



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

UNAUDITED SIX MONTHS AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 FOR GRAND VENTURE TECHNOLOGY LIMITED (THE “COMPANY” AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)

Comparative financial year

For the purposes of this results announcement:

- The current financial year being reported on relating to the full year from 1 January 2023 to 31 December 2023, shall be referred to herein as “**FY2023**”;
- The corresponding financial year from 1 January 2022 to 31 December 2022, shall be referred to herein as “**FY2022**”;
- The current financial period being reported on relating to the six months from 1 July 2023 to 31 December 2023, shall be referred to herein as “**2HFY2023**”; and
- The corresponding financial period of the immediately preceding financial year, the six months from 1 July 2022 to 31 December 2022, will be referred to herein as “**2HFY2022**”.

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

		Group					
Note	2HFY2023	2HFY2022	Changes	FY2023	FY2022	Changes	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	4	57,431	64,023	(10.3)%	111,297	131,087	(15.1)%
Cost of sales		(43,135)	(46,284)	(6.8)%	(83,482)	(95,287)	(12.4)%
Gross profit		14,296	17,739	(19.4)%	27,815	35,800	(22.3)%
Other income ^{Note (a)}	5	522	(182)	(386.8)%	1,740	1,515	14.9%
Selling and distribution costs		(503)	(720)	(30.1)%	(912)	(1,349)	(32.4)%
General and administrative expenses		(8,496)	(7,575)	12.2%	(15,228)	(14,798)	2.9%
Other operating expenses		(2,641)	(2,581)	2.3%	(4,991)	(4,930)	1.2%
Finance costs		(1,165)	(1,205)	(3.3)%	(2,349)	(2,354)	(0.2)%
Profit before tax	7	2,013	5,476	(63.2)%	6,075	13,884	(56.2)%
Income tax credit/(expense)	10	128	717	(82.1)%	(531)	(559)	(5.0)%
Profit after tax		2,141	6,193	(65.4)%	5,544	13,325	(58.4)%
Other comprehensive income:							
<i>Items that maybe reclassified subsequently to profit or loss</i>							
Currency translation differences arising from consolidation of foreign operations		(604)	(3,299)	NM	(3,999)	(5,032)	NM
Total comprehensive income for the financial year attributable to owners of the Company		1,537	2,894	(46.9)%	1,545	8,293	(81.4)%
Earnings per share (cents per share) - Basic and diluted	8	0.63	1.83		1.63	3.94	
EBITDA ^{Note (b)}		10,177	13,849	(26.5)%	22,353	29,916	(25.3)%

NM: Not meaningful

Note (a): Other income in 2HFY2023 and 2HFY2022 included reversal of the foreign exchange gain of S\$272K and S\$960K respectively. The balance of net foreign exchange losses of S\$677K and S\$1.1 million for 2HFY2023 and 2HFY2022 were recorded under the respective periods' general and administrative expenses.

Note (b): EBITDA refers to Earnings before Interest, Tax, Depreciation and Amortisation i.e. Profit before Tax + Interest cost - Interest Income + Depreciation + Amortisation

B. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000
Non-current assets					
Property, plant and equipment	13	83,549	84,408	14,057	16,332
Investment in subsidiaries		-	-	50,334	45,796
Intangible assets	14	9,455	10,191	-	-
Loans to subsidiaries		-	-	3,112	6,150
Deferred tax assets		778	644	-	-
Total non-current assets		<u>93,782</u>	<u>95,243</u>	<u>67,503</u>	<u>68,278</u>
Current assets					
Cash and bank balances		19,148	23,148	11,714	13,149
Trade and other receivables		30,640	32,003	13,624	14,376
Prepayments		3,035	3,042	200	2,161
Inventories		56,728	50,637	13,882	12,840
Loans to subsidiaries		-	-	4,900	5,400
Forward contract		45	-	33	-
Total current assets		<u>109,596</u>	<u>108,830</u>	<u>44,353</u>	<u>47,926</u>
Total assets		<u>203,378</u>	<u>204,073</u>	<u>111,856</u>	<u>116,204</u>
Current liabilities					
Trade and other payables		26,230	23,183	6,061	8,380
Loans and borrowings	15	20,785	18,682	2,800	3,234
Lease liabilities	15	2,200	2,358	35	33
Deferred income		266	236	247	236
Forward contract		-	116	-	116
Provision for income tax		156	15	232	255
Total current liabilities		<u>49,637</u>	<u>44,590</u>	<u>9,375</u>	<u>12,254</u>
Net current assets		<u>59,959</u>	<u>64,240</u>	<u>34,978</u>	<u>35,672</u>
Non-current liabilities					
Loans and borrowings	15	28,225	32,285	10,073	12,875
Lease liabilities	15	4,645	6,599	1,500	1,535
Deferred income		716	773	716	773
Deferred tax liabilities		1,544	1,742	472	177
Total non-current liabilities		<u>35,130</u>	<u>41,399</u>	<u>12,761</u>	<u>15,360</u>
Total liabilities		<u>84,767</u>	<u>85,989</u>	<u>22,136</u>	<u>27,614</u>
Net assets		<u>118,611</u>	<u>118,084</u>	<u>89,720</u>	<u>88,590</u>
Equity attributable to owners of the Company					
Share capital	16	87,590	87,590	87,590	87,590
Currency translation reserve		(10,029)	(6,030)	-	-
Retained earnings		41,050	36,524	2,130	1,000
Total equity		<u>118,611</u>	<u>118,084</u>	<u>89,720</u>	<u>88,590</u>

C. Condensed interim statements of changes in equity

<u>Group</u>	Note	Share capital S\$'000	Currency translation reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 January 2022		78,926	(998)	764	25,913	104,605
<i>Transactions with owners, recognised directly in equity</i>						
Issuance of shares	16	8,664	-	(764)	-	7,900
Dividends paid		-	-	-	(2,714)	(2,714)
Total		8,664	-	(764)	(2,714)	5,186
<i>Total comprehensive income for the year</i>						
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
Balance as at 31 December 2022		87,590	(6,030)	-	36,524	118,084
Balance as at 1 January 2023		87,590	(6,030)	-	36,524	118,084
<i>Transactions with owners, recognised directly in equity</i>						
Dividends paid		-	-	-	(1,018)	(1,018)
Total		-	-	-	(1,018)	(1,018)
<i>Total comprehensive income for the year</i>						
Profit for the year		-	-	-	5,544	5,544
Other comprehensive income for the year		-	(3,999)	-	-	(3,999)
Total comprehensive income for the year		-	(3,999)	-	5,544	1,545
Balance as at 31 December 2023		87,590	(10,029)	-	41,050	118,611

	Note	Share capital S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Company					
Balance as at 1 January 2022		78,926	764	(742)	78,948
<i>Transactions with owners, recognised directly in equity</i>					
Issuance of shares	16	8,664	(764)	-	7,900
Dividends paid		-	-	(2,714)	(2,714)
Total		8,664	(764)	(2,714)	5,186
<i>Total comprehensive income for the year</i>					
Profit for the financial year, representing total comprehensive income for the year		-	-	4,456	4,456
Balance as at 31 December 2022		87,590	-	1,000	88,590
Balance as at 1 January 2023		87,590	-	1,000	88,590
<i>Transactions with owners, recognised directly in equity</i>					
Dividends paid		-	-	(1,018)	(1,018)
Total		-	-	(1,018)	(1,018)
<i>Total comprehensive income for the year</i>					
Profit for the financial year, representing total comprehensive income for the year		-	-	2,148	2,148
Balance as at 31 December 2023		87,590	-	2,130	89,720

