

GRAND VENTURE TECHNOLOGY LIMITED

(Incorporated in Singapore on 17 September 2012)
(Company Registration Number 201222831E)



Invitation in respect of 42,918,000 Invitation Shares comprising:

- (a) 800,000 Offer Shares at S\$0.275 each by way of public offer; and
- (b) 42,118,000 Placement Shares at S\$0.275 each by way of placement, payable in full on application

Trusted manufacturing solutions and services provider

OFFER DOCUMENT DATED 15 January 2019

(Registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 15 January 2019)

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser(s). You are responsible for your own investment choices.

CIMB Bank Berhad, Singapore Branch (the "Sponsor and Issue Manager") has on behalf of Grand Venture Technology Limited (the "Company") made an application to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares (the "Shares") in the capital of the Company already issued, the Cornerstone Shares (as defined herein), the 42,918,000 new Shares which are the subject of the Invitation (as defined herein) (the "Invitation Shares"), the new Shares (the "Option Shares") which may be issued upon the exercise of the options to be granted under the GVT ESOS (as defined herein), and the new Shares (the "Award Shares") which may be issued upon the vesting of share awards granted under the GVT PSP (as defined herein), on the Catalist Board of the SGX-ST (the "Catalist"). The dealing in, and quotation of, our existing issued Shares, the Invitation Shares, the Cornerstone Shares, the Option Shares and the Award Shares will be in Singapore dollars.

Separate from the Invitation (as defined herein), Sunshine Power (as defined herein) has entered into a Cornerstone Subscription Agreement (as defined herein) with the Company to subscribe for 5,095,000 new Shares in aggregate at the Invitation Price (as defined herein), conditional upon, amongst others, the Sponsorship and Management Agreement (as defined herein) and the Underwriting and Placement Agreement (as defined herein) having been entered into and not having been terminated on or prior to the Settlement Date (as defined herein).

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of

investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Invitation (as defined herein) is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the "Authority"). We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed on Catalist and complies with the rules of the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has, in any way, considered the merits of our existing issued Shares, the Invitation Shares, the Cornerstone Shares, the Option Shares or the Award Shares, as the case may be, being offered for investment.

The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional upon the issue of the Invitation Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares, the Invitation Shares, the Cornerstone Shares, the Option Shares and the Award Shares on Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

Investing in our shares involves risks which are described in the section entitled "RISK FACTORS" of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Sponsor and Issue Manager



CIMB Bank Berhad (13491-P)
Singapore Branch
(Incorporated in Malaysia)

Underwriter and Placement Agent



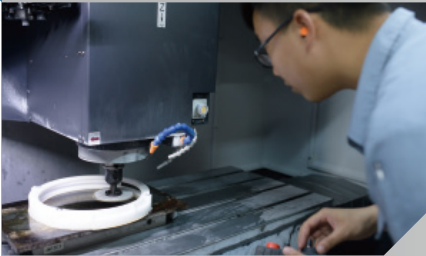
CGS-CIMB Securities (Singapore) Pte. Ltd.
(Company Registration Number 198701621D)
(Incorporated in the Republic of Singapore)

OVERVIEW

Established in Singapore in 2012, Grand Venture Technology Limited (“GVT”) is a trusted manufacturing solutions and services provider for the semiconductor, analytical life sciences, electronics and other industries. Backed by a highly experienced management team, GVT delivers engineering, assembly, testing and product life cycle management solutions. GVT operates out of its facilities in Singapore, Malaysia (Penang) and the PRC (Suzhou) to serve a portfolio of customers that are some of the largest OEMs in these industries.



CAPABILITIES



Semiconductor Industry

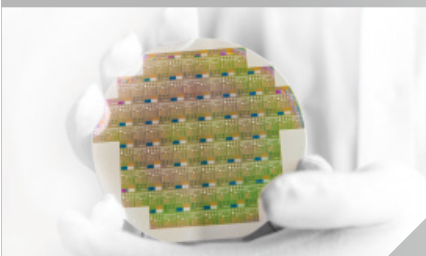
- ▲ Manufacture and supply of key and high-precision components, and assembly of key modules, for front and back-end processes
- ▲ Notable capabilities
 - precision machining
 - complex sheet metal manufacturing
 - engineering plastics and quartz machining
 - vacuum parts manufacturing
 - assembly

Analytical Life Sciences Industry

- ▲ Manufacture and supply of key and high-precision components, and assembly of key modules, for single and hybrid mass spectrometers
- ▲ Notable capabilities
 - sub-micron machining
 - vacuum parts manufacturing
 - ultra-high vacuum production processing
 - engineering plastics and ceramic machining
 - Class 10k cleanroom assembly

Electronics and Other Industries

- ▲ Manufacture and supply of key and high-precision components, and assembly of key modules, such as feeder systems in SMT machines
- ▲ Notable capabilities
 - precision machining
 - complex sheet metal manufacturing
 - assembly
 - customised engineering solutions



INVESTMENT MERITS

Broad range of engineering and assembly services

- ▲ Able to manufacture broad range of products from large structural components to small high-precision components that require sub-micron level engineering precision
- ▲ Diversified customer base across semiconductor, analytical life sciences, electronics and other industries
 - less susceptible to cyclical nature of any one industry
- ▲ Strategically located manufacturing facilities in Singapore, Malaysia and the PRC
 - close proximity to customers; facilitates shorter response time

Strong relationships with customers who are leading players in their respective industries

- ▲ Consistent passing of first-article inspections and pre-qualified as vendor to leading industry players
- ▲ Reflects ability to consistently deliver quality products and services that meet stringent customer requirements
- ▲ Evidenced by expanded orders for the manufacturing of new complex components and value-added services
- ▲ Strong standing with customers facilitates securing of more projects from both existing and new customers

Committed to investing and expanding manufacturing capabilities

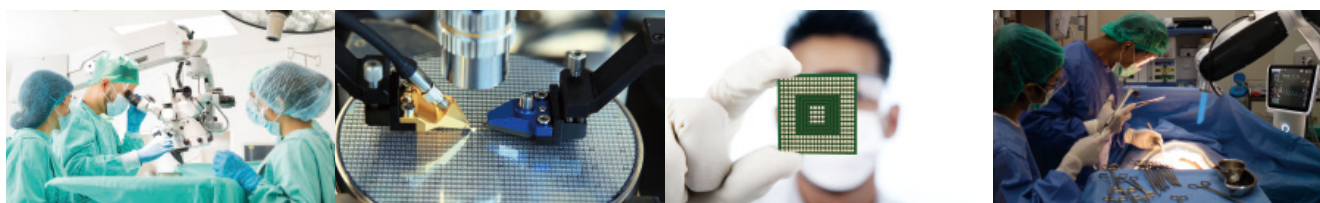
- ▲ 10-year agreement with SICO Technology GmbH and Sico Asia Quartz Pte Ltd to build up quartz and ceramic machining capabilities
- ▲ We believe we are one of the few manufacturers in SE Asia with ceramic and quartz machining know-how
- ▲ Developing sub-micron machining capabilities to cater to customers in analytical life sciences industry
- ▲ Investing in robotics and software for transformation into a "Smart Factory" on the back of the 4th Industrial Revolution

High barriers to entry

- ▲ Technical know-how in complex precision machining, sheet metal fabrication, and assembly and testing not easily replicated
- ▲ Heavy capital investments required to build up production lines
- ▲ Stringent pre-qualification criteria and long lead time to pass first-article inspection

Strong and experienced management team

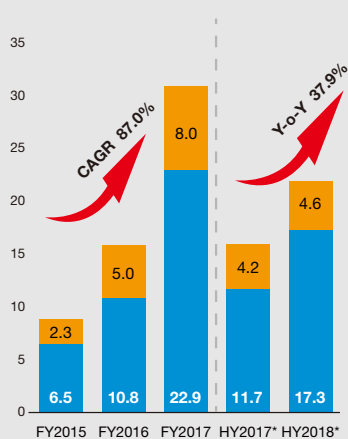
- ▲ Average of more than 25 years of manufacturing and precision engineering experience
- ▲ Management team has long working relationships with one another
- ▲ Proven track record in optimising operations, implementing strategic plans and creating shareholder value



FINANCIAL HIGHLIGHTS

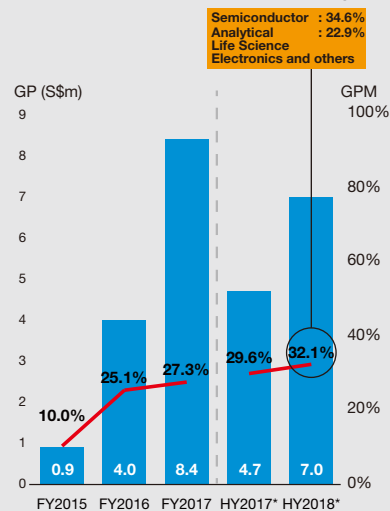
Revenue (S\$m)

- Semiconductor
- Analytical Life Science
- Electronics and others

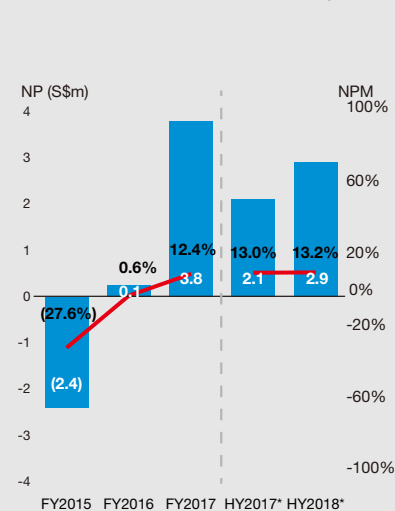


*unaudited

Gross Profit (S\$m) and Gross Profit Margin (%)



Net Profit (S\$m) and Net Profit Margin (%)

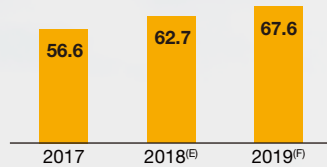


ATTRACTIVE PROSPECTS

Sustained demand for semiconductor capital equipment

- ▲ Rising demand for smart gadgets, infrastructure, network hardware, wireless communication, consumer electronics and medical devices
- ▲ Adoption of Internet of Things
- ▲ Growth of smart cities and automated manufacturing

New semiconductor manufacturing equipment sales* (US\$ billion)

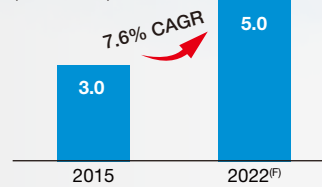


Source: *SEMI

Growth in analytical life sciences equipment market

- ▲ Widespread use of hybrid mass spectrometers on the back of technological advancements
- ▲ Prevalent use of mass spectrometry technologies in drug development processes
- ▲ Increased R&D spending by pharmaceutical companies

Mass spectrometry market revenue** (US\$ billion)



Source: **Frost & Sullivan

Continued outsourcing of high-precision component manufacturing and modular assembly activities by OEMs

- ▲ GVT is well-positioned to capture the OEM outsourcing demand with its operating presence in Singapore, Malaysia and the PRC

Attractive prospects from exposure to semiconductor and analytical life sciences markets coupled with OEM outsourcing trend

PLANS IDENTIFIED FOR GROWTH



Enlarge customer base in existing and new market segments, by leveraging capabilities and technological know-how

- ▲ Expand range of offerings to existing customers
- ▲ Acquire new customers across existing market segments
- ▲ Explore new market segments (e.g., medical imaging, medical diagnostics, medical surgical robots)
- ▲ Obtain further ISO certifications, such as ISO 13485:2016
- ▲ Working on 2,128 cases of first articles as at 30 November 2018



Invest in and Enhance Operational and Engineering Capabilities

Operational expansion across all the manufacturing locations

Singapore

- ▲ Enhance machining capabilities for advance materials, and sub-micron machining capabilities
- ▲ Build additional Class 10K cleanrooms
- ▲ Explore alternative manufacturing methods, such as 3D printing and laser sintering

Malaysia

- ▲ Take on high-volume orders, and maintain competitiveness by:
 - acquiring more equipment
 - increasing manufacturing headcount

PRC

- ▲ Target existing and new market segments such as diagnostics and medical imaging by expanding:
 - production capacity
 - capabilities such as sheet manufacturing and assembly

Supported by streamlining production processes and "Smart Organisation" transformation

Deployment of ERP, MES and WMS systems to achieve tighter operational synergies, better business process monitoring, information flow, inventory control and streamlining warehouse operations



Expand market reach, technological know-how and operational capabilities through mergers & acquisitions and joint ventures

- ▲ Seize merger-and-acquisition, joint-venture and partnership opportunities to grow footprint
- ▲ Acquire new customers through expanded capabilities and synergies achieved

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Lee Tiam Nam Ng Wai Yuen Julian (Wu Weixian Julian) Liew Yoke Pheng Joseph Pong Chen Yih Heng Su-Ling Mae	(Executive Chairman) (Chief Executive Officer and Executive Director) (Lead Independent Director) (Independent Director) (Independent Director)
COMPANY SECRETARY	:	Yap Peck Khim (a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators)	
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 #11-02 Singapore 068898	
SPONSOR AND ISSUE MANAGER	:	CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623	
UNDERWRITER AND PLACEMENT AGENT	:	CGS-CIMB Securities (Singapore) Pte. Ltd. 50 Raffles Place #16-02 Singapore Land Tower Singapore 048623	
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583 Partner-in-charge: Tan Swee Ho (a practising member of the Institute of Singapore Chartered Accountants)	
LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	RHTLaw Taylor Wessing LLP Six Battery Road #10-01 Singapore 049909	
LEGAL ADVISER TO OUR COMPANY ON MALAYSIA LAW	:	Tay & Partners 6 th Floor, Plaza See Hoy Chan Jalan Raja Chulan 50200 Kuala Lumpur Malaysia	
LEGAL ADVISER TO OUR COMPANY ON PRC LAW	:	Grandall Law Firm (Shanghai) 23-25/F, Garden Square, 968 West Beijing Road Shanghai 200041 People's Republic of China	
PRINCIPAL BANKER	:	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982	

CORPORATE INFORMATION

RECEIVING BANK : **CIMB Bank Berhad, Singapore Branch**
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

INTRODUCER : **Tay Woon Teck**
8 Wilkie Road
#03-08
Wilkie Edge
Singapore 228095

DEFINITIONS

In this Offer Document and the accompanying Application Forms, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

COMPANIES AND PERSONS WITHIN OUR GROUP

<i>“Company” or “GVT Singapore”</i>	:	Grand Venture Technology Limited
<i>“Group”</i>	:	Our Company and its subsidiaries, and a “Group Company” shall be construed accordingly
<i>“GVT Malaysia”</i>	:	Grand Venture Technology Sdn. Bhd.
<i>“GVT Suzhou”</i>	:	Grand Venture Technology (Suzhou) Co., Ltd. (杰纬特科技(苏州)有限公司)

OTHER CORPORATIONS, AGENCIES AND ENTITIES

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority
<i>“Authority”</i>	:	The Monetary Authority of Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CGS-CIMB” or “Underwriter” or “Placement Agent”</i>	:	CGS-CIMB Securities (Singapore) Pte. Ltd.
<i>“CIMB” or “Sponsor” or “Issue Manager”</i>	:	CIMB Bank Berhad, Singapore Branch
<i>“CPF”</i>	:	The Central Provident Fund
<i>“IRAS”</i>	:	The Inland Revenue Authority of Singapore
<i>“Metalbank”</i>	:	Metalbank Singapore Pte. Ltd. (formerly known as GVT Pte. Ltd.)
<i>“MOM”</i>	:	Singapore’s Ministry of Manpower
<i>“Participating Banks”</i>	:	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, and “Participating Bank” means any of them
<i>“Receiving Bank”</i>	:	CIMB Bank Berhad, Singapore Branch
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SIP Excellence”</i>	:	Suzhou Industrial Park Excellence Precision Machinery Co., Ltd. (苏州工业园区卓冠精密机电有限公司)
<i>“SIP Innovation”</i>	:	Suzhou Industrial Park Innovation Precision Machinery Co., Ltd. (苏州工业园区创新精密机械有限公司)
<i>“Sunshine Power”</i>	:	Sunshine Power Pte. Ltd.
<i>“ZG Innotech”</i>	:	ZG Innotech Pte. Ltd.

DEFINITIONS

GENERAL

- “Act” or “Companies Act”* : The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
- “Application Forms”* : The printed application forms to be used for the purpose of the Invitation, and which form part of this Offer Document
- “Application List”* : The list of applications for subscription of the Invitation Shares
- “associate”* : As defined in the Catalist Rules:
- (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
 - (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more,
- or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule of the SFR
- “ATM”* : Automated teller machine of a Participating Bank
- “Audit Committee”* : The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
- “Award Shares”* : The Shares which may be issued or transferred upon the vesting of share awards granted under the GVT PSP
- “Board” or “Board of Directors”* : The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
- “Catalist”* : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”* : The SGX-ST’s Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
- “CEO”* : The Chief Executive Officer of our Company as at the date of this Offer Document, unless otherwise stated
- “CFO”* : The Chief Financial Officer of our Company as at the date of this Offer Document, unless otherwise stated

DEFINITIONS

“COO”	:	The Chief Operating Officer of our Company as at the date of this Offer Document, unless otherwise stated
“Constitution”	:	The constitution of our Company, as amended, supplemented or modified from time to time
“Controlling Shareholder”	:	As defined in the Catalist Rules, a person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all the voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company, or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule of the SFR
“Cornerstone Shares”	:	The 5,095,000 new Shares to be subscribed for by Sunshine Power pursuant to the Cornerstone Subscription Agreement
“Cornerstone Subscription”	:	The subscription of Cornerstone Shares by Sunshine Power pursuant to the Cornerstone Subscription Agreement
“Cornerstone Subscription Agreement”	:	The cornerstone subscription agreement entered into between the Company and Sunshine Power dated 14 December 2018, pursuant to which Sunshine Power is to subscribe for the Cornerstone Shares
“Directors”	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
“EBITDA”	:	Earnings before interest, tax, depreciation and amortisation
“Electronic Applications”	:	Applications for the Offer Shares made through an ATM, IB website, or the mobile banking interface of the relevant Participating Banks, subject to and on the terms and conditions of this Offer Document
“Entity at Risk”	:	(a) our Company; (b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of our Company that is not listed on the SGX-ST or an approved exchange, provided that our Group or our Group and our Interested Person(s), has control over the associated company
“EPS”	:	Earnings per Share
“Executive Directors”	:	The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
“Executive Officers”	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
“FIE”	:	Foreign invested enterprise (外商投资企业)

DEFINITIONS

“FY”	:	Financial year ended or ending 31 December, as the case may be
“GST”	:	Goods and services tax of Singapore
“GVT ESOS” or “GVT Employee Share Option Scheme”	:	The share option scheme of our Company known as the “GVT Employee Share Option Scheme” which was approved by Shareholders on 14 December 2018 (please refer to the section entitled “GVT ESOS” of this Offer Document)
“GVT PSP” or “GVT Performance Share Plan”	:	The performance share plan of our Company known as the “GVT Performance Share Plan” which was approved by Shareholders on 14 December 2018 (please refer to the section entitled “GVT PSP” of this Offer Document)
“HY”	:	The 6-month financial period ended or ending on 30 June
“IB”	:	Internet banking
“immediate family”	:	In relation to a person, the person’s spouse, child, adopted child, step-child, sibling and parent
“Independent Directors”	:	The non-executive independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
“Interested Person”	:	(a) a Director, CEO or Controlling Shareholder of our Company; or (b) an associate of any such Director, CEO or Controlling Shareholder
“Interested Person Transaction”	:	A transaction between an Entity at Risk and an Interested Person
“Invitation”	:	The invitation by our Company to investors to subscribe for the Invitation Shares at the Invitation Price through the Offer and the Placement, upon the terms and subject to the conditions of this Offer Document
“Invitation Price”	:	S\$0.275 for each Invitation Share
“Invitation Shares”	:	The 42,918,000 new Shares for which our Company invites applications to subscribe pursuant to the Invitation, upon the terms and subject to the conditions of this Offer Document
“Latest Practicable Date”	:	30 November 2018, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
“legal representative”	:	A person appointed as a legal representative (法定代表人) of a PRC company, as required under PRC laws
“Listing”	:	The listing of our Company and the quotation of our Shares on Catalist
“Listing Date”	:	The date on which our Shares commence trading on Catalist
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Metalbank Shareholders”	:	The shareholders of Metalbank, comprising: (a) the Company’s Executive Chairman, Mr. Ricky Lee;

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	(b) the Company's CEO and Executive Director, Mr. Julian Ng;
	(c) the Company's COO, Mr. Tan Chun Siong;
	(d) the Company's Managing Director (Malaysia), Mr. Kong Sang Wah;
	(e) the Company's Group Senior Director of Sales, Mr. Saw Yip Hooi;
	(f) GVT Malaysia's Costing Manager, Mr. Ng Kok Chai;
	(g) GVT Malaysia's Costing Manager, Mr. Loh Kien Giap; and
	(h) GVT Malaysia's In-Process Quality Control Section Head, Mr. Chan Kok Heong
<i>"NAV"</i>	: Net asset value
<i>"Nominating Committee"</i>	: The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>"NTA"</i>	: Net tangible assets
<i>"Offer"</i>	: The offering by our Company to the public in Singapore for subscription of the Offer Shares at the Invitation Price, upon the terms and subject to the conditions of this Offer Document
<i>"Offer Document"</i>	: This offer document dated 15 January 2019 issued by our Company in respect of the Invitation
<i>"Offer Shares"</i>	: The 800,000 Invitation Shares which are the subject of the Offer
<i>"Options"</i>	: The options which may be granted pursuant to the GVT ESOS
<i>"Option Shares"</i>	: The Shares which may be issued upon the exercise of the Options
<i>"PBT"</i>	: Profit before tax
<i>"PER"</i>	: Price earnings ratio
<i>"Period Under Review"</i>	: The period which comprises FY2015, FY2016, FY2017 and HY2018
<i>"Placement"</i>	: The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Invitation Price, upon the terms and subject to the conditions of this Offer Document
<i>"Placement Shares"</i>	: The 42,118,000 Invitation Shares which are the subject of the Placement

