respective markets.

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

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.

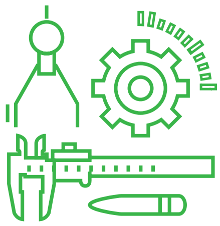
Mission

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

Corporate Overview

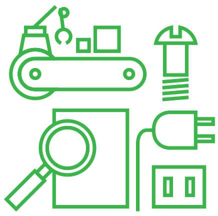
what we do

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



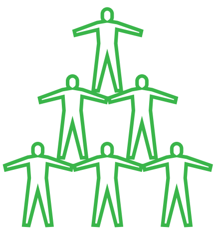
Produce, Assemble & Test

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

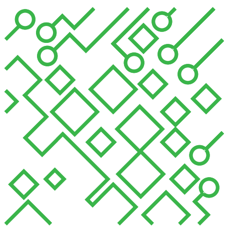
Deliver, Support & Upgrade

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

With Support From



Dedicated and Capable Team



Digitalisation and Industrial 4.0

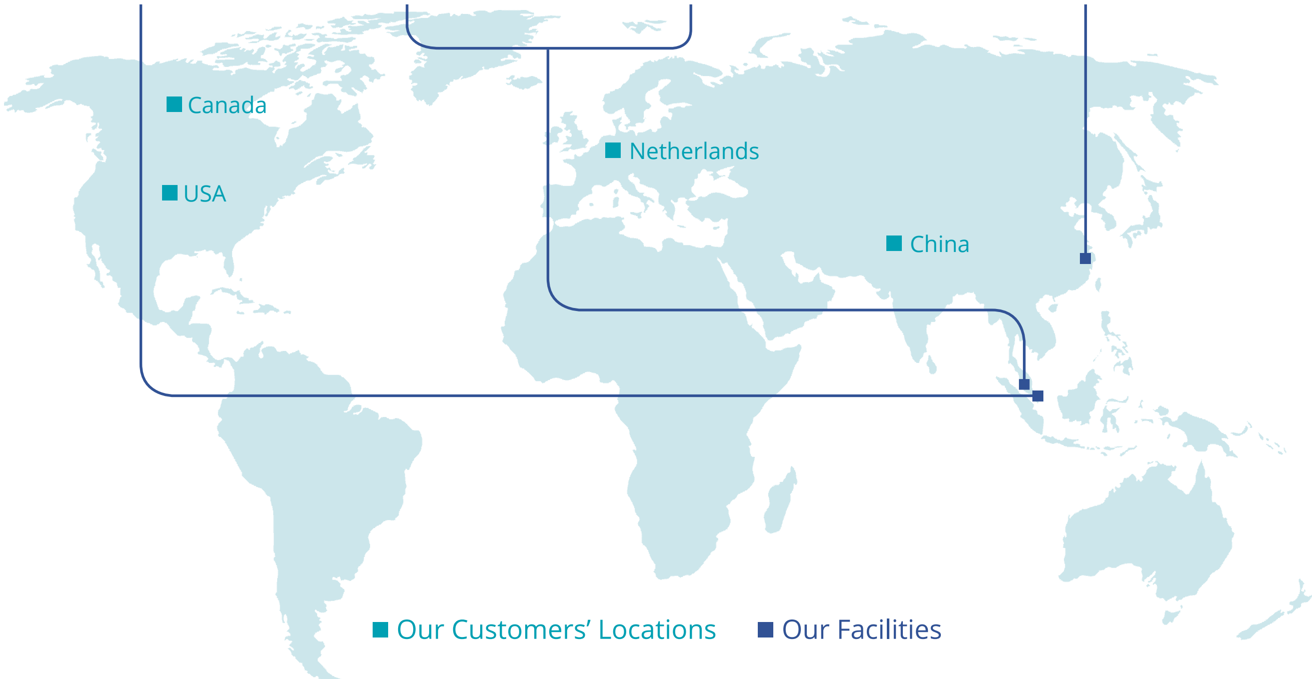
Business Presence

SINGAPORE

JOHOR BAHRU

PENANG

SUZHOU



Country	Location	Entity	Approximate Gross Floor Area ("**GFA**")	Activities
Singapore	Changi North	Grand Venture Technology Limited ("**GVT**" or the "**Company**")	86,736 sq ft	Corporate Headquarters Precision Machining, Assembly and Testing
Malaysia	Penang	Grand Venture Technology Sdn. Bhd. ("**GVT MY**")	342,900 sq ft	Precision Machining, Sheet Metal Fabrication, Assembly and Testing
	Johor Bahru	Formach Asia Sdn. Bhd. ("**Formach**")	73,818 sq ft	Sheet Metal Fabrication, Assembly
China	Suzhou	Grand Venture Technology (Suzhou) Co., Ltd ("**GVT SZ**")	120,069 sq ft	Precision Machining, Sheet Metal Fabrication, Assembly
		J-Dragon Tech (Suzhou) Co., Ltd ("**J-Dragon**")	190,941 sq ft	Precision Machining, Assembly

Key Milestones in FY2022

■ Corporate Activities ■ Organic Growth ■ Inorganic Expansion

JANUARY

Capacity expansion in Penang; plans for integrated manufacturing hub

Acquired third manufacturing facility in two years

To be amalgamated with GVT MY's facilities to create an integrated manufacturing hub

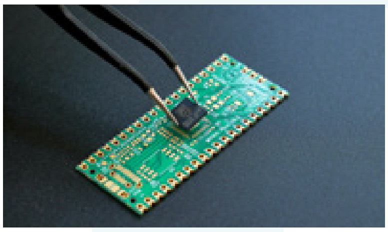
Creating an integrated manufacturing hub in Penang

Commencement of works to amalgamate its seven existing and new facilities into an integrated manufacturing hub; expanded floor area of existing facilities through architectural improvements

MARCH

Commenced provision of front-end semiconductor services

Commenced first-article qualification with new front-end semiconductor customer



Strategic acquisitions in Suzhou and Johor

Acquired J-Dragon and Formach; entered aerospace sector, and expanded medical segment and other synergistic customer base

Key Milestones in FY2022

Capacity expansion in Suzhou

J-Dragon moved to a larger 190,941 sq ft facility

Forbes Asia's Best Under a Billion

One of only seven Singapore companies to be listed in 2022 Forbes Asia's Best Under a Billion list

Forbes Asia BEST UNDER A BILLION 2022

AUGUST

OCTOBER

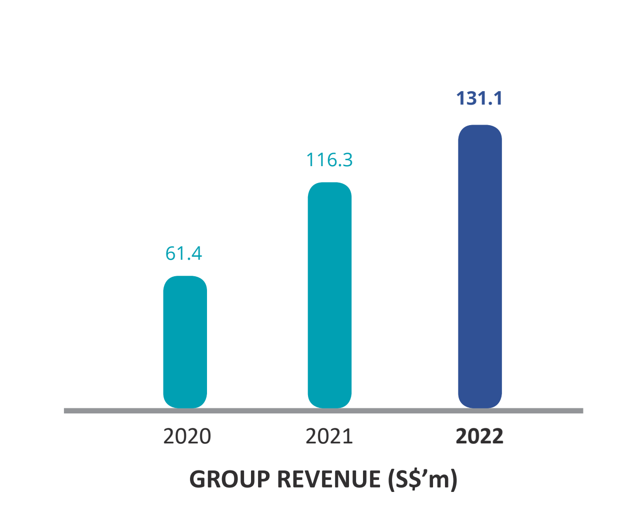
Refocusing J-Dragon's capabilities towards aerospace

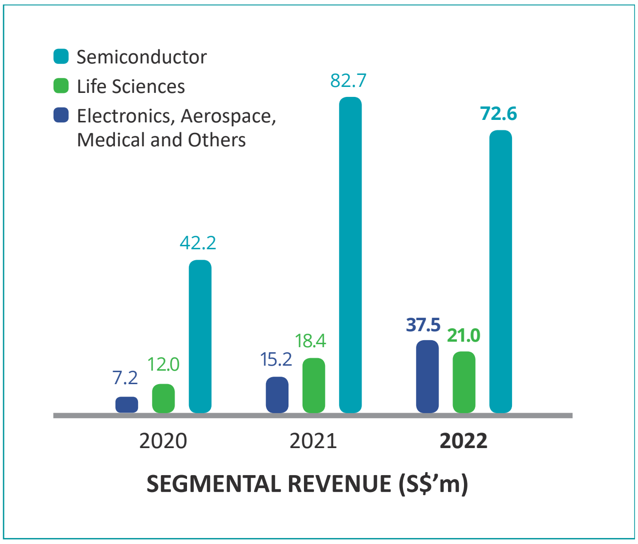
Embarked on outfitting J-Dragon's facility with treatment and plating capabilities for the aerospace sector

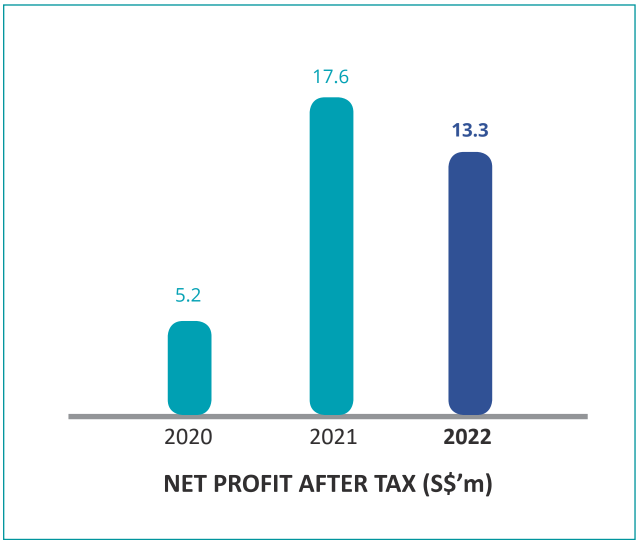
EY Entrepreneur of the Year (Advanced Manufacturing)

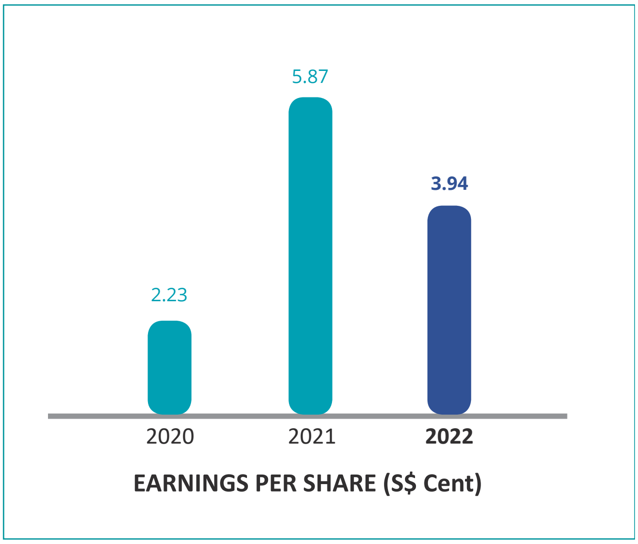
CEO Julian Ng awarded EY Entrepreneur of the Year (Advanced Manufacturing)

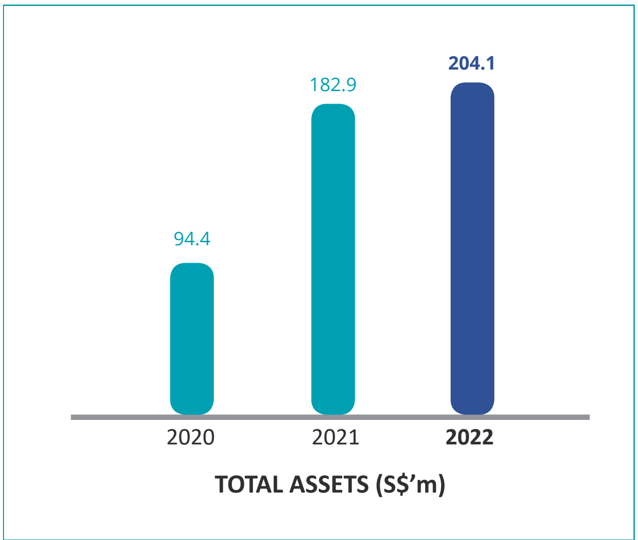
Financial Highlights

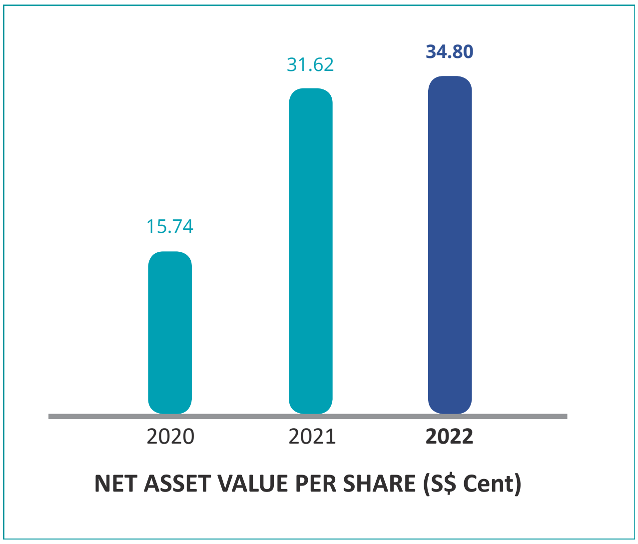












Corporate Information

BOARD OF DIRECTORS

Liew Yoke Pheng Joseph
Independent, Non-Executive Chairman

Lee Tiam Nam Ricky
Executive Deputy Chairman

Ng Wai Yuen Julian
CEO and Executive Director

Loke Wai San
Non-Independent, Non-Executive 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

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#09-00 OCBC Centre
Singapore 049513

Chairman's Statement

Dear Shareholders,

The year ended 31 December 2022 ("**FY2022**") began on a positive note, as most economies around the world gradually reopened and transitioned towards living with Covid-19. In Singapore, social restrictions were progressively lifted, with most companies transitioning back to working from the office by April 2022. Unfortunately, the cautious optimism was all but eroded in the second half of the year by geopolitical issues, supply chain disruptions and financial turbulence, as well as a recalibration in the technology and semiconductor sector. GVT nevertheless remained steadfast in synergising newly acquired machinery and capacities, and developing our capabilities to strengthen our competitive edge.

On this note, we closed the year with a 12.8% increase in revenue to $131.1 million, compared to $116.3 million for the year ended 31 December 2021 ("**FY2021**"), bolstered by wallet share and demand growth among existing customers in the Life Sciences and the Electronics, Medical, Aerospace and Others business segments. Net profit declined 24.1% to $13.3 million, compared to $17.6 million in the previous financial year, taking into account upfront costs incurred in the onboarding of new customers and margins contraction in the back-end semiconductor business.

In view of the results, the Board has proposed a final tax-exempt dividend of 0.3 cents per share, be paid out in May 2023 subject to your approval at the forthcoming Annual General Meeting on 27 April 2023. Taking into account the interim dividend of 0.3 cents per share paid out in September 2022, the total dividend for FY2022 works out to 0.6 cents per share.

Resilience Through Strategic Diversification

The semiconductor industry has experienced a great deal of volatility in the past two years. The global shortage of semiconductor chips arising from supply chain disruptions in FY2021 sent demand to new heights but this was quickly followed by a rapid tapering off by the second half of FY2022, amid fears of inflation and recession, as well as geopolitical challenges like restrictions by the US government on certain semiconductor exports to China.

Thankfully, our service expansion into the Life Sciences, and the Electronics, Medical and Aerospace industries enabled us to ride the tailwinds and robust demand in these markets to put up a good showing in FY2022. The momentum helped to cushion the impact of relatively muted back-end semiconductor industry activity. Nevertheless, the semiconductor sector remains a key business segment for GVT, and we expect to enjoy continued healthy demand from customers in this sector over the long run.

On this note, we have also expanded our semiconductor service offerings to include front-end activities. Our effort to penetrate this new market is yielding good progress as we commenced services for our first customers in end-2022.

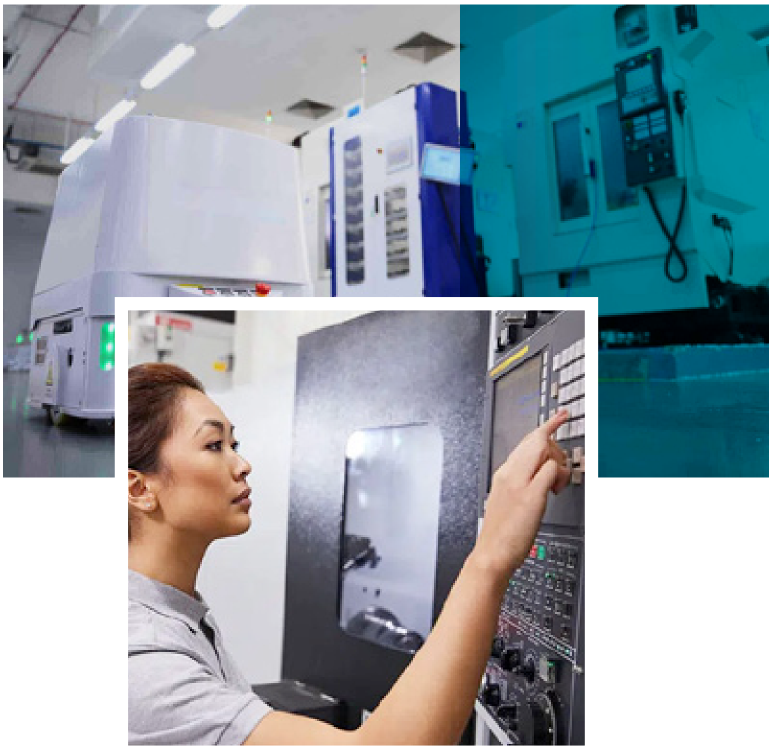
Chairman's Statement

The Year Ahead

As we look back at our 10 years of operations since our incorporation in 2012, we are gratified by our various milestones – geographical expansion, penetration of new market segments, initial public offering, and so on. Through the years, our mettle was constantly tested – by US-China trade tensions, Covid-19 pandemic, the Russian-Ukraine conflict, and the semiconductor industry downturn, to name a few. Nevertheless, we have emerged stronger from these challenges and are only more determined to realise our vision of becoming a global leading provider of ultra-precision manufacturing services. Driven by this ambition, we continue to build on our capabilities strategically in order to differentiate ourselves from the competition.

In the year ahead, the prevailing geopolitical, economic and industry headwinds are expected to continue, with issues of oversupply and disruptions still impacting the semiconductor industry. Nevertheless, the structural risks from geopolitical conflicts and supply chain disruptions should drive our existing and prospective customers in the USA and Europe to increase their manufacturing footprint in Asia. Additionally, the world is being transformed by digitalisation and the advent of 5G and artificial intelligence, which will be underpinned by semiconductor chips. As one of the few companies in this region capable of delivering ultra-high-precision machining capabilities, we see the current circumstances as an opportunity to demonstrate our ability to serve our customers, even during periods of uncertainty.

The current 2023 financial year ("**FY2023**") will see us working closely with our new front-end semiconductor customers for first-article qualifications prior to production ramp-up, as well as pursuing prospective customers in this segment. We have also been partnering our customers in the life sciences, medical and electronics sectors to support them on higher-value activities. Our aim is to progressively expand our participation and move up the value chain in the production process. The lifting of travel restrictions by countries around the world is boosting activities in the aerospace sector, and our subsidiary in China, J-Dragon, is ready to meet the anticipated increase in demand for its services with its recent relocation to a larger facility in Suzhou. The enlarged capacity will enable J-Dragon to better serve our customers in the aerospace, as well as the medical and other sectors.



We remain committed to our goal of developing in-house capabilities in advanced materials, while being on the lookout for suitable acquisition opportunities that will complement and enhance our capabilities.

Acknowledgements

We would like to extend our heartfelt appreciation to Mr Kong Sang Wah, one of the founding members and stalwarts of GVT, who has managed and grown our business and presence in Malaysia since our establishment. Mr Kong has decided to step down from his position as the Managing Director (Malaysia) to spend more time with his family. We are glad that he has agreed to continue serving as Business Consultant to our operations in Penang.

On behalf of the Board, we wish to express our gratitude to everyone in the GVT family who have shown dedication and commitment as we work towards our goals. We also want to thank our customers, business partners and shareholders for their support. We will continue to work with all our stakeholders to drive sustainable growth at GVT.

Liew Yoke Pheng Joseph
Independent, Non-Executive Chairman

CEO's Operating and Financial Review

Dear Shareholders,

FY2022 delivered multi-faceted challenges that tested our mettle and the resilience of our strategy. After starting off on a high note, operating conditions were quickly tampered with the outbreak of the Russia-Ukraine conflict, followed by interest rate hikes by various governments to combat inflation. Aggravating this was the rising tension between the US and China. In the face of these developments, we are glad to have been able to turn in a satisfactory set of results even as we continued our investment in customer relationships and ground-breaking capabilities. I am pleased to share the updates with you as follows:

Financial Review

We recorded 12.8% rise in revenue to $131.1 million, from $116.3 million in FY2021, on the back of increased business activity in the Life Sciences and the Electronics, Aerospace, Medical and Others segment, even as contribution from the Semiconductor segment declined amid a general industry slowdown.

Revenue from the Semiconductor segment contracted by 12.2% to $72.6 million, compared to $82.7 million a year ago, as the initial expectations of industry growth were eroded over the course of the year by subdued demand, particularly from back-end activities. We introduced front-end semiconductor services during the year and recorded maiden revenue from this new business activity, while looking forward to growing the contribution from it to our Group revenue.

The Life Sciences segment delivered robust year-on-year revenue growth of 14.0% to $21.0 million, compared to $18.4 million in FY2021. We successfully expanded our wallet share with customers in this segment, securing more orders from existing customers for the production of mass spectrometers and bolt-on products, while also converting more first-article inspections to mass production.