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		FY2023 S\$'000	FY2022 S\$'000
Operating activities			
Profit before tax		6,075	13,884
Adjustments for:			
Depreciation of property, plant and equipment	7	14,201	13,443
Amortisation of intangible assets	7	391	530
Amortisation of deferred income	5	(513)	(241)
Interest income	5	(150)	(53)
Interest expense	7	2,349	2,354
Provision for sales rebate		360	408
Inventories written down	7	-	68
Net (gain)/loss on disposal of property, plant and equipment	7	(11)	62
Unrealised foreign exchange gain		(205)	(496)
Operating cash flows before changes in working capital		22,497	29,959
Decrease in trade and other receivables		383	2,680
Increase in inventories		(8,793)	(2,882)
Decrease in prepayments		815	768
Increase/(decrease) in trade and other payables		3,666	(13,500)
Cash flows generated from operations		18,568	17,025
Income tax paid		(696)	(1,298)
Interest received		150	53
Interest paid		(2,349)	(2,354)
Net cash flows generated from operating activities		15,673	13,426
Investing activities			
Purchases of property, plant and equipment		(10,235)	(9,733)
Capital expenditure grant received		486	733
Proceeds from disposal of property, plant and equipment		16	83
Net cash outflow on acquisition of subsidiaries		-	(6,879)
Net cash flows used in investing activities		(9,733)	(15,796)
Financing activities			
Proceeds from loans and borrowings		15,265	4,038
Repayment of loans and borrowings		(13,787)	(11,522)
Repayment of hire purchases		(4,603)	(4,758)
Repayment of trade financing		(3,001)	(3,080)
Payment of principal portion of lease liabilities		(2,402)	(2,067)
Dividends paid to shareholders		(1,018)	(2,714)
Decrease in placement of short-term fixed deposits		7	169
Net cash flows used in financing activities		(9,539)	(19,934)
Net decrease in cash and cash equivalents		(3,599)	(22,304)
Effect of foreign exchange rate changes, net		(367)	(732)
Cash and cash equivalents at the beginning of the financial year		23,054	46,090
Cash and cash equivalents at the end of the financial year		19,088	23,054
Cash and cash equivalents represented by:			
Cash and bank balances		19,148	23,148
less: Short-term fixed deposits		(60)	(94)
		19,088	23,054

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

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. Basis of preparation

The condensed interim financial statements for the financial year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

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

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

2.1. New and amended standards adopted by the Group

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

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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

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

- Note 14 – Impairment test of goodwill: key assumptions underlying recoverable amounts.

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal factors during the financial period. However, the Group experienced negative impact from the cyclical downturn of the Semiconductor segment.

4. Segment and revenue information

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

The Group is organised into the following main business segments:

- Semiconductor

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

- Life sciences

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

- 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, surgical microscopes and the assembly of complex modules for customers in the business of industrial automation and manufacturing equipment.

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

By business segment

Group	Semiconductor	Life sciences	Electronics, aerospace, medical and others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2HFY2023				
Revenue	27,218	10,777	19,436	57,431
Cost of sales	(19,758)	(7,426)	(15,951)	(43,135)
Gross profit	7,460	3,351	3,485	14,296
2HFY2022				
Revenue	30,982	11,518	21,523	64,023
Cost of sales	(21,271)	(7,700)	(17,313)	(46,284)
Gross profit	9,711	3,818	4,210	17,739
FY2023				
Revenue	53,280	20,601	37,416	111,297
Cost of sales	(38,304)	(14,250)	(30,928)	(83,482)
Gross profit	14,976	6,351	6,488	27,815
FY2022				
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

Revenue by geographical segment

	Group			
	2HFY2023 S\$'000	2HFY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Malaysia	23,020	24,918	45,640	53,778
Singapore	14,874	18,030	30,197	35,833
China	10,149	11,543	19,512	20,988
United States	5,754	7,330	10,017	16,950
Others	3,634	2,202	5,931	3,538
Total	57,431	64,023	111,297	131,087

5. Other income

	Group			
	2HFY2023	2HFY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Government grants	243	168	347	337
Scrap sales	239	292	466	495
Amortisation of deferred income	162	104	513	241
Rental income	59	89	157	230
Utilities charged to tenants	37	79	96	159
Interest income	70	46	150	53
Gain on disposal of property, plant and equipment	2	-	11	-
Loss on lease modification	(18)	-	-	-
Reversal of foreign exchange gain	(272)	(960)	-	-
Total	522	(182)	1,740	1,515

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Cash and bank balances and trade and other receivables (amortised cost)	49,540	55,157	33,345	39,075
Financial liabilities				
Trade and other payables and borrowings (amortised cost)	82,085	83,107	20,469	26,057

7. Profit before taxation

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

	Group			
	2HFY2023	2HFY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Employee benefits expenses	16,948	16,037	32,218	30,722
Depreciation of property, plant and equipment	7,035	7,096	14,201	13,443
Interest expense	1,165	1,205	2,349	2,354
Foreign exchange loss, net	677	1,137	405	177
Amortisation of intangible assets	196	221	391	530
Operating lease expenses for short-term leases	163	81	393	176
Net (gain)/loss on disposal of property, plant and equipment	-	-	(11)	62
Inventories written down	-	68	-	68

