



## GRAND VENTURE TECHNOLOGY LIMITED

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

### ANNOUNCEMENT

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#### BUSINESS UPDATE FOR 3Q23

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The Board of Directors (the “**Board**”) of Grand Venture Technology Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide a voluntary update on the Group’s business and financial performance for the three months ended 30 September 2023 (“**3Q23**”) and nine months ended 30 September 2023 (“**9M23**”). The comparative financial quarter was for the three months ended 30 September 2022 (“**3Q22**”) and nine months ended 30 September 2022 (“**9M22**”), respectively.

#### Glossary of abbreviations

**XQ23:** *Financial quarter ended 31 March, 30 June, 30 September, and 31 December (4Q) 2023, respectively*

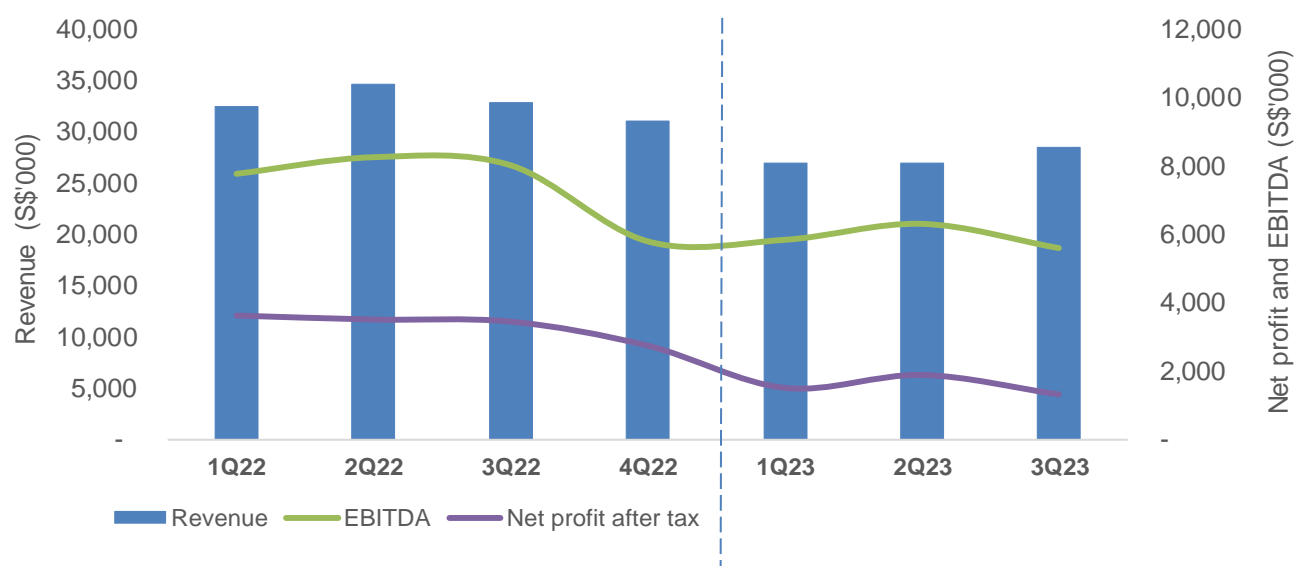
**XQ22:** *Financial quarter ended 31 March, 30 June, 30 September, and 31 December (4Q) 2022, respectively*

**EBITDA:** *Earnings before Interest, Tax, Depreciation and Amortisation*

*i.e. Profit before Tax + Interest cost - Interest income + Depreciation + Amortisation*

## Financial summary

S\$'000	3Q23	3Q22	yoy%	9M23	9M22	yoy%
Revenue	28,491	32,904	(13.4)%	82,357	99,968	(17.6)%
Gross profit	6,565	8,510	(22.9)%	20,084	26,571	(24.4)%
EBITDA	5,613	8,040	(30.2)%	17,789	24,107	(26.2)%
Net profit after tax	1,322	3,447	(61.6)%	4,725	10,579	(55.3)%
<i>Gross profit margin</i>	23.0%	25.9%		24.4%	26.6%	
<i>EBITDA margin</i>	19.7%	24.4%		21.6%	24.1%	
<i>Net profit margin</i>	4.6%	10.5%		5.7%	10.6%	