Revenue from the Electronics, Aerospace, Medical and Others segment more than doubled to $37.5 million, from $15.2 million a year ago. This was driven by strong demand from our key customers in this segment. The higher revenue also factored in ten-month contribution from the subsidiaries that we acquired during the year, namely, J-Dragon and Formach.

Gross profit fell 5.0% to $35.8 million, from $37.7 million in FY2021, while gross margin was 27.3% in FY2022, compared to 32.4% in the preceding year. The declines took into account the decrease in capacity utilisation and business activity in the Semiconductor segment amid overall softer semiconductor demand, along with expenses incurred to equip our facilities for

the onboarding of new customers. They also included non-recurring expenses of $0.9 million, which include fair-value charges on additional inventories from the acquisition of J-Dragon and Formach.

Other income rose 25.0% to $1.5 million in FY2022, compared to $1.2 million a year ago. The rise factored in the amortisation of deferred income from government grants received, other income from J-Dragon and Formach, as well as the absence of a $0.3 million foreign exchange gain recorded in FY2021.

General and administrative expenses rose 18.1% to $14.8 million, from $12.5 million in FY2021, taking into account the acquisition of new subsidiaries, the organic headcount expansion to support our growing business, and foreign exchange losses of $0.2 million.

Other operating expenses was $4.9 million in FY2022, compared to $2.7 million in FY2021. The increase mainly took into account $1.2 million in consolidated expenses following the acquisition of J-Dragon and Formach, $0.5 million increase in expenses from the amortisation of customer relationships and order backlog relating to these new subsidiaries, as well as a $0.4 million rise in depreciation charges in conjunction with our organic expansion.

Finance costs increased to $2.4 million in FY2022, from $1.7 million in the preceding financial year, as we tapped on our credit facilities in view of the higher working capital and capital expenditure required for our business expansion.

Taking into account lower income tax expense and $0.8 million in tax credit incentive, net profit attributable to shareholders amounted to $13.3 million in FY2022, a 24.1% decrease from the $17.6 million recorded in FY2021.

Our non-current assets increased to $95.2 million as at 31 December 2022, compared to $61.8 million as at 31 December 2021, after including $28.1 million worth of new equipment and consolidation of fixed assets from J-Dragon and Formach, as well as a $8.2 million increase in intangible assets from the acquisition of these two companies.

Current assets stood at $108.8 million as at end-FY2022, compared to $121.1 million at the end of FY2021. This factored in $23.2 million in cash that were mainly deployed for capital expenditure and the acquisition of J-Dragon and Formach, offset by the consolidation of their respective current assets comprising inventories, prepayments and trade and other receivables.

CEO's Operating and Financial Review

Non-current and current liabilities amounted to $86.0 million as at 31 December 2022, compared to $78.3 million as at 31 December 2021, in view of the $5.2 million increase in borrowings to support our capacity expansion, a $3.3 million increase in lease liabilities mainly in respect of J-Dragon's and Formach's production facilities, as well as a $1.9 million decrease in trade and other payables. Debt-to-equity ratio stood at a healthy 0.43, compared to 0.44 at end-FY2021.

Review of Operations

We have expanded our participation across the semiconductor value chain and begun offering higher-value front-end semiconductor services during 2022. We have been making good progress in onboarding new front-end semiconductor customers since, and currently working with several new customers on first-article inspection in respect of new orders received. We intend to devote existing unutilised capacities to these incoming front-end semiconductor projects.

To further deepen the partnership and strengthen our value-add with such front-end semiconductor customers, we have been engaging them at a strategic level and have also proactively invested in new equipment that will allow us to take on more complex, higher-value and larger orders that these customers would need. We expect these equipment to be commissioned and ready to support our customers by the first half of the current financial year.

While geopolitical developments impacting the semiconductor segment weighed on demand from the back-end semiconductor customers, we maintained active communications and nimbly adjusted our engagement to support their operations. On this note, we have begun onboarding new back-end semiconductor customers, in support of their supply chain diversification efforts into Southeast Asia.

On the life sciences business front, demand from our customers have remained robust, which has served to diversify the cyclical risk of the semiconductor segment and support our overall performance. We are actively involved alongside our key customers in this segment in the design-for-manufacturability process of their next-generation products and looking to further expand our wallet share with them.

Post-pandemic economic recovery has also contributed to demand growth from the electronics, aerospace and medical sectors. The acquisitions of J-Dragon and Formach in March 2022 have given us access to the aerospace and medical sectors while enhancing our ability to support the electronics sector. We have begun investing in equipment to enable us to provide more services to the aerospace customers, so as to expand our customer base, and optimise margins in this segment. These equipment, including a treatment and plating line, will be installed in J-Dragon's brand new 190,941 square-foot facility that it relocated to in March 2022.

CEO's Operating and Financial Review

Executing Our Growth Roadmap

We have made good progress over the past few years towards our goal of becoming a global leading player in the ultra-precision manufacturing services. Our ability to deliver on the sub-micron, ultra-precision requirements demanded by front-end semiconductor customers is honed through our experience servicing our life sciences customers, and demonstrates our versatility and cross-selling capabilities. We expect to remain agile in pursuing our goal, as we explore next-generation projects with our customers.

In the year ahead, we expect the macro-economic environment to remain challenging, as the ongoing Russia-Ukraine conflict, US-China trade tensions, and the possibility of an economic hard landing continue to weigh on corporate decisions across the globe. Nevertheless, the swift advancement in technology and digitalisation globally will inevitably drive demand for semiconductors over the medium to long term, with a gradual industry recovery expected from the later part of 2023. The ongoing trend of companies diversifying their supply chain into the Southeast Asian region as a result of geopolitical developments also presents good opportunities for new customer engagements.

With our dedicated capacities in Singapore, Johor and Penang all operational, we will focus on working closely with our front-end customers to increase the number of first-article qualifications and order production, while preparing ourselves to support our back-end semiconductor customers upon a turnaround in demand.

Amid stable, healthy demand from our life sciences, electronics and medical customers, we have begun to support them in higher-level assembly services, which should reinforce our long-term resilience. The aerospace sector is expected to see an improvement in recovery momentum, as pandemic-related restrictions are lifted globally.

The first phase of the amalgamation of our facilities in Penang to form an integrated manufacturing hub is expected to be completed by end-2023. This integrated manufacturing hub will offer a complete range of precision machining, sheet metal fabrication, complex mechatronics assembly and testing services, as well as cleanroom facilities. Our strategy to expand services offered by J-Dragon to aerospace customers should also enable us to better control our work quality and margins. We are further looking to equip J-Dragon's new facility with assembly capabilities that will raise the value of our services to the medical and other sectors in China.

Appreciation

I am thankful to all our staff and management who have delivered a remarkable performance despite the challenges of FY2022. In particular, I would like to express my gratitude to Mr Kong Sang Wah, a fellow co-founder of GVT and a treasured comrade in arms as we worked together to build up GVT from those early days. He is stepping down from his role at GVT Malaysia to spend more time with his family and we wish him all the best.

I would also like to extend my appreciation to our customers, business partners and bankers for their longstanding support of GVT. To my fellow Board members, I am grateful for your counsel. I also want to express my appreciation of our shareholders for trusting in our growth strategy.

Ng Wai Yuen Julian
Chief Executive Officer

Board of Directors

Liew Yoke Pheng Joseph *Independent, Non-Executive Chairman*

Joseph, 67, is our Independent, Non-Executive Chairman. He also 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.

Joseph is currently the Executive Chairman of Hoe Leong Corporation Limited, a Singapore-listed company. He is also a Lead Independent Director of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited, a Singapore and Shanghai listed company. He is also director of Lew Foundation and Char Yong (Dabu) Foundation.

Joseph 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. Joseph was an independent director of Innovalues Limited from 2013 to 2017 and Shanghai Turbo Enterprises Ltd in 2020.

Joseph 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, Joseph was head of operations and information technology audit with Great Eastern Life Assurance Company Limited. Joseph 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, Joseph was a director of RSM Chio Lim Stone Forest Group of companies. Joseph joined Sun Life Everbright Life Insurance Company 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.

Joseph 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.

Lee Tiam Nam Ricky *Executive Deputy Chairman*

Ricky, 62, is our Executive Deputy 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. Ricky was last re-elected on 27 April 2022.

Ricky 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, Ricky 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.

Ricky 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, Ricky 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. Ricky was a Managing Director of Norelco Centreline Holdings Limited until its subsequent merger with UMS Holdings Limited in 2004. Subsequently, in 2006, Ricky 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 Ricky remained a director thereof until the start of 2011.

Board of Directors

Ng Wai Yuen Julian *CEO and Executive Director*

Julian, 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.

Julian has over 20 years of experience in the manufacturing and precision engineering industries. Julian 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, Julian 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 Julian 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 Julian remained its sales and marketing director until 2014 when he left to join our Company as our Sales and Marketing Director.

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

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

Wai San, 54, was appointed to our Board on 29 April 2021 as a Non-Independent, Non-Executive Director. He was last re-elected on 27 April 2022.

He is the Non-Executive Chairman and Director of AEM Holdings Ltd. Wai San is also the Executive Chairman and CEO of Novo Tellus Alpha Acquisition. Wai San also serves on the boards of several other private companies in the region.

Wai San is the Founder and Managing Partner of a private equity fund adviser, Novo Tellus Capital Partners. His expertise is in cross-border technology and industrial private equity investments across 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 their US office and subsequently co-head for Southeast Asia. Prior to joining Baring Private Equity Asia, Wai San 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. He was a former Chairman and President of Singapore American Business Association in San Francisco.

Wai San holds an MBA degree from the University of Chicago, and a BSEE from Lehigh University.

Board of Directors

Pong Chen Yih *Independent Director*

Chen Yih, 47, 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 27 April 2022.

Chen Yih 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., Chen Yih 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. Chen Yih 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. Chen Yih subsequently joined Baker Mckenzie Wong & Leow in 2014 prior to taking up his current position in Novus Corporate Finance Pte. Ltd. Chen Yih is an independent non-executive director of Singapore-listed Figtree Holdings Limited and HRnet Group Limited.

Chen Yih holds a Bachelor of Laws from the National University of Singapore.

Heng Su-Ling Mae *Independent Director*

Mae, 52, 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.

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

Mae holds a Bachelor of Accountancy from the Nanyang Technological University. She is a fellow member of 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**")*

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

Chun Siong 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, Chun Siong 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 Chun Siong advanced and remained as its General Manager until 2014 when he left to join our Company as our Operation Director. Chun Siong was appointed as our COO in 2018.

Chun Siong holds a Diploma in Mechanical Engineering from Singapore Polytechnic.

Robby Sucipto *Chief Financial Officer ("**CFO**")*

Robby 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, Robby 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 Pacific Star Development Limited.

Robby holds an MBA degree from the National University of Singapore, and a Bachelor of Commerce (Double Major, Finance and Accounting) from Monash University, Australia. He is a member of Institute of Singapore Chartered Accountants (ISCA) and a member of ASEAN Chartered Professional Accountant (ASEAN CPA).

Key Management

Saw Yip Hooi *Group Senior Director of Sales (Malaysia)*

Yip Hooi is our Group Senior Director of Sales. He is based in Penang, Malaysia and supports the Group's expansion in the region.

Yip Hooi has 30 years of experience in the manufacturing and precision engineering industries. He began his career in 1990 as a machinist with Centrelines Engineering (S) Pte. Ltd.. In 1993, Yip Hooi left to start Centrepoint Precision Engineering, a Malaysian partnership engaged in precision engineering. This was followed by Centretechnics Engineering Works (PG) Sdn. Bhd. in 1994 where he assumed the role of Director of Sales and Marketing. He 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. Yip Hooi then took over the operations of GVT Malaysia in 2010, and joined our Group in 2013 pursuant to our acquisition of GVT Malaysia by way of a share swap.

Yip Hooi 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.

Lu Jin Feng Alan *General Manager (GVT Suzhou)*

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

Alan has over 20 years of experience in the manufacturing and precision engineering industries. Alan 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, Alan 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, Alan was appointed our General Manager (China) in January 2018.

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

Lee Boon Kwong Wilson *Managing Director (J-Dragon)*

Wilson is our Managing Director (J-Dragon) where he supports the overall management and growth of J-Dragon Tech (Suzhou) Co., Ltd. Wilson joined our Group on 2 March 2022 along with the onboarding of J-Dragon as a subsidiary of the Company.

Wilson brings with him over 30 years of experience in the precision engineering industry. He started his career at Norelco Engineering Services in 1991 as a CNC programmer and skilled worker. In 1994, Wilson joined Super Union Precision Engineering Pte Ltd as Technical Engineer in charge of engineering sales and marketing involving customers in the semiconductor and electronics industries before he was promoted to Assistant Manager in 2003. Subsequently, Wilson co-founded Certact Engineering Pte. Ltd. in 2004 and J-Dragon in 2007.

Sustainability Report

About Grand Venture Technology Limited

[GRI 2-1a] Organisation details
[GRI 2-4] Restatements of information
[GRI 2-6] Activities, value chain and other business relationships

GVT and its subsidiaries (the "**Group**") are trusted manufacturing solutions and service provider for the semiconductor, analytical life sciences, electronics, aerospace, medical and other industries, with operations in Singapore, Malaysia (Penang, Johor Bahru) and China (Suzhou).

Backed by an experienced management team, GVT serves some of the largest OEMs in these industries, by providing a range of engineering, assembly, testing and product lifecycle management solutions for the manufacture of ultra-precision machining, mechatronics modules and complex sheet metal.

In 2012, GVT was established by industry veterans. GVT's supply chain comprises multiple suppliers and vendors of raw materials for our operations such as aluminium, stainless steel, plastic and glass. These suppliers are mainly located in the Asia Pacific region. Over the years, GVT has expanded into Malaysia and China.

GVT has also since expanded their services to include full sheet metal fabrication, painting, and powder-coating services in the Malaysia factory, as well as clean-room assembly, sub-micron, quartz, and ceramic machining.

GVT was listed on the Catalist Board of SGX in 2019 and GVT has achieved several milestones since then. In 2021, the company acquired a second production facility, transferred from Catalist to SGX MainBoard, and was listed in Forbes Asia's 200 Best Under a Billion in FY2022. In FY2022, GVT continued to expand, acquiring Formach and J-Dragon, as well as purchasing a third facility in Malaysia. These achievements demonstrate GVT's commitment to growth and delivering value to its customers.

Refer to pages 4 to 5 of the Annual Report for corporate milestones achieved during the year.

About this Report

[GRI 2-22] Statement on sustainable development strategy

We are pleased to provide our annual Sustainability Report ("**SR**"), which describes how GVT integrates Environmental, Social, and Governance ("**ESG**") considerations into its operations, management, and policies in more detailed way.

Business integrity in the environmental and social aspects are hugely important beyond governance as it guides the long-term strategic direction and sustainability of the organisation. 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 Group has taken a step towards affirming our sustainability journey by having our Internal Auditor performs an internal review of the report.

The Group is committed to be a socially responsible and sustainable corporate citizen in delivering sustainable values to the sectors we serve. With the help of this report, GVT hopes to reassure stakeholders and forge closer ties going forward as a morally and responsibly minded company.

Scope of the Report [GRI 2-3a, 2-2a]

[GRI 2-1] Organisational details
[GRI 2-3a] Reporting period, frequency and contact point
[GRI 2-2a] Entities included in the organisation's sustainability reporting

This Sustainability Report included together with Annual Report dated 24 March 2022 presents our sustainability performance in the financial year from 1 January 2022 to 31 December 2022.

The report contains details about the Group's operations as listed in the table below. GVT is a public company limited by shares and incorporated on 17 September 2012, with its headquarters in Singapore. GVT has 100% ownership of all four subsidiaries mentioned below.

Entity	Corporate Structure	Country
Grand Venture Technology Limited	Headquarters	Singapore
Grand Venture Technology Sdn. Bhd.	Subsidiaries	Malaysia
Formach Asia Sdn. Bhd.	Subsidiaries	Malaysia
Grand Venture Technology (Suzhou) Co., Ltd	Subsidiaries	China
J-Dragon Tech (Suzhou) Co., Ltd	Subsidiaries	China

This report presents sustainability strategies, initiatives, and performance of all the five entities operations of the corporate office, and processing facilities in Singapore, Malaysia, and China unless otherwise stated. The Global Reporting Initiative Universal Standards 2021 ("**GRI**") are adopted to align disclosure strategies across all operations.

There was no significant change to the Group's size, structure, ownership, or supply chain during the reporting period. This report contains no restatement.

About this Report

Reporting Framework

The sustainability report is prepared in accordance with the GRI Standards. The GRI framework was chosen as it is one of the most widely used and recognised standards for reporting globally, which would provide for higher comparability of the Company's disclosures with its peers. The disclosures made in this report are in line with GRI's Reporting Principles for defining report quality – accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. Our GRI content index can be found on pages 50 to 53 of the report.

This report also complies with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rule 711A and 711B. It has also been developed while referencing the six primary components stated in SGX-ST Listing Rule 711B on the "comply or explain" basis, that includes:

i. Material ESG factor
ii. Climate-related Disclosures consistent with the recommendations of TCFD
iii. Policies, Practices and Performance
iv. Targets
v. Sustainability Reporting Framework
vi. Board Statement and associated governance structure for sustainability practices

Confirmation and Approval

[GRI 2-3c] Report the publication date of the report or reported information

The policy, practice and performance data presented in this report was obtained from formal documents and operational statistics of GVT. The Sustainability Report has been approved and is included in the Annual Report dated 24 March 2023.

Report Assurance and Review

[GRI 2-5] External assurance

GVT has appointed Tembusu Asia Consulting Pte Ltd in the preparation of this report. 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.

Feedback

[GRI 2-3d] Contact point for questions about the report or reported information

We welcome feedback from our stakeholders for further improvement in our sustainability performance and reporting. Please contact us via the following channels if you have any feedback and questions about this report.

Email: contact@gvt.com.sg
Tel: +65 6542 3000

About this Report

Message from the Board

[GRI 2-22a] Statement on sustainable development strategy

2022 started on a good note showing us the light at the end of the pandemic tunnel, the recovery in the global economy gained momentum as the countries and industries gradually recover from the impact of the COVID-19 pandemic. The pandemic highlighted weaknesses within global supply chains and the rise in raw material demand resulted in record-high commodity prices. This reinforced the need to strengthen our ways of doing business in sustainable ways to achieve our vision.

GVT as a group has started taking small steps to integrate sustainability aspects into the core of our business. Our vision is to be a world leader in innovative manufacturing solutions and services by providing the most advanced technologies for precision engineering and manufacturing. Our mission is to offer undeniable flexibility and customisation, as well as quick turnaround time to our customers. To achieve this, GVT has started working with i4.0 planning software bringing the latest technologies like automation to optimise our production performance, improve productivity and processes.

Taking a path of sustainability has presented us with opportunities as well as challenges. We are upskilling our workforce to be digitally ready to work with automations and big data technologies.

As a forward-thinking company, we strive to stay ahead of the curve in technology and innovation. We recognise that the green and renewable energy sector is continually evolving, with each new development bringing unique challenges and requiring fresh approaches. Given the importance of sustainability and efficiency through digitisation, it is crucial that every piece of equipment and machinery, no matter how small, operates at its optimal level. This ensures that we can maximise our efficiency and minimise our environmental impact, ultimately helping us to achieve our goals of sustainability and responsible business practices.

Business integrity in the environmental and social aspects are hugely important beyond governance as it guides the long-term strategic direction and sustainability of the organisation. The Board is fully supportive of GVT's sustainability journey and has all undergone training on sustainability matters. Moving forward, we will continue to work closely with the Company's sustainability team, review and align our sustainability strategy (including climate-related risks) and targets to better position the Company to address challenges and opportunities it may be facing in the coming years.

GVT has taken some initiatives in its sustainability efforts over the past few years, including installation of solar panels to subsidise our energy consumption, providing employment to less privileged/special needs members, and underpinning strong corporate governance in our business. We shall continue to adapt our business strategies to the ongoing global trends and fulfil the obligation we have towards our employees, shareholders, suppliers, customers, competitors, and the community as a whole.

As the market environment continues to evolve, we will focus on enhancing and building stronger capabilities. We would also like to thank our stakeholders for their support and assistance that helped us to continue operating safely and optimally throughout the challenging periods. Looking ahead to 2023, we will continue to work hand in hand with all stakeholders towards sustainability by keeping abreast of market trends and maximising synergies to create new value as a responsible corporate citizen.

We look forward to your support as we bring value to our stakeholders, our business, and the world.

Ng Wai Yuen Julian
Chief Executive Officer

Sustainable Governance and Leadership

Governance Structure

This section complements the Corporate Governance Report.

Board composition

[GRI 2-9] Governance structure and composition
[GRI 2-11] Chair of the highest governance body
[GRI 2-12] Role of the highest governance body in overseeing the management of impacts
[GRI 2-19] Remuneration policies

Independence of the Board

[GRI 2-10, GRI 2-17]

Evaluation of the Board

[GRI 2-18]

Remuneration of Board Members

[GRI 2-19, 2-20, 2-21]

Please refer to Annual Report, pages 54 to 83 for details to the above sections.

Conflict of Interest Policy

[GRI 2-15]

Guided by the Group's Conflict of Interest Policy, the Company disclose details of employees who are immediate family member of a Director or CEO whose remuneration exceeds S$100,000 during the reporting year. Each year, the Remuneration Committee ("**RC**") will review the remuneration packages of employees related to our Directors, Substantial Shareholders and Controlling Shareholders to ensure that they are in accordance with our staff remuneration guidelines and appropriately compensated based on their job scopes and responsibilities.

These related employees will also be subject to the RC's review and approval of bonuses, raises, and promotions. Likewise, any new employment and proposed terms of employment of related employees must be reviewed and approved by the Nominating Committee ("**NC**") and RC. NC and RC members who are related to the employee under review will abstain from the review.