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<i>“PRC”</i>	:	The People’s Republic of China, excluding the Hong Kong and Macao Special Administrative Regions
<i>“Relevant Period”</i>	:	The Period Under Review and the period from 1 July 2018 to the Latest Practicable Date
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as of the date of this Offer Document, unless otherwise stated
<i>“Securities Account”</i>	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<i>“Service Agreements”</i>	:	The service agreements entered into between our Group and each of our Executive Directors and Executive Officers (please refer to the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document)
<i>“Settlement Date”</i>	:	The date and time on which the Invitation Shares are issued as settlement under the Invitation
<i>“SFR”</i>	:	The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, modified or supplemented from time to time
<i>“SGXNET”</i>	:	Singapore Exchange Network, the system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<i>“Shareholders”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Fully paid ordinary shares in the capital of our Company
<i>“Singapore”</i>	:	The Republic of Singapore
<i>“Sponsorship and Management Agreement”</i>	:	The full sponsorship and management agreement dated 15 January 2019 entered into between our Company and CIMB in connection with the Invitation and the Listing (please refer to the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document)
<i>“Sub-Division”</i>	:	The sub-division of each Share into 19.4 Shares (please refer to the section entitled “Share Capital” of this Offer Document)
<i>“Substantial Shareholder”</i>	:	A person who has an interest in the Share(s), and the total votes attached thereto is not less than 5.0% of the total votes attached to all the voting shares of our Company
<i>“Underwriting and Placement Agreement”</i>	:	The underwriting and placement agreement dated 15 January 2019 entered into between our Company and CGS-CIMB in connection with the Invitation and the Listing (please refer to

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the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document)

CURRENCIES, UNITS AND OTHERS

“%” or “per cent.”	:	Per centum or percentage
“JPY”	:	Japanese Yen
“RM” or “MYR”	:	Malaysian Ringgit
“RMB”	:	China Renminbi
“S\$”, “SGD” and “cents”	:	Singapore dollars and cents, respectively
“sq ft”	:	Square feet
“US\$” or “USD”	:	United States of America dollars

NAMES USED IN THIS OFFER DOCUMENT

“Alan Lu”	:	Lu Jinfeng (陆锦峰), our General Manager (China)
“Joseph Liew”	:	Liew Yoke Pheng Joseph, our Lead Independent Director
“Julian Ng”	:	Ng Wai Yuen Julian (Wu Weixian Julian), our CEO and Executive Director
“Mae Heng”	:	Heng Su-Ling Mae, our Independent Director
“Ricky Lee”	:	Lee Tiam Nam, our Executive Chairman

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “entity” shall have the same meaning ascribed to it in Section 2 of the SFA, while the terms “associated company”, “associated entity”, “controlling interest-holder”, “related corporation”, “related entity”, “subsidiary”, “subsidiary entity” and “substantial interest-holder” shall have the same meanings ascribed to them respectively in Paragraph 1 of the Fourth Schedule of the SFR.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

The exchange rates used in this Offer Document are for reference only. No representation is made that any foreign currency amounts were, could have been, will be or could be converted into SGD amounts at any of the exchange rates used in this Offer Document, at any other rate or at all.

Any discrepancies in the tables included in this Offer Document between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Offer Document, the Application Forms, or the Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

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Any reference in this Offer Document, the Application Forms, or the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document, the Application Forms, or the Electronic Applications shall be a reference to Singapore time, unless otherwise stated.

References in this Offer Document to “our Group”, “we”, “our”, and “us” or any other grammatical variations thereof shall unless otherwise stated, mean our Company, our Group or any member of our Group, as the context requires.

Various names with Chinese characters have been translated into English names. These translations are provided solely for your convenience. The English translations may not have been registered with the relevant PRC authorities, and should not be construed as representations that the English names actually represent the names in Chinese characters. In case of inconsistencies between the English names and the respective official Chinese names, the Chinese names shall prevail.

Any information on our website or any other website directly or indirectly linked to such website does not form part of this Offer Document and should not be relied upon.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our Group's business, the following glossary provides a description of some of the technical terms and abbreviations used in this Offer Document. The terms and their meanings may not correspond to standard industry terms or common meanings or usage of these terms.

<i>"analytical industries"</i>	:	A specialised sub-set of the manufacturing industry dealing with the breakdown and analysis of the elements, ingredients, components in substances and materials
<i>"approved vendor status"</i>	:	Manufacturing businesses routinely procure raw materials from and/or sub-contract parts to other businesses. In the manufacturing supply chain, such businesses are known as suppliers or vendors. Certain manufacturing businesses only deal with suppliers or vendors that pass their vetting and validation processes, and such suppliers or vendors are thereafter conferred "approved supplier status" or "approved vendor status"
<i>"capital equipment"</i>	:	Equipment, machinery and tools that are used to manufacture other products. For example, semiconductor capital equipment is used in the manufacture of semiconductor devices
<i>"ceramic machining"</i>	:	Precision cutting using materials such as aluminium oxide or silicon carbide. Ceramic machining is finding increased use where high speed and resistance to high temperatures and wear are factors
<i>"CNC"</i>	:	Computerised Numerical Control. A precise manufacturing process via the automation of machine tools by means of computers executing pre-programmed sequences of machine control commands
<i>"die"</i>	:	Integrated circuits are produced in large batches on a single wafer of electronic-grade silicon or other semiconductor. The wafer is cut into many pieces, each containing one copy of the circuit. Each of these pieces is a "die"
<i>"die bonding"</i>	:	The process of attaching the semiconductor die either to its package or to certain substrate
<i>"first article"</i>	:	When a business intends for a new product to be manufactured, it will typically request for manufacturers to manufacture a "first article" or sample for its vetting and verification to ensure that the production process reliably produces the product in accordance with its design and specifications
<i>"high-performance liquid chromatography"</i>	:	A technique in analytical chemistry used to separate, identify and quantify each component in a mixture. High-performance liquid chromatography is used in manufacturing (e.g. during the production process of pharmaceutical and biological products), medical (e.g. detecting vitamin levels in blood or urine) and research (e.g. separating the components of a biological sample or synthetic chemicals)
<i>"ISO 9001"</i>	:	ISO 9001 is the internationally recognised standard for Quality Management Systems (" QMS "). It is the most widely used

GLOSSARY OF TECHNICAL TERMS

	<p>QMS standard in the world, with over 1.1 million certificates issued to organisations in 178 countries</p> <p>ISO 9001 provides a framework and set of principles that ensure a common-sense approach to the management of an organisation to consistently satisfy customers and other stakeholders. In simple terms, it provides the basis for effective processes and effective people to deliver an effective product or service time after time</p>
<i>“machine tending”</i>	: The process of overseeing a machine while it performs a job, as well as the process of feeding/changing parts. Machine tending can either be automated via robot automation systems or performed manually
<i>“mass spectrometer”</i>	: An apparatus for identifying the kinds of particles present in a given substance: the particles are ionised and beamed through an electromagnetic field and the manner in which they are deflected is indicative of their mass, and thus, their identity
<i>“micron” or “micrometer”</i>	: A unit of length equal to one millionth of a metre (0.000001 metres or 0.001 millimetres)
<i>“milling”</i>	: The process of cutting or shaping a workpiece by feeding it at an angle to rotating cutters
<i>“modular assembly”</i>	: A manufacturing technique in which components of an engineering part are fabricated in modules, and then connected to other modules or parts of a machine or system
<i>“OEM”</i>	: Original equipment manufacturer. A manufacturer or producer of complete end products or systems who sells them under its own brand
<i>“quartz machining”</i>	: Precision cutting, machining and finishing/grinding of quartz for the production of quartz components
<i>“semiconductor”</i>	: A material that has an electrical conductivity value falling between that of a conductor (e.g. copper, gold) and an insulator (e.g. glass), and which is commonly used in the manufacture of computer components, diodes, electronic chips, integrated circuits, and transistors
<i>“sheet metal manufacturing”</i>	: The process of cutting, shearing, rolling, bending and punching sheet metal to manufacture parts and pieces
<i>“SMT” or “surface mount technology”</i>	: A method of producing electronic circuits in which the components are mounted or placed directly onto the surface of printed circuit boards
<i>“sub-micron”</i>	: Being of a size that is less than a micron
<i>“sub-micron machining”</i>	: Also known as “ultra-precision machining”, sub-micron machining is a high-precision manufacturing process in which material is processed at an atomic scale (in the vicinity of one (1) micron). Sub-micron machining requires the use of single

GLOSSARY OF TECHNICAL TERMS

- crystal diamond tools for ultrafine cutting or very fine abrasives for lapping or polishing
- “ultra-high vacuum production processing”* : A manufacturing process involving the use of ultra-high vacuum pressure in an ultra-clean environment, for applications ranging from high-energy particle research to the manufacture of semiconductor and opto-electronic devices
- “vacuum parts manufacturing”* : The manufacture of key and high-precision components that go into a vacuum chamber, such as chamber lids, cooldown plate bases, hinge brackets, and “SFD” type pivots
- “wedge bonding”* : A kind of wire bonding which relies on the application of ultrasonic power and force to form bonds using larger diameter wires or wire ribbons for power electronics applications
- “wire bonding”* : The process of making interconnections between an integrated circuit or other semiconductor device and its packaging during the semiconductor device fabrication

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects and the future prospects of our industry are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) expected growth or decline in demand and business volume;
- (c) expected industry trends and development;
- (d) anticipated expansion and development plans and other future plans;
- (e) anticipated commencement and completion date for projects; and
- (f) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (i) changes in political, social, economic, business and financial conditions and stock or securities market conditions, and the regulatory environment in Singapore and other countries in which we conduct our business or expect to conduct business;
- (ii) the risk that we may be unable to execute or implement our business strategies and future plans;
- (iii) changes in the availability and prices of raw materials and goods which we require to operate our business;
- (iv) our anticipated growth strategies and expected internal growth;
- (v) changes in competitive conditions and our ability to compete under such conditions from time to time;
- (vi) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (vii) changes in currency exchange or interest rates;
- (viii) war or acts of international or domestic terrorism;
- (ix) occurrences of catastrophic events, natural disasters and acts of God that affect our business; and
- (x) other factors beyond our control.

Some of these risk factors are discussed in greater detail in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans” of this Offer Document. All forward-looking statements made by or attributable to us, our Directors, our Executive Officers or our employees acting

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

on our behalf, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as at the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. Neither our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent, the respective advisers nor any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those forward-looking statements.

Our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent, the respective advisers and any other person disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority but before the close of the Invitation, our Company becomes aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA, the SFR or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

Where such changes occur and are material or are required to be disclosed by law, we will comply with the relevant provisions of the SFA and make an announcement of the same to the SGX-ST and the public and, if required, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority pursuant to the SFA. All applicants should take note of any such announcement, or supplementary or replacement offer document and, upon the release of the same, shall be deemed to have notice of such changes.

SELLING RESTRICTIONS

SINGAPORE

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the Invitation Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company and the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be (a) copied, photocopied or duplicated in any form by any means, or (b) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

MALAYSIA

No prospectus or other offering material or document in connection with the Invitation and the Invitation Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") pursuant to the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**") and no approval for the Invitation of the Invitation Shares has been obtained from the Commission pursuant to the CMSA. Accordingly, this Offer Document and any other material or document in connection with the offer or sale, or invitation for subscription or purchase, of the Invitation Shares may not be circulated or distributed, nor may the Invitation Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (a) a closed-end fund approved by the Commission, (b) a holder of a Capital Markets Services Licence granted under Section 61 of the CMSA, (c) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3,000,000 (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual, (d) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies), per annum in the preceding twelve (12) months, (e) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve (12) months, (f) a corporation with total net assets exceeding RM10,000,000 (or its equivalent in foreign currencies), based on the last audited accounts, (g) a partnership with total net assets exceeding RM10,000,000 (or its equivalent in foreign currencies), (h) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act, 2010, (i) an Islamic bank licensee or takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act, 2010, and (j) any other person as may be specified by the Commission, provided that, in each of the preceding categories (a) to (j), the distribution of the Invitation Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. This Offer Document will only be deposited as an information memorandum with the Commission. This Offer Document does not constitute, and may not be used for the purpose of a public offering or an issue, offer for subscription, or an invitation to subscribe for any securities requiring the registration of an offer document with the Commission under the CMSA. If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

DETAILS OF THE INVITATION

LISTING ON CATALIST

The Sponsor and Issue Manager has made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued, the Invitation Shares, the Cornerstone Shares, the Option Shares and the Award Shares on Catalist. The dealing in, and quotation of, our existing issued Shares, the Invitation Shares, the Cornerstone Shares, the Option Shares and the Award Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

The Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager, and the Underwriter and Placement Agent, confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of our existing issued Shares, the Invitation Shares, the Cornerstone Shares, the Option Shares, or the Award Shares.

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, or any other legal or regulatory requirements or requirements under the Catalist Rules, have been complied with. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Offer Document. Admission to Catalist is not to be taken as an indication of the merits of the Invitation, our Group, our existing issued Shares, the Invitation Shares, the Cornerstone Shares, the Option Shares, or the Award Shares.

Acceptance of applications will be conditional upon, amongst others, the allotment and issuance of the Invitation Shares and upon permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares, the Invitation Shares, the Cornerstone Shares, the Option Shares and the Award Shares. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the completion of the Invitation does not occur, or the said permission from the SGX-ST is not granted for any reason (including where a Stop Order (as defined herein) is issued), and you will not have any claims against us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

No Shares shall be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority. After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

We are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement or matter in this Offer Document;

DETAILS OF THE INVITATION

- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority which would have been required by Section 243 of the SFA, the SFR or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor and Issue Manager, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority pursuant to Section 241 of the SFA.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Placement shall be kept open for at least fourteen (14) days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Invitation Shares and:

- (a) where the Invitation Shares have not been issued to the applicants, we shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and we shall, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, refund the applicants all monies the applicants have paid on account of their applications for the Invitation Shares, without interest or any share of revenue or other benefits arising therefrom and at their own risk; or
- (b) where the Invitation Shares have been allotted, issued and/or transferred to the applicants, we shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us the Invitation Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Invitation Shares which they do not wish to retain title in; or
 - (iii) treat the issue of the Invitation Shares as void, in which case the issue shall be deemed void, and we shall within seven (7) days from the date of lodgement of the supplementary

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or replacement offer document, refund the applicants all monies the applicants have paid on account of their applications for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at their own risk.

An applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within fourteen (14) days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, pay to him all monies paid by him on account of his application for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Invitation Shares issued to him shall, within fourteen (14) days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares, to us, whereupon we shall, subject to compliance with applicable laws and our Constitution, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent and the issue of those Invitation Shares shall be deemed to be void.

Pursuant to Section 242 of the SFA, the Authority or the SGX-ST acting as agent on behalf of the Authority may, in certain circumstances issue a stop order (the “**Stop Order**”) to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where this Offer Document (a) contains any statement or matter which, in the opinion of the Authority or the SGX-ST acting as agent on behalf of the Authority, is false or misleading, (b) omits any information that should have been included in it under the SFA, (c) does not, in the opinion of the Authority or the SGX-ST acting as agent on behalf of the Authority, comply with the requirements of the SFA, or (d) in the opinion of the Authority or the SGX-ST acting as agent on behalf of the Authority, that it is in the public interest to do so.

In the event that the Authority or the SGX-ST acting as agent on behalf of the Authority issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then to the extent permissible under the applicable laws:

- (a) where the Invitation Shares have not been issued and/or sold to the applicants, the applications for the Invitation Shares shall be deemed to have been withdrawn and cancelled and we shall, within fourteen (14) days from the date of the Stop Order, refund to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares; or
- (b) where the Invitation Shares have already been issued to the applicants but trading has not commenced, the issue of the Invitation Shares shall be deemed to be void and we shall, within fourteen (14) days from the date of the Stop Order, refund to the applicants all monies paid by them for the Invitation Shares.

Where monies are to be returned to applicants for the Invitation Shares, they shall be paid to the applicants at their own risk, without any interest or share of revenue or other benefit arising therefrom, and the applicants will not have any claim against our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

This Offer Document has been seen and approved by our Directors. They collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts, the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and

DETAILS OF THE INVITATION

correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

Neither our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent nor any other parties involved in the Placement is making any express or implied representation, warranty or covenant to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations or as to the accuracy or completeness of the information contained herein, and nothing contained in this Offer Document is, or shall, to the extent permitted by law, be relied upon as a promise, representation or covenant by us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers. No information in this Offer Document should be considered as being business, legal, financial or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser(s) regarding an investment in our Shares.

The Invitation Shares are offered for subscription solely on the basis of the information contained and the representations made in this Offer Document.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent. Neither the delivery of this Offer Document, the Application Forms nor any document relating to the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or in any statement of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we will promptly make an announcement of the same to the SGX-ST and the public and if required under the SFA, a supplementary or replacement offer document will be issued and made available to the public after a copy thereof has been lodged with the SGX-ST acting as agent on behalf of the Authority. All applicants should take note of any such announcement and/or supplementary or replacement offer document and, upon the release of such an announcement and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

The distribution of this Offer Document and the Offer, purchase, sale or transfer of our Shares may be restricted by law in certain jurisdictions. We, the Sponsor and Issue Manager, and the Underwriter and Placement Agent require persons into whose possession this Offer Document comes to inform themselves about and to observe any such restrictions at their own expense and without liability to us, the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our subsidiaries.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the Invitation Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

DETAILS OF THE INVITATION

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability, during office hours from:

CGS-CIMB Securities (Singapore) Pte. Ltd.
CGS-CIMB Securities Investment Centre
50 Raffles Place
#01-01 Singapore Land Tower
Singapore 048623

An electronic copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Application List will open immediately upon registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority on 15 January 2019 and will remain open until 12.00 noon on 21 January 2019 or for such further period or periods as our Directors may, in consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least fourteen (14) days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for the Invitation Shares are described under the section entitled "Terms, Conditions and Procedures for Applications" as set out in Appendix I of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Invitation and trading of our Shares is set out below for reference of applicants:

Indicative Date and Time	Event
15 January 2019 (immediately upon registration of this Offer Document)	Open of Invitation
21 January 2019, at 12.00 noon	Close of Application List
22 January 2019	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
23 January 2019, at 9.00 a.m.	Commence trading on a “ready” basis
25 January 2019	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 21 January 2019, the date of admission of our Company to Catalist is 23 January 2019, the SGX-ST’s shareholding spread requirement will be complied with and the Invitation Shares will be issued and allotted or allocated (as the case may be) and fully paid-up prior to 9.00 a.m. on 23 January 2019. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a “ready” basis and the commencement date of such trading.

Investors should consult the SGX-ST’s announcement on the “ready” trading date released on the internet (at the SGX-ST’s website at <http://www.sgx.com>) or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

We, with the agreement of the Sponsor and Issue Manager, and the Underwriter and Placement Agent, may at our discretion, subject to all applicable laws and regulations and the rules of SGX-ST, agree to extend or shorten the period during which the Application List is open, provided that such period shall not be shorter than two (2) Market Days.

In the event of any changes in the close of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com>; and
- (b) in a major English language newspaper in Singapore, such as The Straits Times or The Business Times.

We will publicly announce details of the results of the Invitation (including the level of subscription for the Invitation Shares and the basis of allotment and/or allocation thereof), as soon as it is practicable after the close of the Application List through the channels described in (a) and (b) above.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Invitation Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of applicants with a view to establish an adequate market for our Shares.

PLAN OF DISTRIBUTION

THE INVITATION

The Invitation is for 42,918,000 Invitation Shares offered by way of the Offer and Placement, comprising 800,000 Offer Shares and 42,118,000 Placement Shares. The Invitation is managed by CIMB and underwritten by CGS-CIMB.

Prior to the Invitation, there has been no public market for our Shares. The Invitation Price is determined by us in consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent after taking into consideration, amongst others, prevailing market conditions and the estimated market demand for the Invitation Shares determined through a book-building process. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

Investors may apply to subscribe for any number of Invitation Shares in integral multiples of 1,000 Invitation Shares. In order to ensure a reasonable spread of Shareholders, we have absolute discretion to prescribe a limit to the number of Placement Shares to be allotted to any single applicant and/or to allot Placement Shares above or under such prescribed limit as we shall deem fit.

Subject to the terms and conditions set forth in the Sponsorship and Management Agreement and the Underwriting and Placement Agreement entered into between us and CIMB and CGS-CIMB, respectively as set out in the section entitled "Sponsorship, Management, Underwriting and Placement Arrangements" of this Offer Document, our Company has appointed: (a) CIMB to manage the Invitation and to be the Sponsor; and (b) CGS-CIMB to underwrite the Invitation and/or subscribe for and/or procure subscribers for the Invitation Shares. CIMB will receive a management fee for its services rendered in connection with the Invitation.