8. Earnings per share

	Group			
	2HFY2023	2HFY2022	FY2023	FY2022
Profit after tax (S\$'000)	2,141	6,193	5,544	13,325
Weighted average numbers of ordinary shares ('000)	339,289	339,289	339,289	337,964
Basic and diluted Earnings Per Share (" EPS ") (Singapore Cents)	0.63	1.83	1.63	3.94

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

The basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue in 2HFY2023, 2HFY2022, FY2023 and FY2022.

9. Related party transactions

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

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Advisory fee paid to an affiliate of shareholder	(96)	(96)	(96)	(96)
Factory rental paid to a related party	(271)	(72)	-	-
Purchase from subsidiaries	-	-	(11,770)	(18,923)
Management fee income from subsidiaries	-	-	935	860
Interest income from subsidiaries	-	-	283	317
Sales to subsidiaries	-	-	127	226
Sales of fixed assets to a subsidiary	-	-	-	383

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

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Short-term benefits	2,295	2,285	1,702	1,464
Defined contributions plans	149	194	64	70
Total	2,444	2,479	1,766	1,534

10. Income tax expense

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

	Group			
	2HFY2023	2HFY2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax (credit)/expense	(69)	(257)	646	707
Deferred income tax credit relating to origination and reversal of temporary differences	(59)	(460)	(115)	(148)
Total income tax (credit)/expense in the statement of profit or loss and other comprehensive income	(128)	(717)	531	559

11. Net asset value

	Group		Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Net assets (S\$'000)	118,611	118,084	89,720	88,590
Number of ordinary shares ('000)	339,289	339,289	339,289	339,289
Net asset value per ordinary share (Singapore cents)	34.96	34.80	26.44	26.11

12. Fair value measurement

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

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

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

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

Company	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	Total S\$'000
31 December 2023				
Loans to subsidiaries (non-current)	-	-	3,144	3,144
31 December 2022				
Loans to subsidiaries (non-current)	-	-	6,122	6,122

Loan 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.

Loan and borrowings

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

13. Property, plant and equipment

During the year, the Group acquired assets with an aggregated cost of (i) S\$2,144,000 (31 December 2022: S\$3,821,000) by means of hire purchase and (ii) S\$3,928,000 by means of term loan (31 December 2022: S\$14,191,000). The cash outflow on acquisition of property, plant and equipment amounted to S\$10,235,000 (31 December 2022: S\$9,733,000).

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

	Group		Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Capital commitments in respect of property, plant and equipment	3,752	5,901	-	-

14. Intangible assets

	Group		
	Customer relationship S\$'000	Goodwill S\$'000	Total S\$'000
Cost:			
At 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 and 1 January 2023	5,007	6,815	11,822
Translation differences	-	(345)	(345)
At 31 December 2023	5,007	6,470	11,477
Accumulated amortisation:			
At 1 January 2022	1,101	-	1,101
Amortisation for the year	530	-	530
At 31 December 2022 and 1 January 2023	1,631	-	1,631
Amortisation for the year	391	-	391
At 31 December 2023	2,022	-	2,022
Carrying amount			
At 31 December 2022	3,376	6,815	10,191
At 31 December 2023	2,985	6,470	9,455

14.1 Customer relationship

Customer relationship have an average remaining amortisation period of 10 years (FY2022: 10 years).

14.2 Impairment testing of goodwill

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

	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
Formach Asia Sdn. Bhd. ("Formach")	2,894	3,070
Grand Venture Technology (Suzhou) Limited ("GVT SL") formerly J-Dragon Tech (Suzhou) Co., Ltd	1,920	1,998
Grand Venture Technology Sdn. Bhd. ("GVT MY")	1,208	1,282
Grand Venture Technology (Suzhou) Co., Ltd. ("GVT SZ")	448	465
Total	6,470	6,815

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. The determination of value-in-use as at 31 December 2023 was similar to the goodwill impairment test for 31 December 2022, and was based on the following key assumptions:

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

	Pre-tax discount rates	
	31-Dec-23	31-Dec-22
GVT MY	14.2%	14.2%
GVT SZ	13.0%	13.9%
GVT SL	11.8%	12.6%
Formach	12.2%	12.2%

The long-term growth rates assumed were the same at 2% for the years ended 31 December 2023 and 2022.