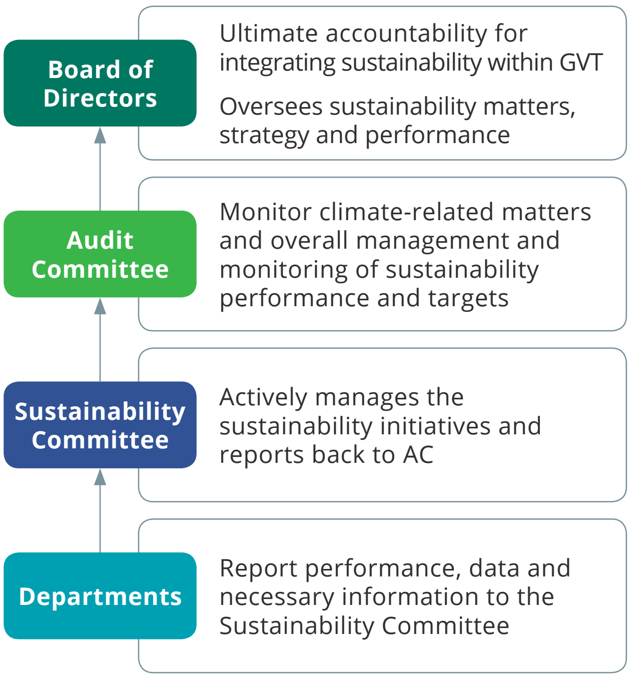
Please refer to page 77 of the Annual Report on the Group's compliance with Interested Party Transactions.

Sustainability Structure

[GRI 2-12, 2-13, 2-14, 2-17]

GVT's Board of Directors (the "**Board**") oversees sustainability practices and implementation. With the assistance of Audit Committee ("**AC**"), the Board monitors and reviews ESG-related matters and is responsible for governance of sustainability and climate-related risks, strategic risk management policies, and planning. On a semi-annual basis, the Board reviews and endorses GVT's material matters on sustainability and climate change. In FY2022, the Board has endorsed the list of sustainability topics and climate-related risks. After reviewing the reported information, the Board approved the submission of this Sustainability Report to SGX along with the publication of this Annual Report.

Execution is a vital part of bringing sustainability to the front line. Once GVT's sustainability strategy has been articulated at the Board level, the Board allocates the responsibility of monitoring the sustainability aspects to the AC. The AC overlooks the sustainability committee. At present, the finance department coordinates the assessment of sustainability-related risks, opportunities, and management mechanisms, including those related to climate change and reports them to the AC on a semi-annual basis. Inputs from all the departments at the end of the value chain support the teams higher in the hierarchy by providing clear information to make informed decisions.



Summary of roles and responsibilities

Sustainable Governance and Leadership

Corporate Core Values
[GRI 2-23a-iv]

We are focused on people. Our core values are integrity, respect, dialogue, open communications, pushing new boundaries, and exceeding expectations. 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. GVT believes in a work environment that is free from harassment, intimidation and threats and ensures all employees work together as a team and treat each other with dignity, respect, and sensitivity.

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 full range of manufacturing services, attracting, and building the best talent towards value creation and sustainable growth for stakeholders, employees, and communities.

Our core values guide us to be a socially responsible and sustainable corporate citizen in delivering sustainable values to the sectors we serve.

Sustainable Development Strategy and Policy
[GRI 2-22, 2-23]

GVT recognises that we have obligations to our community, shareholders, suppliers, customers, and competitors. We consider our reputation, which includes the respect and confidence of people we do business with, to be one of our most valuable assets. In order to uphold this reputation and level of confidence, we demand higher standards and strive to do so. As a result, we have adopted various good practices recommended in the Code of Business Ethics and Conduct 2015 and the following policies aim to uphold our accountability:

- Code of Business Ethics and Conduct
- Group Whistle blow Policy
- Workplace Safety & Health Management System
- GVT Handbook – covers Personal Data Protection Act ("**PDPA**"), Conduct and Discipline, Environmental, Health and Safety

We will evaluate whether our policy commitment can be effectively communicated to workers, business partners, and other relevant participants by publishing key extracts of the above policies on our website in the near future. GVT shall also look to streamline or renew the policies as per the latest guidelines.

Sustainability Risk and Opportunity Management

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 the 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.

All our operational entities are ISO 9001 certified, including our operational risk management processes. The Group also undergoes annual external and internal audit programme in our risk identification and mitigation. Risk management is under the purview of the AC.

Risk measurement is a function of likelihood of occurrence and the potential degree of financial and non-financial impact. We prioritise our resources to address the highest probability of occurrence and its associated highest degree of impact to our business.

Compliance with laws and regulations

Upholding high standards of business ethics and conduct is essential for building a strong reputation, gaining the trust of customers and stakeholders, and maintaining long-term success. By consistently upholding high standards of business ethics and conduct, the Group can demonstrate its commitment to responsible and sustainable business practices and help build a culture of integrity and trust within the organisation and among its stakeholders. There were no instances of fines or non-monetary sanctions during the reporting period.

Climate-Related Risk and Opportunities

Risk Management

[GRI 2-12] Role of the highest governance body in overseeing the management of impacts
[GRI 2-13] Delegation of responsibility for managing impacts
[GRI 3-1] Process to determine material topics (Climate-related risks as recommended by SGX)

In December 2021, SGX announced that all issuers must provide climate reporting on a 'comply or explain' basis in their sustainability reports from FY2022 onwards. Although it is not mandatory for GVT to commit to climate reporting for this year's report, we would like to start early and start including the climate change as a material concern and assign responsibilities to management-level committees.

We are proud to present our Task Force on Climate-Related Financial Disclosures ("**TCFD**") disclosures. Risk and opportunities related to environment, social and governance topics are identified, reviewed, and managed in consultation with the Management. We acknowledge and recognise that the impacts of climate change are already being felt and will influence our business-as-usual scenario and our financial performance.

This section describes how we manage and mitigate the climate-related risks with reference to the four pillars recommended by TCFD. Table 1 provides further details on each pillar and their disclosures.

Table 1 - TCFD Disclosures

No.	Pillar/Recommendation	Key Points
Governance: Disclose the organisation's governance around climate-related risks and opportunities		
a)	Describe the board's oversight of climate-related risks and opportunities.	The Board incorporates long-term consideration of ESG issues beyond governance when formulating GVT's sustainability strategies. The Board understands the business integrity in ESG provides guidance for the long-term strategic direction and sustainability of the organisation.
		The Board has taken small steps towards decarbonisation journey like installation of solar panels to subsidise our energy consumption, bringing in digital capabilities to the factory with latest innovations to reduce energy usage and improve productivity and quality.
		The Board has oversight of climate-related risks, opportunities and initiatives that drive climate mitigation and adaptation strategies — these include the materiality assessment, climate-related risk assessment.
b)	Describe management's role in assessing and managing climate-related risks and opportunities.	The organisation is led by, i. Two Executive Directors (Executive Deputy Chairman, CEO) who are also on the Board of Directors, together with three Non-Executive and Independent Directors (Joseph, being our Independent Chairman) and one Non-Executive and Non-Independent Director. ii. The Board is supported by Key Officers including the COO, CFO and business heads of our respective subsidiaries. Sustainability Committee monitors the climate-related risks and reports to the Audit Committee, which reports to Board of Directors.
		Hierarchy or structure is as below: Board of Directors -- Audit Committee -- Sustainability Committee -- Departments (Employees and Workers)
		Each of these management teams and committees communicate regularly on a semi-annual basis and with the board and provide them with the information to help them make informed decisions including the climate-related risks into the overall strategy.

No.	Pillar/Recommendation	Key Points
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material		
c)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	GVT has defined time horizons as Short-term - 2025, Medium-term - 2030 and Long-term - 2050. As in the Short-term, we are focusing on reducing the footprint and costs of our energy by installing solar panels to subsidise the energy consumption.
		In the Medium-term and Long-term, we are focusing on underpinning strong corporate governance in our business. GVT has invested in digital innovations to optimise the production performance. GVT reviews its internal processes to improve productivity and reduce waste production. GVT upskills its employees to be technicians and digitally ready to work with the robots and Big Data. The next phase of i4.0 would involve Augmented Reality ("**AR**"), Virtual Reality ("**VR**"), Artificial Intelligence ("**AI**"), and Machine Learning ("**ML**") where expertise of next-gen talents could be tapped for value enhancements.
d)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Risk management is an integral part of GVT and has a place in Risk Management and Internal controls framework to manage its risk exposure. As part of this risk assessment, management works closely with the Board to better align, manage, and increase GVT's resilience to emerging climate-related risks with its core strategy.
		GVT has started the journey of TCFD to better understand climate-related risks and their potential impact on business. This year we have taken steps to reduce our energy consumption and our greenhouse gas ("**GHG**") emissions by installing solar panels at our facilities.
e)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We shall conduct the climate scenarios analysis exercise for the next year reporting to understand the potential impact of climate-related scenarios on the business in terms of monetary value.
		We will keep reviewing our climate-related targets in line with the global standards and best practices progressively.
		In order to further understand the climate-related risks and opportunities relevant to our business, our team will rely on Intergovernmental Panel on Climate Change ("**IPCC**") defined scenarios, global databases, peer benchmarks data, analyse them and pass the relevant information to the Board. We will continue to refine and adapt our processes as the climate-related risks continue to change/mature.
Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks		
f)	Describe the organisation's processes for identifying and assessing climate-related risks.	GVT engaged an external consultant to conduct the materiality assessment and climate-related risks identification. Through this activity we identified regulatory transition risks such as mandates on existing products and services, reporting obligations, increased cost of raw materials, shifts in consumer preferences, changing customer behaviour. Physical risks include potential extreme weather events. These risks potentially impact the revenue of the Company, people associated with the Company and overall impact on the environment.
g)	Describe the organisation's processes for managing climate-related risks.	Risk measurement is a function of likelihood of occurrence and the potential degree of financial and non-financial impact. All our operating entities are ISO 9001 certified, including our operational risk management processes. The Group also undergoes annual external and internal audit programme in our risk identification and mitigation. Risk management is under the purview of the Audit Committee. From this year onwards, GVT is including the climate-related risks under the Company's risk management process.

Climate-Related Risk and Opportunities

No.	Pillar/Recommendation	Key Points
h)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	This year we have engaged an external consultant to advise us on the climate-related risks and these risks are considered strategic business risks. We worked with the consultant to manage them under our risk management system.
		Risks, Impacts and Opportunities along with time horizons are presented in the Table 2.
Metrics & Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
i)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	GVT embarked on its sustainability journey from 2020. This year we continue our TCFD journey to better evaluate and understand the climate-related risks and opportunities.
j)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	Along with transition and physical risks, GVT tracks the emissions due to their fuel and electricity usage. We will disclose our scope 2 emissions in this year SR. In the following years, GVT's focus area would be to manage and reduce energy consumption and carbon emissions and walk the decarbonisation path.
k)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	To ensure proper accounting of our scope 1 and scope 2 GHG emissions, we have engaged a verifier to measure our emissions in accordance with GHG Protocol standards. Outcome of this verification will provide us the picture of where we stand and define our targets and milestones.
		GVT's long-term target is to have renewable energy subsidising at least 10% of Group's energy consumption by the year 2050.

Process of identifying risks

In FY2022, we began our process of identifying climate-related risks and opportunities relevant to our business by:

i. Gathering stakeholder perspectives on future climate change risks through a survey.
ii. Sharing the above results with the Management to validate and prioritise the most important climate change risks for GVT.
iii. Analysing the climate-related risks highlighted by local and global authorities and by aligning with global standards.

The global community recognises climate change as an urgent and existential threat. Given the interconnectedness of supply chains, extreme weather conditions in one country can lead to a ripple effect across the world. With the emerging consensus to raise climate change high on the agenda, we have started taking our first step towards identifying the risks and keeping the board and management levels informed about the climate-related risks in order to include this into our core strategy to have sustainable growth. We have identified both physical and transition risks in line with the TCFD recommendations.

In the coming years, and in the Medium to Long-term horizon, climate change poses a number of risks/opportunities to the business and the key risks/opportunities are identified in the Table 2.

Managing climate-related risks and opportunities

As a first step, GVT analysed the material topics and climate-related risks in the form of survey with stakeholders. Our objective is to manage the risks and optimise opportunities arising from these risks. In Table 2, Management has considered risks which are material to GVT and analysed them based on their likelihood and impact. Also, the Management had assessed the methodology and a response to mitigate the particular risk. The process of identifying and managing the risks is dynamic and Management shall review the risks and adapt them as necessary for a sustainable business.

Table 2 - List of climate-related risks possibility affecting GVT

	RISKS				
	Increased cost of raw materials (High)	**Mandates on and regulation of existing products and services (Medium)**	**Shifts in consumer preferences (High)**	**Changing customer behaviour (Medium)**	**Increased severity of extreme weather events such as cyclones and floods (Medium)**
TIME PERIOD	Short-term	Short-term	Medium-term	Medium-term	Long-term
DESCRIPTIONS	Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment).	Increased costs and/or reduced demand for products and services resulting from fines and judgments.	Reduced revenue from decreased demand for goods/services.	Reduced demand for goods and services due to shift in consumer preferences.	Reduced revenue and higher costs for negative impacts on workforce (e.g., health, safety, absenteeism).
LIKELIHOOD	Likely	Likely	Likely	Likely	Unlikely
IMPACTS	Cost fluctuations due to various geopolitical issues lead to increased cost of water, electricity, and other raw materials.	Policy changes, write-offs or early retirement of workshop or yard equipments adds to the capital expenditure.	Increased tendency to engage in sustainable actions by consumers impacts the companies lagging to adopt sustainable practices.	Demand for responsible products and services from consumers will reduce the demand for products by doing business in unsustainable ways.	Disruption to business-as-usual activities, staff ill-health leads to productivity loss and overall higher costs.
FINANCIAL IMPLICATIONS	Not quantified this year	Not quantified this year	Not quantified this year	Not quantified this year	Not quantified this year
METHODOLOGY	Diversify supply chain, establish responsible sources closer to the businesses.	At this point in time, the regulatory reform presents a very broad range of outcomes which are difficult to quantify.	Align core values of business with climate-related risks and sustainable business practices is the way to address the shift in consumer preference.	Expectation of responsible conduct by stakeholders/ consumers.	At this point in time, we do not have the data. We will look into data granularity either locally or rely on global databases to quantify these physical risks and understand their financial implications.

Climate-Related Risk and Opportunities

	RISKS				
	Increased cost of raw materials (High)	**Mandates on and regulation of existing products and services (Medium)**	**Shifts in consumer preferences (High)**	**Changing customer behaviour (Medium)**	**Increased severity of extreme weather events such as cyclones and floods (Medium)**
MANAGEMENT RESPONSE	GVT has strong, coordinated, and scalable cross-sites production facilities in Singapore, Malaysia and within China in mitigation against the cost fluctuations in terms of energy and fuels costs.	We shall continue to follow the SGX regulations year-over-year ("**YOY**") as advised and set realistic targets on improving in the coming years.	GVT have sites at different geographical locations in improving customers' touch points. GVT's strategic acquisitions and partnerships and have positive impact on the Company's reputation.	GVT being one of the socially responsible entities, promotes the use of renewable energy for operations, building the confidence in the stakeholders as one of the sustainable businesses.	We will start conducting the qualitative scenario analysis and gradually move towards quantifying the impacts.

Definition of time period by GVT	
Likelihood	**Definition**
Short-term	2025
Medium-term	2030
Long-term	2050

Definition of likelihood	
Likelihood	**Definition**
Frequent	Up to once in 2 years or more
Likely	Once in 2 years up to once in 25 years
Possible	Once in 25 years up to once in 50 years
Unlikely	Once in 50 years up to once in 100 years
Rare	Once in 100 years or less

Stakeholder Engagement

[GRI 2-29] Approach to Stakeholder Engagement

Stakeholder engagement is about knowing who the stakeholders are, understanding them and knowing how best to involve them in our business. They are the group or individuals who can affect or would be affected by the achievement of the organisation's objectives.

It is important to evaluate the current levels of engagement of each stakeholder in the ongoing activities of the organisation and ensure that they become supportive towards the achieving the Company's objectives.

We believe in building positive relationships and actively engage with our internal and external stakeholders through socially constructed processes for closer interactions. We have identified the following stakeholders to have the most influence on our operations: Board of directors, management, investors, employees, customers, banks, suppliers (E.g., Subcontractor, Business Partner), professional service providers (E.g., External Auditor, Corporate Secretary), policy makers, government, regulatory agency and media.

Through regular dialogue and engagement on an extensive range of topics by using various platforms and feedback mechanisms, we gain a deeper understanding of our stakeholders and their emerging needs and concerns. Table 3 depicts GVT's stakeholders and their responses to specific stakeholder concerns.

Table 3 - GVT's list of stakeholders and the Company's responses to their concerns

Stakeholders (Internal and External)	Approach to stakeholder engagement	Key topics	Frequency of Engagement
Investors/Shareholders	• Annual General Meeting • SGX Announcements	• Financial update • Diversification • Business outlook	Annually - Keep shareholders informed on key business updates
Board of Directors	• Half yearly meetings (electronic/in person) • Ad hoc meetings (as needed)	• Financial Update • Corporate Governance	Half yearly
Management	• Regular Project Meetings • Workshops/Focus group discussion	• Sharing of best practices • Collaborating practices	Fortnightly meetings and Need basis meetings
Customers	• Meetings, calls, and conferences • Site visits • Feedbacks channels	• Product quality • Customer service and experience • Ethical business practices	Consultative and collaborative approach for delivery
Employees	• Meetings, calls, events, and conferences	• Employee satisfaction • Job security • Career growth and upskilling	Frequent communications on regular basis
Suppliers	• Periodic procurement reviews • Electronic communications • Physical visits/ Newsletters	• Delivery timeline • Product specifications • Project timelines	Frequent communications on regular basis

Materiality Assessment

Stakeholders (Internal and External)	Approach to stakeholder engagement	Key topics	Frequency of Engagement
Professionals/Service providers	• Project discussions • Meetings • Electronic communications	• Specific subject matters including legal, accounting	Frequent communications on regular basis
Banks	• Electronic communications • Company communications on financial updates	• Accounting/ administrative matters regarding financial transactions	As required
Policy makers/ Government	• Electronic communications • Letters	• Financial performance • Compliance • News updates	As required
Media	• Electronic communications • Social media	• Financial performance • Compliance • News updates	As required

Process of Identifying Material Topics

[GRI 3-1] Process to determine material topics

Understanding our stakeholders' concerns and sustainability topics that are important to them is crucial to GVT. Stakeholder engagement was carried out through questionnaires via online forms sent to all relevant internal and external key stakeholders, to understand stakeholder priorities and views on sustainability related topics and climate-related issues relevant to GVT. Of all respondents, 43% were internal stakeholders and 57% were external stakeholders.

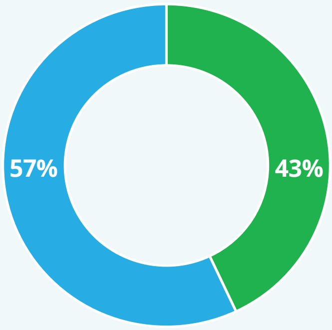
To facilitate our materiality analysis, we adopted the 6-step stakeholder engagement process:

i. Identified a list of sustainability issues that are relevant to GVT's business and operations.
ii. Collected stakeholder's opinions and feedback through digital channels such as online surveys and questionnaires on material topics and climate-related risks.
iii. Reviewed and assessed GVT's stakeholders' feedback.
iv. Responded to stakeholders' issues and concerns.
v. Prioritised material topics and climate-related risks and presented the results to GVT's management.
vi. Validated the material topics and climate-related risks from the Board.

Ratio of Internal vs External Stakeholder

External Stakeholders

- Banks
- Others (Relationship Manager)



Internal Stakeholders

- Board of Directors
- Management
- Employees

Distribution of respondents participating in the questionnaire

Material Topics and Management

[GRI 3-2] List of Material Topics
[GRI 3-3] Management of Material Topics

GVT views ESG as a core aspect of its business. GVT aims to differentiate itself by being a socially responsible corporate citizen and therefore presenting a sustainable business values and proposition to its stakeholders.

Materiality assessment is a process that allows GVT to analyse, where our operations have the greatest impact on the economy, environment, and the society. This ensures that our sustainability efforts are focused on the topics that are most significant to our business. The materiality assessment is conducted annually and in FY2022, we identified and prioritised the material topics that matter most to GVT and our stakeholders.

Based on the stakeholder survey results, previous year material topics, management inputs, peer industry analysis using SGX study and keeping in view of current global trends, we have identified 8 out of the 32 material topics across economy, environment, and social pillars. Table 4 provides a comparison of the current year with previous year.