OFFER SHARES

The Offer Shares are made available to members of the public in Singapore for subscription at the Invitation Price. Applications for Offer Shares may be made by way of printed Application Forms or by way of Electronic Applications. The terms, conditions and procedures for applications and acceptance are described in the section entitled "Terms, Conditions and Procedures for Applications" as set out in Appendix I of this Offer Document.

An Applicant who has made an application for Offer Shares by way of an Application Form may not make another separate application for Offer Shares by way of an Electronic Application and vice versa. Such separate application shall be deemed to be multiple applications and shall be rejected.

Pursuant to the Underwriting and Placement Agreement, CGS-CIMB has agreed to underwrite our offer of the Offer Shares for a commission of 3.0% of the Invitation Price for each Offer Share, payable by our Company. CGS-CIMB may, at its absolute discretion, appoint one (1) or more sub-underwriters for the Offer Shares.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for of the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Sponsor and Issue Manager, and the Underwriter and Placement Agent, and approved by the SGX-ST, if required.

PLACEMENT SHARES

The Placement Shares are reserved for placement to investors in Singapore and elsewhere who may apply through their brokers or financial institutions. Applications for the Placement Shares must be made by way of printed Application Forms or such other forms of application as the Sponsor and Issue

PLAN OF DISTRIBUTION

Manager, and the Underwriter and Placement Agent, deem appropriate. The terms, conditions and procedures for application and acceptance are set out in the section entitled "Terms, Conditions and Procedures for Applications" as set out in Appendix I of this Offer Document.

Pursuant to the Underwriting and Placement Agreement, CGS-CIMB has agreed to subscribe for, or procure subscribers for the Placement Shares at the Invitation Price, for a placement commission of 3.0% of the Invitation Price for each Placement Share, payable by our Company. CGS-CIMB may, at its absolute discretion, appoint one (1) or more sub-placement agents for the Placement Shares.

Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Invitation Price (plus GST thereon and any other similar charges if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

The Underwriting and Placement Agreement is conditional upon, among other things, the Sponsorship and Management Agreement not having been terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

SUBSCRIPTION FOR INVITATION SHARES

To the best of our knowledge and belief, none of our Directors, Executive Officers, Substantial Shareholders or their associates intends to subscribe for more than 5.0% of the Invitation Shares. If such person(s) were to make an application for the Invitation Shares and are subsequently allotted and/or allocated such number of Invitation Shares, we will make the necessary announcements at an appropriate time.

To the best of our knowledge and belief, none of our employees intends to subscribe for 5.0% or more of the Invitation Shares.

To the best of our knowledge, we are not aware of any person who intends to subscribe for more than 5.0% of the Invitation Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his or their interest to subscribe for more than 5.0% of the Invitation Shares. If such person(s) were to make an application for more than 5.0% of the Invitation Shares pursuant to the Invitation and subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406(1) of the Catalist Rules.

No Shares shall be allotted and issued on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.

CORNERSTONE SHARES

At the same time as but separate from the Invitation, Sunshine Power has entered into a Cornerstone Subscription Agreement with the Company to subscribe for 5,095,000 Cornerstone Shares at the Invitation Price, conditional upon, amongst others, the Sponsorship and Management Agreement, and the Underwriting and Placement Agreement, having been entered into and not having been terminated on or prior to the Settlement Date. The Cornerstone Shares constitute approximately 2.2% of our Company's post-Invitation share capital of 234,253,000 Shares (assuming also, the completion of the Cornerstone Subscription).

OFFER DOCUMENT SUMMARY

The following summary highlights certain information found in greater detail elsewhere in this Offer Document and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that prospective investors should consider before investing in our Shares. Prospective investors should read the entire Offer Document carefully, especially the section entitled “Risk Factors” of this Offer Document, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company was incorporated on 17 September 2012 in Singapore under the Companies Act as an exempt private company limited by shares under the name of “Grand Venture Technology Pte. Ltd.”.

We are a trusted manufacturing solutions and service provider for the semiconductor, analytical life sciences, electronics and other industries, with operations in Singapore, Malaysia (Penang) and the PRC (Suzhou). We serve some of the largest OEMs in these industries, by providing a range of engineering, assembly, testing and product lifecycle management services for the manufacture of complex precision machining and sheet metal components and modules.

Please refer to the section entitled “General Information on our Group – Our Business” of this Offer Document for further details.

Our Competitive Strengths

We believe that our competitive strengths are as follows:

- we offer a broad range of engineering and assembly services as well as products across the semiconductor, analytical life sciences and electronics industries;
- we have established strong relationships with customers who are leading players in their respective industries;
- we are committed to investing and expanding our manufacturing capabilities;
- there are high barriers to entry for our businesses; and
- we have a strong and experienced management team.

Please refer to the section entitled “General Information on our Group – Competitive Strengths” of this Offer Document for further details.

Our Business Strategies and Future Plans

Our business strategies and future plans for the continued growth of our business are as follows:

- we intend to enlarge our customer base in both existing and new market segments, by leveraging on our capabilities and technological know-how;
- we intend to invest in and enhance our operational and engineering capabilities; and
- we intend to expand our market reach, technological know-how and operational capabilities via mergers and acquisitions, joint ventures and partnerships.

Please refer to the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document for further details.

OFFER DOCUMENT SUMMARY

Our Contact Details

Our registered address and principal place of business is located at 2 Changi North Street 1, GVT Building, Singapore 498828. Our telephone number is +65 6542 3000 and our facsimile number is +65 6542 5333. Our Company Registration Number is 201222831E. Our email address is contact@gvt.com.sg. Our corporate website is <http://www.gvt.com.sg>.

Information contained in our website does not constitute part of this Offer Document and should not be relied on.

OFFER DOCUMENT SUMMARY

FINANCIAL HIGHLIGHTS

You should read the following summary financial information in conjunction with the full text of this Offer Document, including the “Independent Auditor’s and Reporting Accountant’s Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 December 2015, 2016 and 2017”, the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Consolidated Financial Statements for the Six-Month Period ended 30 June 2018” and the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 December 2017 and Unaudited Interim Pro Forma Consolidated Financial Information for the Six-Month Period ended 30 June 2018” as set out in Appendices A, B and C, respectively, of this Offer Document, as well as the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

Selected items from the Audited Consolidated and Unaudited Consolidated Statements of Comprehensive Income of our Group

(\$'000)	Audited FY2015	Audited FY2016	Audited FY2017	Proforma FY2017 ⁽¹⁾	Unaudited HY2017	Unaudited HY2018	Proforma HY2018 ⁽¹⁾
Revenue	8,819	15,794	30,856	33,926	15,839	21,848	21,848
Gross Profit	881	3,968	8,433	9,067	4,688	7,022	7,022
Profit/(loss) before tax	(2,501)	142	2,582	3,230	2,026	3,957	3,957
Profit/(loss) after tax	(2,436)	102	3,840	4,420	2,051	2,875	2,875
EPS (cents)⁽²⁾	(1.31)	0.05	2.06	2.37	1.10	1.54	1.54
EPS (fully diluted) (cents)⁽³⁾	(1.04)	0.04	1.64	1.89	0.88	1.23	1.23

Selected items from the Audited Consolidated and Unaudited Consolidated Statements of Financial Positions of the Group

(\$'000)	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	Proforma as at 31 December 2017 ⁽¹⁾	As at 30 June 2018	Proforma as at 30 June 2018 ⁽¹⁾
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(unaudited)
Current assets	6,473	11,690	16,948	17,455	26,362	27,562
Non-current assets	20,122	20,851	21,817	23,510	25,400	25,400
Current liabilities	13,054	20,231	15,420	13,013	23,019	22,019
Non-current liabilities	10,620	9,393	16,465	16,465	16,337	16,337
Total equity	2,921	2,917	6,881	11,488	12,405	14,605
NAV per Share (cents)⁽⁴⁾	1.57	1.57	3.69	6.17	6.66	7.84

Notes:

- (1) Presented based on pro forma adjustments for: (i) conversion of convertible loans into 800,000 Shares (before the Sub-Division) to the holders thereof in February 2018, (ii) acquisition of business assets of SIP Excellence and SIP Innovation in January 2018 and (iii) issuance of 800,000 Shares (before the Sub-Division) to ZG Innotech in July 2018. Please refer to notes (2) and (3) to the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 December 2017

OFFER DOCUMENT SUMMARY

and Unaudited Interim Pro Forma Consolidated Financial Information for the Six-Month Period ended 30 June 2018” as set out in Appendix C of this Offer Document for the assumptions underlying the pro forma adjustments and further details.

- (2) For comparative purposes, EPS is calculated based on net profit attributable to equity holders of our Company for the year or period, as the case may be, and our pre-Invitation share capital of 186,240,000 Shares. This represents profit/(loss) after tax attributable to our Shareholders as we do not have non-controlling interests.
- (3) For comparative purposes, EPS (fully diluted) is calculated based on net profit attributable to equity holders of our Company for the year or period, as the case may be, and our post-Invitation share capital of 234,253,000 Shares (assuming also, the completion of the Cornerstone Subscription).
- (4) For comparative purposes, NAV per Share is calculated based on the NAV of our Group for the year or period, as the case may be, and our pre-Invitation share capital of 186,240,000 Shares.

THE INVITATION

- Invitation Size** : 42,918,000 Invitation Shares comprising 800,000 Offer Shares and 42,118,000 Placement Shares.
- The Invitation Shares shall, upon allotment and issue, be free from all pre-emption rights, charges, liens and other encumbrances and, rank in all respects pari passu with our existing issued Shares.
- Invitation Price** : S\$0.275 for each Invitation Share, payable in full on application.
- The Offer** : The Offer comprises an invitation by our Company to the public in Singapore to subscribe for 800,000 Offer Shares at the Invitation Price, upon the terms and subject to the conditions of this Offer Document.
- The Placement** : The Placement comprises a placement by the Placement Agent on behalf of our Company to investors in Singapore and elsewhere to subscribe for 42,118,000 Placement Shares at the Invitation Price, upon the terms and subject to the conditions of this Offer Document.
- Cornerstone Shares** : At the same time as but separate from the Invitation, Sunshine Power has entered into a Cornerstone Subscription Agreement with the Company to subscribe for 5,095,000 Cornerstone Shares at the Invitation Price, conditional upon, amongst others, the Sponsorship and Management Agreement, and the Underwriting and Placement Agreement, having been entered into and not having been terminated on or prior to the Settlement Date.
- The Cornerstone Shares constitute approximately 2.2% of our Company's post-Invitation share capital of 234,253,000 Shares (assuming also, the completion of the Cornerstone Subscription).
- Purpose of the Invitation** : We believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and internationally and enable us to tap the capital markets to fund the expansion of our business operations. The Invitation will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. In addition, the proceeds from the Invitation will provide us with additional capital to finance our growth and expansion. Please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document for further details.
- Listing Status** : Prior to the Invitation, there has been no public market for our Shares. Our Shares will be quoted in Singapore dollars on Catalist, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, our Shares that are already issued, the Invitation Shares, the Cornerstone Shares, the Option Shares and the Award Shares which may be issued, being granted by the SGX-ST, and the Authority or the SGX-ST acting as agent on behalf of the Authority not issuing a Stop Order.
- Risk Factors** : Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.

RISK FACTORS

We are exposed to a number of possible risks that may arise from political, social, economic, business, market and financial factors and developments that may have a material and adverse effect on our future performances.

Prospective investors should carefully consider and evaluate each of the following risk factors and all other information contained in this Offer Document before deciding whether to invest in our Shares. Before deciding to invest in our Shares, you should seek professional advice from your own legal, financial, tax or other professional adviser(s). To the best of our knowledge and belief, all risk factors which are material to investors in making an informed judgement of our Group have been set out below. However, the risks described below are not the only ones that our Group faces. Additional risks not presently known to our Group or that our Group currently deems immaterial may also impair our business operations. The business, financial condition, results of operations and prospects of our Group could be materially and adversely affected by any of these risks if they develop into actual events. The market price of our Shares could decline due to any of these risks and you may lose all or part of your investment.

This Offer Document also contains forward-looking statements that involve risks and uncertainties. The actual results of our Group's operations could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks our Group faces as described below and elsewhere in this Offer Document. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

RISKS RELATING TO OUR BUSINESS AND OPERATIONS

We are dependent on our relationship with our major customers

Our six (6) major customers, as described in the section "Our Major Customers", accounted for an aggregate of 78.7%, 92.3%, 89.7% and 94.8% of our sales in FY2015, FY2016, FY2017 and HY2018 respectively.

Typically, for our industry, we do not have any long-term supply agreements with our customers. As such, there can be no assurance that we will be able to retain our major customers or maintain or increase our current level of business activities with them. Should any of our major customers cease or reduce their orders, we may not be able to immediately establish new business relationships to make up for the lost sales. Moreover, prior to the establishing of such new business relationships, we may be subject to vetting and verification by our potential customers and there can be no assurance that the results thereof will be satisfactory. Accordingly, the business operations, financial condition, results of operations and prospects of our Group may be materially and adversely affected if we are not able to retain our major customers.

We are exposed to the risks of our customers' end-markets in semiconductor capital equipment, and analytical life sciences equipment, and the cyclical nature of the demand for electronic products

Our businesses serve several market segments, including the semiconductor, analytical life sciences and electronics industries. Each of these end-markets is subject to industry cycles which are beyond our control. These cycles can delay investment decisions for new capital equipment in laboratories and factory production lines, and this in turn affects the demand for the various components, services and products that we provide. In particular, the semiconductor and electronics industries have historically been volatile, alternating between industry upturns and downturns. There can be no certainty that such volatility will be reversed or arrested in future. We are thus also dependent on our customers' ability to compete successfully in their respective businesses. Although we help our customers by offering quality engineering and competitive manufacturing services, we have no direct influence over them. In the event that our customers are not able to compete successfully in their respective businesses, or if there is a downturn (for whatever reason), our business operations, financial condition, results of operations and prospects may be adversely affected.

RISK FACTORS

We may be affected by significant increase in raw material prices

Our main raw materials are aluminium and stainless steel. The aggregate cost of such raw materials constituted an average of approximately 43.9% of our total purchases for the Period Under Review. Prices fluctuate mainly due to changes in global supply and demand conditions for these raw materials.

While we occasionally enter into fixed-price arrangements with our supplier for aluminium (pursuant to which the price is fixed for a period of six (6) or twelve (12) months), we generally do not enter into long-term arrangements with our suppliers in respect of pricing. Accordingly, there can be no assurance of our continual ability to obtain raw materials at acceptable prices, and where we have fixed-price arrangements with our supplier for aluminium, there can be no assurance that the price fixed will be more favourable than the prevailing market price during the term of the arrangement.

In the event of a significant increase in the prices of our raw materials and we are unable to pass on the price increase to our customers, or find alternative sources of raw materials of comparable quality at acceptable prices, the business operations, financial condition, results of operations and prospects of our Group may be materially and adversely affected.

We are reliant on our suppliers and are exposed to the risk of components and raw materials shortages and price fluctuations

We rely on a regional network of suppliers to supply us with the standard components and raw materials that we do not manufacture ourselves and which are necessary to meet our commitment to our customers.

As we do not enter into long-term or exclusive arrangements with our suppliers, there can be no assurance that they will continue to supply us with such standard components and raw materials at prices that are acceptable to us or at all. Our ability to deliver our products is thus dependent on our suppliers' ability to provide us with the standard components and raw materials on time and at competitive prices. In the event of any disruption in our arrangements with our suppliers, we may not be able to source for suitable alternatives in a timely manner, and this in turn would affect our delivery of our products, which in turn would delay income recognition. Further, any delays by us in delivering our products may result in cost overruns as we would have to incur higher interest costs for carrying the inventory longer than expected and/or lead to late delivery penalties imposed by our customers.

If we are unable to find suitable alternatives in a timely manner, or are required to resort to suitable alternatives at higher prices, this could have a material and adverse effect on our business operations, financial condition, results of operations and prospects.

We are subject to lease renewals and relocation risks in respect of our Malaysian and PRC operations

Currently, we lease the premises of our PRC production facility, two (2) of our Malaysian production facilities, as well as six (6) properties in Malaysia for staff accommodation on relatively short lease periods of up to three (3) years. Upon the expiry of the lease term, the landlord has the right to review and revise the terms and conditions of the lease agreement. We therefore face the risk of an increase in rental or not being able to renew the lease on terms and conditions favourable to us or at all. Any increase in rental or relocation costs would increase our operating expenses. Further, in the event that any of our existing lease agreements is not renewed upon its expiry and alternative locations are not found in a timely manner or at all, our Malaysian and PRC operations may be disrupted or reduced. Accordingly, the occurrence of any of the foregoing may have a material and adverse effect on the business operations, financial condition, results of operations and prospects of our Group.

Please refer to the section entitled "General Information on our Group – Properties, Plant and Equipment" of this Offer Document for further details.

We plan our production based on our customers' projections of the demand for their products which may not materialise into orders

We plan our production based on our customers' projections of the demand for their products. There can be no certainty that such projections will materialise. Any shortfall in these projections will

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adversely affect our production costs and efficiencies and we risk dedicating resources for projections that may not materialise. Additionally, new products are vulnerable to specification changes and product launch delays which are outside our control. The occurrence of any of the foregoing may have a material and adverse effect on the business operations, financial condition, results of operations and prospects of our Group.

We require various licences and permits to operate our business

We are required to obtain various licences and permits for our business activities. The licences and permits are generally subject to conditions stipulated therein and/or relevant laws and regulations under which such licences and permits are issued. Failure to comply with such conditions can result in the revocation or non-renewal of the relevant licence or permit. As such, we have to constantly monitor and ensure that we comply with such conditions. Should there be any failure to comply with such conditions resulting in the revocation or non-renewal of any of our licences and permits, we may not be able to carry on with our operations. In such an event, business operations, financial condition, results of operations and prospects may be materially and adversely affected.

Please refer to the section entitled “General Information on our Group – Licences” of this Offer Document for further details.

We are subject to risks associated with debt financing including restrictions on payment of dividends

Due to the large capital requirements of our business, we finance a substantial portion of our business from bank loans and credit facilities. As at the Latest Practicable Date, we have obtained several bank loans and credit facilities. Please refer to the section entitled “Capitalisation and Indebtedness” of this Offer Document for further details.

We cannot assure you that our existing financing options will always remain available at interest rates, terms and conditions acceptable to us, or that we will be able to renew the maturity dates of existing bank loans and credit facilities. Our ability to obtain the same is subject to, amongst others, macroeconomic factors such as the condition of the global economy. Any increase in the interest rate environment will increase expense and depress our profitability. We cannot be certain that suitable financing will be available in the required amounts or on acceptable terms, and this may result in, amongst others, a negative impact on our profitability.

Our debt financing arrangements are subject to various documentations and conditions, and although we may have entered into facility agreements with lenders or made arrangements to raise financing, we may not be able to drawdown on committed facilities or consummate such financing arrangements unless the relevant conditions are and/or remain fulfilled. Particularly, it should be noted that some of our bank loans, credit facilities and hire purchase agreements restrict us from paying dividends without first obtaining approval from the relevant lenders.

In the event that we are unable to maintain our existing financing options, bank loans and credit facilities, or we are unable to meet our payments due thereunder in a timely manner (in which case we may be the subject of claims by lenders seeking to recover their loans and/or to enforce the securities) the business operations, financial condition, results of operations and prospects of our Group may be materially and adversely affected.

Our business and the implementation of our growth strategy requires significant capital outlay and rely on external financing

Our business volume and revenue have increased significantly over the Period Under Review and we have financed such growth through borrowings, equity and internal resources. As we continue to grow, our capital needs are expected to further increase. Our working capital requirements and capital expenditure can be affected by the following:

- (a) the success of our operations;

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- (b) our cost of production, including but not limited to labour costs and raw material costs;
- (c) the level of resources required to maintain and expand our customer base;
- (d) our ability to maintain our machinery, equipment and facilities; and
- (e) any unanticipated change in the fiscal policies in the countries we operate.

Therefore, we may need to raise additional funds for a number of reasons, including but not limited to:

- (i) strategic investments;
- (ii) expansion of our operations;
- (iii) unanticipated opportunities;
- (iv) expenditure on new technologies;
- (v) expansion of our sales network; and
- (vi) improvement of our infrastructure and facilities.

If we are unable to maintain sufficient working capital for our capital-intensive business and to finance our growth strategy, we may have to, in future, raise additional capital through debt financing, or debt or equity offerings. Our ability to obtain the same is subject to, amongst others, macroeconomic factors such as the condition of the global economy, which is currently exposed to increasing inflation and interest rates (which in turn means larger interest payments). Further, any equity offerings below the then prevailing market price will also affect the value of our Shares then held by an investor. It is also possible that our subsidiaries may need to raise capital independently of us, in which case we may have to either raise capital to fund our portion of such a capital raising transaction or suffer a dilution of our interest in those companies. It should also be noted that the provision of new products and services may involve significant capital outlay and the failure of the same may result in our being unable to recover these investments, in part or in full. Additionally, financing agreements may also contain covenants limiting when and how much dividends we can declare and pay and/or covenants with respect to our operations and financial matters (such as our ability to incur further indebtedness).