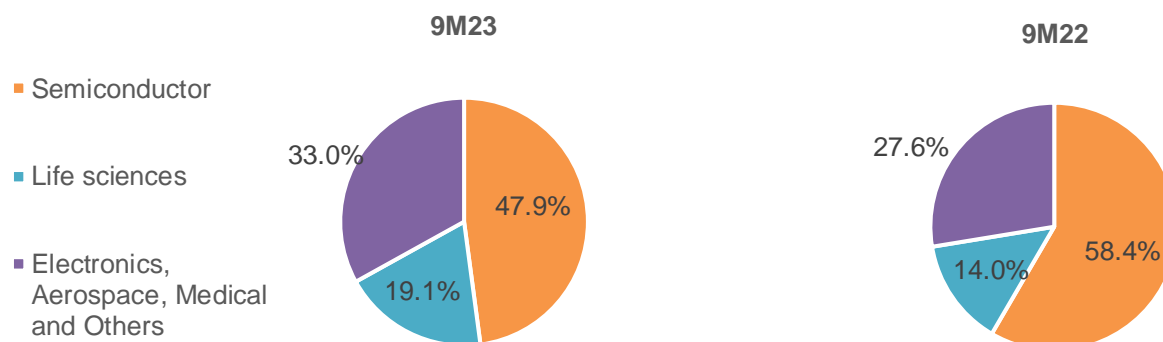
S\$'000	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Revenue	32,454	34,610	32,904	31,119	26,923	26,943	28,491
Gross profit	9,237	8,824	8,510	9,229	6,786	6,733	6,565
EBITDA	7,790	8,277	8,040	5,809	5,854	6,322	5,613
Net profit after tax	3,624	3,508	3,447	2,746	1,513	1,890	1,322
<i>Gross profit margin</i>	28.5%	25.5%	25.9%	29.7%	25.2%	25.0%	23.0%
<i>EBITDA margin</i>	24.0%	23.9%	24.4%	18.7%	21.7%	23.5%	19.7%

Revenue declined 17.6% to S\$82.4 million in 9M23 compared to 9M22, largely due to a decrease in business activity in the back-end Semiconductor segment and the Electronics segment. This was mitigated by higher revenue contribution from the Life Sciences segment.

The Group recorded year-on-year contractions in gross profit margin and EBITDA margin for 3Q23 and 9M23, mainly due to the decrease in back-end Semiconductor activity, and the ongoing absorption of expanded capacities and capabilities in preparation for future growth. In addition, its Suzhou facilities recorded reduced utilisation amid lower Electronics segment activity, in line with the electronics industry downturn.

## Revenue summary by segments

	9M23	%	9M22	%	Growth%
	S\$'000		S\$'000		
Semiconductor	39,437	47.9%	58,396	58.4%	(32.5)%
Life sciences	15,706	19.1%	14,000	14.0%	12.2%
Electronics, Aerospace, Medical and Others	27,214	33.0%	27,572	27.6%	(1.3)%
<b>Total</b>	<b>82,357</b>	<b>100.0%</b>	<b>99,968</b>	<b>100.0%</b>	<b>(17.6)%</b>



### Semiconductor

Revenue from the Semiconductor segment fell 32.5% year-on-year to S\$39.4 million in 9M23, mainly due to lower demand as the industry continued to digest excess inventories.

### Life sciences

The Life Sciences segment recorded steady year-on-year improvement of 12.2% to S\$15.7 million in 9M23, as the Group continued to expand its wallet share with customers in the segment. The Group is also undertaking a higher number of first articles qualifications with its customers.

### Electronics, Aerospace, Medical and Others

Revenue from the Electronics, Aerospace, Medical and Others remained fairly stable at S\$27.2 million in 9M23. The Group recorded higher contribution from the aerospace segment, on the back of a recovery in global aviation industry. This was, nevertheless, weighed down by a decline in contribution from the Electronics and Others segments.

## **Outlook**

While the global semiconductor and electronics industry downturn looks to be bottoming out, headwinds are expected to continue for the rest of 2023. However, the Group is cautiously optimistic of a gradual improvement in operating conditions from 2024, with more pronounced uptick in the second half of 2024 to be driven by global semiconductor demand for innovations in artificial intelligence and high-performance computing, and the need for inventory replenishment.

The Group's facility in Penang, Malaysia, which will be dedicated to front-end semiconductor activities, is expected to be operationally ready by the end of the year, in preparation for a pick-up in order momentum in 2024. In light of this, the Group is working expeditiously towards onboarding front-end semiconductor customers, taking on more first-article inspections in 3Q23. These customers are in the metrology, inspection, etch and wafer deposition segments. The Group also continues to work closely with its new back-end semiconductor customer on first article inspections and qualifications.

For its life sciences business, the Group has commenced work internally to develop capabilities in the area of advanced materials in order to carry out new projects for a life sciences customer, while making progress with customers on more first article inspections. The Group is also actively capitalising on the recovery of the global aviation industry to secure new orders and expand its customer wallet share in the aerospace segment.

In July 2023, the Group has also strengthened its management bench with the appointment of Mr Leong Kwok Choon as Senior Director, Key Technology. Mr Leong was subsequently redesignated as Chief Technology Officer of the Group. Mr Leong is responsible for driving its adoption of next-generation organisation competencies, systems and processes to enable the Group to deepen its competencies to continue supporting its customers' technological innovations.

## **BY ORDER OF THE BOARD**

**LEE TIAM NAM**

Executive Deputy Chairman

15 November 2023