Materiality Assessment

Table 4 - GVT's list of material topics

FY2020 Topics	FY2021 Topics	Rank	FY2022 Topics
Economic Performance (GRI 201)	Economic Performance (GRI 201)	1	Anti-Corruption (GRI 205)
Occupational Health and Safety (GRI 403)	Occupational Health and Safety (GRI 403)	2	Economic Performance (GRI 201)
Training and Education (GRI 404)	Training and Education (GRI 404)	3	Occupational Health and Safety ("**OHS**") (GRI 403)
Environmental Compliance (GRI 307)	Environmental Compliance (GRI 307)	4	Employment (GRI 401)
Socioeconomic Compliance (GRI 419)	Socioeconomic Compliance (GRI 419)	5	Training and Education 2016 (GRI 404)
		6	Diversity and Equal Opportunities (GRI 405)
		7	Energy (GRI 302)
		8	Emissions (GRI 305)

Materiality Matrix of GVT for FY2022

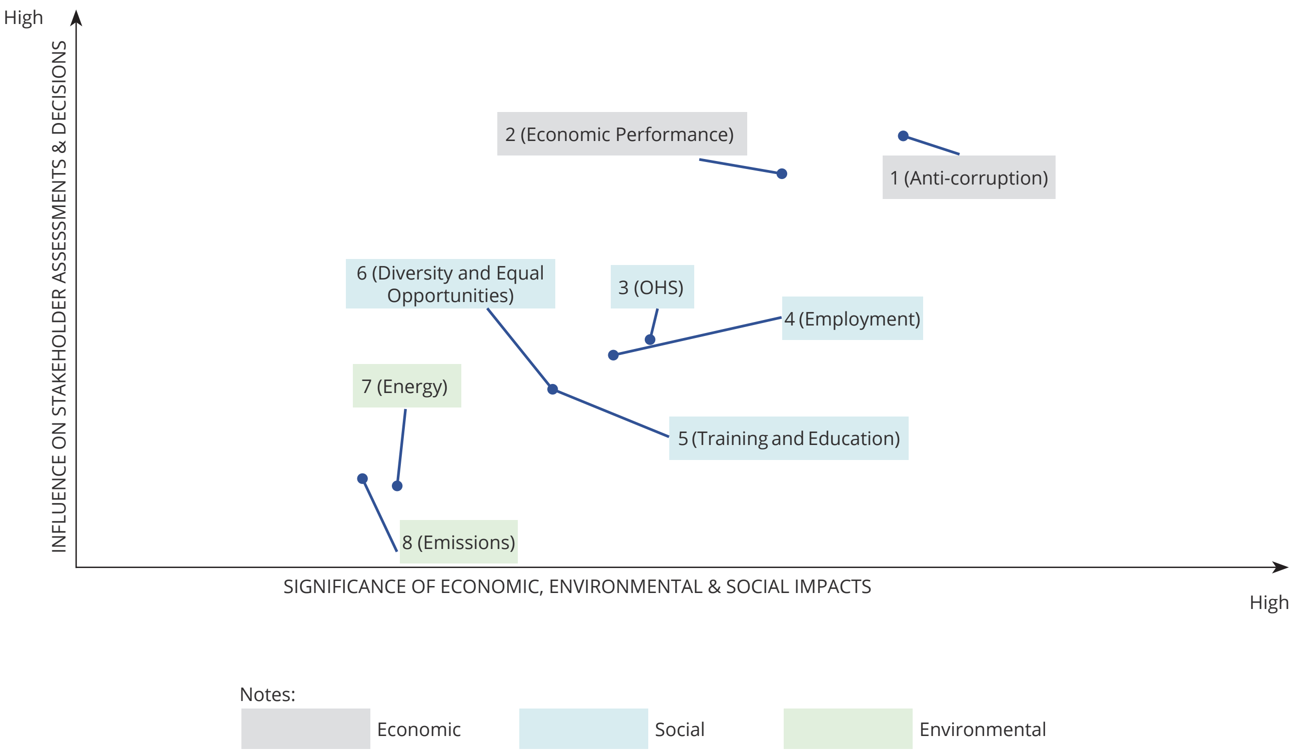


Table 5 - List of material topics and its boundaries

Material Topics		Boundary, where impact of the material topic occurs									Impacts addressed in this Report.
		Within GVT's Operation[1]			Outside GVT's Operation[2]						
		Board of Directors	Management	Employees	Investors/ Shareholders	Suppliers and/or Professional service	Customers	Policy makers/ Government	Bank	Media	
GRI material topics identified through the stakeholder engagement survey (in descending order of topic importance)											
1	Anti-Corruption (GRI 205)	x	x	x	x	x	x	x			Conduct and Discipline
2	Economic Performance (GRI 201)	x			x			x	x	x	Securing responsible business practices
3	Occupational Health and Safety (GRI 403)	x	x	x		x		x			Supporting people and communities
4	Employment (GRI 401)		x	x							Supporting people and communities
5	Training and Education (GRI 404)		x	x							Supporting people and communities
6	Diversity and Equal Opportunities (GRI 405)		x	x				x		x	Supporting people and communities
7	Energy (GRI 302)		x	x		x		x		x	Bettering the planet
8	Emission (GRI 301)		x	x		x		x	x	x	Bettering the planet

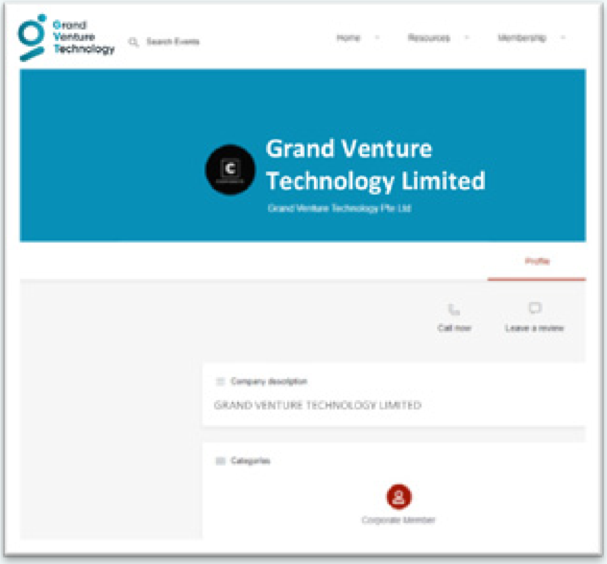
[1] GVT's operation has contributed directly to this impact.
[2] GVT contributes indirectly to this impact through its stakeholders, suppliers etc.

Securing Responsible Business Practices

[GRI 2-28] Membership Associations
[GRI 201] Economic Performance
[GRI 205] Anti-Corruption

Membership of associations

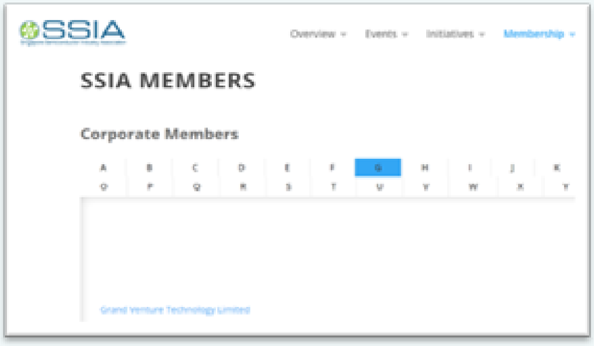
Singapore Precision Engineering & Technology Association (SPETA)



GVT is one of the corporate members of SPETA which enables us to enhance our skills and professional knowledge via their comprehensive knowledge base and access to the vibrant local and regional community.

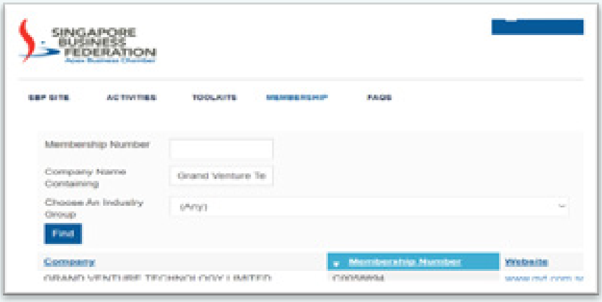
SPETA is the leading trade association for the Precision Engineering Industry. SPETA works closely with the members, industry leaders, knowledge partners and government agencies to co-create a conducive and dynamic business environment for the Precision Engineering and Technology community, enabled by digitalisation, innovation, sustainability, and a vibrant workforce.

Singapore Semiconductor Industry Association (SSIA)



GVT is a member of a Singapore-focused semiconductor community. Representing Singapore's semiconductor companies and the companies that support the semiconductor industry in Singapore, we gain business information through networking events to help us stay informed and connected. SSIA helps businesses flourish in Singapore and in the region and ensure our voice is heard through proactive advocacy.

Singapore Business Federation (SBF)



The Singapore Business Federation (SBF) is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment, and industrial relations. It represents more than 27,000 companies, as well as key local and foreign business chambers.

GVT is a member of this association which helps us:

a. Expand our network and partnership opportunities
b. Access global markets and tap overseas connections
c. Build new capabilities and enhance existing competencies
d. Engage actively and advocate collectively

Economic Performance

[GRI 201]

The effectiveness of GVT's business strategy and plan is measured by its economic performance. It helps ensure that our value chain will continue to be sustainable for all of our stakeholders, including customers, business partners, employees, and investors. GVT's approach is to establish a robust reporting system that routinely evaluates both its underlying financial performance and the variables that affect its revenue and cost. The Company is committed to attaining a sustainable growth and profitability and continuously identifies opportunities for development and improvement. GVT identifies opportunities for growth and improvement and strives to establish resilient and robust earnings in preserving shareholders' values.

For more information relating to the Group's financial performance, please refer to pages from 91 - 95 in this Annual Report.

Anti-Corruption/Bribery

Under no circumstances may employees, agents or contractors of GVT accept any offer, payment, promise to pay, or authorisation to pay any money, gift, or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud. Inexpensive gifts, infrequent business meals, celebratory events, and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy.

The Company has zero-tolerance for corruption and operates its business in an ethical and honest manner and in compliance with all applicable laws and regulatory requirements for the prevention of corruption, bribery, and extortion. It is our policy to adopt a zero-tolerance approach towards corruption and bribery of any form in our business and are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever we operate.

GVT strives to ensure that the Company's employees have the clear communication on conduct and discipline required at the Company. Our Company strives to keep this communication through the employee handbook. New joiners are mandated to go through the handbook and pre-joining trainings. Updated versions of the handbook are communicated through internal channels like emails and trainings.

The Group adopts a whistle-blowing policy which provides whistle-blowers a confidential avenue in reporting to the Independent Chairman without fear of reprisals or victimisations. Based on the FY2022 data shared, GVT has no cases of confirmed incidents of corruption or employee/partners dismissals or legal fines across all the five locations addressed in this SR. Table 6 below provides the details on the number of employees who have received training/communication on anti-corruption and bribery.

GVT aims to have no instances of corruption in the years ahead. We also plan to improve our anti-corruption policies by FY2024, to ensure that our training on anti-corruption and anti-bribery is more effective.

Table 6 - GVT's Anti-corruption/bribery communication/training details

	Singapore	Malaysia	China
Number of board members or employees that the Company's anti-corruption policies and procedures have been communicated to	Board of Director - 6 Senior Management - 2 Middle Management - * General Staff - 78 Local - 22 Overseas - 56	Board of Director - NA Senior Management - 2 Middle Management - 8 General Staff - 264 Local - 151 Overseas - 121	Board of Director - NA Senior Management - 2 Middle Management - * General Staff - 96 Local - 96 Overseas - 0
Number of board members or employees that have received training on anti-corruption	NA	NA	NA
Number of business partners that the Company's anti-corruption policy has been communicated to	NA	Upstream - 78 Downstream - 19 Others not in supply chain - 0 Local - 89 Overseas - 8	NA

* Informal communication during management meetings

Bettering the Planet

Protecting the environment is not only the right thing to do – it is important to our customers, their customers, and our business. We work continuously to better the planet: reducing greenhouse gas emissions, energy use to ensure sustainable business development. Hence, we disclose our environmental targets and metrics aligned with the latest GRI standards to allow stakeholders to better understand our efforts and progress in this area.

Energy and Emission

[GRI 302,305]

The Company is committed to the usage of renewable sources of energy. The current nature of the manufacturing involves the consumption of electricity and water, which would have direct impacts on the environment and the local community.

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.

GVT has set its sights on reducing its carbon footprint in the coming years. To achieve this, GVT plan to implement two measures: (i) deploying solar energy at our facilities to supplement our current level of energy consumption, (ii) adopting eco-friendly practices, such as switching off lights in unoccupied areas of our offices, using energy-efficient equipment, enabling saving mode on our computers and operating air-conditioner only when necessary in meeting or function rooms.

By 2050, GVT targets to have renewable energy that is able to subsidise at least 10% of its energy usage. Aside from that, GVT emphasises on recycling and the reduction of water consumption perennially. In terms of commute, GVT encourages public transportation usage and encourages the switch to electric vehicles.

Our emissions cover scope 1 – direct emissions and scope 2 – energy indirect emissions. The major energy source comes from diesel consumption by vehicles and equipment as well as electrical consumption. Carbon emission is factored in all types of GHGs covered by the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Each of these gases affect the atmosphere differently and remain in the atmosphere for different lengths of time. Rather than reporting on each gas separately, gases are expressed as a CO_2 equivalent (CO_2e). In the calculation of our carbon emissions, we do so in line with the Greenhouse Gas Protocol Initiative. GVT uses the operational control method in the calculation.

Scope 1 emissions are direct emissions from sources within the operational boundary that are either owned or controlled by the Company.

Fuel consumption for Stationary and Mobile combustion

Note: Scope 1 data is not ready for this year publication.

Based on the data provided, GVT as a group does not have any data regarding the scope 1 emissions. GVT as a group shall target to bring in the data collection process in place to collect the scope 1 data for publishing and benchmarking from FY2023. Scope 1 Reduction Initiatives shall be planned based on the outcome of the data collection activity. Group shall work on collecting the data of scope 1, as per the GHG protocol such as:

- Fuel usage for mobile and stationary combustions and separate the data for each type of combustion.
- Fugitive emissions, heaters, chillers, if any.

Target to reduce scope 1 emissions would be to reduce the fossil fuel usage and make a switch to biofuels and/or invest in electric vehicles ("**EV**") at the earliest possible.

Electricity Consumption

Scope 2 emission comprises of all emissions that occur when the Company purchases and consumes electricity that are generated at a source not owned or reported by the Company. Electricity consumption drawn by grid location-based was the only Scope 2 emission source relevant to GVT. There is no heating, cooling, or steam consumption. Energy in the form of electricity is used for lighting and air conditioning in our offices and at the factories. Our environmental data covers operations in Singapore, Malaysia, and China regions. Electricity consumption of GVT in FY2022 for the locations are provided in Table 7 below.

Table 7 - Electricity consumption

FY2022	Scope 2 – indirect emissions, electricity consumption (kWh)	Scope 2 – indirect emissions, electricity consumption (gigajoules)	Energy Intensity (gigajoules per million man-hours)	Scope 2 – indirect emissions, electricity emissions (tonne CO_2)[3]	Carbon Emissions Intensity (tCO_2e per million man-hours)
Singapore	5,592,974	20,135	*GVT will start collecting the man hours data from FY2023 onwards and calculate the energy intensity.*	2,269	*GVT will start collecting the man hours data from FY2023 onwards and calculate the emission intensity.*
Malaysia	13,265,437	47,756		8,554	
China	4,952,966	17,831		3,923	

Electricity Reduction Initiatives

GVT continually looks for opportunities to reduce the environmental impact of its operations. We have introduced initiatives to optimise the use of electricity like switching to energy efficient electrical appliances, using aircons and light only when needed. We will continue to track and monitor consumption of energy in, and emissions from our office and factory locations in the coming years, so that we can identify areas for improvement and implement activities that result in greater efficiency and help us progress in the decarbonization journey. Along with scope 1 data from FY2023, we shall endeavour to set the quantitative targets for our overall emissions.

We shall approach the reduction initiatives as per the below stages:

- Improving the energy efficiency for our operations
- Switching to renewable sources electricity, where possible

[3] Electricity emission factor is based on Singapore's Grid Emission factor (AOM) by Energy Market Authority (EMA): 0.4057.

Supporting People and Communities

The success and long-term growth and development of GVT are largely dependent on our employees. At GVT, we are aware that attracting and retaining the right talent are essential to build a well-functioning team to achieve the Company's objectives. Fostering and extending our culture, enhancing employee capabilities, and aiding and developing our personnels to reach their full potential are some of our key goals.

Our People

[GRI 2-7, 2-8, 2-30]

Our people are essential to the success of our Company. We empower our employees by investing in their professional and personal development and ensure inclusive employment and work environment are provided. As of 31 December 2022, GVT had a total of 1,304 employees across 5 locations in Singapore, Malaysia, and China.

Table 8 - Employee count at GVT

	Singapore	Malaysia	China
Employees by Gender			
Male	102	757	203
Female	51	112	79
Number of employees by employment type			
Permanent	153	796	282
Temporary/Contract (who are not employees but whose work are controlled by GVT)	-	73	-

Note: Permanent employees were also referred to full-time employees.

Collective bargaining agreements are not part of GVT's policy because the Management and employees are committed to building a strong labour management relationship based on mutual trust and respect. Therefore, the Company has no procedures/labour unions in place and employees are not covered by such agreements.

Employment

[GRI 401- a] New Hires

We comply with the local labour (Singapore, Malaysia and China) and human rights regulation by abiding with the relevant authority bodies. We are committed to fair and equal opportunities during the hiring, recruitment, and retention processes. Recruitment is based on merit and is non-discriminatory towards race, religion, age, sex, and marital status to attract diverse, qualified employees and to create an inclusive work environment. GVT also distributes an Employee Handbook and Code of Business Ethics and Conduct to our employees to ensure that they know their rights.

GVT's target is to have zero incident of non-compliance and/or unfair recruitment practices for the forthcoming year.

Table 9 - Total number of new hires by gender

FY2022	Total number of new hires by gender		New hire rate[4] by gender	
	Male	Female	Male	Female
Singapore	57	21	15.3%	28.4%
Malaysia	238	34	64.0%	45.9%
China	77	19	20.7%	25.7%

[4] New hire rate is computed based on number of new hires divided by the total number of the headcount of the categories.

Table 10 - Total number of new hires by age group

FY2022	Total number of new hires by age group			New hire rate[4] by age group		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50
Singapore	36	35	7	13.7%	20.8%	46.7%
Malaysia	189	80	3	71.9%	47.6%	20.0%
China	38	53	5	14.4%	31.5%	33.3%

Table 11 - Total number of new hires by country

FY2022	Total number of new hires by country		New hire rate[4] by country	
	Local	Foreigner	Local	Foreigner
Singapore	22	56	8.2%	31.6%
Malaysia	151	121	56.1%	68.4%
China	96	-	35.7%	0%

Employee Turnover

[GRI 401-1b]

Table 12 to Table 14 below present the employee turnover rate at each of the GVT locations categorised by gender, age group and country. To retain talent, GVT strives to create and support an inclusive culture while investing in employees' growth. GVT sends selective 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.

Table 12 - Total number of employee turnover by gender

FY2022	Total number of employee turnover by gender		Employee turnover rate[5] by gender	
	Male	Female	Male	Female
Singapore	51	18	33.3%	11.8%
Malaysia	153	34	17.6%	3.9%
China	72	11	25.5%	5.3%

Table 13 - Total number of employee turnover by age group

FY2022	Total number of employee turnover by age group			Employee turnover rate[5] by age group		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50
Singapore	27	34	8	17.6%	22.2%	5.2%
Malaysia	138	44	5	15.9%	5.1%	0.6%
China	15	67	5	5.3%	23.8%	1.8%

[4] New hire rate is computed based on number of new hires divided by the total number of the headcount of the categories.
[5] Employee turnover rate is computed based on number of attritions divided by the total number of the headcount of the categories.

Supporting People and Communities

Table 14 - Total number of employee turnover by country

FY2022	Total number of employee turnover by country		Employee turnover rate[5] by country	
	Local	Foreigner	Local	Foreigner
Singapore	23	46	15.0%	30.1%
Malaysia	167	23	19.2%	2.6%
China	87	-	30.9%	0%

Note: Employment (GRI 401) is a new material topic for FY2022 hence only FY2022's data is disclosed.

Employee Benefits

[GRI 401 3a-e]

We recognise the impact that every employee's health and well-being has on our workplace and productivity, and we take measures to protect our employees and ensure their safety at workplace and beyond workplace.

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, housekeeping and cleanliness and reporting process for work-related injuries/incidences.

In order to boost our employees' morale and take care of their mental wellness, we provide benefits such as parental leave, work injury compensation, Group Hospitality and surgery insurance, annual health check-up, and Group Personal Accident Insurance. As part of team-building, we arrange trips and plan recreational activities for the employees.

Table 15 - Employees who took parental leave

Group Level Disclosure	Singapore		Malaysia		China	
	Male	Female	Male	Female	Male	Female
Total number of employees that were entitled to parental leave	48	29	168	56	-	-
Total number of employees that took parental leave	13	8	16	10	-	-
Total number of employees that returned to work in the reporting period after parental leave ended	13	8	16	10	-	-
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	13	8	25	17	-	-
Return to work and retention rates of employees that took parental leave, by gender	13	8	13	8	-	-

Workplace safety is equally applied for our employees and people (contractors/sub-contractors) who work at our premises for tasks such as grinding, CNC, assembly, dispatched to warehousing. GVT as a group shall work on reducing the turnover rate by creating good conditions of work and implement fair training and promotion opportunities.

[5] Employee turnover rate is computed based on number of attritions divided by the total number of the headcount of the categories.

Diversity and Equal Opportunity

[GRI 405]

GVT's stakeholders have recognised the importance of diversity and equal opportunity as a material topic this year. Diversity and equal opportunity are a fundamental part of our business strategy while fostering an inclusive culture where employees work towards a common goal. We believe embracing diversity and inclusion is the key factor in attracting the best talent and producing quality work.

Our commitment is also reflected in our Board Diversity Policy. The Company complies with the recommendation under the Code that Non-Executive Directors should make up a majority of the Board. 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.

The NC reviews and assesses Board composition and recommends the appointment of new directors to the Board. In reviewing the 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.

At the corporate level, we employ appropriate measures and activities to promote a conducive working environment in which all employees can develop to the best of their potential. Our hiring procedures are fair, merit-based, and non-discriminative.

GVT's target is to review recruitment and promotion policy to ensure zero incident of biased or unfair practices or discrimination against any group for the forthcoming year.