We cannot be certain that suitable financing will be available in the required amounts or on acceptable terms, and this may result in, amongst others, dilution of existing shareholders' shareholdings and/or a negative impact on our profitability. If we are unable to secure suitable financing when required, we may not be able to, amongst others:

- (1) fully realise our future plans;
- (2) hire, train and retain key professionals;
- (3) invest in the appropriate technology and equipment;
- (4) realise strategic investments;
- (5) continuously enhance our manufacturing capabilities; and
- (6) respond to unanticipated requirements,

in which case our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

We may not have sufficient insurance coverage

While we maintain insurance at a level we believe is commercially appropriate against risks customarily insured in our industry (please refer to the section entitled "General Information on our Group – Insurance" of this Offer Document for further details), we may become subject to liabilities for events against which we are not adequately insured or which we cannot be insured on terms which are

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acceptable to us. Examples of these events include natural disasters, riots, general strikes, acts of terrorism and other events beyond our control. Some of the losses we suffer may also not be easily quantifiable and may damage our reputation.

Our business operations, financial condition, results of operations and prospects may be materially and adversely affected if:

- (a) an event occurs for which we are not adequately or sufficiently insured;
- (b) one or more large claims is or are successfully asserted against us that exceed the available insurance coverage;
- (c) any of our insurance claims are contested by the insurance company; or
- (d) we are not able to purchase insurance of the types and in the amounts that we deem necessary at acceptable premiums.

Further, our insurance policies are typically renewed on an annual basis and there is no assurance that we will be able to renew all of our policies or obtain new policies on similar terms.

We face intense competition in our nature of business

We operate in a highly competitive industry and face substantial competition, and many of our competitors have a longer track record.

We believe that the principal competitive factors in our industry are, amongst others, production technology, customer service, range and quality of products, pricing, geographic presence and track record. If we are not as efficient as our competitors, or are unable to acquire or develop new production technologies required to meet new product specifications, our competitiveness will be adversely affected. Additionally, our competitors may have significantly greater financial, technical and marketing resources, stronger brand recognition, more extensive customer base or are better entrenched in markets that we operate in or which we venture into in the future. Our competitors may also have the ability to respond more quickly to new or emerging production technologies, may adapt more quickly to changes in customer requirements and may devote greater resources to the provision, promotion and sales of their products than our Group.

Increased competition may also result in a downward pressure on the prices of our products and services and affect our profit margins. There can be no assurance that we will be able to compete successfully against our competitors in the future. Accordingly, the business operations, financial condition, results of operations and prospects of our Group may be materially and adversely affected if we are not able to compete effectively. Please refer to the section entitled “General Information on our Group – Competition” of this Offer Document for further details.

We are dependent on certain key management personnel

Our continued success is dependent on certain members of our management team, including some who have been with our Group since its inception, to manage our current operations and meet future business challenges. These members play important roles in our business strategy and development, sales and marketing, engineering and production operations and they are instrumental in ensuring our continued development and growth. In particular, we are reliant on our Executive Chairman, Mr. Ricky Lee, our CEO and Executive Director, Mr. Julian Ng, our COO, Mr. Tan Chun Siong and our Managing Director (Malaysia), Mr. Kong Sang Wah.

We cannot assure you that we will be able to attract or retain key management personnel. The demand for senior skilled and experienced personnel is intense and the search for such personnel with the relevant skill sets can be time consuming. In order to remain competitive and to attract and/or retain our key management personnel, we may need to increase their remuneration, which will result in increased manpower and related costs. If we are not able to at least generate proportionately higher revenue with such headcount costs, our Group’s profitability will be adversely affected. Additionally, we do not maintain insurance coverage for the loss of the services of any of our key management personnel.

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The loss of our key management personnel, without suitable or comparable replacements in a timely manner, may have a material and adverse effect on our business operations, financial condition, results of operations and prospects.

Please refer to the section entitled “Directors, Executive Officers and Employees” in this Offer Document for further details.

We are dependent on our ability to attract and retain skilled and experienced personnel and to maintain our labour costs

We require skilled and experienced personnel for our operations and to ensure our continued success. In particular, we are dependent on our ability to attract and retain skilled and experienced engineers. Our inability to do so may constrain our growth and competitiveness. The demand for such personnel is intense and we cannot assure you that we will be able to attract or retain skilled and experienced personnel.

All of our skilled and experienced personnel are employed on employment contracts but there is no assurance that they will not leave or renew their employment with us upon the expiry thereof.

Although we have not encountered any material issues arising in respect of the foregoing, in the event that we are unable to successfully attract and retain skilled and experienced personnel, our business operations, financial condition, results of operations and prospects may be materially and adversely affected. Additionally, if any of our skilled and experienced personnel were to join a competitor or form a competing company, we may lose know-how, trade secrets, customers and staff.

We are dependent on our ability to employ foreign workers

In view of the limited local workforce in Singapore, we are dependent on the recruitment of foreign workers for our Singapore operations some of whom are issued employment passes while others are issued work permits by MOM. These foreign workers are mainly from the PRC, India and Malaysia. Our recruitment of foreign workers for our Singapore operations is subject to the immigration and employment policies of Singapore, which, amongst others, limits the number of our foreign workers and imposes a levy on each of these foreign workers. Currently, approximately 58% of our workforce in Singapore are foreign workers.

With respect to Malaysia, approximately 33% of our workforce is made up of foreign workers. Like Singapore, the recruitment of foreign workers is regulated in Malaysia, and its immigration and employment policies also impose limits on the number of foreign workers that may be recruited.

We do not employ any foreign workers in the PRC.

In the event that our ability to employ foreign workers is restricted, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to limits on overtime worked by our employees

As our operations are based in Singapore, Malaysia and the PRC, we are subject to the various laws on labour and employment in such jurisdictions, including limits on the amount of overtime which our employees can work.

Under Singapore’s Employment Act (Chapter 91), an employee shall not be permitted to work overtime for more than seventy-two (72) hours a month. Any employer who does so shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding twelve (12) months or to both.

Under Malaysia’s Employment Act 1955, no employer shall require or permit an employee to work overtime exceeding such limit as may be prescribed by Malaysia’s Minister of Human Resources from time to time by regulations made under the act; Malaysia’s Employment (Limitation of Overtime Work) Regulations 1980 limits the extent of overtime work that an employee can perform to 104 hours a month. An employer who breaches the provisions of Malaysia’s Employment Act 1955 or any

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regulation made thereunder (where no penalty is provided) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM10,000. Additionally, where the offence is committed by a body corporate, any person who is a director, manager, or other similar officer of the body corporate at the time of the commission of the offence, shall be deemed to have committed the offence and may be charged jointly or severally in the same proceedings as the body corporate.

Under the Labor Law of the PRC (《中华人民共和国劳动法》), employees shall not work for more than eight (8) hours a day and no more than forty-four (44) hours a week. While employers can prolong working hours due to production or business needs (after consultation with its employees and any applicable unions), working hours shall, in general, be prolonged no longer than one (1) hour a day, or where there are special reasons for the same, no more than three (3) hours a day, and provided always that the physical health of employees are guaranteed. Additionally, such overtime may not exceed thirty-six (36) hours a month. If an employer prolongs working hours in violation of the foregoing, the relevant PRC authorities can give it a warning, order it to make corrections, and may impose a fine.

The Group has, in the past, encountered isolated incidents where employees exceeded the overtime limits inadvertently due to inadequate controls. The Group has in 2018 imposed restrictions on the number of overtime hours that its relevant employees can work, and implemented internal control processes to enforce these limits and monitor the amount of overtime worked by such employees. To date, no enforcement action has been taken against us. Additionally, it should be noted that our Controlling Shareholder, Metalbank, and our General Manager (China), Mr. Alan Lu, have executed Deeds of Indemnity dated 14 December 2018 in connection with the foregoing. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

In the event that any of our employees work in excess of the overtime limits and we are consequently imposed with a fine, this could materially and adversely affect our business operations, financial condition, results of operations and prospects.

We are required to provide a minimum amount of paid leave pursuant to Malaysia’s Employment Act 1955

Under Malaysia’s Employment Act 1955, an employee who falls within the ambit and protection thereof is entitled to eight (8) days for every twelve (12) months of continuous service with the same employer if he has been employed by that employer for a period of less than two (2) years, twelve (12) days for every twelve (12) months of continuous service with the same employer if he has been employed by that employer for a period of two (2) years or more but less than five (5) years, and sixteen (16) days for every twelve (12) months of continuous service with the same employer if he has been employed by that employer for a period of five (5) years or more. Any employer who fails to grant to any of his employees the specified annual leave or any part thereof commits an offence, and shall, on conviction, be ordered by the court to pay to the employee concerned the ordinary rate of pay in respect of every day of such leave not so granted.

In addition to the above, an employer who breaches the provisions of Malaysia’s Employment Act 1955 or any regulation made thereunder (where no penalty is provided) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM10,000. Additionally, where the offence is committed by a body corporate, any person who is a director, manager, or other similar officer of the body corporate at the time of the commission of the offence, shall be deemed to have committed the offence and may be charged jointly or severally in the same proceedings as the body corporate.

GVT Malaysia had, in the past, unwittingly only provided leave of eight (8) days to its foreign employees for the entire term of service pursuant to its template employment contract for foreign employees. GVT Malaysia has in 2018 amended the same, and provided the statutory amount of leave to its existing employees. Additionally, GVT Malaysia has made provisions of approximately RM7,000 in its accounts for the amount owed to past affected foreign employees who have since left GVT Malaysia in respect of the shortfall in annual leave provided. GVT Malaysia has also hired a human resource manager, who commenced employment in November 2018, to prevent further unwitting contraventions of Malaysia’s Employment Act 1955. To date, no enforcement action has been taken against us. It should also be noted that our Controlling Shareholder, Metalbank, has executed a Deed

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of Indemnity dated 14 December 2018 in connection with the foregoing. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

In the event that we do not comply with the above regulations, we may be subject to fines and/or penalties.

We are required not to restrict employees from participating in unions pursuant to Malaysia’s Employment Act 1955

Malaysia’s Employment Act 1955 prohibits any contract of service from restricting the rights of an employee to (a) join a registered trade union; (b) participate in the activities of a registered trade union whether as an officer of the union or otherwise; or (c) associate with any other persons for the purposes of organising a trade union in accordance with Malaysia’s Trade Unions Act 1959.

An employer who breaches the provisions of Malaysia’s Employment Act 1955 or any regulation made thereunder (where no penalty is provided) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM10,000. Additionally, where the offence is committed by a body corporate, any person who is a director, manager, or other similar officer of the body corporate at the time of the commission of the offence, shall be deemed to have committed the offence and may be charged jointly or severally in the same proceedings as the body corporate. In addition to the above, the Director General of Labour may compound any offence committed by a person (includes director, manager, or other similar officer at the time of the commission of the offence) which is punishable under the Employment Act 1955 or any regulation made thereunder.

GVT Malaysia had, in the past, unwittingly restricted employees from engaging in the foregoing pursuant to its template employment contract for foreign workers. GVT Malaysia has since amended the same in 2018. Additionally, it should be noted that our Controlling Shareholder, Metalbank, has signed a Deed of Indemnity dated 14 December 2018 in connection with the foregoing. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

In the event that we do not comply with the above regulations, we may be subject to fines and/or penalties.

Going forward, in the event that our employees join any trade unions, our Group may have to negotiate with the trade unions on demands for more favourable employee benefits and rights which may adversely affect our business operations, financial condition, results of operations and prospects. As at the Latest Practicable Date, none of our employees are unionised.

We are subject to Bank Negara Malaysia’s Notice 7: Export of Goods (Part A: Receipt by Resident) of the Foreign Exchange Administration Rules

Notice 7: Export of Goods (Part A: Receipt by Resident) (“**Notice 7**”) was issued by Bank Negara Malaysia pursuant to the powers conferred by Sections 214(2), 214 (5), 214 (6) and 261 of Malaysia’s Financial Services Act 2013 (“**FSA 2013**”).

Paragraph 1 of Notice 7 (“**Paragraph 1**”) provides that subject always to exceptions under Paragraph 2 of Notice 7 (“**Paragraph 2**”), a resident shall receive the full value of export proceeds in Malaysia and earlier than or in accordance with the payment date of the export contract which in any case shall not exceed six (6) months from the date of export.

Bank Negara Malaysia approval is required for residents to receive export proceeds exceeding six (6) months from the date of export unless the exceptions under Paragraph 2 apply (of which we are given to understand that none are applicable to GVT Malaysia).

GVT Malaysia routinely provides products and services to its holding company, GVT Singapore. GVT Singapore also provides products and services to GVT Malaysia, albeit to a much smaller extent. Up until October 2018, while GVT Singapore has been regularly paying GVT Malaysia for most of the amounts outstanding within a six (6) month period, GVT Malaysia had approximately US\$575,000 due from GVT Singapore which had been outstanding for more than six (6) months. GVT Singapore has since made full payment thereof.

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The maximum penalty for non-compliance with Notice 7 is stipulated under Section 214(9) of the FSA 2013, which provides that any person (which includes an individual, any corporation, statutory body, local authority, society, trade union, co-operative society, partnership and any other body, organisation, association or group of persons, whether corporate or unincorporated) is liable to imprisonment for a term not exceeding ten (10) years or to a fine not exceeding fifty million ringgit (RM50,000,000) or to both.

The Company has since October 2018 implemented internal control processes to ensure compliance with Notice 7. Additionally, it should be noted that our Controlling Shareholder, Metalbank, has executed a Deed of Indemnity dated 14 December 2018 in connection with the foregoing. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

Although no enforcement action has been taken against us as at the Latest Practicable Date, we are potentially at risk of regulatory enforcement action. In the event that we are imposed with a fine, this could materially and adversely affect our business operations, financial condition, results of operations and prospects.

The Legal Advisers to our Company on Malaysia Law, Tay & Partners, are of the opinion that in the event Bank Negara Malaysia takes enforcement action, based on their experience (i) normally Bank Negara Malaysia would likely offer to compound the offence and once the offence has been compounded, no prosecution can be instituted in respect thereof and (ii) the amount of the compound will likely be for a sum less than the maximum penalty.

We are required to make sufficient statutory social welfare benefit payments for our PRC employees

PRC laws and regulations require us to pay several statutory social welfare benefits for employees of our PRC subsidiary, GVT Suzhou, including medical care insurance, occupational injury insurance, unemployment insurance, maternity insurance, pension and housing fund contributions. While we believe we have complied with current practices, based on applicable PRC laws and regulations, we may not have paid in full certain statutory social welfare benefits for our employees. This is because of differences in local regulation and inconsistent implementation and interpretation by local authorities in the PRC, and different levels of acceptance of the social welfare system by employees (i.e. their willingness to make their corresponding contribution thereto).

Our failure to make payments may be in violation of the applicable PRC laws and regulations and we may be subject to fines and penalties. According to the applicable PRC laws and regulations, employers failing to make sufficient statutory social welfare benefit payments may be ordered by the relevant authorities to contribute the shortfall within a prescribed period, and, additionally, in the case of failure to make sufficient payments of medical care insurance, occupational injury insurance, unemployment insurance, maternity insurance and pension, employers may be imposed with a daily fine equivalent to 0.05% of the overdue payment from the date on which the payment became overdue.

The Company has since 21 July 2018 and 21 August 2018 started making full payment of the statutory social welfare benefit payments and housing fund contributions for our PRC employees, respectively, and we have received an employment compliance certificate dated 12 September 2018 confirming that we have made full payment of the same. We have also implemented internal control processes to ensure that we continue to make full payment of the same in future.

Notwithstanding the above, it should be noted that our Controlling Shareholder, Metalbank, and our General Manager (China), Mr. Alan Lu, have executed Deeds of Indemnity dated 14 December 2018 in connection with any shortfalls in GVT Suzhou’s payment of statutory social welfare benefits and housing fund contributions provided always that the actual or alleged act or omission first took place prior to the Listing Date. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

In the event that we are asked to contribute any shortfall, fail to fully pay statutory social welfare benefits and housing fund contributions, or are imposed with a fine, this could materially and adversely affect our business operations, financial condition, results of operations and prospects.

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We may be subject to penalties for past non-compliance with certain reporting formalities

In the PRC, according to the Decision of the State Council on Reforming the Investment System (国务院关于投资体制改革的决定) a ratification system applies to the construction corporate projects specified in the Catalogue of Investment Projects Approved by the Government (政府核准的投资项目目录) (as amended from time to time), while a reporting system applies to construction corporate projects not specified in the forgoing Catalogue. For any project not complying with the industrial policy and standards for industrial access or being constructed without authorisation and without going through corresponding approval or permission formalities, the relevant departments shall order it to stop construction, and prosecute the relevant enterprises and personnel liable.

Until 26 July 2018, GVT Suzhou did not complete the reporting formalities with Suzhou Industrial Park Administrative Examination and Approval Bureau (苏州工业园区行政审批局) with respect to the construction of its PRC production facility. However, in light of the fact the GVT Suzhou has since completed the same and that there has not been any proceedings to date against GVT Suzhou and/or its personnel, the Legal Advisers to our Company on PRC Law, Grandall Law Firm (Shanghai), are of the opinion that there is only a low risk of prosecution and that there is an even lower risk of a substantial fine.

Notwithstanding the above, it should be noted that our Controlling Shareholder, Metalbank, and our General Manager (China), Mr. Alan Lu, have executed Deeds of Indemnity dated 14 December 2018 in connection with the foregoing. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

Notwithstanding that GVT Suzhou rarely undertakes construction and renovation projects (and such projects are not part of its day to day operations and business), internal control processes to ensure compliance with the relevant reporting formalities by GVT Suzhou will be implemented by requiring any construction or renovation project to be approved by, and to be subject to the oversight of, senior management of both GVT Suzhou and GVT Singapore.

We may be subject to penalties for past failures to obtain certain environmental approvals

In the PRC, environmental evaluations and approvals are required to undertake certain construction and renovation projects.

According to the Law of the PRC on Evaluation of Environmental Effects (中华人民共和国环境影响评价法), where construction commences before the submission of an environmental impact assessment report, the relevant PRC authorities shall instruct the construction to stop and may impose a fine of between one per cent. (1%) to five per cent. (5%) of the total project investment, and may also order the restoration thereof (to original condition); and the persons directly in charge and other directly responsible persons in the construction unit shall be subject to administrative sanctions under the law.

Additionally, according to the Administrative Regulations on Environmental Protection Management for Construction Projects (建设项目环境保护管理条例), there shall be no use of the structure constructed and/or renovated until the environmental protection facilities necessary have been completed, inspected and/or approved. Where this has begun prior to such completion, inspection and/or approval, the relevant PRC authorities may order a stop in use, impose fines of up to RMB 2,000,000 and hold liable the persons in charge and impose a fine on them of more than RMB 50,000 but less than RMB 200,000.

GVT Suzhou had previously undertaken certain construction and renovation projects without first obtaining the necessary environmental evaluations and approvals. This was due to the ambiguity in the interpretation and enforcement of applicable environmental laws and regulations and the resultant operational irregularities in our compliance with certain procedures prescribed by the relevant laws and regulations specified above.

We have since taken the necessary rectification measures, and have submitted environmental impact assessment reports for approval and received approvals in connection therewith. We are also in the midst of completing the environmental protection facilities necessary (as specified in the

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aforementioned approval letter) and will submit the acceptance check for approval immediately thereafter. Although no enforcement action has been taken against us as at the Latest Practicable Date, we are potentially at risk of regulatory enforcement action by the relevant PRC authorities for our non-compliance.

It should be noted that our Controlling Shareholder, Metalbank, and our General Manager (China), Mr. Alan Lu, have executed Deeds of Indemnity dated 14 December 2018 in connection with the foregoing. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

The Legal Advisers to our Company on PRC Law, Grandall Law Firm (Shanghai), are of the opinion that in light of the foregoing, and that no penalty has been imposed on GVT Suzhou, there is only a low risk of fines being imposed, and no risk of an order of stop in use.

We may be affected by changes to accounting standards and policies, particularly Financial Reporting Standard 116 issued by the Accounting Standards Council Singapore

The accounting standards and policies which we must apply are updated and revised from time to time. Any changes thereof may have a material and adverse effect on our reported financial position and results of operations. In particular, it should be noted that Financial Reporting Standard (“FRS”) 116 will replace FRS 17 effective for annual periods beginning on or after 1 January 2019. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve (12) months, unless the underlying asset is of low value. FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The application of the new standard might have a significant effect on amounts reported in respect of the assets, liabilities and expenses.

The Group is currently assessing the impact of the new standard as we have leases and we plan to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities and EBITDA. There is no assurance that the adoption of the new standard will not negatively impact the Group’s profitability as reported in our financial statements.

Inventory obsolescence may affect our profitability

We purchase standard components and raw materials in accordance with confirmed orders and our forecasts. For items that require long lead-times, we usually purchase these in accordance with our customers’ projections. In the event that such projections do not materialise into confirmed orders, we will experience inventory obsolescence. Our financial condition and results of operations will be materially and adversely affected if there is a need to make provision for any decline in the value of our inventory.

Please refer to the section entitled “General Information on our Group – Inventory Management” in this Offer Document for further details.