Goodwill acquired through business combinations

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 year ended 31 December 2023 and 2022 as their recoverable amounts were in excess of their carrying values.

15. Borrowings

	Group			
	31-Dec-23		31-Dec-22	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less or on demand	13,735	9,250	14,313	6,727
Amount payable after one year	32,870	-	38,884	-
Total	46,605	9,250	53,197	6,727
The above includes lease liabilities, as follows:				
Amount payable in one year or less or on demand	2,200	-	2,358	-
Amount payable after one year	4,645	-	6,599	-
Total	6,845	-	8,957	-

Details of any collateral

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

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

16. Share capital

	31-Dec-23		31-Dec-22	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Beginning of period	339,289,432	87,590	330,780,000	78,926
Issuance of ordinary shares	-	-	7,745,932	7,900
Share awards	-	-	763,500	764
End of period	339,289,432	87,590	339,289,432	87,590

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2023 and 31 December 2022.

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other information required by Listing Rule Appendix 7.2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	31-Dec-23	31-Dec-22
Total number of issued shares excluding treasury shares	<u>339,289,432</u>	<u>339,289,432</u>

There were no treasury shares as at 31 December 2023 and 31 December 2022.

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2022.

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

Not applicable.

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

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

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

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

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

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

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

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

Review of Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue decreased 15.1% from S\$131.1 million in FY2022 to S\$111.3 million in FY2023, due to the cyclical impact from the Semiconductor segment, while contribution from the Life Sciences segment and the Electronics, Aerospace, Medical and Others segment were relatively stable. Accordingly, the sales generated by each business segment are as follows:

	FY2023		FY2022	
	S\$'000	%	S\$'000	%
Sales by segment				
Semiconductor	53,280	47.9%	72,616	55.4%
Life sciences	20,601	18.5%	20,955	16.0%
Electronics, aerospace, medical and others	37,416	33.6%	37,516	28.6%
Total	111,297	100.0%	131,087	100.0%

Semiconductor

Revenue from the Group's Semiconductor segment fell 26.6% from S\$72.6 million in FY2022 to S\$53.3 million in FY2023. This was mainly due to a decrease in demand for its back-end semiconductor services in tandem with the general industry slowdown. Nevertheless, the Group delivered first articles for both its back-end and front-end semiconductor customers. Overall, the Group has strengthened its competitiveness in the semiconductor segment and is well-positioned to support its customers over the long-term.

Life sciences

Revenue for the Life Sciences segment remained stable at S\$20.6 million in FY2023, compared to S\$21.0 million in FY2022. The decrease in business activity was mitigated by continuing wallet share growth within customers.

Electronics, aerospace, medical and others

The Electronics, Aerospace, Medical and Others segment recorded revenue of S\$37.4 million in FY2023, compared to S\$37.5 million a year ago, with the general decline in business activity within the Electronics segment offset by higher contribution from the Aerospace, Medical and Others segment.

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

GP decreased by S\$8.0 million to S\$27.8 million in FY2023, from S\$35.8 million in FY2022, taking into account lower revenue and continued capacity absorption.

GPM in FY2023 was 25.0% as compared to 27.3% in FY2022, in view of expenses incurred in onboarding of new customers, amidst softer semiconductor demand during the year. An additional S\$0.5 million non-recurring expenses pertaining to the fair value inventory adjustments from the prior year's acquisitions of GVT SL and Formach was charged against cost of sales.

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

	FY2023		FY2022	
	GP S\$'000	GPM	GP S\$'000	GPM
GP and GPM by segment				
Semiconductor	14,976	28.1%	21,937	30.2%
Life sciences	6,351	30.8%	6,976	33.3%
Electronics, aerospace, medical and others	6,488	17.3%	6,887	18.4%
Total	27,815	25.0%	35,800	27.3%

Other income

Other income increased from S\$1.5 million in FY2022 to S\$1.7 million in FY2023, taking into account a S\$0.3 million higher grant income amortized as deferred income and a S\$0.1 million higher interest income, offset by S\$0.1 million lower rental income and utilities charged to tenants.