Table 16 - Diversity of governance body based on gender

		Male (%)	Female (%)
GVT as a group	Executive Directors	100%	0%
	Independent Directors	50%	50%
	Non-executive Directors	100%	0%

Table 17 - Diversity of governance body based on age group

		Under 30 years old (%)	30-50 years old (%)	Over 50 years old (%)
Singapore	Executive Directors	0%	0%	100%
	Independent Directors	0%	0%	100%
	Non-executive Directors	0%	0%	100%
Malaysia	Executive Directors	0%	0%	100%
	Independent Directors	0%	0%	0%
	Non-executive Directors	0%	0%	0%
China	Executive Directors	0%	0%	100%
	Independent Directors	0%	0%	0%
	Non-executive Directors	0%	0%	0%

Supporting People and Communities

Table 18 - Diversity of employees based on gender

By employee category - Gender		Male (%)	Female (%)
Singapore	Senior management	3.9%	0%
	Middle management	8.5%	1.3%
	General staff	54.3%	32.0%
Malaysia	Senior management	1.5%	0%
	Middle management	5.2%	1.5%
	General staff	80.6%	11.2%
China	Senior management	5.5%	1.0%
	Middle management	6.4%	2.1%
	General staff	58.7%	26.3%

Table 19 - Diversity of employees based on age group

By employee category - Age group		Under 30 years old (%)	30-50 years old (%)	Over 50 years old (%)
Singapore	Senior management	0%	2.6%	1.3%
	Middle management	0%	5.9%	3.9%
	General staff	22.2%	52.6%	11.5%
Malaysia	Senior management	0%	0.8%	0.8%
	Middle management	0.4%	5.3%	0.9%
	General staff	54.8%	35.8%	1.2%
China	Senior management	0%	6.1%	0.4%
	Middle management	0%	8.6%	0%
	General staff	21.0%	58.2%	5.7%

Training and Education

[GRI 404 - 1 to 3]

At GVT, we pride ourselves on our employees' long-term development while investing in their career progression. 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.

Our training and development programmes lay the foundation for employees' success and they are designed for employees to:

i. Acquire the skills, knowledge and related qualifications needed to perform the duties and tasks for which they are employed.
ii. Develop their potential to meet the future manpower needs of the Company.
iii. Further their career pursuits and personal development within the Company, developing them in exceptional cases beyond the Company's immediate and foreseeable needs.

We encourage new joiners to undergo orientation programmes to familiarise themselves with the Company's culture and on the job trainings are provided as needed. We also make sure our employees understand our value chain, where we stand and our role. The Group also encourages employees to keep themselves updated about the industry by involving them in the conferences and seminars.

The Group targets to increase the average training hours for employees by 2023 under each category as part of their professional development. Training is designed to upskill them to the latest technological advances in the industry. This initiative also helps GVT in reducing the employee turnover rate.

Below is a non-exhaustive list of training courses provided for employees in FY2022 at GVT locations.

Table 20 - Courses provided for employees in FY2022

Entities	Trainings Provided
Singapore	ISO Training and other internal training
Malaysia	Training Need Analysis performed yearly to understand the needs to upgrade employee skills. For months of August, September & October 2022, the following trainings were conducted to upgrade employee skills: • EN9100: 2018 & ISO 9001 Standards Overview • EN9100:2018 & ISO 9001: 2015 Internal Auditor Training • Root Cause Analysis (8D Methodology) • IPC/WHMA -A-620- Certified IPC Specialist • CSWIP Visual Welding Inspector Yearly Training Review Meeting and Training Plan
China	NA

Table 21 - Average training hours per employee

Unit - hours

FY2022	Average hours of training	Total hours of training by employee category			Employee training hours by gender	
		Senior Management	Middle Management	General Staff	Male	Female
Singapore	*	*	*	*	*	*
Malaysia	2.8 hours	20	303	2,127	2,246	204
China	4.7 hours	16	118	895	914	396

Total training hours of all five locations – 3,760 hours

* Informal training conducted for Singapore employees.

a. Average training hours = Total learning hours per employee
b. Average hours of training by employee category (Senior, Middle Management and General Staff)
c. Average training hours by gender

Note: Employment (GRI 401) is a new material topic for FY2022 hence only FY2022's data is disclosed.

Supporting People and Communities

Occupational Health and Safety (OHS)

[GRI 403]

Workplace safety is of paramount importance for the group. We are 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 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 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 includes segments such as fire safety, personal protective equipment, housekeeping and cleanliness and reporting process for work-related injuries/incidences. GVT is committed to attaining zero work-related injury and work-related ill-health and has been successful in recent years, with zero work related injuries reported during the last year.

Our Health, Safety and Environment (HSE) Management System

[GRI 403-1]

We are committed to implementing best-in-class practices throughout our business processes in order to ensure product and service excellence. GVT has various certification and accreditations and can be seen in Table 22. GVT aims to provide a safe and healthy workplace for all staff, contractors, and visitors. All workers including workers who are not employees but whose work and/or workplace is controlled by GVT are required to comply with safety requirements.

Table 22 - Certification and Accreditations of GVT

Name	Singapore	Malaysia	China
AS9001			X
BizSAFE Level 3	X		
BS EN ISO 9001:2018		X	
ISO 9001:2008	X		X
ISO 9001:2015	X	X (AS9001D; based on and including ISO 9001:2015)	X
ISO13485:2016	X		
ISO 14001:2015			X

We have GVT 023_Workplace Safety & Health Management System which specially outlines the Use of Personal Protective Equipment ("**PPE**"). To protect our employees from noise-induced deafness (NID) and their eyes, GVT has put the legal requirements in place such as:

- SS 105: 1997 – Safety Footwear
- SS 473: 2011 – Personal Eye-Protectors
- SS 549: 2009 – Code of practice for selection, use, care, and maintenance of hearing protectors

Our management team at the factory floor must ensure all the employees are in their PPE before they start work. PPEs are accessible and regularly maintained.

Assessing Risks

[403-2]

As part of the process for assessing risks, we obtained our Singapore entity certified by bizSAFE Level 3, which helped us conduct the risk assessments for every work activity and process in our workplace, in compliance with the requirements in the WSH (Risk Management) Regulations. Our Group has engaged an MOM Approved WSH Auditor to assess our company's implementation of the Risk Management.

The bizSAFE level 3 certification is valid for 3 years from the date of approval. The certification will be renewed 2 months before it expires, or we may plan to move on to the next stages of certification. All entities of the Group observes the ISO standards as mentioned in Table 22.

Occupational Health Safety

[403-3]

At GVT, we prioritise the safety of all employees, and everyone is expected to follow all safety policies and procedures. This includes wearing PPE such as safety shoes, safety goggles and protective hearing plugs. The Group also implemented various measures to ensure a secure workplace environment for everyone.

a. Alcohol and drugs (excluding those prescribed by a doctor) are strictly prohibited during work hours.
b. Report any faulty equipment and unsafe conditions to supervisor/manager immediately.
c. All electrical work or repair shall be done by qualified electrician. Only trained employees are allowed to open electrical cabinets to reset any power trips or power failure.
d. No employee is allowed to start working on a job unless employee has been trained in the correct procedures.
e. No employee is allowed to enter high voltage switch rooms unless authorised personnel.
f. Floor must be kept clear of oil, grease, and any spillage of chemicals e.g., Calcium carbide.

Employee participation, consultation, and communication on OHS

[403-4]

At GVT, we believe in SAFETY IS EVERYONE'S BUSINESS. No matter how good our safety program is, it is useless and ineffective without the participation of every employee. Safety depends on every one of us! Company notice boards are located at various locations for information dissemination. All employees are encouraged to read the notice board regularly for updates of the Company's policies, regulations, events, etc.

Employee training on OHS

[403-5]

Employees are made to undergo emergency drills and are educated to handle the eventualities. Emergency contact numbers are displayed for quick access on the factory floors and Company's phone/internet/emails are made accessible for an official use of communication.

Promotion of employee health

[403-6]

All our employees are covered by medical insurance. The Group adopts an internal Health and Safety policy, 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, housekeeping and cleanliness and reporting process for work-related injuries/incidences.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

[403-7]

At GVT, we consider the safety of all workers on our premises to be of utmost importance. We follow the same safety policies for all working at our factory floors. We follow the same legal requirements for all workers listed under our Workplace Safety & Health Management System.

Employees covered by an OHS management system

[403-8]

Safety measures are equally applied to all the employees working in our covered factories under our safety policies such as wearing PPE such as safety shoes, safety goggles and protective hearing plugs.

Work-related injuries and ill-health

[GRI 403-9, 403-10]

GVT has laid out the emergency procedures for employees in case of any accident, employees must inform immediate supervisor and follow these procedures.

- Give immediate attention to the injured by qualified first aider.
- Call ambulance if required.

All incidents are investigated, and the root cause analysis was conducted before the corrective and preventive actions are proposed. Measures are taken to enhance workers knowledge and safer work practices. Incidents report and outcome are shared internally to prevent recurrence or for our retrospection. This year, we are proud to announce zero injuries at the workplace. Table 23 illustrates the specific information that must be documented and reported for work related injuries.

Table 23 - Work related injuries

Operations and scope of workers		Singapore		Malaysia		China	
		Employee	[6]Non-employee	Employee	[6]Non-employee	Employee	[6]Non-employee
Number of fatalities by work-related injury		-	-	-	-	-	-
Rate of fatalities by work-related injury		-	-	-	-	-	-
Number of high-consequence work-related injuries[7]		-	-	-	-	-	-
(Excluding fatalities)		-	-	-	-	-	-
Rate of high-consequence work-related injuries		-	-	-	-	-	-
(Excluding fatalities)		-	-	-	-	-	-
Number of recordable work-related injuries	Major	-	-	-	-	-	-
	Minor	-	-	-	-	-	-
Rate of recordable work-related injuries[8]		-	-	-	-	-	-
Number of hours worked		*GVT will start collecting the man hours data from FY2023 onwards and calculate the energy intensity.*					

In FY2022, we are pleased to report that we have zero injury and fatality for our operations at GVT and GVT is aiming to maintain the zero case of work-related injury and work-related ill-health in the forthcoming year.

[6] Workers who are not employees but whose work/workplace is controlled by GVT.
[7] Work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.
[8] Rates are calculated based on 200,000 hours worked. However, GVT reported zero injuries.

Table 24 - Workplace report and statistics

Operations	Singapore	Malaysia	China
Workplace Injury Rate (WIR), %	NA	NA	NA
Accident Frequency Rate (AFR), %	NA	NA	NA
Accident Severity Rate (ASR), %	NA	NA	NA
Fatality Rate (FR), %	NA	NA	NA
Disease Incident (DI), %	NA	NA	NA
Occupational disease rate (ODR), %	NA	NA	NA
Lost day rate (LDR), %	NA	NA	NA
Absentee rate (AR), %	NA	NA	NA

NA – Not applicable

We are committed to continual improvement in our safety management systems, setting new benchmarks and go beyond compliance with the legislation and industrial requirements.

GRI Content Index

Statement of use	GVT has reported in accordance with the GRI Standards for the period 1 Jan 2022 to 31 Dec 2022.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		REASONS FOR OMISSION	PAGE NUMBER(S)
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1	Organisational details		Page 20
	2-2	Entities included in the organisation's sustainability reporting		Page 21
	2-3	Reporting period, frequency and contact point		Page 21
	2-4	Restatements of information		Page 21
	2-5	External assurance		Page 22
	2-6	Activities, value chain and other business relationships		Page 20
	2-7	Employees		Page 40
	2-8	Workers who are not employees		Page 40
	2-9	Governance structure and composition		Pages 58 - 60 (Corporate Governance section)
	2-10	Nomination and selection of the highest governance body		Pages 61 - 64 (Corporate Governance section)
	2-11	Chair of the highest governance body		Pages 55 - 61 (Corporate Governance section)
	2-12	Role of the highest governance body in overseeing the management of impacts		Pages 55 - 61 (Corporate Governance section)
	2-13	Delegation of responsibility for managing impacts		Pages 55 - 61 (Corporate Governance section)
	2-14	Role of the highest governance body in sustainability reporting		Page 24
	2-15	Conflicts of interest		Page 24
	2-16	Communication of critical concerns		Pages 26 - 32
	2-17	Collective knowledge of the highest governance body		Page 59
	2-18	Evaluation of the performance of the highest governance body		Page 64

GRI STANDARD	DISCLOSURE		REASONS FOR OMISSION	PAGE NUMBER(S)
	2-19	Remuneration policies		Pages 65 - 66
	2-20	Process to determine remuneration		Pages 65 - 66
	2-21	Annual total compensation ratio		Pages 67 - 69
	2-22	Statement on sustainable development strategy		Page 25
	2-23	Policy commitments		Page 25
	2-24	Embedding policy commitments		Pages 25, 37
	2-25	Processes to remediate negative impacts		Pages 29 - 30
	2-26	Mechanisms for seeking advice and raising concerns		Pages 37, 47
	2-27	Compliance with laws and regulations		Page 25
	2-28	Membership associations		Page 36
	2-29	Approach to stakeholder engagement		Pages 31 - 32
	2-30	Collective bargaining agreements		Page 40
GRI 3: Material Topics 2021	3-1	Process to determine material topics		Pages 32 - 35
	3-2	List of material topics		Page 34
Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed		Page 37
	201-2	Financial implications and other risks and opportunities due to climate change		Pages 29 - 30
	201-3	Defined benefit plan obligations and other retirement plans		Page 37
	201-4	Financial assistance received from government		Page 37
Anti-Corruption				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		Page 37
	205-2	Communication and training about anti-corruption policies and procedures		Page 37
	205-3	Confirmed incidents of corruption and actions taken		Page 37

GRI Content Index

GRI STANDARD	DISCLOSURE		REASONS FOR OMISSION	PAGE NUMBER(S)
Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 302: Energy 2016	302-1	Energy consumption within the organisation		Pages 38 - 39
	302-2	Energy consumption outside of the organisation		Pages 38 - 39
	302-3	Energy intensity		Pages 38 - 39
	302-4	Reduction of energy consumption		Pages 38 - 39
	302-5	Reductions in energy requirements of products and services		Pages 38 - 39
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions		Page 38
	305-2	Energy indirect (Scope 2) GHG emissions		Page 39
	305-3	Other indirect (Scope 3) GHG emissions	Not Applicable	
	305-4	GHG emissions intensity		Page 39
	305-5	Reduction of GHG emissions		Page 39
	305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Applicable	
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 401: Employment 2016	401-1	New employee hires and employee turnover		Pages 40 - 42
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Pages 40 - 42
	401-3	Parental leave		Page 42
Diversity and Equal Opportunity				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees		Pages 43 - 44
	405-2	Ratio of basic salary and remuneration of women to men	Confidential	

GRI Content Index

GRI STANDARD	DISCLOSURE		REASONS FOR OMISSION	PAGE NUMBER(S)
Training and education				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee		Page 45
	404-2	Programs for upgrading employee skills and transition assistance programs		Page 45
	404-3	Percentage of employees receiving regular performance and career development reviews	Not disclosed percentage, however general approach is mentioned in SR	Page 45
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics		Pages 32 - 35
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		Page 46
	403-2	Hazard identification, risk assessment, and incident investigation		Page 46
	403-3	Occupational health services safety		Page 47
	403-4	Worker participation, consultation, and communication on occupational health and safety		Page 47
	403-5	Worker training on occupational health and safety		Page 47
	403-6	Promotion of worker health		Page 47
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Page 47
	403-8	Workers covered by an occupational health and safety management system		Page 48
	403-9	Work-related injuries		Page 48
	403-10	Work-related ill-health		Page 48

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 2022 ("**FY2022**") 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.

Provision 1.1:
Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

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 Team's ("**Management**") 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 is responsible for the overall Management and the corporate governance of the Company – including setting the direction and goals for the Management, monitoring the achievement of these goals and holding Management accountable for its performance. The Board seeks to align the interests of the Company with that of shareholders', and to balance the interests of other stakeholders.

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.

The Board is collectively responsible for the long-term success of the Group, and exercises close oversight over key areas in corporate governance, strategy, finance, risk management and internal controls, and human resources. For example, the Group has in place an Employee Handbook which sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity.

The Board provides a balanced and understandable assessment of the Group's performance, position and prospects to shareholders in a timely manner, through publication of its business updates and financial results, and via announcements on the Company's website and SGXNET. Following Singapore Exchange Regulation ("**SGX RegCo**")'s removal of mandatory quarterly reporting, the Board provides business updates on the Company for its first and third quarters. These business updates supplement the half-year and full-year financial results. Notwithstanding the removal of quarterly reporting, the Board continues to conduct regular scheduled meetings for the first and third quarters of the financial year to review the business updates.

Provision 1.2:
Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

A formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out, among others, the Director's roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

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.

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 regularly updated on changes to applicable laws and regulations (e.g. regulatory developments), developments in corporate governance and changes in accounting standards, either during Board meetings or via electronic mail. Management also circulates to Directors, relevant articles relating to recent developments in the precision manufacturing industry.

Under the direction of the Chairman and the Chief Executive Officer ("**CEO**"), the Company Secretary facilitates good information flow between the Board and Management. The Company Secretary assists Directors in ensuring compliance with their obligations under the relevant rules and regulations, and in the Directors' professional development.

Provision 1.3:
The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

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.

As a general rule, the Board reviews and approves transactions that require disclosure by the Company pursuant to the Listing Rule.

Provision 1.4:
Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

To assist the Board in executing its responsibilities, the Board is supported by the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). 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.

Provision 1.5:
Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

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.

The number of meetings held by the Board and Board Committees and attendance since 1 January 2022 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								
Liew Yoke Pheng Joseph	7	7	5	5	2	2	2	2
Lee Tiam Nam	7	7	NA	NA	2	2	NA	NA
Ng Wai Yuen Julian	7	7	NA	NA	NA	NA	NA	NA
Loke Wai San	7	7	NA	NA	NA	NA	NA	NA
Pong Chen Yih	7	7	5	5	2	2	2	2
Heng Su-Ling Mae	7	7	5	5	2	2	2	2

Provision 1.6:
Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors are provided with board papers and related materials, background or explanatory information relating to matters to be brought before the Board in an accurate and timely manner, 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. Board papers adhere to a standard format which includes background information, issues for deliberation, and risk mitigation measures.

To give Directors sufficient time to prepare for Board and Board Committee meetings, the agenda, papers and presentation slides are submitted via electronic email in a timely manner, generally one week before the relevant meeting. Directors can access these materials via their personal computers, laptops, smartphones and other mobile devices prior to, during and after meetings. Hard copies of these materials are also distributed to the Directors at their request. Members of Management who prepared the Board papers and can provide additional insights into matters at hand would be present at the relevant meeting.

Corporate Governance Report

Provision 1.7:
Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

Directors have separate and independent access to Management and the Company Secretary.

The Company Secretary attends to corporate secretarial administration matters. They assist the Board and Management in implementing and strengthening corporate governance policies and procedures. The Company Secretary ensures that Board procedures are properly followed. They prepare the agenda for Board and Board Committee meetings in consultation with the Chairman, the respective Board Committee Chairman and the CEO, and attend Board and Board Committee meetings. The appointment and the removal of the Company Secretary are subject to the Board's approval.

The Directors, whether as a group or individually, may seek and obtain independent professional advice in the furtherance of their duties, the expenses of which are borne by the Company.

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.

Provision 2.1:
An "independent" director is 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.

Provision 2.2:
Independent directors make up a majority of the Board where the Chairman is not independent.

Provision 2.3:
Non-executive directors make up a majority of the Board.

As at the date of this Annual Report, the Board comprises six Directors, of whom two are Executive Directors, three are Non-Executive and Independent Directors and one Non-Executive and Non-Independent Director. Non-Executive Directors make up a majority of the Board.

The Chairman of the Board ("**Chairman**"), Liew Yoke Pheng Joseph, is an Independent Director.

The Independent Directors and their immediate family members have no relationships 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.

Provision 2.4:
The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The current Board of Directors and Board Committees comprise:

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

The criteria for independence are defined in the Code and the independence of each of the Directors is reviewed by the NC. 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.

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.

Annually, 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".

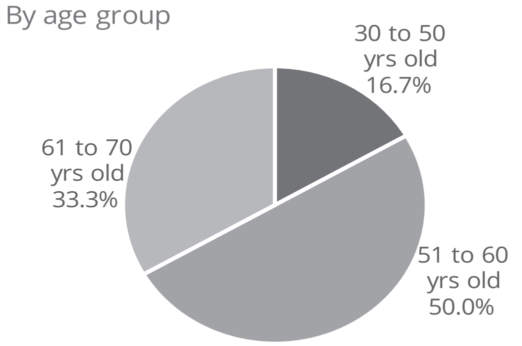
Board Diversity

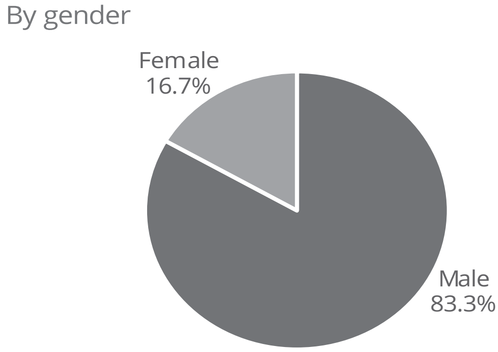
GVT is committed to building a diverse, inclusive and collaborative culture. GVT recognises and embraces the benefits of diversity in the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. A diverse 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 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.

Corporate Governance Report

The age and gender diversity amongst the current board of directors are as follows:





Provision 2.5:
Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Directors and Management openly discuss and debate issues at Board meetings. Non-Executive Directors are kept apprised of the Group's business through quarterly business updates circulated by Management. Minutes of all Board Committee meetings are circulated to the Board so that the Directors are aware and kept updated as to the proceedings and matters discussed during such meetings.

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.

Provision 3.1:
The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Provision 3.2:
The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The positions of Chairman and CEO are separately held by two persons in order to maintain effective checks and balances. This promotes greater accountability from Management and allows the Board to exercise its independence in its oversight of and deliberations with Management. There is a clear separation of the roles and responsibilities between the Chairman and the CEO.