Pricing pressures on our customers may have a negative impact on our financial performance

The customers of our semiconductor, analytical life sciences, electronics and other industries generally face continuous pricing pressures from their end customers. In order to compete more aggressively in their industries, our customers may exert pricing pressure on us through their demand for lower selling prices from us. In the event that our customers exert pricing pressures on us and we are not able to, in turn, obtain comparable price reductions from our suppliers, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

There is no assurance that our business strategies and future plans will be commercially successful or that we will be able to manage our growth effectively

We intend to expand our operations in accordance with our business strategies and future plans as set out in the section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and

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Plans” of this Offer Document. There is no assurance that our business strategies and future plans will be commercially successful, or that we will be able to maintain our historical growth rates. Our growth may slow or decline for any number of reasons, some of which are beyond our control, including changes in general economic and business conditions at regional and national levels, and changes in government policies to become unfavourable to our business and operations. We may also lose customers for other reasons, such as failure to deliver satisfactory products and services. Additionally, our business strategies and future plans depend on, amongst others, our ability to secure locations for the setting up of premises and expansion of our current production facilities in a cost-efficient manner.

There is no assurance that our business strategies and future plans will achieve the expected results or outcome that will be commensurate with our investment costs. If we fail to achieve a sufficient level of revenue or if our expansion plans result in the incurrence of debt and liabilities, or any other unanticipated events or circumstances or if our future plans are not successfully implemented, our business operations, financial position, results of operations and prospects may be materially and adversely affected.

We have, since incorporation, expanded our operations significantly. We may enter into joint ventures and/or invest into strategic companies that are complementary to our business. Any existing and future investments may expose us to potential risks, including, amongst others:

- (a) technological, regulatory and operational risks and challenges with which we are unfamiliar;
- (b) unidentified issues not discovered in our due diligence process, such as hidden liabilities and contingencies;
- (c) diversion of our management's attention and Group resources from daily business operations during the investment process;
- (d) failure to realise anticipated synergies for revenue growth and cost benefits;
- (e) unexpected delays and costs to the completion of investments;
- (f) the availability, terms and costs of financing required to fund our investments; and
- (g) the costs and difficulties in integrating new companies and/or businesses which we may acquire.

We may also fail to identify or secure suitable investment opportunities, or our competitors may capitalise on such opportunities before we do. Moreover, identifying such opportunities demands substantial management attention and resources, and the investment process involves significant costs and uncertainties. If we fail to successfully source, execute and integrate our investments, our overall growth could be impaired, and our business operations, financial condition, results of operations and prospects could be materially and adversely affected.

Our production facilities may face disruptions

Disruptions and delays in our operations can occur due to various reasons including but not limited to shortages of labour or raw materials, machine breakdowns, disruptions in power supply, natural disasters and other events beyond our control (such as fire). In respect of power supply outages, we have introduced contingency measures by equipping our facilities in Singapore and Malaysia with power generators to mitigate the risks thereof. However, there can be no assurance that these contingency measures will be sufficient for our production needs or that we will be able to do so at comparable costs. If these contingency measures are inadequate or resulting costs of production increase, the business operations, financial condition, results of operations and prospects of our Group may be materially and adversely affected.

Our business, financial condition, results of operations and prospects may be adversely affected by exchange rate instability

Our functional reporting currency for our statutory financial statements is presented in SGD. However, our revenue is predominantly in USD, MYR and RMB, while our costs and purchases are in SGD,

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USD, MYR, RMB and JPY. Fluctuations in foreign exchange rates may impact our competitiveness and affect our sales, profitability, financial condition and prospects.

We also have business operations in Malaysia and the PRC, which accounted for 57.8% and 3.1% of our total revenue respectively for HY2018. The financial results of GVT Malaysia and GVT Suzhou, whose functional currencies are in MYR and RMB, respectively, must be translated into Singapore dollars on every reporting date.

To the extent that our sales, purchases and expenses are not naturally matched in the same currency and there are timing differences between collections and payments, we will be exposed to any adverse fluctuations in the exchange rates between the various currencies including the SGD, which is our reporting currency. Additionally, any currency exchange gain or loss resulting from the translation is recognised as other comprehensive income and accumulated in the foreign currency translation reserve, under equity. If the resulting transactional gains and/or losses, and translation differences, are significant, they may materially affect our financial condition and results of operations of our Group. In addition, the computation of bank covenants and debt ratios may also be affected.

While there are hedging instruments available to reduce our exposure to exchange rate fluctuations, the cost of such hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. As at the Latest Practicable Date, we have not entered into any hedging transactions to reduce our exposure to foreign currency exchange risks. In future, we may hedge our material foreign currency translations after taking into consideration the quantum and impact of our foreign exchange risk exposure as well as the transaction costs of any hedging policy, and the prevailing economic and operating conditions. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

We are exposed to potential product liability claims and may become involved in disputes regarding our business

We do not usually offer any warranty on our finished products. However, depending on the requirements of our customers and/or projects, we may provide up to twenty-four (24) months warranty in respect of the wear and tear of our machined parts, and up to twelve (12) months warranty in respect of modules assembled pursuant to our modular assembly projects. To the extent such modules comprise components not manufactured by us and instead purchased from designated vendors as approved by our customers, we typically obtain a back-to-back warranty from them in respect thereof.

If our products are found to be unfit for their intended purpose, contain defects, or otherwise not meet our customers' quality control requirements, we may be required to compensate our customers or incur additional expenses for any remedial actions to be taken to rectify and make good such defects. Additionally, in the event that we become subject to any product liability claims or warranty claims as a result of components not manufactured by us, we may not be able to assert a claim against the relevant supplier or vendor, or fully recover the desired amounts. These also expose us to the risk of disputes, in particular, litigation and legal proceedings.

We may also become involved in disputes with our customers and/or suppliers on grounds such as non-adherence to contract terms, delays, breach of contract and/or other losses suffered by either party. These disputes and/or claims may lead to legal and other proceedings and may result in substantial costs and diversion of our management's resources and attention from our business. In the event that such disputes, claims, legal and/or other proceedings are not concluded in our favour and we are made liable for the claims and/or damages and incur legal and other costs, or we accept settlement terms that are unfavourable to us, our reputation, financial condition, results of operations and prospects may be adversely affected. We have had no disputes or claims with our suppliers and customers in the past which have had a material impact on our Group's financial condition and/or results of operations. Please refer to the section entitled "General and Statutory Information – Litigation" of this Offer Document for further details.

We are exposed to credit risks of our customers

Our business operations and financial results are dependent on the timely payments by, and credit worthiness of, our major customers.

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Any deterioration in the financial position of our customers, particularly our major customers, may affect our profits and cash flow, as these customers may default on their payments to us. In addition, these customers may cancel their orders with us. Although we routinely review the credit risk of our customers, we cannot be assured that such defaults will not take place in the future or that we will not experience cash flow problems as a result of such defaults. We may also not be able to enforce our contractual rights to receive payment through legal proceedings.

Please refer to the section “General Information on our Group – Credit Management” of this Offer Document for further details.

Our business operations are located in Singapore, Malaysia and the PRC, which makes us sensitive to regulatory, economic, social, political, consumer sentiment and competitive conditions therein

We operate in Singapore, Malaysia and the PRC. This focus makes us particularly sensitive to, amongst others, regulatory, social, political, economic and competitive conditions, and changes therein that are beyond our control. Any change thereto may have a material and adverse effect on our business operations, financial position, results of operations and prospects. Our business faces risks which include the following:

- (a) laws and policies affecting trade, investment and taxes, including laws and policies relating to the foreign ownership, repatriation of funds and withholding taxes, and changes in these laws;
- (b) inflation, interest rates and general conditions;
- (c) changes in local regulatory requirements;
- (d) differing degrees of protection for intellectual property;
- (e) the instability of foreign economies and governments;
- (f) policies governing world trade;
- (g) fluctuating foreign exchange rates;
- (h) the spread of communicable diseases in such jurisdictions, which may impact business in such jurisdictions; and
- (i) natural disasters, war and acts of terrorism.

In addition to the foregoing, it should be noted that we require various approvals, licenses and/or permits to operate, and the obtaining of these is subject to compliance with the relevant laws and regulations. Although we have not encountered any material issues arising in respect of the foregoing, there is no assurance that we will be able to obtain the requisite approvals, licenses and/or permits in a timely manner or at all, or renew our existing approvals, licenses and/or permits upon their expiration. In addition, any changes to the existing laws and regulations may require us to apply for new approvals, licenses and/or permits and there is no assurance that we will be able to obtain these new approvals, licenses and/or permits. In the event that we are unable to obtain or renew the requisite approvals, licenses and/or permits, or such approvals, licenses and/or permits are withdrawn from us, we may be required to cease operations and our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

An adverse development related to any of the abovementioned factors and other risks associated with international trade may have a material and adverse effect on our business operations, financial condition, results of operation and prospects if our Group is unable to adapt our business strategies or operations accordingly.

Most recently, in 2018, the United States of America (“USA”) began imposing tariffs on, amongst others, imports of aluminium and steel, which are our main raw materials. This in turn caused fluctuations in the prices thereof. Subsequently, the PRC retaliated by imposing tariffs on certain

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imports from the USA. For example, while GVT Suzhou does not directly export to the USA, its products may be used in end products that are ultimately exported to the USA. In the event that the trade-war between the USA and PRC were to continue, it may cause changes in general economic and business conditions, and fluctuations in foreign exchange rates, which may in turn have a material and adverse effect on our business operations, financial condition, results of operation and prospects.

We may be affected by terrorist attacks, natural disasters, outbreaks of communicable diseases and other events beyond our control

Terrorist attacks, natural disasters and other events beyond our control in the markets in which we operate may lead to uncertainty in the economic outlook of these markets leading to an economic downturn. This in turn could have an adverse effect on the industry and our business. The consequences of any such terrorist attacks, natural disasters or other events beyond our control are unpredictable, and we are not able to foresee events of such nature, which could cause interruptions to parts of our businesses and have an adverse effect on our business, financial condition, and operating results.

In addition, an outbreak of Zika, SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases, if uncontrolled, could affect our operations. This may lead to a decrease in demand for our products, which may adversely affect our business operations, financial condition, results of operations and prospects.

Further, in the event that our employees and/or employees of our suppliers are infected or suspected of being infected with any communicable disease, our Group and/or our suppliers may be required by health authorities to temporarily shut down the affected premises or offices and quarantine the relevant employees to prevent the spread of the disease. This will result in delays and may have an adverse effect on our business and financial performance.

Technological changes may affect our business

The semiconductor, analytical life sciences and electronics industries are characterised by rapid technological changes. These technological changes may affect our Group if the products that we manufacture for our customers become obsolete.

Our ability to compete effectively also depends on our ability to adapt to the required engineering and production technologies to meet our customers' needs. Our financial performance may be adversely affected if we do not operate as efficiently as our competitors or if we cannot adapt on a timely basis to technological changes.

In addition, in order to keep abreast with the technological changes, we may be required to make substantial expenditures in the acquisition of new technology to support our business. This may have a material and adverse effect on our cash flow and profitability.

If we are unable to adapt to technological changes, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN MALAYSIA AND THE PRC

Our business operations, financial condition, results of operations and prospects could be materially and adversely affected by changes in the economic, political and legal environment and developments in Malaysia and the PRC

GVT Malaysia's and GVT Suzhou's business operations are conducted, and their revenue is generated, in Malaysia and the PRC, respectively. Investors should be aware that our operations are thus subject to greater risks than operations in more developed markets, including significant legal, economic and political risks. Moreover, emerging economies are subject to rapid change and the information set out in this Offer Document may therefore become outdated quickly. Investments in emerging markets or in companies that operate in emerging markets are generally exposed to

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additional risks and are generally only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

While the PRC economy has been transitioning from a centrally planned economy (the PRC government has, for three (3) decades, implemented measures to utilise market forces in the development of the PRC economy) to a more market-oriented economy, the PRC government continues to play a significant role in regulating industries and the economy through its policies, and many of these are unprecedented or experimental and are expected to be refined and improved over time. Indeed, while the PRC economy has grown significantly in the past three (3) decades, the growth has been uneven geographically and across the various sectors of the economy, and during different periods. There can be no assurance that the PRC economy will continue to grow, or that if there is growth, such growth will be steady and uniform, or that if there is a slowdown, such slowdown will not have a negative effect on our business.

In Malaysia, the elections held in May 2018 resulted in a displacement of the longstanding incumbent political party and coalition in power. This change in government may see the introduction of new policies, laws and regulations or changes to existing policies, laws and regulations and there is no assurance that such developments will not materially or adversely affect us.

Although we believe that the actions and policies of the Malaysian and the PRC government and the continuing economic reforms will have a positive effect on the overall and long-term development of Malaysia and the PRC, we cannot discount the possibility of any changes in the political, economic and social conditions in Malaysia and the PRC which will materially and adversely affect our net assets, business operations, financial condition and results of operations.

We may not be able to offset increased staff costs arising from enhanced labour protection in the PRC

Currently, our employees at our PRC production facility are local Chinese. The average wages paid for employees in the PRC have increased recently and may continue to increase as a result of macroeconomic and other policies of the PRC government. If we are unable to offset the increase in our staff costs or pass along these increased staff costs to our customers, our business operations, financial condition, results of operations and prospects could be materially and adversely affected.

On 29 June 2007, the PRC government promulgated a new labour law, namely the Labour Contract Law of the PRC (中华人民共和国劳动合同法) (the “**Labour Contract Law**”), which became effective on 1 January 2008 as amended on 28 December 2012. The Labour Contract Law imposes stricter requirements in terms of signing labour contracts, paying remuneration, stipulating probation and penalties and dissolving labour contracts. These enacted labour laws and regulations impose greater liabilities on employers and may significantly increase the costs to an employer if it decides to reduce its workforce. In the event we decide to significantly change or decrease the workforce of our Group, the Labour Contract Law could adversely affect our ability to enact such changes in a manner that is most advantageous to our business or in a timely and cost-effective manner, which may materially and adversely affect our business operations, financial condition, results of operations and prospects.

PRC regulations pertaining to loans and direct capital investments by offshore parent companies to PRC entities may delay or prevent us from using the proceeds of this Invitation

In utilising the proceeds from this Invitation and any future offerings, as an offshore holding company of our PRC subsidiary, we may make loans or additional capital contributions to our PRC subsidiary. Such loans made will be subject to PRC regulations and approvals, and cannot exceed statutory limits and must be registered with the PRC’s State Administration of Foreign Exchange of the PRC (国家外汇管理局) or its local counterpart while capital contributions must be filed with the PRC’s Ministry of Commerce (商务部) or its local counterpart. Foreign-invested enterprises (外商投资企业) may settle foreign currency loans borrowed by them abroad. In addition, short-term foreign loans may only be used as working capital in principle, but not for any medium-to-long term purpose, such as investment in fixed assets.

There can be no assurance that we will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions from us to our PRC

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subsidiary. If we fail to obtain such registrations or approvals, our ability to use the proceeds of this Invitation and our ability to fund and expand our operational business in the PRC could be adversely affected, which could have material and adverse effects on our business operations, financial condition, results of operations and prospects.

The legal and regulatory framework in the PRC may differ from those of more mature economies

The PRC is an emerging market and its legal and regulatory framework may differ significantly from, and be less sophisticated than, those of more mature economies. Particularly, despite significant improvement in its developing legal system, the PRC does not have a comprehensive system of law, and prior legal decisions and judgments have limited precedential value.

In addition, the enforcement of existing laws and regulations may be uncertain or inconsistent, and the interpretation of these laws and regulations may change from time to time. Furthermore, in the PRC, many laws, regulations and legal requirements have only recently been adopted by the central or local governments, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. The judicial system in the PRC may also not be as independent or immune to economic, political and nationalistic influences as judicial systems in more developed jurisdictions.

Consequently, any litigation in the PRC may be protracted and result in substantial legal costs and diversion of resources and management attention. Similarly, legal uncertainty may limit the legal protection available to us. In addition, the PRC government may introduce new laws and regulations or change existing laws and regulations or the interpretation of the same. These uncertainties above extend to property rights (for example, the expropriation or nationalisation of GVT Suzhou, its assets or portions thereof, potentially without adequate compensation). The occurrence of one or several of these risks could materially and adversely affect our business operations, financial condition, results of operations and prospects.

Any changes in the Singapore-PRC Double Taxation Agreement with respect to an increase in the dividend withholding tax rate may affect the dividends payable to our Company

Pursuant to the Avoidance of Double Taxation Agreement between Singapore and the PRC dated 11 July 2007 and its Third Protocol dated 23 July 2010, the dividend withholding tax rate shall not exceed 5.0% of the total dividends declared if the beneficial owner of the dividends is a company that holds at least 25.0% of the share capital of the company paying the dividend. Given that our Company is the holding company of our Group, the applicable dividend withholding tax to our Company is 5.0%.

However, there is no assurance that the PRC government and the Singapore government will not further amend the double taxation agreement. In the event that such dividend withholding tax rate increases, it may affect the amount of dividends paid out by our subsidiary in the PRC, and therefore, our financial performance may be materially and adversely affected.

Our PRC subsidiary GVT Suzhou may incur liability pursuant to unauthorised actions by its legal representative

Our PRC subsidiary GVT Suzhou is required by law to appoint a legal representative to be the responsible person to perform the duties and powers on its behalf. The legal representative is authorised to perform all acts regarding the general administration of the PRC subsidiary and can also execute powers of attorney and execute any legal transaction that is within the nature and the scope of business of the company.

In the event that the legal representative of our PRC subsidiary performs any unauthorised actions in contravention of the law and/or its contractual obligations purportedly on behalf of the subsidiary, there is a risk that our Group and/or our PRC subsidiary may be held liable for such acts. While measures and control procedures have been implemented in order to mitigate such a risk, there is no assurance that the legal representatives will adhere to such measures and control procedures. Further details on the measures that have been taken in relation to the current legal representative of GVT Suzhou is set

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out in the section entitled “Directors, Executive Officers and Employees – Legal Representative” of this Offer Document. In the event that the legal representative incurs liability without authorisation on behalf of our Group and/or our PRC subsidiary, our business operations, financial condition, results of operations and prospects may be materially and adversely affected.

RISKS RELATING TO OWNERSHIP OF OUR SHARES

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

Pursuant to the Catalist Rules, we are required to, amongst others, retain a sponsor at all times after our admission to Catalist. In particular, unless approved by the SGX-ST, the Sponsor must act as our continuing sponsor for at least three (3) years after the admission of our Company to Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three (3) continuous months. There is no guarantee that following the expiration of the three (3) year period, the Sponsor will continue to act as our sponsor or that we are able to find a replacement sponsor within the three (3) month period. Should such risks materialise, we may be delisted.

Investors in our Shares will face immediate and substantial dilution in our NAV per Share and may experience future dilution

Our Invitation Price of S\$0.275 is substantially higher than our Group’s pro forma NAV per Share as at 30 June 2018 of S\$0.109 based on the post-Invitation share capital (assuming also, the completion of the Cornerstone Subscription) as adjusted for the net proceeds from the issue of the Invitation Shares and Cornerstone Shares. If we were liquidated immediately following the Invitation, each investor subscribing to the Invitation would receive less than the price he paid for the Shares. Please refer to the section entitled “Dilution” of this Offer Document for further details.

In addition, we intend to issue Options under our GVT ESOS and Award Shares under our GVT PSP. To the extent that Option Shares are issued pursuant to the exercise of our Options, or such Award Shares are issued, there may be further dilution to investors participating in our Invitation. Further details of the GVT ESOS and GVT PSP are described in the sections entitled “GVT ESOS” and “GVT PSP” of this Offer Document and in Appendices G and H of this Offer Document.

Issuance of new Shares for future growth and other corporate actions may dilute Shareholders’ equity interests

We may expand our capabilities and business through acquisitions, joint ventures, strategic partnerships and alliances with parties who can add value to our business. We may require additional equity funding after the Invitation by way of a placement of new Shares or we may issue new Shares as consideration to finance future acquisitions, joint ventures and strategic partnerships and alliances. We may also undertake certain corporate actions to modify our capital structure. All these may result in a dilution to the equity interests of our Shareholders. Further, in the event that our Company issues new Shares to meet its financing needs and existing Shareholders do not participate in the *pro-rata* fund raising activities such as rights issues, such Shareholders may experience a dilution in their shareholdings.

Future sale or issuance of our Shares could materially and adversely affect our Share price

Any future sale or issuance or availability of a large number of our Shares in the public market or perception thereof may have a downward pressure on our Share price. These factors also affect our

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ability to sell additional equity securities in the future, at a time and price we deem appropriate. Save as disclosed under the section entitled “Shareholders – Moratorium” of this Offer Document, there will be no restriction on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise.

There has been no prior market for our Shares and the Invitation may not result in an active or liquid market and there is a possibility that our Share price may be volatile

Prior to the Invitation, there had been no public market for our Shares. Although we have made an application to the SGX-ST for our Shares to be listed for quotation on Catalist, there is no assurance that an active trading market for our Shares will develop, or if it develops, be sustained. Active or liquid markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. Liquidity in the market for a particular security is often a function of the volume of the underlying shares that are publicly held by unrelated parties.

There is also no assurance that the market price for our Shares will not decline below the Invitation Price. The market price of our Shares could be subject to significant fluctuations due to various external factors and events including the liquidity of our Shares in the market, differences between our actual financial or operating results and those expected by investors and analysts, general market conditions and broad market fluctuations.

Our Share price may fluctuate following the Invitation

The Invitation Price was determined through a book-building exercise and arrived at by us after consultation with the Sponsor and Issue Manager, and Underwriter and Placement Agent, and after taking into consideration, amongst others, the prevailing market conditions and estimated market demand for the Invitation Shares. The Invitation Price may not be indicative of prices which will prevail in the trading market after the Invitation and investors may not be able to resell their Shares at or above the Invitation Price. Volatility in the trading price of our Shares may be caused by factors beyond our control and may not correlate with or be proportionate to our trading results.

