



Grand Venture Technology Limited

(Company Registration Number 201222831E)

NEWS RELEASE

GRAND VENTURE TECHNOLOGY REPORTS FY23 REVENUE OF \$111.3M

- ✓ Resilient revenue performance despite semiconductor cyclical impact
 - ✓ Proposes final dividend of 0.1 cent per share
- ✓ Continuing to invest in capability and capacity enhancements to position for recovery

Singapore, February 26, 2024 – Mainboard-listed **Grand Venture Technology Limited** (杰纬特科技有限公司, “GVT”, or the “Group”), a homegrown precision manufacturing solutions provider, has reported net profit after tax of \$5.5 million, on revenue of \$111.3 million, for the full year ended 31 December 2023 (“FY23”). Earnings per share on a fully diluted basis was 1.63 cents.

The results were recorded amid softer demand for semiconductor and electronics services compared to the financial year ended 31 December 2022 (“FY22”) when the Group turned in a net profit of \$13.3 million and revenue of \$131.1 million.

Earnings before interest, tax, depreciation and amortisation (“EBITDA”) amounted to \$22.4 million in FY23, compared to \$29.9 million in FY22.

GVT is proposing a final and total dividend of 0.1 cent per share for FY23, subject to shareholders’ approval at the upcoming Annual General Meeting.

Executive Deputy Chairman Ricky Lee (李添南) said, “There were headwinds in FY23, mainly in the form of the general slowdown in the back-end semiconductor and electronics sectors, but these were mitigated by sustained demand from customers in the life sciences, aerospace and medical sectors. On the back of our operational resilience, we were able to continue investing in capability and capacity enhancements to support the requirements of the new customers that we are currently onboarding.”

The Group’s Semiconductor segment registered a 26.6% decline in revenue to \$53.3 million, compared to \$72.6 million in the previous financial year. The Group has also onboarded new front-

end and back-end semiconductor customers during the year and delivered on first article inspections ahead of full qualifications and a subsequent ramp-up in production.

The Life Sciences segment recorded revenue of \$20.6 million, as compared to \$21.0 million in FY22. The decrease in business activity was mitigated by continuing wallet share growth within customers.

Revenue from the Electronics, Aerospace, Medical and Others segment was relatively unchanged at \$37.4 million, versus \$37.5 million in the preceding financial year. Despite the overall weaker demand in the Electronics segment, this was offset by higher contribution from the Aerospace, Medical and Others segment.

The Group's balance sheet remained healthy with net assets of \$118.6 million as at 31 December 2023, compared to \$118.1 million as at end-FY22, and stable gearing of 0.41 times at end-FY23, compared to 0.43 times at the close of FY22.

The Group has made significant progress in capabilities development and capacity expansion during the year, especially with the December 2023 commissioning of a new facility in Penang. This represents an exciting chapter in GVT's group journey, with the new facility being crucial towards supporting its front-end semiconductor customers' requirements. Meanwhile, it has onboarded new front-end and back-end semiconductor customers, and is also in the midst of pursuing next-generation advanced packaging projects with an existing customer.

In November 2023, the Group entered into a sales and purchase agreement to acquire a surface treatment specialist, ACP Metal Finishing Pte Ltd ("ACP"). ACP serves precision engineering manufacturers in the aerospace, life sciences, optics, medical and semiconductor industries through the provision of electrochemical and chemical processes coating for a wide range of metals. The proposed acquisition, which is subject to GVT's shareholders' approval, will augment GVT's existing offerings in the area of surface treatment and finishing. This enhanced suite of offerings will enable GVT to penetrate the front-end semiconductor segment and expand its touchpoints in the aerospace segment from China to Singapore and the region.

Additionally, the Group has commenced in-house development of advanced materials machining capabilities at the end of FY23 with the support of a key life sciences customer, in order to carry out new projects going forward. Meanwhile it continues to make progress in first article inspections for other new projects.

In the year ahead, the Group expects conditions in the wider operating environment to remain challenging, with headwinds arising from geopolitical tensions and macroeconomic risks. These include ongoing geopolitical conflicts in Gaza and Ukraine and the US-China trade tension, high inflation and interest rates. Nevertheless, the Group is cautiously optimistic of an improvement in the prospects of the semiconductor industry from the later half of 2024, as it expects that technological and production innovations in artificial intelligence applications, data centres, high-performance computing and automotive electrification will continue to drive semiconductor demand. 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 view of the above, GVT is providing revenue guidance of between \$58 million and \$64 million, for the six months ending 30 June 2024.

About Grand Venture Technology Limited (“GVT”)

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

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

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