The Chairman is Liew Yoke Pheng Joseph, who is an Independent, Non-Executive Director.

The Chairman is responsible for the overall management of the Board as well as ensuring that Directors and Management work together with integrity and competency. He leads the Board to ensure its effectiveness in all aspects of its role. Among other things, the Chairman ensures effectiveness by steering productive and comprehensive discussions amongst Board members and Management on strategic and other key issues pertinent to the business and operations of the Group. He encourages active engagement, participation by and contribution from all Directors. With the assistance of the Company Secretary, he schedules meetings and prepares meeting agendas to enable the Board to perform its duties responsibly having regard to the Group's operations. He also monitors the flow of information from Management to the Board to ensure that material information is provided in a timely manner to Directors. The Chairman plays a key role in promoting high standards of corporate governance and transparency, and ensuring effective communication with the stakeholders.

The Group's CEO is Ng Wai Yuen Julian who is responsible for the overall management and growth of Group.

The CEO has full executive responsibilities over the business direction and operational decisions in the day-to-day management of the Group. He works with Management to ensure that action plans have been put in place in developing an effective risk management system. He works with the Board to determine the Group's strategy and is responsible for the implementation of the strategies and polices approved by the Board. The CEO provides leadership and guidance to Management in order to meet the strategic and operational objectives of the Group. He develops and manages good relationships with the stakeholders, such as shareholders, the regulators and the investment community.

Provision 3.3:
The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Chairman and CEO are not immediate family members. Given that the roles of the Chairman and CEO are separate and the Chairman is independent, no lead Independent Director is required to be appointed.

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.

Provision 4.1:
The Board establishes a Nominating Committee to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any).

Provision 4.2:
The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

Provision 4.3:
The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

Provision 4.4:
The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

Provision 4.5:
The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

The Board has established an 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 current NC comprises:

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

Each member of the NC abstains from voting on any resolution in respect of the matter in which he has an interest.

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.

None of the Directors has appointed an alternate director.

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.

The NC decides how the Board's performance is to be evaluated and propose objective performance criteria. On an annual basis, the Company Secretary assists in the facilitation of an annual peer review of the Board and Committee members. The Chairman of the NC acts on the results of the performance evaluation of the Board, and selections of members of the Board, in consultation with the NC.

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". In any situation that involves a conflict of interest with the Company, Directors recuse themselves from participating in any discussion and decision on the matter. More details on the independence of the Directors are set out under "Board Composition and Guidance" of this report.

Each of the Directors consults the Chairman of the Board prior to accepting further commitments which might either give rise to a conflict of interest or a conflict with any of his duties to the Group, or which might detract from the time that he is able to devote to his role as a Director. The Chairman of the Board has to consult the NC before accepting such commitments.

During FY2022, the NC has reviewed the independence of the Independent Directors namely Liew Yoke Pheng Joseph, Pong Chen Yih and 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 FY2022, there was no alternate Director on the Board.

Annually, the Company Secretary will inform the NC which Directors are due for retirement at the Annual General Meeting ("**AGM**"). According to the Company's Constitution, every Director shall retire from office at least once every three years and for this purpose, at each 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 Ng Wai Yuen Julian and Heng Su-Ling Mae who will be retiring pursuant to Regulation 117 of the Constitution of the Company at the forthcoming AGM.

If re-elected as a Director of the Company:

(a) Ng Wai Yuen Julian will remain as CEO and Executive Director; and

(b) Heng Su-Ling Mae will remain as an Independent Director, Chairman of the RC and a member of the AC and NC.

Heng Su-Ling Mae 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**").

All key information on the Directors, including listed company directorships and principal commitments, are set out under "Board of Directors" on of this report. Information relating to the Directors who are retiring and offering themselves for re-election at the upcoming AGM are as set out in Appendix 7.4.1 of the Listing Rules, and can be found in the "Additional Information on Directors seeking re-election" section of this report.

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.

Provision 5.1:
The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Provision 5.2:
The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its 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 focuses on areas such as Board structure, Board processes, managing the Group's performance, Board strategy and priorities, Sustainability matters, the development and succession planning for Directors and senior management (including the CEO), teamwork amongst Directors, and each Director's contribution to the Board.

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.

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.

Provision 6.1:
The Board establishes a Remuneration Committee to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

Provision 6.2:
The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

Provision 6.3:
The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

Provision 6.4:
The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The 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:

- Heng Su-Ling Mae (Chairman);
- Liew Yoke Pheng Joseph; and
- 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 2022.

No Director is involved in deciding his own remuneration.

The Company has entered into service agreements (the "**Service Agreements**") with Lee Tiam Nam (Executive Deputy Chairman) and 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.

Provision 7.1:
A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Provision 7.2:
The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

Provision 7.3:
Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

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 considered against 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 are administered by the Administration Committee, which is also RC. Currently, no share options have been granted under the GVT ESOS since its commencement.

763,500 Share Awards were granted and alloted to selected employees of the Group pursuant to the GVT Share Plan during 2022. Of which, 35,000 Share Awards were approved at the AGM on 27 April 2022 and alloted to associates of controlling shareholder, Lee Tiam Nam, as follows:

Name	Relationship with controlling shareholder	No. of Share Awards granted
Lee Ban Sing	Son of Lee Tiam Nam	15,000
Lee Ching Ann	Brother of Lee Tiam Nam	20,000

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$210,000 for the year ending 31 December 2023 has been proposed for the shareholders' approval at the forthcoming AGM. Refer to next section for details of proposed directors' fee.

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.

Provision 8.1:
The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

Provision 8.2:
The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Corporate Governance Report

Provision 8.3:
The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

The remuneration bands of the Directors of the Company for FY2022 are as follows:

Independent and Non-Executive Directors	Directors' fees (S$)
Liew Yoke Pheng Joseph	50,000
Pong Chen Yih	40,000
Heng Su-Ling Mae	40,000

Non-Independent and Non-Executive Director	Directors' fees (S$)
Loke Wai San[1]	40,000

[1] Loke Wai San is a deemed controlling shareholder of the Company.

Executive Directors	Fixed Salary (%)	Directors' Fees (%)	Variable Bonus (%)	Total (%)
S$250,001 – S$500,000				
Lee Tiam Nam[2]	86%	–	14%	100%
Ng Wai Yuen Julian	87%	–	13%	100%

[2] Lee Tiam Nam 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 FY2022 are as follows:

Name of Key Management Personnel	Fixed Salary (%)	Variable Bonus (%)	Total (%)
S$250,001 – S$500,000			
Tan Chun Siong	85%	15%	100%
Robby Sucipto	85%	15%	100%
Kong Sang Wah[3]	87%	13%	100%
Saw Yip Hooi	87%	13%	100%
Lee Boon Kwong[4]	89%	11%	100%
Below S$250,000			
Alan Lu	88%	12%	100%

[3] Kong Sang Wah has resigned as Managing Director (Malaysia) on 31 December 2022.

[4] Lee Boon Kwong was appointed as Managing Director, J-Dragon on 2 March 2022.

The total remuneration paid to the above Directors and Key Management Personnel for FY2022 was S$2,308,000. Total remuneration paid to the Key Management Personnel for FY2022 was S$1,506,000.

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.

The details of the employees who are immediate family members of a Director or CEO whose remuneration exceeds S$100,000 during the FY2022 are as follows:

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

Provision 9.1:
The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

Provision 9.2:
The Board requires and discloses in the company's annual report that it has received assurance from:

*(a) the CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and*

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Board is assisted by the 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 FY2022.

Principle 10: Audit Committee

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

Provision 10.1:
The duties of the AC include:

(a) 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 company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

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

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

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Provision 10.2:
The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

Provision 10.3:
The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Provision 10.4:
The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

Provision 10.5:
The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC comprises three Independent Directors, namely:

- Liew Yoke Pheng Joseph (Chairman);
- Pong Chen Yih; and
- 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;

(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 February 2023.

The AC has met the external auditors, without the presence of Management, in August 2022 and February 2023.

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 FY2022 are set out as follows:

	S$'000
Audit Services	280
Non-Audit Services	44
Total	**324**

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 712 and 715 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 since 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, and the identity of the whistleblower would be treated with strict confidentiality. The Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The Group prohibits discrimination, retaliation or harassment of any kind against a whistleblower who submits a complaint or report in good faith.

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.

Provision 11.1:
The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Provision 11.2:
The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

Provision 11.3:
All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

Provision 11.4:
The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

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 annual report, circulars and notices will be made available on SGXNET and the Company's website at www.gvt.com.sg. 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.

To facilitate and encourage such participation, all the Directors intend to be present and available to address shareholders' queries, at the forthcoming AGM. All Directors were present via webcast at last year's AGM held on 27 April 2022.

The external auditors would also be present to address any shareholders' queries (if any), submitted in advance, about the conduct of audit and the preparation and content of the auditors' 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.

Provision 11.5:
The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Minutes of the Company's general meetings of the shareholders will be posted 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 meetings, and responses from the Board and Management. The Board also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNET and is made available to everyone.

Provision 11.6:
The company has a dividend policy and communicates it to shareholders.

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 0.3 Singapore cents per share for FY2022.

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.

Provision 12.1:
The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

Provision 12.2:
The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3:
The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Company is committed to keeping shareholders and the public fully informed of information that may have a material effect on the price or value of the Company through timely disclosure of information to the SGX-ST via the SGXNET, to assist investors in their investment decisions.

Accordingly, 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 ("**IR**") 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.

The Company actively engages its stakeholders (including shareholders, fund managers, analysts and the media) through its Investor Relations consultant. The IR team conducts quarterly briefings, roadshows together with senior Management and participates in one-on-one investor meetings, investor seminars and conferences, which may be virtual or in person, to keep the market and investors apprised of its financial performance and corporate development.

The aim of such meetings is to provide investors with prompt disclosure of relevant information, provide a better understanding of the Company's operations and financial performance, and to enable investors to make informed investment decisions, as well as to solicit and understand the views of shareholders.

Management makes available its IR briefing materials to the SGX-ST through SGXNET and via the Company's corporate website at www.gvt.com.sg.

Investors can also contact the IR team by email at IR@gvt.com.sg. This email address is published on the Company's corporate website.

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.

Provision 13.1:
The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2:
The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Provision 13.3:
The company maintains a current corporate website to communicate and engage with stakeholders.

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 www.gvt.com.sg provides a platform to allow communication and engagement with stakeholders.

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 FY2022.

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 FY2022.

Use of Proceeds

The Company has raised net proceeds from placement of new shares amounting to S$27.6 million (the "**Net Proceeds**") in September 2021. As at the date of this announcement, the net proceeds as disclosed in announcements dated 3 September 2021, 31 May 2022, 10 August 2022, 20 February 2023 and 3 March 2023 have been utilised as follows:

Use of proceeds	Allocated %	Allocated S$'000	Utilised (announced 10-Aug-22) S$'000	Balance (announced 10-Aug-22) S$'000	Amount re-allocated (announced 20-Feb-23) S$'000	Balance after re-allocation and utilised (announced 20-Feb-23) S$'000	Utilised S$'000	Balance after re-allocation and utilised S$'000
Expansion via mergers and acquisitions, joint ventures and partnerships	40-45	11,000 to 12,400	4,500	6,500	(4,500)	2,000	2,000[1]	–
Investing and enhancing operational and engineering capabilities	40-45	11,000 to 12,400	11,000	–	4,500	705	–	705
General working capital[2]	10-20	2,783 to 5,583	5,583	–	–	–	–	–
Total	**100**	**27,583**	**21,083**	**6,500**	**–**	**2,705**	**2,000**	**705**

(1) The Company has utilised S$2.0 million from the balance to fund the remaining cash consideration paid to the vendors of Formach Asia Sdn. Bhd. and J-Dragon Tech (Suzhou) Co., Ltd pursuant to the respective Withholding Payment Dates of the Sale and Purchase Agreements.

(2) 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 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.

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

Name of Directors	**Ng Wai Yuen Julian**	**Heng Su-Ling Mae**
Date of appointment	22 September 2015	11 January 2019
Date of last re-appointment	28 April 2020	27 April 2021
Age	51	52
Country of principal residence	Singapore	Singapore
The Board's comments on the re-appointment	Julian has over 23 years' experience in the manufacturing and precision engineering industries. His experience, expertise, knowledge and skills will continue to contribute to the Group. The Nominating Committee and the Board recommend the re-appointment of Julian as the Chief Executive Officer and Executive Director of the Company.	Mae's extensive knowledge on financial and regulatory matters will provide greater balance and diversity of skills, experience and knowledge that contribute towards the core competencies of the Board. The Nominating Committee and the Board recommend the re-appointment of Mae as the Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	● Chief Executive Officer ● Executive Director	● Chairman of Remuneration Committee ● Member of Audit Committee ● Member of Nominating Committee
Professional qualifications	● Diploma in Shipbuilding & Offshore Engineering from Ngee Ann Polytechnic, Singapore	● Bachelor of Accountancy from the Nanyang Technological University ● Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants ● Member of ASEAN Chartered Professional Accountants Coordinating Committee
Working experience and occupation(s) during the past 10 years	ETLA Limited - Sales and Marketing Director (2005 to 2014) Grand Venture Technology Limited (2015 to present)	Over 16 years of experience in audit, corporate finance and business advisory environment with Ernst & Young Singapore

Name of Directors	Ng Wai Yuen Julian	Heng Su-Ling Mae
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 12,050,000 shares (amounting to 3.55%) 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	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	Past (for the last 5 years): NIL Present: Directorships: ● Grand Venture Technology Limited Other Principal Commitments: NIL	Past (for the last 5 years): ● Pacific Star Development Limited Present: Directorships: ● Grand Venture Technology Limited ● Chuan Hup Holdings Limited ● HRnet Group Limited ● Novo Tellus Alpha Acquisition ● Ossia International Limited ● Rex International Holding Limited ● Malaysia-listed Apex Healthcare Berhad ● Drew & Lee Holdings (Private) Limited ● Drew & Lee Investment (Private) Limited ● Drew & Lee Land Pte. Ltd. Other Principal Commitments: NIL

Name of Directors	Ng Wai Yuen Julian	Heng Su-Ling Mae
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
(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
(c) Whether there is any unsatisfied judgment against him?	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
(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

Name of Directors	Ng Wai Yuen Julian	Heng Su-Ling Mae
(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
(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
(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
(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

Name of Directors	Ng Wai Yuen Julian	Heng Su-Ling Mae
(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
(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

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 2022.

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 2022 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

Arrangements to enable directors to acquire shares and debentures

Except as described under "Directors' interests 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 objects 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' interests 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 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**	**At end of the year**	**At 21 January 2023**	**At beginning of the year**	**At end of the year**	**At 21 January 2023**
<u>The Company</u>						
Ordinary shares						
Lee Tiam Nam	52,000,000	52,150,000	52,150,000	–	–	–
Ng Wai Yuen Julian	12,020,000	12,050,000	12,050,000	–	–	–
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, 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 has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Lee Tiam Nam
Director

Ng Wai Yuen Julian
Director

Singapore

24 March 2023

Independent Auditor’s Report

To the Members of Grand Venture Technology Limited

For the financial year ended 31 December 2022

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 2022, 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 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 2022 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.

Accounting for business combinations

On 2 March 2022, the Group acquired 100% equity interests in both J-Dragon Tech (Suzhou) Co., Ltd and Formach Asia Sdn. Bhd. for consideration of $11,226,000 and $8,077,000 respectively, as disclosed in Note 13 to the consolidated financial statements. These acquisitions were accounted for using the acquisition method, where the Group performed purchase price allocations (“**PPAs**”) exercise with the assistance of an external valuer.

We identified this as a key audit matter due to the quantitative materiality of the acquisitions to the consolidated financial statements and the significant management judgement and estimates involved in the PPAs. The significant management judgement and estimates involved in the PPA exercises mainly relate to the identification of intangible assets and the determination of the fair value of the identifiable assets acquired, including intangible assets.

Key audit matters (cont'd)

Accounting for business combinations (cont'd)

As part of our audit procedures, we read the purchase agreements to obtain an understanding of the transactions and the key terms and, assessed the competency, objectivity and capabilities of the external valuation expert engaged by the management. We reviewed management's identification of the assets acquired and liabilities assumed, including additional intangible assets identified. We corroborated the identification based on our discussions with management, our understanding of the Group's business as well as management's explanations on the rationale of the acquisitions. We involved our internal valuation specialists to assist us in reviewing the PPAs, valuation methodologies and assessing the key assumptions used by management and the valuer in measuring the fair values of acquired assets as well as the fair value of purchase consideration.

We further assessed the adequacy of the disclosures on these business combinations in Note 13 to the consolidated financial statements.

Goodwill impairment assessment

As at 31 December 2022, the carrying value of Group's goodwill is $6,815,000 (2021: $1,872,000) representing 3.3% (2021: 1.0%) of the Group's total assets and 7.2% (2021: 3.0%) of the Group's non-current assets. Management had identified the cash-generating units ("**CGUs**") to be the Company's subsidiaries, Grand Venture Technology Sdn. Bhd., Grand Venture Technology (Suzhou) Co., Ltd J-Dragon Tech (Suzhou) Co., Ltd and Formach Asia Sdn. Bhd. and allocated the goodwill to these four 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.

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 and long-term growth rates by checking to comparable companies in the same industry. 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.

- 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.

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

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 2023

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	4	131,087	116,256
Cost of sales		(95,287)	(78,570)
Gross profit		35,800	37,686
Other income	5	1,515	1,212
Selling and distribution costs		(1,349)	(1,041)
General and administrative expenses		(14,798)	(12,527)
Other operating expenses		(4,930)	(2,704)
Finance costs	6	(2,354)	(1,731)
Profit before tax	7	13,884	20,895
Income tax expense	8	(559)	(3,339)
Profit after tax		13,325	17,556
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Currency transaction differences arising from consolidation of foreign operations		(5,032)	(130)
Total comprehensive income for the financial year attributable to owners of the Company		8,293	17,426
Earnings per share (cents per share)			
- Basic and diluted	9	3.94	5.87

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

Balance Sheets

As at 31 December 2022

	Note	Group 2022	Group 2021	Company 2022	Company 2021
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	10	84,408	56,360	16,332	16,670
Investments in subsidiaries	13	–	–	45,796	15,492
Prepayments		–	3,055	–	–
Intangible assets	12	10,191	2,015	–	–
Loans to subsidiaries	18	–	–	6,150	4,150
Deferred tax assets	14	644	333	–	–
		95,243	61,763	68,278	36,312
Current assets					
Cash and bank balances	15	23,148	46,338	13,149	39,132
Trade and other receivables	16	32,003	30,018	14,376	12,323
Prepayments		3,042	3,835	2,161	4,658
Forward contract	19	–	6	–	6
Inventories	17	50,637	40,911	12,840	10,818
Loans to subsidiaries	18	–	–	5,400	4,900
		108,830	121,108	47,926	71,837
Total assets		204,073	182,871	116,204	108,149
Current liabilities					
Trade and other payables	20	23,183	25,053	8,380	7,428
Loans and borrowings	21	18,682	16,250	3,234	3,369
Lease liabilities	11	2,358	1,326	33	31
Deferred income	22	236	90	236	90
Forward contract	19	116	–	116	–
Provision for income tax		15	431	255	257
		44,590	43,150	12,254	11,175
Net current assets		64,240	77,958	35,672	60,662
Non-current liabilities					
Loans and borrowings	21	32,285	29,550	12,875	15,816
Lease liabilities	11	6,599	4,303	1,535	1,567
Deferred income	22	773	427	773	427
Deferred tax liabilities	14	1,742	836	177	216
		41,399	35,116	15,360	18,026
Total liabilities		85,989	78,266	27,614	29,201
Net assets		118,084	104,605	88,590	78,948
Equity attributable to owners of the Company					
Share capital	23	87,590	78,926	87,590	78,926
Currency translation reserve		(6,030)	(998)	–	–
Share-based payment reserve	24	–	764	–	764
Retained earnings/(accumulated losses)		36,524	25,913	1,000	(742)
Total equity		118,084	104,605	88,590	78,948

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 2022

Group	Note	Share capital $'000	Currency translation reserve $'000	Share-based payment reserve $'000	Retained earnings $'000	Total $'000
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
At 31 December 2021		78,926	(998)	764	25,913	104,605
At 1 January 2022		78,926	(998)	764	25,913	104,605
Transactions with owners, recognised directly in equity						
Issuance of shares	23	8,664	–	(764)	–	7,900
Dividends paid	30	–	–	–	(2,714)	(2,714)
Total		8,664	–	(764)	(2,714)	5,186
Total comprehensive income for the year						
Profit for the year		–	–	–	13,325	13,325
Other comprehensive income for the year		–	(5,032)	–	–	(5,032)
Total comprehensive income for the year		–	(5,032)	–	13,325	8,293
At 31 December 2022		87,590	(6,030)	–	36,524	118,084

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 2022

Company	Note	Share capital	Share-based payment reserve	Retained earnings/ (accumulated losses)	Total
		$'000	$'000	$'000	$'000
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
At 31 December 2021		78,926	764	(742)	78,948
At 1 January 2022		78,926	764	(742)	78,948
Transactions with owners, recognised directly in equity					
Issuance of shares	23	8,664	(764)	–	7,900
Dividends paid	30	–	–	(2,714)	(2,714)
Total		8,664	(764)	(2,714)	5,186
Total comprehensive income for the year					
Profit for the year, representing total comprehensive income for the year		–	–	4,456	4,456
At 31 December 2022		87,590	–	1,000	88,590

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 2022

	Note	2022 $'000	2021 $'000
Operating activities			
Profit before tax		13,884	20,895
Adjustments for:			
Depreciation of property, plant and equipment	7,10	13,443	8,857
Amortisation of intangible assets	7,12	530	24
Inventories written down	7,17	68	–
Net loss/(gain) on disposal of property, plant and equipment	7	62	(16)
Amortisation of deferred income	5,22	(241)	(49)
Interest income	5	(53)	(22)
Interest expense	6	2,354	1,731
Share-based payment expense	24	–	764
Provision for sales rebate	7	408	386
Provision for unutilised leave	7	–	100
Unrealised foreign exchange gain		(496)	(110)
Operating cash flows before changes in working capital		29,959	32,560
Decrease/(increase) in trade and other receivables		2,680	(12,210)
Increase in inventories		(2,882)	(20,086)
Decrease/(increase) in prepayments		768	(5,210)
(Decrease)/increase in trade and other payables		(13,500)	11,376
Cash flows generated from operations		17,025	6,430
Income tax paid		(1,298)	(1,621)
Interest received		53	22
Interest paid		(2,354)	(1,731)
Net cash flows generated from operating activities		13,426	3,100
Investing activities			
Purchases of property, plant and equipment	10	(9,733)	(16,262)
Capital expenditure grant received	22	733	288
Proceeds from disposal of property, plant and equipment		83	16
Net cash outflow on acquisition of business	13	(6,879)	–
Net cash flows used in investing activities		(15,796)	(15,958)
Financing activities			
Net proceeds from issuance of shares	23	–	51,083
Proceeds from loans and borrowings		4,038	8,181
Repayment of loans and borrowings		(11,522)	(2,848)
(Repayment of)/proceeds from trade financing		(3,080)	2,143
Repayment of hire purchases	21	(4,758)	(4,528)
Payment of principal portion of lease liabilities	21	(2,067)	(860)
Dividends paid to shareholders	30	(2,714)	(1,529)
Decrease in placement of short-term fixed deposits		169	136
Net cash flows (used in)/generated from financing activities		(19,934)	51,778
Net (decrease)/increase in cash and cash equivalents		(22,304)	38,920
Effect of foreign exchange rate changes, net		(732)	65
Cash and cash equivalents at the beginning of the year		46,090	7,105
Cash and cash equivalents at the end of the year	15	23,054	46,090

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

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 Group and the Company are that of manufacturing ultra-precision machining parts, modules, complex sheet metal and mechatronics assembly.