General and administrative expenses

General and administrative expenses rose S\$0.4 million to S\$15.2 million in FY2023, from S\$14.8 million in FY2022, mainly driven by a S\$0.2 million higher foreign exchange loss as well as costs associated with the Group's expanded operations.

Other operating expenses

Other operating expenses remained relatively stable at S\$5.0 million in FY2023, as the S\$0.4 million rise in depreciation charges with continued expansion, was offset by savings in other expenses.

Finance costs

Finance costs remained relatively unchanged at S\$2.3 million in FY2023 as the Group maintained stable utilisation of its borrowing facilities.

Income tax expense

Income tax expenses stood at S\$0.5 million in FY2023, as current income tax expense of S\$0.6 million was offset by deferred income tax credit of S\$0.1 million.

Review of Consolidated Statement of Financial Position

Non-current assets

Non-current assets decreased by S\$1.5 million from S\$95.2 million as at 31 December 2022 to S\$93.8 million as at 31 December 2023. This took into account (i) S\$0.9 million decrease in property, plant and equipment mainly from depreciation charges and (ii) S\$0.7 million decrease in intangible assets.

Current assets

Current assets as at 31 December 2023 was S\$109.6 million as compared to S\$108.8 million as at 31 December 2022, taking into account (i) S\$4.0 million reduction in cash and bank balances and (ii) a S\$1.4 million decrease in trade and other receivables, offset by S\$6.1 million increase in inventories.

Non-current and current liabilities

Non-current and current liabilities decreased by S\$1.2 million from S\$86.0 million as at 31 December 2022 to S\$84.8 million as at 31 December 2023. This was mainly due to (i) a S\$2.1 million decrease in lease liabilities, (ii) a S\$2.0 million decrease in loans and borrowings, offset by a S\$3.0 million higher trade and other payables.

Equity attributable to owners of the Company

Total equity increased by S\$0.5 million from S\$118.1 million as at 31 December 2022 to S\$118.6 million as at 31 December 2023, taking into account S\$1.5 million total comprehensive income for the financial year and S\$1.0 million in dividends paid.

Review of Consolidated Cash Flow Statement

Net cash generated from operating activities was S\$15.7 million, comprising operating cash flows before changes in working capital of S\$22.5 million, and adjusted for (i) a S\$3.9 million decrease from changes in working capital, (ii) interest paid of S\$2.3 million, (iii) interest received of S\$0.2 million and (iv) tax amount paid of S\$0.7 million.

During the year, the Group invested S\$10.2 million in capital expenditure mainly for the acquisition of machinery and assets for capabilities and capacity expansion.

Net cash used in financing activities amounted to S\$9.5 million, comprising (i) S\$6.1 million in net repayment towards Group's borrowing facilities, (ii) S\$2.4 million payment of principal portion of lease liabilities and (ii) S\$1.0 million in dividends paid to shareholders.

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

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

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

The Group expects headwinds in the global semiconductor and electronics industries to persist amid geopolitical tensions and macroeconomic factors. These include the ongoing conflicts in Gaza and Ukraine, the US-China trade tensions, on the back of high inflation and interest rates. Nevertheless, the Group is cautiously optimistic of a gradual improvement in operating conditions from the later half of 2024, with semiconductor demand being driven by ongoing technological and product innovations in artificial intelligence applications, data centres and high-performance computing, as well as automotive electrification. Barring any unforeseen circumstances and developments, Management is providing a target revenue guidance for financial period ending 30 June 2024 ("1HFY2024") of between S\$58 million and S\$64 million.

The Group has commissioned its facility in Penang, Malaysia to support its front-end semiconductor customers, and is preparing for the expected pick-up in order momentum with the improvement of industry conditions and onboarding of new customers. It will also look to expand its wallet share by undertaking more projects with more complex parts and components.

The Group expects to convert the first articles from its new back-end semiconductor customer to mass production and expand wallet share with existing customers on the back of the anticipated demand recovery in the later half of 2024. It is also pursuing next-generation advanced packaging projects with an existing customer.