The market price of our Shares may fluctuate significantly and rapidly after the Invitation in response to, amongst others, the following factors, some of which are beyond our control:

- (a) variations of our operating results;
- (b) changes in securities analysts’ recommendations, perceptions or estimates of our financial performance;
- (c) changes in market valuations and share prices of companies with business similar to that of our Company that may be listed in Singapore;
- (d) additions or departures of our key management personnel;
- (e) material changes or uncertainties in the political, economic and regulatory environment in the markets that we operate;
- (f) fluctuations of stock markets’ prices and volume;
- (g) announcements by us of significant acquisitions, strategic alliances or joint ventures;
- (h) successes or failures of our efforts in implementing business and growth strategies;
- (i) our involvement in material litigation; and
- (j) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors.

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Investors may not be able to participate in future issues or certain other equity issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we will have the discretion and may also be subject to certain regulations as to the procedures to be followed in making such rights available to Shareholders. We may not offer such rights to our existing Shareholders having an address in jurisdictions outside of Singapore. Accordingly, certain Shareholders may be unable to participate in future equity offerings by us and may thus experience dilution in their shareholdings.

Negative publicity including those relating to any of our Directors, Executive Officers or Substantial Shareholders may materially and adversely affect our Share price

Negative publicity or announcements including those relating to any of our Directors, Executive Officers or Substantial Shareholders may materially and adversely affect the market perception of our Group, our Directors, Executive Officers and Substantial Shareholders and the performance of the price of our Shares, whether or not they are justified. Examples of negative publicity include publicity on our unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in insolvency proceedings.

The actual performance of our Company may differ materially from the forward-looking statements in this Offer Document

This Offer Document contains forward-looking statements, which are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside our control. Furthermore, our revenue and financial performance are dependent on a number of external factors, such as demand for our services which may decrease for various reasons, including increased competition within the industry or changes in applicable laws and regulations. We cannot assure you that these assumptions will be realised and our actual performance will be as projected.

We may not be able to pay dividends

As at the Latest Practicable Date, our Company does not have a formal dividend policy. Our ability to declare dividends in relation to our Shares will depend on our future financial performance which, in turn, depends on successfully implementing our future plans and strategies and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand for and selling prices of our products and services, our capital expenditure and other factors specific to our industry, many of which are beyond our control.

Further, our ability to declare dividends will also be dependent on dividend distributions from our principal operating subsidiaries and associated companies (if any). Certain of our subsidiaries and associated companies (if any) may, from time to time, enter into loan facilities with various banks and financial institutions pursuant to which the relevant subsidiary or associated company may be prohibited from making any distribution (including dividends) unless the relevant bank or financial institution has determined that such distribution will not affect the ability of that subsidiary or associate, as the case may be, from repaying that particular loan.

In addition, the receipt of dividends from our subsidiaries may be adversely affected by the passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations and other events beyond our control.

Fluctuations in the exchange rate between SGD, MYR and RMB or other currencies could adversely affect the foreign currency value of our dividends. Please refer to the section entitled "Dividend Policy" of this Offer Document for further details.

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Overseas Shareholders may not be able to participate in future rights offerings or certain other equity issues by us

If we offer, or cause to be offered, to holders of our Shares rights to subscribe for additional Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making these rights available to holders of our Shares or in disposing of these rights for the benefit of such holders and making the net proceeds available to such holders. We may not be able to offer these rights to the holders of our Shares having an address in a jurisdiction outside Singapore. Accordingly, Shareholders who are outside or have a registered address outside Singapore may be unable to participate in rights offerings and may experience a dilution in their shareholdings as a result.

Control by our Controlling Shareholder of our share capital after the Invitation may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon the completion of the Invitation and the Cornerstone Subscription, we anticipate that our Controlling Shareholder, Metalbank, will hold approximately 57.0% of our issued share capital. As a result, they will be able to significantly influence our corporate actions such as mergers or takeover attempts in a manner which may not be in line with the interests of our public Shareholders. They will also have veto power in relation to any shareholder action or approval requiring a majority vote except in situations where they are required by the Catalist Rules, the SGX-ST or undertakings given by them to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may not benefit our Shareholders. We cannot assure you that our Controlling Shareholders will act solely in our or your interest, or that any difference in interests will be resolved in our or your favour.

USE OF PROCEEDS AND LISTING EXPENSES

The total net proceeds to be raised from the Invitation and Cornerstone Subscription after deducting the estimated expenses incurred in connection with the Invitation of approximately S\$2.3 million (which includes underwriting and placement commissions, brokerage, issue management, audit and legal fees, advertising and printing expenses, listing fees payable to the SGX-ST and all other incidental expenses in relation to the Invitation) will be approximately S\$10.9 million.

The following table sets out a breakdown of the intended use of the proceeds from the Invitation and Cornerstone Subscription:

Intended use	Estimated amount (S\$'000)	Estimated amount allocated for each dollar of gross proceeds raised by us from the issue of Invitation Shares and Cornerstone Subscription (in cents)
Gross proceeds from the Invitation and Cornerstone Subscription	13,204	100.0
Listing and processing fees	58	0.4
Professional fees	1,550	11.7
Underwriting and placement commissions ⁽¹⁾	354	2.7
Other expenses	351	2.7
Net proceeds from the Invitation and the Cornerstone Subscription⁽²⁾	10,891	82.5
Investing and enhancing operational and engineering capabilities	7,500	56.8
Expansion via mergers and acquisitions, joint ventures and partnerships	1,500	11.4
General working capital	1,391	10.5
Repayment of bank borrowings ⁽³⁾	500	3.8

Notes:

- (1) The amount of commission per Invitation Share, agreed upon between the Issue Manager, the Underwriter, the Placement Agent and our Company is 3.0% of the Invitation Price payable for each Invitation Share. For the avoidance of doubt, no commission is charged on the Cornerstone Shares. Please refer to the section entitled "Sponsorship, Management, Underwriting and Placement Arrangements" of this Offer Document for further details.
- (2) The total estimated expenses will be borne by our Company. Approximately S\$745,000 will be capitalised against the share capital of our Company and the balance of the estimated expenses will be charged to the profit and loss account of our Company.
- (3) Our Company intends to utilise approximately S\$500,000 to partially discharge the Fixed Advance Facility I granted by DBS Bank Ltd., to reduce its indebtedness and interest expense. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

Please refer to the section entitled "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Offer Document for further details on our intended use of the net proceeds from the Invitation and the Cornerstone Subscription.

Pending the deployment of the net proceeds from the Invitation and the Cornerstone Subscription, the funds will be placed in short-term deposits with financial institutions and/or used to invest in short-term money market instruments as our Directors may, in their absolute discretion, deem appropriate.

USE OF PROCEEDS AND LISTING EXPENSES

As part of its terms of reference, our Audit Committee will monitor our use of net proceeds from the Invitation and the Cornerstone Subscription. As and when the funds from the Invitation and the Cornerstone Subscription are materially disbursed, our Company will make periodic announcements via SGXNET on the use of the net proceeds and will provide a status report on the use thereof in our annual report.

In the event that our proposed use of the net proceeds from the Invitation and the Cornerstone Subscription does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may re-allocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the best interest of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds from the Invitation and the Cornerstone Subscription will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET.

Save as disclosed above, none of the net proceeds from the Invitation and the Cornerstone Subscription will be used, directly or indirectly, to acquire or re-finance the acquisition of an asset other than in the ordinary course of business.

There is no minimum amount which, in the reasonable opinion of our Directors, must be raised by the Invitation.

SPONSORSHIP AND MANAGEMENT AGREEMENT

Pursuant to the Sponsorship and Management Agreement, our Company has appointed CIMB as Introducing Sponsor to manage the Invitation, on the terms and subject to the conditions of the Sponsorship and Management Agreement. CIMB will receive a fee from our Company for such services rendered in connection with the Invitation.

The Sponsor may terminate the Sponsorship and Management Agreement if:

- (a) at any time up to the listing of our Shares, a notice of refusal to admit the Company to the Catalist shall have been issued by the SGX-ST;
- (b) at any time after the registration of this Offer Document with the SGX-ST acting as agent on behalf of the Authority but before the close of the Application List, our Company fails and/or neglects to lodge a supplementary or replacement offer document (as the case may be) if we become aware of:
 - (i) a false or misleading statement or matter in this Offer Document;
 - (ii) an omission from this Offer Document of any information that should have been included in it under the Catalist Rules and/or SFA; or
 - (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and such circumstance would have been required by the Catalist Rules and/or the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged, and which circumstance is materially adverse from the point of view of an investor; or
- (c) the Invitation Shares have not been admitted to Catalist on or before the Listing Date (or such other date as our Company and the Sponsor and Issue Manager may agree).

If there shall have been, since the date of the Sponsorship and Management Agreement and prior to the close of the Application List:

- (1) any breach of the warranties or undertakings by our Company in the Sponsorship and Management Agreement;
- (2) any occurrence of certain specified events which comes to the knowledge of the Sponsor;
- (3) any material and adverse change, or any development involving a prospective adverse change, in the condition, performance or general affairs of our Company or of our Group as a whole;
- (4) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by the ACRA, the Authority, the Securities Industry Council of Singapore, the SGX-ST or relevant authorities in Singapore or elsewhere) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere including but not limited to foreign exchange controls in Singapore or overseas;
- (5) any change, or any development involving a prospective change or any crisis in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but not limited to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market, in Singapore or any other jurisdiction), political, industrial, economic, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof;

SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- (6) any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities whether war has been declared or not, terrorist attacks, or insurrection or armed conflict (whether or not involving financial markets);
- (7) any regional or local outbreak of disease that may have an adverse effect on the financial markets; or
- (8) any other occurrence of any nature whatsoever,

which event or events shall in the reasonable opinion of the Sponsor and Issue Manager: (a) result or be likely to result in a material and adverse fluctuation or adverse conditions in the stock market in Singapore or elsewhere; (b) be likely to prejudice the success of the Offer and/or subscription or sale of the Invitation Shares (whether in the primary market or in respect of dealings in the secondary market); (c) make it impossible, impracticable or non-commercial to proceed with any of the transactions contemplated in the Sponsorship and Management Agreement; (d) be likely to have a material and adverse effect on the business operations, financial condition, results of operations or prospects of the Company or of our Group as a whole; or (e) be such that no reasonable sponsor and/or issue manager would have entered into the Sponsorship and Management Agreement; or (f) results or be likely to result in the issue by the SGX-ST of a notice of refusal to admit the Company to the Catalist at any point prior to the listing of all the issued Shares and the Invitation Shares, the Sponsor and Issue Manager may at any time prior to the close of the listing of our Shares by notice in writing to the Company rescind or terminate the Sponsorship and Management Agreement.

UNDERWRITING AND PLACEMENT AGREEMENT

Pursuant to the Underwriting and Placement Agreement, our Company has appointed CGS-CIMB to underwrite our Offer Shares and subscribe for, or procure subscribers for, our Placement Shares at the Invitation Price for a commission of 3.0% of the aggregate Invitation Price for the total number of Invitation Shares, payable by our Company. CGS-CIMB may, at its absolute discretion, appoint one or more sub-underwriting and/or sub-placement agents for the Invitation Shares. Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Invitation Price (plus GST thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

The obligations of the Underwriter and Placement Agent under the Underwriting and Placement Agreement are conditional upon the Sponsorship and Management Agreement not being terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement. In the case of the non-fulfilment of any of the conditions in the Sponsorship and Management Agreement or the release or discharge of the Sponsor from its obligations under or pursuant to the Sponsorship and Management Agreement, the Underwriting and Placement Agreement shall be terminated and the parties shall be released from their respective obligations under the Underwriting and Placement Agreement.

In the event that the Sponsorship and Management Agreement and/or the Underwriting and Placement Agreement are terminated, our Directors reserve the right, at their absolute discretion, to cancel the Invitation.

Save as disclosed in the section entitled "Potential Conflicts of Interest – Interests of the Sponsor and Issue Manager, and the Underwriter and Placement Agent" of this Offer Document, we do not have any material relationship with the Sponsor and Issue Manager, and the Underwriter and Placement Agent.

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted by our Company within the two (2) years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company and our subsidiaries.

DIVIDEND POLICY

No dividends have been declared or distributed by our Company or subsidiaries during the Period Under Review.

We currently do not have a formal dividend policy. We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. The form, frequency and amount of future dividends on our Shares will depend on our cash and retained earnings, expected and actual future earnings, cash flow, working capital requirements, general financing conditions, projected levels of capital expenditure and other investment plans, restrictions on payments of dividends imposed on us by our financial arrangements (if any) as well as general business conditions and other factors as our Directors may, in their absolute discretion, deem appropriate. In addition, our Company is a holding company and depends upon the receipts of dividends and other distributions from our subsidiaries to pay the dividends on our Shares in the future. The ability of our subsidiaries to declare any dividends to us, in terms of the timing, amount and form, will be dependent on the income and cash available to them and may be restricted under applicable laws or regulations. It should also be noted that some of our bank loans, credit facilities and hire purchase agreements restrict us from paying dividends without first obtaining approval from the relevant lenders. Please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We are subject to risks associated with debt financing including restrictions on payment of dividends” of this Offer Document for further details.

The declaration and payment of dividends will be determined at the sole discretion of our Directors subject to the approval of our Shareholders. Our Directors may also declare an interim dividend without the approval of our Shareholders. We must pay dividends out of our profits. There can be no assurance that dividends will be paid in the future, including any certainty as to the amount or timing of any dividends that will be paid in the future. We will declare dividends, if any, in SGD. Depositors who hold Shares through CDP will receive any dividends from our Company in SGD.

All dividends are paid *pro-rata* among the Shareholders in proportion to the amount paid up on each Shareholder’s Shares, unless the rights attaching to an issue of any Share provides otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

Information relating to taxes payable on dividends is set out in the section entitled “Taxation” as set out in Appendix F of this Offer Document.

SHARE CAPITAL

Our Company was incorporated in Singapore on 17 September 2012 under the Companies Act as an exempt private company limited by shares, under the name of “Grand Venture Technology Pte. Ltd.”. Subsequently, on 27 December 2018, our Company was converted into a public company and our name was changed to “Grand Venture Technology Limited”.

As at the date of incorporation, the issued and paid-up share capital of our Company was S\$10 comprising ten (10) Shares. Mr. Ricky Lee and Mr. Tay Choon Kiat Vincent⁽¹⁾ were the initial subscribers and were issued and allotted with seven (7) and three (3) Shares, respectively. Since the date of our incorporation, we have issued and allotted Shares at various points in time. Please refer to the section entitled “General and Statutory Information – Share Capital” of this Offer Document for further details.

As at the Latest Practicable Date, our issued and paid-up share capital (as reflected on the electronic register of members maintained by ACRA) was S\$12,200,000⁽²⁾ comprising 9,600,000 Shares.

Pursuant to the resolutions in writing passed by our Shareholders on 14 December 2018, our Shareholders approved, amongst others, the following:

- (a) the conversion of our Company into a public limited company limited by shares and the consequential change of our name to “Grand Venture Technology Limited”;
- (b) the Sub-Division;
- (c) the adoption of the new Constitution;
- (d) the listing and quotation of all the Shares (including the Invitation Shares to be allotted and issued as part of the Invitation), the Cornerstone Shares, the Option Shares and the Award Shares to be issued (if any) on Catalist;
- (e) the adoption of the employee share option scheme and performance share plan, details of which are set out in the sections entitled “GVT ESOS” and “GVT PSP” of this Offer Document, and the sections entitled “Rules of the GVT ESOS” and “Rules of the GVT PSP” as set out in Appendices G and H of this Offer Document;
- (f) the issue of the Invitation Shares pursuant to the Invitation and the issue of the Cornerstone Shares pursuant to the Cornerstone Subscription, which when allotted, issued and fully paid-up, will rank pari passu in all respects with the existing issued and fully paid-up Shares; and
- (g) the authorisation for our Directors, pursuant to Section 161 of the Companies Act and the Catalist Rules, to:
 - (i) allot or issue Shares whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares; and/or
 - (iii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by our Directors while this resolution was in force, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit, provided that:
 - (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be

¹ Mr. Tay Choon Kiat Vincent disposed of all his Shares to Mr. Ricky Lee on 22 September 2015.

² This does not reflect (i) the adjustment to the fair value of GVT Malaysia’s shares of S\$2,744,359 in connection with the acquisition of GVT Malaysia, and (ii) fair value of the conversion option of S\$407,000, relating to the issue of new Shares pursuant to conversion of convertible loans. If such amounts were reflected, the share capital would be S\$15,351,359.

SHARE CAPITAL

issued pursuant to this resolution shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with subparagraph (2) below);

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of our Company (excluding treasury shares) immediately after the Invitation and the Cornerstone Subscription, after adjusting for (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; and (b) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising such authority, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and our Constitution for the time being of our Company; and
- (4) unless revoked or varied by our Company in a general meeting by ordinary resolution, such authority shall continue in force until (a) the conclusion of the next annual general meeting of our Company, or (b) the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

As at the date of this Offer Document, our Company has only one (1) class of Shares, being ordinary shares. A summary of the Constitution of our Company relating to, amongst others, the voting rights and privileges of our Shareholders are set out in the section entitled "Summary of our Constitution" as set out in Appendix E of this Offer Document. There are no founder, management, deferred or unissued shares reserved for issuance for any purpose.

Except pursuant to the GVT ESOS and GVT PSP, no person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries. As at the Latest Practicable Date, no options have been issued pursuant to the GVT ESOS and no share awards have been granted pursuant to the GVT PSP. As at the Latest Practicable Date, save as disclosed under the section entitled "Shareholders – Moratorium" of this Offer Document, the Shares held by our Controlling Shareholders and the Invitation Shares to be allotted and issued were not subject to any pledge, mortgage or any other form of encumbrance. There are no Shares that are held by or on behalf of our Company or by our subsidiaries.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

On 14 December 2018, our Company completed the Sub-Division, and as at the date of this Offer Document, the issued and paid-up share capital of our Company (as reflected on the electronic register of members maintained by ACRA) is S\$12,200,000⁽³⁾ comprising 186,240,000 Shares. Upon the allotment and issuance of the Invitation Shares which are the subject of the Invitation as well as the Cornerstone Shares pursuant to the Cornerstone Subscription, the resultant issued and paid-up share capital of our Company will be increased to S\$25,403,575 (before adjustments for listing expenses in relation to the Invitation and Cornerstone Subscription that may be charged against our share capital) comprising 234,253,000 Shares.

³ This does not reflect (i) the adjustment to the fair value of GVT Malaysia's shares of S\$2,744,359 in connection with the acquisition of GVT Malaysia, and (ii) fair value of the conversion option of S\$407,000, relating to the issue of new Shares pursuant to conversion of convertible loans. If such amounts were reflected, the share capital would be S\$15,351,359.

SHARE CAPITAL

More than 10% of our share capital has been paid for with assets other than cash within the period of three (3) years before the date of this Offer Document. Details of the changes to the issued and paid-up share capital of our Company since the date of incorporation, and our issued and paid-up share capital immediately after the Invitation and the Cornerstone Subscription are as follows:

	No. of Shares	Issued and paid-up share capital (S\$)	Resultant issued and paid-up share capital (S\$)
Issued and fully paid-up share capital as at our incorporation	10	10	10
Issue of new Shares to Mr. Ricky Lee and Mr. Tay Choon Kiat Vincent ⁽¹⁾	3,999,990	3,999,990	4,000,000
Issue of new Shares as consideration for the acquisition of GVT Malaysia	4,000,000	4,000,000	8,000,000 ⁽⁴⁾
Issue of new Shares pursuant to conversion of convertible loans ⁽²⁾	800,000	2,000,000	10,000,000 ⁽⁴⁾
Issue of new Shares to ZG Innotech ⁽³⁾	800,000	2,200,000	12,200,000 ⁽⁴⁾
Share Capital Before Sub-division	9,600,000	-	12,200,000 ⁽⁴⁾
Sub-Division	186,240,000	-	12,200,000 ⁽⁴⁾
Pre-Invitation Share Capital	186,240,000	-	12,200,000 ⁽⁴⁾
Issue of Invitation Shares and Cornerstone Shares pursuant to the Invitation and the Cornerstone Subscription, respectively	48,013,000	13,203,575	25,403,575 ⁽⁵⁾
Share Capital Immediately After the Invitation and the Cornerstone Subscription	234,253,000	-	25,403,575 ⁽⁵⁾

Notes:

- (1) Mr. Ricky Lee subscribed for 3,319,993 Shares for S\$3,319,993, while Mr. Tay Choon Kiat Vincent subscribed for 679,997 Shares for S\$679,997. Mr. Tay Choon Kiat Vincent disposed of all his Shares to Mr. Ricky Lee on 22 September 2015.
- (2) These issues and allotments were incorrectly registered with ACRA as being for cash consideration. The Company's Secretary has filed a notice of error with ACRA to amend the same to correctly reflect that the issues and allotments were for consideration other than cash).
- (3) ZG Innotech is an investment holding company incorporated in Singapore. ZG Innotech's sole shareholder is our General Manager (China), Mr. Alan Lu. Please refer to the section entitled "General Information on our Group – Our History" of this Offer Document for further details.
- (4) This does not reflect (i) the adjustment to the fair value of GVT Malaysia's shares of S\$2,744,359 in connection with the acquisition of GVT Malaysia, and (ii) fair value of the conversion option of S\$407,000, relating to the issue of new Shares pursuant to conversion of convertible loans. If such amounts were reflected, the share capital would be S\$15,351,359 immediately before the Invitation.
- (5) Refers to the legal issued and paid up share capital of our Company to be registered with ACRA. This does not take into account the adjustments described in footnote (4) above and the listing expenses incurred by our Company in relation to the Invitation and the Cornerstone Subscription of approximately S\$745,000 to be charged against share capital as described in the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document.