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 2022. 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) 1-1: *Presentation of Financial Statements* and SFRS(I) *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
Amendments to SFRS(I) 1-1: *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1: *Presentation of Financial Statements – Non-current Liabilities with Covenants*	1 January 2024

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. Summary of significant accounting policies (cont'd)

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.

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 Dollars 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.

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

2.6 *Property, plant and equipment (cont'd)*

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

Freehold properties	-	50 years
Leasehold land	-	20 to 60 years
Leasehold properties	-	3 to 33 years
Furniture and fittings	-	5 to 10 years
Office equipment	-	3 to 10 years
Motor vehicle	-	5 to 10 years

Freehold land has an unlimited useful life and therefore is not depreciated.

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. Summary of significant accounting policies (cont'd)

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.

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.

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

2.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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.

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

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.

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. Summary of significant accounting policies (cont'd)

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 grants 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.

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. Summary of significant accounting policies (cont'd)

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.

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.

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

2.18 *Leases (cont'd)*

Group as a lessee (cont'd)

(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.

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

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.

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.

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.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

Accounting for business combinations

The Group exercised significant judgement regarding the allocation of the purchase price to the assets acquired and liabilities assumed, including judgement made relating to the identification of intangible assets and fair value adjustments to the carrying amount of the assets and liabilities of the acquirees during the purchase price allocation review.

Please refer to Note 3.2 to the financial statements for the key estimates made by the Group during the purchase price allocation review.

3.2 *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.

Accounting for business combinations

As disclosed in Note 13 of the financial statements, as part of the acquisition of subsidiaries in Malaysia and China, intangible assets relating to customer relationship have been recognised. The amount recognised is determined based on a discounted cash flow model for future cash flows attributable to the intangible assets relating to customer relationship only. The key assumptions applied in the determination of the amount to be recognised are the pre-tax discount rate and the customer attrition rate, which is based on the average cost of capital of the business, and the expected useful life of customer relationship of 10 years respectively.

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 $6,815,000 (2021: $1,872,000).

3. Significant accounting estimates and judgements (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

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, and are recognised at point in time.

5. Other income

	Group	
	2022	**2021**
	$'000	$'000
Government grants	337	285
Amortisation of deferred income	241	49
Rental income	230	185
Utilities charged to tenants	159	87
Interest income	53	22
Other income	495	241
Gain on disposal of property, plant and equipment	–	16
Gain on lease modification	–	5
Foreign exchange gain, net	–	322
	1,515	1,212

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

6. Finance costs

	Group	
	2022	**2021**
	$'000	$'000
Interest expense on:		
Bank loans	1,314	745
Hire purchases	459	578
Interest expense on lease liabilities	456	230
Trade financing	125	178
	2,354	1,731

7. Profit before tax

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

	Note	Group 2022 $'000	Group 2021 $'000
Employee benefits expenses			
- Salaries and bonuses		24,778	19,123
- Defined contribution plan		3,189	2,219
- Other benefits		2,690	4,164
- Share awards	24	–	764
Depreciation of property, plant and equipment	10	13,443	8,857
Amortisation of intangible assets	12	530	24
Provision for sales rebates		408	386
Foreign exchange loss/(gain), net		177	(322)
Operating lease expenses for short-term leases	11	176	166
Inventories written down		68	–
Net loss/(gain) on disposal of property, plant and equipment		62	(16)
Provision for unutilised leave		–	100

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

	Group 2022 $'000	Group 2021 $'000
Current income tax		
- Current income tax	1,204	2,076
- Over provision in respect of prior years	(282)	(265)
	922	1,811
Deferred tax		
- Origination and reversal of temporary differences	74	1,315
- (Over)/under provision in respect of prior years	(437)	213
	(363)	1,528
Income tax expense recognised in profit or loss	559	3,339

Domestic income tax is calculated at 17% (2021: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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 2022 and 2021 is as follows:

	Group	
	2022	**2021**
	$'000	$'000
Profit before tax	13,884	20,895
Tax at the domestic rates applicable to profit in the countries where the Group operates	3,041	4,734
Non-deductible expenses	377	297
Income not subject to taxation	(312)	–
Effects of partial tax exemption and tax relief	(1,828)	(1,640)
Over provision of current income tax in respect of prior years	(282)	(265)
(Over)/under provision of deferred income tax in respect of prior years	(437)	213
Income tax expense recognised in profit or loss	559	3,339

9. Earnings per share

	2022	**2021**
	$'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	13,325	17,556
Weighted average number of ordinary shares for basic and diluted earnings per share computation	337,964,000	298,940,000
Basic and diluted earnings per share ("**EPS**") (Singapore cents)	3.94	5.87

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.

10. Property, plant and equipment

Group	Leasehold properties $'000	Leasehold land $'000	Freehold property $'000	Freehold land $'000	Plant, machinery and equipment $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicle $'000	Construction-in-progress $'000	Total $'000
Cost:										
At 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 and 1 January 2022	22,916	3,747	–	–	56,898	7,905	3,309	526	916	96,217
Acquisition of subsidiaries	5,664	–	1,348	299	10,917	599	881	324	25	20,057
Additions	2,180	3,590	–	–	13,159	2,274	1,348	139	10,977	33,667
Disposals	–	–	–	–	(466)	(101)	(79)	(64)	–	(710)
Written-off	–	–	–	–	(20)	–	(7)	–	–	(27)
Transfers	142	2	–	–	615	2,527	76	–	(3,362)	–
Translation differences	(1,459)	(215)	(16)	(17)	(4,163)	(618)	(212)	(56)	(296)	(7,052)
At 31 December 2022	29,443	7,124	1,332	282	76,940	12,586	5,316	869	8,260	142,152

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

Group	Leasehold properties	Leasehold land	Freehold property	Freehold land	Plant, machinery and equipment	Furniture and fittings	Office equipment	Motor vehicle	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation:										
At 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 and 1 January 2022	7,490	297	–	–	27,403	2,349	1,895	423	–	39,857
Acquisition of subsidiaries	512	–	98	–	5,675	525	627	266	–	7,703
Charge for the year	2,562	141	8	–	8,466	1,395	796	75	–	13,443
Disposals	–	–	–	–	(349)	(85)	(71)	(60)	–	(565)
Written-off	–	–	–	–	(17)	–	(5)	–	–	(22)
Transfers	–	–	–	–	(327)	345	(18)	–	–	–
Translation differences	(328)	(9)	(6)	–	(1,964)	(205)	(117)	(43)	–	(2,672)
At 31 December 2022	10,236	429	100	–	38,887	4,324	3,107	661	–	57,744
Carrying amount:										
At 31 December 2021	15,426	3,450	–	–	29,495	5,556	1,414	103	916	56,360
At 31 December 2022	19,207	6,695	1,232	282	38,053	8,262	2,209	208	8,260	84,408

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 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 and 1 January 2022	10,810	1,681	13,039	2,579	1,457	29,566
Additions	–	–	1,782	159	508	2,449
Disposals	–	–	(1,388)	–	–	(1,388)
At 31 December 2022	10,810	1,681	13,433	2,738	1,965	30,627
Accumulated depreciation:						
At 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 and 1 January 2022	5,040	186	5,995	812	863	12,896
Charge for the year	238	62	1,759	269	369	2,697
Disposals	–	–	(1,298)	–	–	(1,298)
At 31 December 2022	5,278	248	6,456	1,081	1,232	14,295
Carrying amount:						
At 31 December 2021	5,770	1,495	7,044	1,767	594	16,670
At 31 December 2022	5,532	1,433	6,977	1,657	733	16,332

During the year, the Group acquired plant, machinery and equipment with an aggregate cost of $3,821,000 (2021: $3,157,000) by means of hire purchases, $14,191,000 (2021: nil) by means of term loan, and capitalised property, plant and equipment of $4,939,000 which were prepaid for in 2021. The net cash outflow on acquisition of property, plant and equipment amounted to $9,733,000 (2021: $16,262,000).

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.

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	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Plant, machinery and equipment	11,132	17,397	3,443	4,800
Motor vehicles	4	27	–	–
Office equipment	48	58	–	–
	11,184	17,482	3,443	4,800

Assets pledged as security

The Group's leasehold land and properties with a carrying amount of $17,363,000 (2021: $13,456,000) are mortgaged to secure the Group's bank loans as disclosed in Note 21 to the financial statements.

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 or less. The Group applies the "short-term lease" recognition exemptions for these leases.

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 $'000	Leasehold land $'000	Total $'000
Cost:			
At 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 and 1 January 2022	22,916	3,747	26,663
Acquisition of subsidiaries	5,664	–	5,664
Additions	2,180	3,590	5,770
Transfers	142	2	144
Translation differences	(1,459)	(215)	(1,674)
At 31 December 2022	29,443	7,124	36,567
Accumulated depreciation:			
At 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 and 1 January 2022	7,490	297	7,787
Acquisition of subsidiaries	512	–	512
Charge for the year	2,562	141	2,703
Translation differences	(328)	(9)	(337)
At 31 December 2022	10,236	429	10,665
Carrying amount:			
At 31 December 2021	15,426	3,450	18,876
At 31 December 2022	19,207	6,695	25,902

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 2021, 31 December 2021, 1 January 2022 and 31 December 2022	10,810	1,681	12,491
Accumulated depreciation:			
At 1 January 2021	4,802	124	4,926
Charge for the year	238	62	300
At 31 December 2021 and 1 January 2022	5,040	186	5,226
Charge for the year	238	62	300
At 31 December 2022	5,278	248	5,526
Carrying amount:			
At 31 December 2021	5,770	1,495	7,265
At 31 December 2022	5,532	1,433	6,965

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**	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
At 1 January	5,629	4,106	1,598	1,627
Acquisition of subsidiaries	5,197	–	–	–
Additions	983	2,390	–	–
Accretion of interest	456	230	93	95
Payments	(2,523)	(1,091)	(123)	(124)
Lease modification	–	(106)	–	–
Translation differences	(785)	100	–	–
At 31 December	8,957	5,629	1,568	1,598
Current	2,358	1,326	33	31
Non-current	6,599	4,303	1,535	1,567
	8,957	5,629	1,568	1,598

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

11. Leases (cont'd)

Group as a lessee (cont'd)

The following are the amounts recognised in profit or loss:

		Group	
		2022	**2021**
	Note	$'000	$'000
Depreciation of right-of-use assets		2,703	1,305
Interest expense on lease liabilities	6	456	230
Operating lease expense relating to short-term leases (included in other operating expenses)	7	176	166
Total amount recognised in profit or loss		3,335	1,701

During the year, the Group's total cash outflows relating to short-term leases and repayment of principal and interest portion of lease liabilities amounted to $2,699,000 (2021: $1,257,000).

As at 31 December 2022 and 2021, 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	
	2022	**2021**
	$'000	$'000
Not later than one year	105	180
Later than one year but not later than five years	–	15
	105	195

12. Intangible assets

Group	Customer relationship	Goodwill	Total
	$'000	$'000	$'000
Cost:			
At 1 January 2021	1,244	1,868	3,112
Translation differences	–	4	4
At 31 December 2021 and 1 January 2022	1,244	1,872	3,116
Acquisition of subsidiaries	3,763	5,478	9,241
Translation differences	–	(535)	(535)
At 31 December 2022	5,007	6,815	11,822
Accumulated amortisation:			
At 1 January 2021	1,077	–	1,077
Amortisation for the year	24	–	24
At 31 December 2021 and 1 January 2022	1,101	–	1,101
Amortisation for the year	530	–	530
At 31 December 2022	1,631	–	1,631
Carrying amount:			
At 31 December 2021	143	1,872	2,015
At 31 December 2022	3,376	6,815	10,191

Customer relationship

Customer relationship have an average remaining amortisation period of 10 years (2021: 6 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 cash-generating units ("**CGUs**") for impairment testing as follows:

	2022	2021
	$'000	$'000
Formach Asia Sdn. Bhd. ("**Formach**")	3,070	–
J-Dragon Tech (Suzhou) Co., Ltd ("**J-Dragon**")	1,998	–
Grand Venture Technology Sdn. Bhd. ("**GVT MY**")	1,282	1,362
Grand Venture Technology (Suzhou) Co., Ltd ("**GVT SZ**")	465	510
	6,815	1,872

12. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

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.

GVT MY and GVT SZ

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

	GVT MY		**GVT SZ**	
	2022	**2021**	**2022**	**2021**
Long-term growth rates	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rates	14.2%	14.2%	13.9%	13.9%

The long-term growth rates and pre-tax discount rates assumed were the same for the years ended 31 December 2022 and 2021.

Formach and J-Dragon

Goodwill was recognised from the acquisitions of new subsidiaries during the year arising from the excess of the fair value of the consideration transferred ("**total consideration**") over the fair value of the identifiable assets acquired and liabilities assumed.

The key assumptions used in the value-in-use calculations are as follows:

	Formach		**J-Dragon**	
	2022	**2021**	**2022**	**2021**
Long-term growth rates	2.0%	–	2.0%	–
Pre-tax discount rates	12.2%	–	12.6%	–

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.

12. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

Key assumptions used in the value-in-use calculations (cont'd)

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.

Accordingly, no impairment loss on goodwill was recognised for the financial years ended 31 December 2022 and 31 December 2021 as their recoverable values were in excess of their carrying values.

13. Investments in subsidiaries

		Company	
	Note	**2022**	**2021**
		$'000	$'000
Unquoted shares, at cost:			
At 1 January		15,492	12,085
Issuance of shares for acquisition of subsidiaries		30,304	–
Additional paid-up capital		–	2,953
Share awards	(a)	–	454
At 31 December		45,796	15,492

(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 the financial year ended 31 December 2021 as disclosed in Note 24 to the financial statements.

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 2022 and 2021:

Name of subsidiaries	Principal activities (Principal place of business)	Proportion of ownership interest	
		2022	2021
		%	%
Held by the Company			
Grand Venture Technology Sdn. Bhd.	Manufacturing ultra-precision machining parts, modules, complex sheet metal and mechatronics assembly (Malaysia, Penang)	100	100
Grand Venture Technology (Penang) Sdn. Bhd.	Manufacturing ultra-precision machining parts, modules, complex sheet metal and mechatronics assembly (Malaysia, Penang)	100	100
Formach Asia Sdn. Bhd.	Manufacturing ultra-precision machining parts, modules, complex sheet metal and mechatronics assembly (Malaysia, Johor)	100	–
Grand Venture Technology (Suzhou) Co., Ltd	Manufacturing ultra-precision machining parts, modules, complex sheet metal and mechatronics assembly (China, Suzhou)	100	100
J-Dragon Tech (Suzhou) Co., Ltd	Manufacturing ultra-precision machining parts, modules, complex sheet metal and mechatronics assembly (China, Suzhou)	100	–

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

Acquisition of businesses in Malaysia and China

On 2 March 2022 (the "**acquisition date**"), the Group completed the acquisitions of 100% equity interests in Formach Asia Sdn. Bhd. and J-Dragon Tech (Suzhou) Co., Ltd (collectively known as the "**Acquirees**"). Upon acquisition, the Acquirees became subsidiaries of the Group.

Formach

Formach is the manufacturer of complex sheet metal, machine structure weldment, and provision of electro-mechanical machine assembly services.

Its operations are expected to supplement the Group's manufacturing nodes, capacity expansion and complementary capabilities for customers.

13. Investments in subsidiaries (cont'd)

Acquisition of businesses in Malaysia and China (cont'd)

J-Dragon

J-Dragon is involved in the manufacturing of parts, modules and tooling for the aerospace, medical and semiconductor segments.

The acquisition of J-Dragon will enable the Group to gain immediate access to the former's patents, know-how, and capabilities, and facilitate the Company's strategic expansion into the aerospace and medical business segments.

Acquisition-related costs

The Group incurred acquisition-related costs of $0.4 million on legal fees, due diligence costs, transaction advisory fees and other professional fees for the above acquisitions, of which $0.2 million was recognised in financial year ended 31 December 2021 as the expenses were incurred. These costs have been included in general and administrative expenses within the consolidated statement of comprehensive income.

The fair value of the identifiable assets and liabilities of the Acquirees as at the acquisition date were:

	Formach	**J-Dragon**
	$'000	$'000
Property, plant and equipment	2,894	9,460
Customer relationship	383	3,380
Cash and bank deposits	584	1,540
Trade and other receivables	1,322	5,022
Prepayments	71	1,144
Inventories	2,308	7,377
Trade and other payables	(1,531)	(9,167)
Loans and borrowings	(490)	(4,330)
Lease liabilities	(451)	(4,746)
Income tax (payable)/receivable	41	(6)
Deferred tax liabilities	(311)	(669)
Fair value of identifiable net assets	4,820	9,005
Goodwill arising from acquisition	3,257	2,221
Total consideration	8,077	11,226

Consideration transferred for the acquisition of businesses

	Formach	**J-Dragon**
	$'000	$'000
Cash consideration	6,800	4,203
Equity instruments issued at fair value	877	7,023
Deemed transfer of customer deposit	400	–
Total consideration transferred	8,077	11,226

13. Investments in subsidiaries (cont'd)

Effect of the acquisition of the Acquirees on cash flows

	Formach $'000	J-Dragon $'000	Total $'000
Total cash consideration	6,800	4,203	11,003
Less: retention	(780)	(1,220)	(2,000)
Cash consideration paid	6,020	2,983	9,003
Less: cash and cash equivalents of subsidiaries acquired	(584)	(1,540)	(2,124)
Net cash outflow	5,436	1,443	6,879

Goodwill arising from acquisitions

Goodwill arising from acquisitions of $3,257,000 and $2,221,000 in relation to Formach and J-Dragon respectively pertains to the benefits of having access to readily available production facility and operational resources.

Impact of the acquisition on profit or loss

From the acquisition date, both Formach and J-Dragon have contributed $27,000,000 of revenue and $2,952,000 to the Group's profit for the year. If the business combination had taken place on 1 January 2022, the Group's revenue for the year would have been $135,077,000 and the Group's profit after tax for the year would have been $13,168,000.

14. Deferred tax

Deferred tax assets

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

	Group		Company	
	2022 $'000	**2021** $'000	**2022** $'000	**2021** $'000
Deferred tax assets:				
At 1 January	333	1,025	–	140
Credited/(charged) to profit or loss	342	(694)	–	(140)
Translation differences	(31)	2	–	–
At 31 December	644	333	–	–

14. Deferred tax (cont'd)

Deferred tax liabilities

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
At 1 January	836	–	216	–
Acquisition of subsidiaries	980	–	–	–
(Credited)/charged to profit or loss	(21)	834	(39)	216
Translation differences	(53)	2	–	–
At 31 December	1,742	836	177	216

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Deferred tax assets:				
Tax incentive	42	–	–	–
Losses available for offsetting against future taxable income	290	46	–	–
Others	312	287	–	–
	644	333	–	–

At the end of the reporting period, the Group has tax losses of approximately $1,933,000 (2021: $307,000) 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	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
Net book value of qualifying fixed assets in excess of tax written-down value	1,416	836	177	216
Others	326	–	–	–
	1,742	836	177	216

15. Cash and bank balances

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash at banks and on hand	23,054	46,090	13,149	39,132
Short-term fixed deposits	94	248	–	–
	23,148	46,338	13,149	39,132

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 1.6% to 3.9% (2021: 1.5% to 2.1%) per annum and are made for a period of 12 months (2021: 12 months).