For its life sciences business, the Group has commenced work to develop capabilities in advanced materials machining, with the support of a key customer. Meanwhile, it continues to make progress in first article inspections for other new projects. With global air travel activity expected to surpass pre-pandemic levels in 2024, the Group is actively working to secure new orders from customers in the aerospace segment.

In the months ahead, the Group will be working towards completing the acquisition of ACP Metal Finishing Pte Ltd ("ACP"), and the subsequent integration of ACP's niche surface treatment capabilities into its existing operations. This will enable the Group to be better positioned to (i) penetrate the front-end semiconductor segment and (ii) expand its touchpoints in the aerospace segment from China to Singapore and the region.

11. If a decision regarding dividend has been made:

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

Yes. final dividend proposed.

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

Name of dividend	Proposed final dividend
Dividend type	Cash
Dividend amount (SGD)	0.1 cents per ordinary share
Tax rate	One-tier tax exempt

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

Name of dividend	Proposed final dividend
Dividend type	Cash
Dividend amount (SGD)	0.3 cents per ordinary share
Tax rate	One-tier tax exempt

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

The dividend is tax exempted.

(d) The date the dividend is payable.

Subject to shareholders' approval at the forthcoming Annual General Meeting of the Company, the proposed payment date for the final dividend for financial year ended 31 December 2023 will be announced at a later date.

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

Notice is hereby given that the Transfer Books and the Register of Members will be closed on 10 May 2024 for the preparation of the final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619, up to 5.00 pm on 9 May 2024 will be registered to determine shareholders' entitlement to the one-tier tax exempt final dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 9 May 2024 will be entitled to the final dividend.

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

Not applicable.

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

Name of interested person	Nature of relationship	Transaction	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000
Novo Tellus Capital Partners Pte Ltd	Affiliate shareholder	Advisory fee	*

* Amount is less than S\$100,000

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

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

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

15. Use of proceeds

The Company has raised net proceeds from placement of new shares amounting to S\$27.6 million (the “**Placement Proceeds**”) in September 2021.

Pursuant to Rule 704(30) of the Listing Manual, the Company had, on 8 August 2023, provided an update on the utilisation of the Placement Proceeds pursuant to the intended use of as disclosed in the Placement Agreement dated on 3 September 2021 and its re-allocation of balance on 20 February 2023 and 3 March 2023. Accordingly, the net proceeds have been fully utilised, as follows:

Use of proceeds	Allocated		Utilised (announced 10 August 2022)	Balance (announced 10 August 2022)	Amount re-allocated (announced 20 February 2023)	Balance after re- allocation and utilised (announced 3 March 2023)	Utilised (announced 8 August 2023)	Balance after re-allocation and utilised
	%	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Expansion via mergers and acquisitions, joint ventures and partnerships	40-45	11,000 to 12,400	4,500	6,500	(4,500)	-	-	-
Investing and enhancing operational and engineering capabilities	40-45	11,000 to 12,400	11,000	-	4,500	705	705	-
General working capital ⁽¹⁾	10-20	2,783 to 5,583	5,583 ⁽¹⁾	-	-	-	-	-
Total	100	27,583	21,083	6,500	-	705	705	-

(1) 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	<u>5,583</u>

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

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

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

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

	FY2023 S\$'000	FY2022 S\$'000	Increase/ decrease %
(a) Sales reported for first half year	53,866	67,064	(19.7)%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	3,403	7,132	(52.3)%
(c) Sales reported for second half year	57,431	64,023	(10.3)%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	2,141	6,193	(65.4)%

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

	FY2023 S\$'000	FY2022 S\$'000
Interim dividend (ordinary)	-	1,018
Final dividend (ordinary)	339	1,018
Total	339	2,036

Final dividend value disclosed above is calculated based on the number of ordinary shares as at the date of this announcement of 339,289,432, subject to shareholders' approval at the forthcoming Annual General Meeting.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties year the position was held	Details of changes in duties and position held, if any during the year
Lee Ching Ann	48	Brother of Lee Tiam Nam	Sales Director of the Company, (year 2023)	Promotion from Senior Sales Manager to Sales Director effective on 1 July 2023
Lee Ban Seng	45	Nephew of Lee Tiam Nam	Operations Manager of the Company, (year 2019)	Not applicable

BY ORDER OF THE BOARD

LEE TIAM NAM
Executive Deputy Chairman
26 February 2024