Save as disclosed above and in the section entitled "General and Statutory Information – Share Capital" of this Offer Document, there were no changes in the issued and paid-up share capital of our Company and our subsidiaries within the three (3) years preceding the Latest Practicable Date.

SHAREHOLDERS

SHAREHOLDING AND OWNERSHIP STRUCTURE

Our Directors and Substantial Shareholders and their respective shareholdings in the Company immediately before and after the Invitation are set out below:

	Before the Invitation			After the Invitation		
	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	Direct Interest Number of Shares	%	Deemed Interest Number of Shares
Directors						
Mr. Ricky Lee ⁽¹⁾	-	-	133,472,000	-	-	133,472,000
Mr. Julian Ng	-	-	-	-	-	-
Mr. Joseph Liew	-	-	-	-	-	-
Mr. Pong Chen Yih	-	-	-	-	-	-
Ms. Mae Heng	-	-	-	-	-	-
Substantial Shareholders						
Metalbank ⁽²⁾	133,472,000	71.7	-	133,472,000	71.7	-
Sunshine Power ⁽³⁾⁽⁴⁾	15,520,000	8.3	-	-	-	-
ZG Innotech ⁽⁵⁾	15,520,000	8.3	-	-	-	-
CLSF LLP ⁽³⁾	-	-	15,520,000	-	8.3	20,615,000
Mr. Alan Lu ⁽⁵⁾	-	-	15,520,000	-	8.3	15,520,000
Other Shareholders						
Unicorn Financial Solutions Pte. Limited ⁽⁶⁾⁽⁷⁾	3,104,000	1.7	-	-	-	3,104,000
JNP Invesco Pte. Ltd ⁽⁶⁾⁽⁸⁾	388,000	0.2	-	-	-	388,000
Mr. Tan Koi Kim ⁽⁹⁾	776,000	0.4	-	-	-	776,000
Mr. Tan Ah Seng ⁽⁹⁾	4,656,000	2.5	-	-	-	4,656,000
Mr. Tan Choon Kee ⁽⁶⁾	1,164,000	0.6	-	-	-	1,164,000
Mr. Lim Teck Yong ⁽⁶⁾	1,552,000	0.8	-	-	-	1,552,000
Mr. Tan Choon Teck ⁽⁶⁾	776,000	0.4	-	-	-	776,000
Ms. Ng Bee Eng ⁽⁶⁾	776,000	0.4	-	-	-	776,000
Mr. Tan Kuan Kher (Chen Guanke) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	3,880,000	2.1	3,492,000	3,880,000	1.9	3,880,000
Mr. Tan Kuan Ing ⁽⁹⁾	388,000	0.2	-	388,000	0.2	388,000
Mr. Wong Choon Yong ⁽⁶⁾	1,552,000	0.8	-	-	-	1,552,000
Mr. Tan Kuan Hong (Chen Guanfeng) ⁽⁶⁾	1,164,000	0.6	-	-	-	1,164,000
Ms. Chua Hui Xin ⁽⁶⁾	1,552,000	0.8	-	-	-	1,552,000
Mr. John Kevin Steward Wilkinson ⁽⁷⁾	-	-	3,104,000	-	1.7	-
Public Shareholders						
Public Shareholders arising from the Invitation	-	-	-	42,918,000	18.3	-
TOTAL	186,240,000	100.0		234,253,000	100.0	

SHAREHOLDERS

Notes:

- (1) Our Executive Chairman, Mr. Ricky Lee, is deemed interested in Metalbank's Shares by virtue of his 43.6% shareholding in Metalbank.
- (2) Metalbank is an investment holding company incorporated in Singapore. Metalbank's shareholders are certain executives of the Group who swapped shareholdings in the Company for shares in Metalbank on 1 February 2018. Metalbank's shareholders and their respective shareholdings are as follows: Mr. Ricky Lee (43.6%), Mr. Julian Ng (11.6%), Mr. Tan Chun Siang (11.6%), Mr. Kong Sang Wah (11.6%), Mr. Saw Yip Hooi (11.6%), Mr. Ng Kok Chai (4.1%), Mr. Loh Kien Giap (4.1%) and Mr. Chan Kok Heong (1.7%).
- (3) Sunshine Power is an investment holding company incorporated in Singapore. Sunshine Power's shareholders are Mr. Chio Kian Huat (50%) and Mr. Teo Cheow Tong (50%). Mr. Chio Kian Huat and Mr. Teo Cheow Tong are holding the shares of Sunshine Power in trust for CLSF LLP, a limited liability partnership comprising, as at the Latest Practicable Date, 17 partners, including Mr. Chio Kian Huat, Mr. Teo Cheow Tong and the Introducer, Mr. Tay Woon Teck. Accordingly, CLSF LLP is deemed to be interested in the Shares held by Sunshine Power. It should be noted that RSM Corporate Advisory Pte. Ltd., a subsidiary of Stone Forest Pte. Ltd. which in turn is beneficially owned and controlled by CLSF LLP, has been engaged, as part of the Invitation preparatory process, to provide corporate advisory services to our Group. The Introducer, Mr. Tay Woon Teck, is a director of RSM Corporate Advisory Pte. Ltd..
- (4) Sunshine Power's Shares after the Invitation comprise: (a) 15,520,000 Shares (6.6%), which it had acquired from our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi, prior to the Invitation in February 2018; and (b) 5,095,000 Shares (2.2%) pursuant to the Cornerstone Subscription. Please refer to the sections entitled "General Information on our Group – Our History" and "The Invitation" of this Offer Document for further details.
- (5) ZG Innotech is an investment holding company incorporated in Singapore. ZG Innotech's sole shareholder is our General Manager (China), Mr. Alan Lu. Please refer to the section entitled "General Information on our Group – Our History" of this Offer Document for further details.
- (6) These are third party investors who obtained their shares pursuant to the conversion of convertible loans which they extended to the Company (save for Mr. Tan Choon Kee who also obtained part of his shares pursuant to an acquisition from Mr. Chan Kok Heong (GVT Malaysia's In-Process Quality Control Section Head) in February 2018). Please refer to the section entitled "General Information on our Group – Our History" of this Offer Document for further details.
- (7) Unicorn Financial Solutions Pte. Ltd. is a registered fund management company incorporated in Singapore. Unicorn Financial Solutions Pte. Ltd.'s shareholders and their respective shareholdings are as follows: Mr. Tan Choon Teck (9.9%), Mr. John Kevin Steward Wilkinson (23.2%), Mr. Tan Kuan Kher (Chen Guanke) (59.3%), Mr. Tan Kuan Hong (Chen Guanfeng) (5.8%) and Ms. Chua Hui Xin (1.7%). Accordingly, Mr. John Kevin Steward Wilkinson and Mr. Tan Kuan Kher (Chen Guanke) are deemed to be interested in Unicorn Financial Solutions Pte. Ltd.'s Shares by virtue of their 23.2% and 59.3% shareholding in Unicorn Financial Solutions Pte. Ltd., respectively.

SHAREHOLDERS

- (8) JNP Invesco Pte. Ltd. is an investment holding company incorporated in Singapore. JNP Invesco Pte. Ltd.'s shareholders and their respective shareholdings are as follows: Mr. Tan Kuan Kher (Chen Guanke) (57.5%), Mr. Tan Kuan Hong (Chen Guanfeng) (5.3%), Mr. Hermawan Christanto (5.3%), Ms. Seow Kek Wee (Xiao Kewei) (5.3%), Mr. Koh Chee Beng, William (Xu Zhiming) (5.3%), Ms. Chua Hui Xin (5.3%), Mr. Ng Wee Seng (Huang Weicheng) (5.3%), and Ms. Tan Geok Hwei (Chen Yuhui) (10.6%). Accordingly, Mr. Tan Kuan Kher (Chen Guanke) is deemed to be interested in JNP Invesco Pte. Ltd.'s Shares by virtue of his 57.5% shareholding in JNP Invesco Pte. Ltd..
- (9) These are third party investors who obtained their shares pursuant to acquisitions in February 2018 from Mr. Chan Kok Heong (GVT Malaysia's In-Process Quality Control Section Head), Mr. Loh Kien Giap (GVT Malaysia's Costing Manager) and Mr. Ng Kok Chai (GVT Malaysia's Costing Manager): (a) Mr. Tan Ah Seng had acquired his shares from Mr. Loh Kien Giap and Mr. Ng Kok Chai; (b) Mr. Tan Kuan Ing had acquired his shares from Mr. Chan Kok Heong and (c) Mr. Tan Koi Kim had acquired his shares from Mr. Chan Kok Heong.

Save as disclosed above and in the section entitled "Directors, Executive Officers and Employees – Relationships between our Directors, Substantial Shareholders and Executive Officers" of this Offer Document, there are no other relationships between our Directors, Executive Officers and Substantial Shareholders.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Invitation Shares, which are the subject of the Invitation.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any corporation, government or person.

SHAREHOLDERS

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and in the section entitled “Share Capital” of this Offer Document, there have been no significant changes in the percentage ownership of our Company held by our Directors and Substantial Shareholders in the Period Under Review up to the Latest Practicable Date.

MORATORIUM

Metalbank, ZG Innotech and Their Respective Shareholders

To demonstrate its commitment to our Group, Metalbank and ZG Innotech have each, in relation to their 133,472,000 and 15,520,000 Shares (representing approximately 57.0% and 6.6% of the Company’s share capital immediately after the Invitation and the Cornerstone Subscription), respectively, irrevocably and unconditionally undertaken not to, directly or indirectly:

- (a) reduce their effective shareholding interest in the Company;
- (b) offer, sell, contract to sell, realise, transfer, assign, lend, hypothecate, pledge, grant any option, warrant or right to purchase, grant any security over, encumber or otherwise dispose of, all or any part of their shareholding in the issued share capital of the Company (adjusted for any bonus issues or sub-division of Shares) (the “**Lock-up Shares**”);
- (c) enter into any transaction or other arrangement, in whole or in part (including any swap, hedge or derivative transaction) with a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of the Lock-up Shares, in cash or otherwise;
- (d) deposit any of their effective interest in any Lock-up Shares in any depository receipt facilities, whether such transaction is to be settled by delivery of the Lock-up Shares or such other securities, in cash or otherwise;
- (e) enter into a transaction which is designed to or which may reasonably be expected to result in any of the above; or
- (f) publicly announce any intention to do any of the above,

for a period of six (6) months commencing from the Listing Date (the “**First Lock-up Period**”). They have also further undertaken that the aforesaid restrictions shall apply to 66,736,000 and 7,760,000 of their Lock-up Shares (representing approximately 28.5% and 3.3% of the Company’s share capital immediately after the Invitation and the Cornerstone Subscription), respectively, for a period of six (6) months following the First Lock-up Period (the “**Second Lock-up Period**”).

In addition to the above, the shareholders of Metalbank and ZG Innotech have given similar irrevocable and unconditional undertakings to procure Metalbank and ZG Innotech to observe the foregoing, and not to engage in the above in respect of all their shares in Metalbank and ZG Innotech for a period of twelve (12) months commencing from the date of admission of the Company to Catalist, respectively.

Pre-Invitation Shareholders, CLSF LLP, Mr. Chio Kian Huat and Mr. Teo Cheow Tong

Our pre-Invitation Shareholders set out in the table below have irrevocably and unconditionally undertaken not to, directly or indirectly:

- (a) offer, sell, contract to sell, realise, transfer, assign, lend, hypothecate, pledge, grant any option, warrant or right to purchase, grant any security over, encumber or otherwise dispose of, all or any part of their moratorised Shares as set out in the table below (adjusted for any bonus issues or sub-division of Shares) (the “**Pre-IPO Lock-up Shares**”);
- (b) enter into any transaction or other arrangement, in whole or in part (including any swap, hedge or derivative transaction) with a similar economic effect to the foregoing, whether such transaction is to be settled by delivery of their Pre-IPO Lock-up Shares, in cash or otherwise;

SHAREHOLDERS

- (c) deposit any of their effective interest in any of their Pre-IPO Lock-up Shares in any depository receipt facilities, whether such transaction is to be settled by delivery of the Pre-IPO Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into a transaction which is designed to or which may reasonably be expected to result in any of the above; or
- (e) publicly announce any intention to do any of the above,
- for the periods as set out in the table below.

Name of Pre-Invitation Investor	No. of Shares held immediately after the Invitation	% of the post-Invitation share capital ⁽¹⁾	No. of Pre-IPO Lock-up Shares moratorised for three (3) months after Company's admission to Catalist commencing from the Listing Date ("First Pre-IPO Lock-up Period")	% of the post-Invitation share capital ⁽¹⁾	No. of Pre-IPO Lock-up Shares moratorised for nine (9) months following the First Pre-IPO Lock-up Period	% of the post-Invitation share capital ⁽¹⁾
Sunshine Power	20,615,000 ⁽²⁾	8.8	15,520,000	6.6	7,520,000 ⁽²⁾	3.2
Tan Ah Seng	4,656,000	2.0	4,656,000	2.0	2,256,000	1.0
Tan Kuan Kher (Chen Guanke)	3,880,000	1.7	3,880,000	1.7	2,061,819	0.9
Unicorn Financial Solutions Pte. Limited	3,104,000	1.3	3,104,000	1.3	1,649,455	0.7
Lim Teck Yong	1,552,000	0.7	1,552,000	0.7	824,728	0.4
Wong Choon Yong	1,552,000	0.7	1,552,000	0.7	824,728	0.4
Chua Hui Xin	1,552,000	0.7	1,552,000	0.7	824,728	0.4
Tan Choon Kee	1,164,000	0.5	1,164,000	0.5	600,364	0.3
Tan Kuan Hong (Chen Guanfeng)	1,164,000	0.5	1,164,000	0.5	618,546	0.3
Tan Koi Kim	776,000	0.3	776,000	0.3	376,000	0.2
Tan Choon Teck	776,000	0.3	776,000	0.3	412,364	0.2
Ng Bee Eng	776,000	0.3	776,000	0.3	412,364	0.2
JNP Invesco Pte. Ltd.	388,000	0.2	388,000	0.2	206,182	0.1
Tan Kuan Ing	388,000	0.2	388,000	0.2	188,000	0.1
Total	42,343,000	18.1	37,248,000	15.9	18,775,278	8.0

SHAREHOLDERS

Notes:

- (1) Including Cornerstone Shares.
- (2) For the avoidance of doubt, Sunshine Power's Pre-IPO Lock-up Shares do not include its Cornerstone Shares, which are not subject to the foregoing undertakings.

In addition to the above, CLSF LLP, Mr. Chio Kian Huat and Mr. Teo Cheow Tong have each given similar irrevocable and unconditional undertakings to procure Sunshine Power to observe the foregoing, and for a period of twelve (12) months commencing from the date of admission of the Company to Catalist (i) not to engage in the above in respect of all its shares in Sunshine Power and (ii) not to reduce its effective shareholding interest in Sunshine Power.

INVITATION STATISTICS

Invitation Price 27.5
cents

NAV

Pro forma NAV per Share based on the unaudited pro forma consolidated statement of financial position of our Group as at 30 June 2018 (“**Pro Forma NAV**”):

- | | | |
|------|---|----------------|
| (i) | before adjusting for the estimated net proceeds of the Invitation and the issue of the Cornerstone Shares and based on our Company’s share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares | 7.84
cents |
| (ii) | after adjusting for the estimated net proceeds of the Invitation and the issue of the Cornerstone Shares and based on our Company’s share capital immediately after the completion of the Invitation and the Cornerstone Subscription of 234,253,000 Shares | 10.88
cents |

Premium of the Invitation Price over the Pro Forma NAV per Share as at 30 June 2018:

- | | | |
|------|---|--------|
| (i) | before adjusting for the estimated net proceeds of the Invitation and the issue of the Cornerstone Shares and based on our Company’s share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares | 250.7% |
| (ii) | after adjusting for the estimated net proceeds of the Invitation and the issue of the Cornerstone Shares and based on our Company’s share capital immediately after the completion of the Invitation and the Cornerstone Subscription of 234,253,000 Shares | 152.7% |

EPS

EPS based on the audited consolidated financial information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 2.06
cents

Pro forma EPS based on the unaudited pro forma consolidated financial information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 2.37
cents

Pro forma EPS based on the unaudited pro forma consolidated financial information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares, and assuming that the Service Agreements had been in place from the beginning of FY2017 2.06
cents

PER

Invitation Price to historical EPS of our Group for FY2017 based on the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 13.3
times

Invitation Price to pro forma EPS of our Group for FY2017 based on the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 11.6
times

Invitation Price to pro forma EPS of our Group for FY2017 based on the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares, and assuming that the Service Agreements had been in place from the beginning of FY2017 13.3
times

INVITATION STATISTICS

Net Cash Flow from Operations

Net cash flow from operations per Share based on the audited consolidated financial Information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 1.56 cents

Net cash flow from operations per Share based on the unaudited proforma consolidated financial Information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 1.47 cents

Net cash flow from operations per Share based on the unaudited proforma consolidated financial Information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares, and assuming that the Service Agreements had been in place from the beginning of FY2017 1.16 cents

Price to Net Cash Flow from Operations

Invitation Price to net cash flow from operations per Share based on the audited consolidated financial Information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 17.6 times

Invitation Price to net cash flow from operations per Share based on the unaudited pro forma consolidated financial Information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares 18.7 times

Invitation Price to net cash flow from operations per Share based on the unaudited pro forma consolidated financial Information of our Group for FY2017 and the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares, and assuming that the Service Agreements had been in place from the beginning of FY2017 23.7 times

Market Capitalisation

Market capitalisation based on the Invitation Price and our share capital immediately after the Invitation and the Cornerstone Subscription of 234,253,000 Shares S\$64.4 million

DILUTION

Dilution is the amount by which the Invitation Price to be paid by the new investors for the Invitation Shares and Cornerstone Shares (“**New Investors**”) exceeds our Pro forma NAV per Share immediately after the Invitation and the Cornerstone Subscription.

Our Pro forma NAV per Share as at 30 June 2018 before adjusting for the estimated net proceeds due to our Company from the Invitation and the Cornerstone Subscription, and based on our Company’s issued and paid-up share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares, was approximately 7.84 cents per Share.

Based on the issue of 42,918,000 Invitation Shares at the Invitation Price pursuant to the Invitation, our Pro forma NAV per Share as at 30 June 2018 after adjusting for the estimated net proceeds due to our Company from the Invitation and the Cornerstone Subscription and based on the share capital immediately after the Invitation and the Cornerstone Subscription of 234,253,000 Shares, would be approximately 10.88 cents. This represents an immediate increase in Pro forma NAV per Share of approximately 3.04 cents to our existing Shareholders and an immediate dilution in NAV per Share of approximately 16.62 cents or approximately 60.4% to our New Investors.

The following illustrates such dilution on a per Share basis pursuant to the Invitation:

	Cents
Invitation Price	27.50
Pro Forma NAV per Share as at 30 June 2018 based on the share capital immediately before the Invitation and the Cornerstone Subscription of 186,240,000 Shares	7.84
Increase in Pro Forma NAV per Share attributable to existing Shareholders	3.04
Pro Forma NAV per Share after adjusting for the issue of Invitation Shares pursuant to the Invitation and the Cornerstone Subscription and based on the share capital immediately after the Invitation and the Cornerstone Subscription of 234,253,000 Shares	10.88
Dilution in Pro Forma NAV per Share to new public investors	16.62
Dilution in Pro Forma NAV per Share to new public investors as a percentage of the Invitation Price pursuant to the Invitation (%)	60.4

The following table summarises the total number of Shares (as adjusted for the Sub-Division) acquired by our Directors and Substantial Shareholders and their associates during the period of three (3) years prior to the date of lodgement of this Offer Document, the total consideration paid by them for such acquisition and the average effective cash cost per Share to them, and by our new public investors pursuant to the Invitation.

	Number of Shares acquired	Total consideration (S\$)	Average effective cash cost per Share (S\$)
Metalbank Singapore Pte. Ltd.	133,472,000	4,675,785.60	0.035
Mr. Julian Ng ⁽¹⁾	4,656,000 ⁽¹⁾	163,108.80 ⁽¹⁾	0.035
Sunshine Power	15,520,000	2,200,000	0.142
ZG Innotech	15,520,000	2,200,000	0.142
New public Shareholders	42,918,000	11,802,450	0.275

Note:

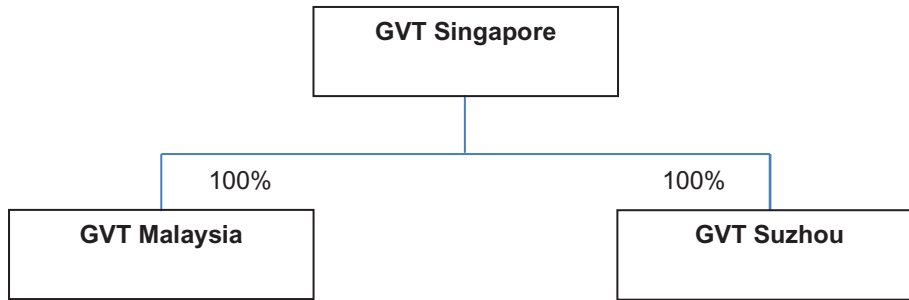
- (1) Our CEO and Executive Director, Mr. Julian Ng, acquired these Shares from our Executive Chairman, Mr. Ricky Lee, and has since swapped his shareholdings in the Company for shares in Metalbank. Please refer to the section entitled “Shareholders – Shareholding and Ownership Structure” of this Offer Document for further details.