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

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
United States Dollar	8,174	7,894	3,035	5,655

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

	Group	
	2022	2021
	$'000	$'000
Cash and bank balances	23,148	46,338
Less: Short-term fixed deposits	(94)	(248)
Cash and cash equivalents	23,054	46,090

16. Trade and other receivables

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade receivables:					
Third parties		30,838	28,987	11,930	11,632
Net input tax		–	349	–	107
		30,838	29,336	11,930	11,739
Other receivables:					
Deposits		886	623	240	79
Other receivables		279	59	23	21
Amounts due from subsidiaries		–	–	2,183	484
		1,165	682	2,446	584
Total trade and other receivables		32,003	30,018	14,376	12,323
Less: Net input tax		–	(349)	–	(107)
Add: Cash and bank balances	15	23,148	46,338	13,149	39,132
Add: Loans to subsidiaries	18	–	–	11,550	9,050
Total financial assets carried at amortised cost		55,151	76,007	39,075	60,398

Trade receivables

Trade receivables are unsecured, non-interest bearing and are generally on 60 to 90 days (2021: 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 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
United States Dollar	23,841	21,194	10,986	10,695

Amounts due from subsidiaries

Amounts due from 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 2022 and 2021, the allowance for expected credit losses on trade receivables is $13,000.

17. Inventories

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Balance sheet:				
Raw materials	10,215	8,095	1,624	1,104
Work-in-progress	24,352	21,900	4,419	2,872
Finished goods	16,070	10,916	6,797	6,842
Total inventories at lower of cost and net realisable value	50,637	40,911	12,840	10,818

	Group	
	2022	2021
	$'000	$'000
Income statement:		
Inventories recognised as an expense in cost of sales	94,480	77,601
Inclusive of the following:		
- Inventories written down	68	–

18. Loans to subsidiaries

Company	2022		2021	
	Maturity	$'000	Maturity	$'000
Current:				
Loans to subsidiaries	2023	5,400	2022	4,900
Non-current:				
Loans to subsidiaries	2024-2025	6,150	2023-2025	4,150

Loans to subsidiaries (current)

The loans to subsidiaries (current) are unsecured, repayable on demand, bear interest at 3.0% (2021: 3.0%) per annum, and are to be settled in cash.

Loans to subsidiaries (non-current)

The loans to subsidiaries (non-current) are unsecured, repayable between years 2024 to 2025, bear interest at 3.0% (2021: 3.0%) per annum, and are to be settled in cash.

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

19. Forward contract

	Group and Company					
	2022			2021		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Forward contract	8,145	–	116	996	6	–

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 at the end of the reporting period, extending to June 2023 (31 December 2021: June 2022).

20. Trade and other payables

		Group		Company	
	Note	2022	2021	2022	2021
		$'000	$'000	$'000	$'000
Trade payables:					
Third parties		9,824	14,031	1,672	1,997
Amounts due to subsidiaries		–	–	2,418	2,578
Net output tax		145	–	91	–
		9,969	14,031	4,181	4,575
Other payables:					
Other payables		6,720	5,744	711	755
Accrued operating expenses		4,750	5,248	1,763	2,068
Amounts due to related parties		1,695	–	1,695	–
Rental deposits received		49	30	30	30
		13,214	11,022	4,199	2,853
Total trade and other payables		23,183	25,053	8,380	7,428
Less: Net output tax		(145)	–	(91)	–
Add: Lease liabilities	11	8,957	5,629	1,568	1,598
Add: Loans and borrowings	21	50,967	45,800	16,109	19,185
Total financial liabilities carried at amortised cost		82,962	76,482	25,966	28,211

Trade payables

Trade payables are unsecured, non-interest bearing and are normally settled on 30 to 60 days (2021: 30 to 60 days) terms.

Trade payables are denominated in the following currencies:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
United States Dollar	1,863	4,246	2,895	3,544

21. Loans and borrowings

Group	2022		2021	
	Maturity	$'000	Maturity	$'000
Current:				
Hire purchases	2023	3,997	2022	4,071
Bank loans:				
Bankers' acceptances	2023	1,899	2022	4,718
Term loans in SGD	2023	2,043	2022	1,976
Term loans in MYR	2023	1,874	2022	1,265
Short-term loans in RMB	2023	8,869	2022	4,220
		18,682		16,250
Non-current:				
Hire purchases	2024-2025	4,009	2023-2025	5,165
Bank loans:				
Term loans in SGD	2024-2035	11,913	2023-2035	13,983
Term loans in MYR	2024-2042	16,363	2023-2039	10,402
		32,285		29,550

Company	2022		2021	
	Maturity	$'000	Maturity	$'000
Current:				
Hire purchases	2023	1,191	2022	1,393
Bank loans:				
Term loans in SGD	2023	2,043	2022	1,976
		3,234		3,369
Non-current:				
Hire purchases	2024-2025	962	2023-2024	1,832
Bank loans:				
Term loans in SGD	2024-2035	11,913	2023-2035	13,984
		12,875		15,816

Bankers' acceptances (secured)

Bankers' acceptances are denominated in Malaysian Ringgit ("**MYR**"), and bears interest at 4.1% to 4.9% (2021: 3.7% to 4.7%) 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 5.6% (2021: 6.0%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

21. Loans and borrowings (cont'd)

Term loans in SGD (secured)

The term loans in SGD bear interest at 2.3% (2021: 2.3%) per annum. The term loans in SGD are secured by mortgage over the Company's leasehold property (Note 10).

Term loans in MYR (secured)

The term loans in MYR bear interest at rates which ranges from 4.2% to 6.9% (2021: 3.3% to 5.9%) per annum. The term loans in MYR are secured by mortgage over the Group's leasehold properties (Note 10).

Short-term loans in RMB (secured and unsecured)

The secured short-term loans in RMB are denominated in Chinese Renminbi ("**RMB**"), bear interest at rates which ranges from 3.6% to 3.8% (2021: 3.9%) per annum, and is secured by a corporate guarantee from the Company.

The unsecured short-term loans in RMB bear interest at 3.4% to 3.7% (2021: nil).

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	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Singapore Dollar	16,390	19,940	16,109	19,185
Malaysian Ringgit	25,708	21,542	–	–
Chinese Renminbi	8,869	4,221	–	–
Japanese Yen	–	97	–	–
	50,967	45,800	16,109	19,185

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 2022**	Proceeds/ (repayment)	Acquisition of subsidiaries	Acquisitions	Translation differences	Others	**31 December 2022**
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current								
Hire purchases	21	4,071	(4,758)	81	3,821	(179)	961	3,997
Bank loans	21	12,179	(10,564)	4,739	14,191	(1,164)	(4,696)	14,685
Lease liabilities	11	1,326	(2,067)	5,197	983	(428)	(2,653)	2,358
Non-current								
Hire purchases	21	5,165	–	–	–	(195)	(961)	4,009
Bank loans	21	24,385	–	–	–	(805)	4,696	28,276
Lease liabilities	11	4,303	–	–	–	(357)	2,653	6,599
Total liabilities from financing activities		51,429	(17,389)	10,017	18,995	(3,128)	–	59,924

		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	21	4,019	(4,528)	3,157	–	(3)	1,426	4,071
Bank loans	21	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	21	6,613	–	–	–	(22)	(1,426)	5,165
Bank loans	21	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

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

22. Deferred income

	Group and Company	
	2022	2021
	$'000	$'000
Current:		
Capital expenditure grant	236	90
Non-current:		
Capital expenditure grant	773	427
Total deferred income	1,009	517

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	
	2022	2021
	$'000	$'000
Capital expenditure grant		
Cost:		
At 1 January	697	409
Received during the financial year	733	288
At 31 December	1,430	697
Accumulated amortisation:		
At 1 January	180	131
Amortisation for the year	241	49
At 31 December	421	180
	1,009	517

23. Share capital

		Group and Company			
		2022		2021	
	Note	No. of shares	$'000	No. of shares	$'000
Ordinary shares					
At 1 January		330,780,000	78,926	234,253,000	27,843
Issuance of ordinary shares		7,745,932	7,900	96,527,000	52,103
Share awards	24	763,500	764	–	–
Share issuance expense		–	–	–	(1,020)
At 31 December		339,289,432	87,590	330,780,000	78,926

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.

23. Share capital (cont'd)

Acquisition of subsidiaries

In connection with the acquisition of its new subsidiaries, 7,745,932 ordinary shares of the Company were allotted and issued to the previous shareholders of J-Dragon and Formach for the equity consideration as disclosed in Note 13 to the financial statements.

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 the Group's performance for the financial year ended 31 December 2021 pursuant to the 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.

For the year ended 31 December 2022, the ordinary shares pertaining to the share awards were issued, and the share-based payment reserve was reclassified to share capital accordingly.

There were no outstanding share awards held under GVT PSP as at 31 December 2022.

	Group and Company			
	2022		**2021**	
	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**	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Capital commitments in respect of property, plant and equipment	5,901	10,707	–	329

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	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Advisory fee to an affiliate shareholder	(96)	(32)	(96)	(32)
Factory rental paid to a related party	(72)	–	–	–
Purchase from subsidiaries	–	–	(18,923)	(20,194)
Management fee	–	–	860	484
Sales of fixed assets to a subsidiary	–	–	383	–
Interest income from subsidiaries	–	–	317	249
Sales to subsidiaries	–	–	226	45

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	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Short-term benefits	2,285	2,307	1,464	1,452
Defined contribution plans	194	161	70	64
	2,479	2,468	1,534	1,516

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.

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

(a) Credit risk (cont'd)

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.

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.

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

(a) Credit risk (cont'd)

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.

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 2022 and 2021 which represents the maximum exposure to loss, is $11,550,000 (Group: nil) and $9,050,000 (Group: nil) respectively.

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

(a) Credit risk (cont'd)

(ii) Trade receivables

The Group provides for lifetime expected credit losses 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 allowance for expected credit losses as at 31 December 2022 and 2021 determined below also incorporate forward-looking information such as forecast of economic conditions deteriorating over the next year, leading to an increased number of defaults.

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

	Current	Less than 30 days past due	31 to 60 days past due	More than 60 days past due	Total
	$'000	$'000	$'000	$'000	$'000
31 December 2022					
Gross carrying amount	25,266	4,728	713	144	30,851
Less: Allowance for expected credit losses	(8)	(2)	(3)	–	(13)
Net carrying amount	25,258	4,726	710	144	30,838
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

There is no movement of allowance for expected credit losses on trade receivables for the financial years ended 31 December 2022 and 2021 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:

	2022		**2021**	
	$'000	% of total	$'000	% of total
By industry sector:				
Semiconductor	13,289	43%	20,353	70%
Life sciences	7,446	24%	5,899	20%
Electronics, aerospace, medical and others	10,103	33%	2,735	10%
	30,838	100%	28,987	100%

At the end of the reporting period, approximately 47% (2021: 36%) of the Group's trade receivables were due from three (2021: two) major customers.

(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.

<u>Sensitivity analysis for interest rate risk</u>

At the end of the reporting period, if interest rates had been 100 (2021: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $510,000 (2021: $458,000) 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.

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
2022				
Financial assets:				
Trade and other receivables	32,003	–	–	32,003
Cash and bank balances	23,148	–	–	23,148
Total undiscounted financial assets	55,151	–	–	55,151
Financial liabilities:				
Trade and other payables	23,038	–	–	23,038
Loans and borrowings	20,292	19,152	48,708	88,152
Lease liabilities	2,753	5,937	2,254	10,944
Total undiscounted financial liabilities	46,083	25,089	50,962	122,134
Total net undiscounted financial assets/(liabilities)	9,068	(25,089)	(50,962)	(66,983)
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)

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 $'000	One to five years $'000	Over five years $'000	Total $'000
2022				
Financial assets:				
Trade and other receivables	14,376	–	–	14,376
Loans to subsidiaries	5,745	6,459	–	12,204
Cash and bank balances	13,149	–	–	13,149
Total undiscounted financial assets	33,270	6,459	–	39,729
Financial liabilities:				
Trade and other payables	8,289	–	–	8,289
Loans and borrowings	3,494	6,762	7,045	17,301
Lease liabilities	123	494	2,254	2,871
Total undiscounted financial liabilities	11,906	7,256	9,299	28,461
Total net undiscounted financial assets/(liabilities)	21,364	(797)	(9,299)	11,268
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

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 77% (2021: 73%) of the Group's sales are denominated in foreign currencies whilst almost 73% (2021: 69%) 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	
		2022	**2021**
		$'000	$'000
USD/SGD	- strengthened 5%	619	657
	- weakened 5%	(619)	(657)
USD/MYR	- strengthened 5%	606	463
	- weakened 5%	(606)	(463)
USD/RMB	- strengthened 5%	284	139
	- weakened 5%	(284)	(139)

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.

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
2022				
Financial assets				
Loans to subsidiaries (non-current)	–	–	6,122	6,122
2021				
Financial assets				
Loans to subsidiaries (non-current)	–	–	3,821	3,821

Determination of fair value

Loans to subsidiaries (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.

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.

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 and bolt-on instruments used for various laboratories testing and pharmaceutical applications.

29. Segment information (cont'd)

(iii) Electronics, aerospace, medical and others

The electronics, aerospace, medical and others segment involves the manufacturing of consumable parts, manufacturing and assembly of parts and components for commercial aircraft carriers, 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.

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, aerospace, medical and others**	**Total**
	$'000	$'000	$'000	$'000
2022				
Revenue	72,616	20,955	37,516	131,087
Cost of sales	(50,679)	(13,979)	(30,629)	(95,287)
Gross profit	21,937	6,976	6,887	35,800
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

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**	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Malaysia	53,778	63,579	49,501	31,987
Singapore	35,833	32,132	16,326	16,671
China	20,988	9,629	28,772	12,772
United States	16,950	9,503	–	–
Others	3,538	1,413	–	–
Total	131,087	116,256	94,599	61,430

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 (2021: three) major customers, each contributing ten per cent or more to the Group's revenue, amounted to $58,202,000 (2021: $74,833,000).

30. Dividends

	Group and Company	
	2022	2021
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares		
Interim exempt (one-tier) dividend: 0.3 cents per share (2021: 0.5 cents per share)	1,018	1,529
Final exempt (one-tier) dividend: 0.5 cents per share (2021: nil)	1,696	–
	2,714	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: 0.3 cents per share (2021: 0.5 cents per share)	1,018	1,696

31. Authorisation of financial statements

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 24 March 2023.

Statistics of Shareholdings

SHARE CAPITAL

Issued and paid-up capital	:	$87,270,985
Number of shares	:	339,289,432
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 7 March 2023, approximately 35.47% 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 7 MARCH 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.09	55	0.00
100 - 1,000	102	9.25	76,900	0.02
1,001 - 10,000	552	50.04	3,231,800	0.95
10,001 - 1,000,000	420	38.08	37,353,158	11.01
1,000,001 AND ABOVE	28	2.54	298,627,519	88.02
TOTAL :	**1,103**	**100.00**	**339,289,432**	**100.00**

MAJOR SHAREHOLDERS AS AT 7 MARCH 2023

NO.	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	96,044,800	28.31
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)	12,050,000	3.55
6	TAN CHUN SIONG (CHEN JUNXIONG)	12,030,000	3.55
7	RAFFLES NOMINEES(PTE) LIMITED	11,991,400	3.53
8	HSBC (SINGAPORE) NOMINEES PTE LTD	7,848,900	2.31
9	CHAN YEOK PHENG	7,081,000	2.09
10	CITIBANK NOMINEES SINGAPORE PTE LTD	5,983,500	1.76
11	PHILLIP SECURITIES PTE LTD	5,656,545	1.67
12	SAW YIP HOOI	5,374,100	1.58
13	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	4,996,000	1.47
14	DBS NOMINEES PTE LTD	4,247,300	1.25
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	0.91
19	DB NOMINEES (SINGAPORE) PTE LTD	2,918,400	0.86
20	KONG SANG WAH	2,225,200	0.66
	Total	**286,385,119**	**84.39**

Statistics of Shareholdings

SUBSTANTIAL SHAREHOLDERS AS AT 7 MARCH 2023

No	Name of shareholders	Direct interest	%	Indirect/ Deemed interest	%
1.	Lee Tiam Nam	52,150,000	15.37	–	15.37
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 (“**Wai San**”)	–	–	90,527,000	26.68
9.	Keith Hsiang-Wen Toh (“**Keith**”)	–	–	90,527,000	26.68

Notes:

1. Lee Tiam Nam’s total direct interest includes 150,000 shares held under a securities account.

2. 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.

3. 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.

4. 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.

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

6. Wai San and Keith 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 at 2 Changi North Street 1, Singapore 498828 on 27 April 2023 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 2022 and the Auditors' Report thereon.	Resolution 1
2.	To declare a final exempt (one-tier) dividend of 0.3 cents per ordinary share for the year ended 31 December 2022.	Resolution 2
3.	To re-elect Ng Wai Yuen Julian, who is retiring in accordance with Regulation 117 of the Company's Constitution, as a Director of the Company.	Resolution 3
4.	To re-elect Heng Su-Ling Mae, who is retiring in accordance with Regulation 117 of the Company's Constitution, as a Director of the Company. Heng Su-Ling Mae shall, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and as a member of the Audit Committee and Nominating Committee. Heng Su-Ling Mae shall be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.	Resolution 4
5.	To approve the payment of Directors' fees of S$210,000 for the year ending 31 December 2023.	Resolution 5
6.	To re-appoint Messrs Ernst & Young LLP as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 6

SPECIAL BUSINESS

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

7. Authority to allot and issue shares — Resolution 7

"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)

8. Authority to grant Options in accordance with GVT Employee Share Option Scheme — Resolution 8

"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)

9. Authority to grant Awards and to allot and issue Shares under the GVT Performance Share Plan — Resolution 9

"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)

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

Notice of Annual General Meeting

Explanatory Notes:

(i) The Ordinary Resolution proposed in item 7, 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.

(ii) The Ordinary Resolution proposed in item 8, 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 9, 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.

By Order of the Board

YAP PECK KHIM
Company Secretary

Date: 6 April 2023

Notes:

1. The Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at 2 Changi North Street 1 Singapore 498828 on Thursday, 27 April 2023 at 10.00 a.m., 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. There will be no option for shareholders to participate virtually.

2. This Notice of AGM and the accompanying 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. Printed copies of this Notice of AGM and the accompanying proxy form will not be sent to members.

3. Members may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner and must be submitted by 10.00 a.m. on 18 April 2023:-

   (a) by email to contact@gvt.com.sg; or

   (b) by post to the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00, Singapore 068898.

The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions via the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.gvt.com.sg.

4. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.gvt.com.sg.

5. A member (whether individual or corporate) may vote at the AGM or appoint a proxy, including the Chairman of the Meeting, 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 http://www.gvt.com.sg, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

6. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

7. Investors who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act 1967), including CPF and SRS investors, and who wish to participate in 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 exercise their votes 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.

8. A proxy need not be a member of the Company.

9. The Proxy Form must be submitted to the Company in the following manner:

   (a) If submitted by post, be deposited at the registered office of the Company located at 2 Changi North Street 1, Singapore 498828, not less than 72 hours before the time fixed for holding the AGM

   (b) If submitted electronically, be submitted via email to contact@gvt.com.sg, not less than 72 hours before the time fixed for holding the AGM.

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 an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) 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), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) 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.

NOTICE OF RECORD DATE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on 10 May 2023 for the purpose of determining members' entitlements to a final tax exempt (one-tier) dividend of 0.3 Singapore cents per ordinary share for the financial year ended 31 December 2022 ("**Proposed Final Dividend**"). The Proposed Final Dividend, if approved by shareholders at the AGM, will be paid on 19 May 2023.

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #02-00, Singapore 068898 up to the close of business at 5.00 p.m. on 9 May 2023 will be registered to determine members' entitlements to the Proposed Final Dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 9 May 2023 will be entitled to the Proposed Final Dividend.

In respect of shares in Securities Accounts with CDP, the Proposed Final Dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such holders of shares in accordance with its practice.

GRAND VENTURE TECHNOLOGY LIMITED

Registration No. 201222831E
(Incorporated in Singapore)

PROXY FORM

IMPORTANT:

1. The AGM will be held, in a wholly physical format, at 2 Changi North Street 1 Singapore 498828 on Thursday, 27 April 2023 at 10.00 a.m., 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. There will be no option for shareholders to participate virtually. Printed copies of the Notice of AGM dated 6 April 2023 ("**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. A relevant intermediary may appoint more than two proxies to attend the AGM and vote (please see Note 3 for the definition of "**relevant intermediary**").
3. 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.
4. 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.
5. 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:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or(delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her/them, the Chairman of the Annual General Meeting or such other person the Chairman may designate, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 2 Changi North Street 1 Singapore 498828 on Thursday, 27 April 2023 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an "√" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	For#	Against#	Abstain#
ORDINARY BUSINESS				
1	To receive and consider the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 and the Auditors' Report thereon.			
2	To declare a final exempt (one-tier) dividend of 0.3 cents per ordinary share for the year ended 31 December 2022			
3	To re-elect Ng Wai Yuen Julian (Wu Weixian Julian), who is retiring in accordance with Regulation 117 of the Company's Constitution, as a Director of the Company.			
4	To re-elect Heng Su-Ling Mae, who is retiring in accordance with Regulation 117 of the Company's Constitution, as a Director of the Company.			
5	To approve the payment of Directors' fees of S$210,000 for the year ending 31 December 2023.			
6	To re-appoint Messrs Ernst & Young LLP as Auditors and authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
7	To authorise Directors to allot and issue shares and convertible securities pursuant to Section 161 of the Companies Act 1967.			
8	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.			
9	To authorise the Directors to offer and grant awards and to issue shares in accordance with the Rules of the GVT Performance Share Plan.			

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 ____________________ 2023

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 of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares 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. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote on his behalf at the general meeting. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each such proxy, failing which, the nomination shall be deemed to be alternative.

3. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the general meeting. 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.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.

5. 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 Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act 1967.

6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at 2 Changi North Street 1 Singapore 498828 not less than 72 hours before the time appointed for the Annual General Meeting.

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 an instrument appointing a proxy(ies) and/or representative(s), the members accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 April 2023.

Grand Venture Technology Limited
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