DILUTION

Save as disclosed above and in the section entitled “Share Capital” of this Offer Document, none of our Directors or Substantial Shareholders or their respective associates has acquired any Shares during the period of three (3) years prior to the date of this Offer Document.

GROUP STRUCTURE

Our Group structure as at the Latest Practicable Date is as follows:



The details of our subsidiaries as at the Latest Practicable Date are as follows:

Name of Company	Date and place of incorporation	Principal business (Principal place of business)	Principal activities	Effective ownership interest held by our Company (%)	Issued/Registered and paid-up capital
GVT Malaysia	16 April 2006, Malaysia ⁽¹⁾	Penang, Malaysia	Precision engineering, sheet metal fabrication and assembly	100	RM2,000,000
GVT Suzhou	20 November 2017, PRC	Suzhou, PRC	Precision engineering	100	US\$2,000,000

Note:

- (1) While GVT Malaysia was incorporated on 16 April 2006, our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi, have only owned, managed and operated it from 25 May 2010 (prior to the acquisition of GVT Malaysia by our Company in February 2013).

Save as disclosed above, we do not have any associated companies or subsidiaries. None of our subsidiaries are listed on any stock exchange. None of our Independent Directors sits on the board of our subsidiaries.

SELECTED FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with the full text of this Offer Document, including the “Independent Auditor’s and Reporting Accountant’s Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 December 2015, 2016 and 2017”, the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Consolidated Financial Statements for the Six-Month Period ended 30 June 2018” and the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 December 2017 and Unaudited Interim Pro Forma Consolidated Financial Information for the Six-Month Period ended 30 June 2018” as set out in Appendices A, B and C, respectively, of this Offer Document, as well as the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

Consolidated Statements of Comprehensive Income	Audited FY2015	Audited FY2016	Audited FY2017	Unaudited HY2017	Unaudited HY2018
S\$'000					
Revenue	8,819	15,794	30,856	15,839	21,848
Cost of sales	(7,939)	(11,826)	(22,423)	(11,151)	(14,826)
Gross profit	881	3,968	8,433	4,688	7,022
Other operating income	1,029	1,045	1,108	678	881
Selling and distribution expenses	(285)	(337)	(432)	(284)	(288)
General and administrative expenses	(2,138)	(2,483)	(3,831)	(1,822)	(2,529)
Other operating expenses	(1,324)	(1,242)	(1,382)	(616)	(673)
Finance costs	(663)	(800)	(917)	(437)	(456)
Fair value gain/(loss) on convertible loan option	-	(9)	(398)	(182)	-
Profit/(loss) before tax	(2,501)	142	2,582	2,026	3,957
Income tax (expense)/credit	65	(40)	1,258	25	(1,081)
Profit/(loss) after tax⁽¹⁾	(2,436)	102	3,840	2,051	2,875
Other comprehensive income, net of tax:					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign operations	(543)	(105)	123	141	242
Total comprehensive income for the year	(2,979)	(3)	3,963	2,192	3,118
EPS					
Basic EPS (cents) ⁽¹⁾⁽²⁾	(1.31)	0.05	2.06	1.10	1.54
Adjusted EPS (cents) ⁽³⁾	(1.04)	0.04	1.64	0.88	1.23

Notes:

- (1) For comparative purposes, basic EPS is calculated based on the profit, net of tax for the financial year and our pre-Invitation share capital of 186,240,000 Shares. This represents profit/(loss) after tax attributable to our Shareholders as we do not have non-controlling interests.
- (2) Had the Service Agreement (as disclosed in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document) been in effect from the beginning of FY2017, our profit before income tax and profit, net of tax for FY2017 would have been approximately S\$2.0 million and S\$3.3 million respectively and our basic EPS based on pre-Invitation share capital of 186,240,000 Shares would have been approximately 1.75 cents.
- (3) Adjusted EPS is calculated based on the profit, net of tax for the financial year and our post-Invitation share capital of 234,253,000 Shares (assuming also, the completion of the Cornerstone Subscription).

SELECTED FINANCIAL INFORMATION

Consolidated Statements of Financial Positions	Audited As at 31 December 2015	Audited As at 31 December 2016	Audited As at 31 December 2017	Unaudited As at 30 June 2018
S\$'000				
ASSETS				
Current assets				
Cash and cash equivalents	518	424	1,643	4,547
Trade receivables	2,300	4,943	8,515	12,326
Prepayments	195	189	333	364
Other receivables	197	124	145	985
Inventories	3,262	6,010	6,312	8,139
	6,473	11,690	16,948	26,362
Non-current assets				
Property, plant and equipment	18,286	19,288	18,890	21,970
Intangible assets	1,788	1,557	1,379	2,144
Prepayments	46	-	-	-
Deferred tax assets	3	5	1,549	1,286
	20,122	20,851	21,817	25,400
Total assets	26,595	32,541	38,765	51,762
LIABILITIES				
Current Liabilities				
Trade payables	1,741	4,766	4,894	8,651
Other payables and accruals	1,097	1,674	2,215	4,128
Shareholder loan	5,600	6,900	-	825
Loans and borrowings	4,616	4,882	5,889	8,781
Convertible loans	-	2,000	2,000	-
Derivatives	-	9	407	-
Provision for income tax	-	-	14	635
	13,054	20,231	15,420	23,019
Non-current liabilities				
Shareholder loan	-	-	6,900	7,800
Loans and borrowings	10,124	9,345	9,565	8,537
Convertible loan	400	-	-	-
Deferred tax liabilities	96	48	-	-
	10,620	9,393	16,465	16,337
Total liabilities	23,674	29,624	31,885	39,357
Net Assets	2,921	2,917	6,881	12,405
EQUITY				
Capital and reserves attributable to				
Share capital	10,744	10,744	10,744	13,151
Currency translation reserve	(766)	(871)	(748)	(506)
Accumulated losses	(7,058)	(6,956)	(3,115)	(240)
Total equity	2,921	2,917	6,881	12,405
NAV per Share (cents)⁽¹⁾	1.57	1.57	3.69	6.66

Note:

- (1) NAV per Share has been computed based on our pre-Invitation share capital of 186,240,000 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the "Independent Auditor's and Reporting Accountant's Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 December 2015, 2016 and 2017", the "Independent Auditor's and Reporting Accountant's Report on the Unaudited Consolidated Financial Statements for the Six-Month Period ended 30 June 2018" and the "Independent Auditor's and Reporting Accountant's Report on the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 December 2017 and Unaudited Interim Pro Forma Consolidated Financial Information for the Six-Month Period ended 30 June 2018" as set out in Appendices A, B and C, respectively, of this Offer Document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

Except as otherwise indicated, the following discussion is based on our audited and unaudited consolidated financial statements, which have been prepared in accordance with the Singapore Financial Reporting Standards.

OVERVIEW

We are a trusted manufacturing solutions and service providers for the semiconductor, analytical life sciences, electronics and other industries with operations in Singapore, Penang (Malaysia) and Suzhou (the PRC). Our core competencies are in serving some of the largest OEMs in these industries. Currently, our business can be categorised into the following segments:

- Semiconductor – We provide precision machining, complex sheet metal fabrication and assembly and testing of complex modules to customers who are leading capital equipment providers for semiconductor manufacturing and electronic manufacturing and assembly solutions that in turn support the global automotive, consumer, communications, industrial and computing industries. Our customers from the Semiconductor segment include Teradyne Inc., BE Semiconductor Industries N.V., Kulicke & Soffa Industries Inc. as well as the contract manufacturers for these and other OEMs, namely SAM Precision (M) Sdn. Bhd., SAM Tooling Technology Sdn. Bhd., Flex Ltd. and Plexus Corp.;
- Analytical Life Sciences – We manufacture and supply key components of both single and hybrid mass spectrometers (such as vacuum chambers and interfaces and complex parts of the mass filters and the ion source) as well as engage in the assembly of key modules of ion source for mass spectrometers used in analytical life sciences research, environmental testing, food and beverage testing, forensic analysis, pharmaceutical applications and clinical diagnosis. We also manufacture key components of high performance liquid chromatography instruments (such as manifolds, valves and plugs) used in laboratories for environmental testing, food and beverage testing, pharmaceutical applications, forensics screening and clinical diagnosis. Our customers from the Analytical Life Sciences segment include AB Sciex Pte. Ltd., Thermo Fisher Scientific Inc. and another North America Analytical Life Sciences Company as well as the contract manufacturers for these and other OEMs, such as Plexus Corp.. We have been selected by these customers to be one of their Asian supply chain partners to support their growth plans in Asia; and
- Electronics and Others – We manufacture key and high-precision components, such as key components of feeder systems found in SMT machines as well as assemble the complex modules for customers who produce a range of industrial automation and manufacturing

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

equipment. On an ad-hoc basis, we also provide customised engineering solutions to customers who are involved in the hard disk drive, automotive and general industrial applications industries. Our customers from the Electronics and Others segment include ASM Assembly Systems Singapore Pte Ltd as well as other local engineering services firms in the countries we operate in.

Please refer to the section entitled “General Information on our Group – Our Business” of this Offer Document for further details of our business activities and our manufacturing capabilities.

Revenue

We derive our revenue primarily from our two (2) principal segments of (i) Semiconductor and (ii) Analytical Life Sciences, Electronics and Others.

Prior to commencing business, we may be invited by our customers to assist and develop design engineering solutions such as Design For Manufacturability (“DFM”) where we advise our customers on possible alterations to product design for manufacturability. Thereafter, our customers will audit and validate our manufacturing process and systems in order to pre-qualify the Group as their approved vendor which will allow us to either tender for projects or receive orders from such customers. When our customer intends for a product to be manufactured, they will request for a first article to be manufactured for their vetting and verification to ensure that the production process reliably produces the product in accordance with the customers’ design and specifications. Once we pass the first article inspection, we can commence the manufacturing of high precision piece parts in large volumes for our customers.

Over the years, we have also upgraded our capabilities to provide modular assembly solutions where we integrate and assemble high precision piece parts into modules. In some cases, we collaborate with our customers to assist and develop modular assembly solutions such as Design For Assembly (“DFA”) where we advise our customers on possible alterations to product design for modular assembly. In most of our modular assembly projects, we manufacture a substantial portion of the components and purchase the remaining components from designated vendors as approved by our customers. We also conduct the necessary testing of these modules prior to delivering them to our customers. The provision of such modular assembly and testing services reinforces our position as a manufacturer that offers a broad range of engineering and assembly services which helps solidify our customer relationships.

Our customers will engage us through blanket orders and/or individual purchase orders. Once such orders are received, we will schedule and manage the production process which includes the purchase of raw materials, allocation of resources as well as the monitoring and reporting on the work-in-progress up to the stage of finished products. Finished products will be sent for quality control checks before being packed by us and delivered by third party logistics providers to our customers. We charge our customers based on the agreed unit prices for our products and services. Revenue is recognized upon the transfer of significant risk and rewards of ownership of the products to our customers.

A breakdown of our revenue for the Period Under Review by business segment is as follows:

Revenue	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$’000	%	S\$’000	%	S\$’000	%	S\$’000	%	S\$’000	%
Semiconductor	6,517	73.9%	10,786	68.3%	22,899	74.2%	11,669	73.7%	17,285	79.1%
Analytical Life Sciences, Electronics and Others	2,302	26.1%	5,008	31.7%	7,957	25.8%	4,170	26.3%	4,563	20.9%
Total	8,819	100.0%	15,794	100.0%	30,856	100.0%	15,839	100.0%	21,848	100.0%

Our revenue from our (i) Semiconductor and (ii) Analytical Life Sciences, Electronics and others segments recorded a 2-year compounded annual growth rate (“CAGR”) of approximately 87.4%, and 85.9% respectively for the period between FY2015 and FY2017. While we have experienced growth in

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

all our key segments, the revenue contribution from our Semiconductor segment has increased at a faster rate rising from approximately 73.9% in FY2015 to approximately 79.1% in HY2018.

A breakdown of our revenue by geographical segmentation for the Period Under Review is as follows. In presenting the geographical location, revenue is based on geographical locations of the customers which the revenue is derived from:

Revenue	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Singapore	2,401	27.2%	4,667	29.6%	7,285	23.6%	3,765	23.8%	4,156	19.0%
Malaysia	6,212	70.4%	10,327	65.4%	22,029	71.4%	11,146	70.4%	15,896	72.8%
US	168	1.9%	591	3.7%	1,017	3.3%	532	3.4%	687	3.1%
PRC	7	0.1%	145	0.9%	504	1.6%	384	2.4%	1,096	5.0%
Europe & Others	31	0.4%	64	0.4%	21	0.1%	12	0.1%	14	0.1%
Total	8,819	100.0%	15,794	100.0%	30,856	100.0%	15,839	100.0%	21,848	100.0%

The majority of our revenue is derived from multinational customers operating in Singapore and Malaysia. For the period between FY2015 and FY2017, our revenue from these two countries recorded a 2-year CAGR of approximately 74.2% and 88.3% respectively, which is in line with the growth of our business in the semiconductor and analytical life sciences industries. Separately, the revenue contribution from our customers operating in China has increased from approximately 0.1% in FY2015 to approximately 5.0% in HY2018 following the establishment of GVT Suzhou in November 2017 and our expansion in the PRC.

The majority of our sales are conducted in foreign currencies, mainly denominated in USD. For the Period Under Review, approximately 55%, 59%, 66%, 66% and 70% of our sales in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively, were denominated in foreign currencies.

Our revenue may be affected by, *inter alia*, the following factors:

- (a) changes to the business conditions of the semiconductor, analytical life sciences and electronics industries;
- (b) the business performance of our major customers including the demand for their products;
- (c) demand for our products and services from our customers which will depend on the competitiveness of our pricing, quality and ability to make timely delivery;
- (d) our ability to retain existing customers and/or secure new customers by, *inter alia*, meeting their production needs in a cost effective manner;
- (e) our ability to upgrade our manufacturing capabilities;
- (f) our production capacity to fulfil orders;
- (g) our ability to compete effectively against our existing or potential competitors in the industries we serve;
- (h) our ability to continue to retain the services of our key management personnel and skilled technical staff;
- (i) changes in laws and regulations and government policies which may affect the demand for our products;
- (j) changes to the trend of outsourcing to Asian contract manufacturers by OEMs; and
- (k) fluctuations in foreign currency exchange rates.

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Please refer to the section entitled "Risk Factors" of this Offer Document for a more comprehensive discussion of other factors which may affect our business operations, revenue and financial performance.

Cost of sales

Our cost of sales comprise direct materials, direct labour and factory overheads. Our cost of sales accounted for approximately 90.0%, 74.9%, 72.7%, 70.4% and 67.9% of our total revenue in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Our cost of sales in FY2015 as a proportion of our revenue was disproportionately high as our focus then was on satisfying the audit and accreditation process to be an approved vendor and to clear first articles inspections of certain new customers and products. As such, our production volume then was low and we did not have economies of scale to defray our fixed cost. Thereafter, our cost of sales as a proportion of our revenue decreased in FY2016 as we ramped up production for certain components along with the relevant assembly and testing after passing the first articles inspections with our customers which enabled us to benefit from improved economies of scale. This is observable as our direct materials cost as a proportion of cost of sales increased from 26.9% in FY2015 to 57.9% in HY2018.

The table below provides a breakdown of our cost of sales by type during the Period Under Review.

Cost of sales	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Direct Materials	2,133	26.9%	4,353	36.8%	12,859	57.4%	7,115	63.8%	8,580	57.9%
Direct Labour	2,202	27.7%	3,256	27.5%	4,604	20.5%	1,695	15.2%	3,572	24.1%
Factory Overheads	3,604	45.4%	4,217	35.7%	4,960	22.1%	2,341	21.0%	2,674	18.0%
Total	7,939	100.0%	11,826	100.0%	22,423	100.0%	11,151	100.0%	14,826	100.0%

Notes:

- (1) Direct materials mainly relate to stainless steel, aluminium and engineering plastic which we purchase from local suppliers based in Singapore and Malaysia. We review our materials requirements based on the order books secured and we place orders with our suppliers on a rolling basis to fulfil our manufacturing needs. We manage our market price risk of direct materials by charging our customers based on the prevailing prices quoted by our suppliers.
- (2) Direct labour relates to salaries, overtime charges, allowances, CPF contributions, foreign workers' levy and training expenses of employees who operate our production lines.
- (3) Factory overheads relates to depreciation charges on our plant and equipment used for production, tooling expenses, utilities charges and inward freight charges.

The analysis of our cost of sales by business segment for the Period Under Review is set out in the table as follow:

Cost of sales	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Semiconductor	5,433	68.4%	7,224	61.1%	15,898	70.9%	7,563	67.8%	11,307	76.3%
Analytical Life Sciences, Electronics and Others	2,506	31.6%	4,602	38.9%	6,525	29.1%	3,588	32.2%	3,519	23.7%
Total	7,939	100.0%	11,826	100.0%	22,423	100.0%	11,151	100.0%	14,826	100.0%

For the Period Under Review, approximately 85%, 77%, 77%, 70% and 65% of our costs in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively, were denominated in the respective functional currencies of our Group's entities.

Our cost of sales may be affected by, *inter alia*, the following factors:

- (a) fluctuations in direct material prices, in particular, stainless steel and aluminium prices which vary mainly due to changes in global supply and demand conditions for these raw materials;
- (b) changes in direct labour costs which are generally affected by government policies regulating the supply and availability of foreign workers and overall salary inflation;

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- (c) changes in capital expenditure for plant and equipment used in production which will affect level of depreciation charges;
- (d) level of rejection rate arising from product quality issues which will result in more material, machine time and labour cost for rectification work; and
- (e) fluctuations in foreign currency exchange rates.

Please refer to the section entitled "Risk Factors" of this Offer Document for factors which may affect our cost of sales.

Gross Profit

Our gross profit contribution by business segment for the Period Under Review is as follows:

Gross profit/ (loss)	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Semiconductor	1,084	123.2%	3,562	89.8%	7,001	83.0%	4,106	87.6%	5,978	85.1%
Analytical Life Sciences, Electronics and Others	(203)	(23.2)%	406	10.2%	1,432	17.0%	582	12.4%	1,044	14.9%
Total	881	100.0%	3,968	100.0%	8,433	100.0%	4,688	100.0%	7,022	100.0%

Our gross profit margins by business segment and our overall gross profit margins for the Period Under Review is as follows:

Gross profit / (loss) margins	Audited FY2015	Audited FY2016	Audited FY2017	Unaudited HY2017	Unaudited HY2018
	%	%	%	%	%
Semiconductor	16.6%	33.0%	30.6%	35.2%	34.6%
Analytical Life Sciences, Electronics and Others	(8.9)%	8.1%	18.0%	14.0%	22.9%
Overall	10.0%	25.1%	27.3%	29.6%	32.1%

Our gross profit margin may be affected by, *inter alia*, the following factors:

- (a) level of complexity of the products and value added services where more complex products and value added services typically command higher unit selling prices;
- (b) volume of orders from customers where higher volume of orders will usually result in lower unit costs as a result of the corresponding cost savings achieved from the increased scale of production;
- (c) stage of the product life cycle where products that are at the later stage of the product life cycle usually command lower unit selling prices as a result of cost down initiatives from the customers. This may be partially mitigated by internal cost savings as we improve and become more efficient with our manufacturing and assembly process over the years of production;
- (d) type of production and delivery schedules where fulfilment of urgent orders typically command higher unit selling prices; and
- (e) level of mix between components and modular assembly projects where we typically achieve better margins for the manufacturing of components as compared to modular assembly. Within modular assembly, we also typically achieve better margins for projects where we manufacture substantial portions of the components used for the modular assembly.

Our overall gross profit margin was disproportionately low for FY2015 as our focus then was on satisfying the audit and accreditation process to be an approved vendor and to clear first articles inspections of certain new customers and products. As such our production volume then was low and we did not have economies of scale to defray our fixed costs. Thereafter, our gross profit margin increased in FY2016 as we ramped up production for certain components along with the relevant assembly and after passing the first articles with our customers which enabled us to benefit from improved economies of scale.

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Our gross margin for our Semiconductor segment was higher relative to the other segment during the Period Under Review as we were engaged by one of our customer to manufacture key components for a product that is at the early stage of the product life cycle stage along with a ramp-up in production of other key components which allows us to achieve better margins. The gross profit margins for our Analytical Life Sciences, Electronics and Other segment increased over the Period Under Review as we ramped up production for certain key components along with the relevant assemblies and after passing the first articles with our customers.

Other operating income

Other operating income comprises rental income, grant income, interest income, gain on waiver of interest payable, gain on disposal of fixed assets, foreign exchange gain and other income. The following table sets out a breakdown of our other operating income for the Period Under Review:

Other operating income	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Rental income	792	76.9%	750	71.8%	725	65.5%	383	56.4%	331	37.6%
Grant income	34	3.3%	57	5.4%	42	3.8%	-	-	-	-
Interest income	3	0.3%	3	0.3%	1	0.1%	<1	<1%	1	0.1%
Gain on waiver of interest payable	-	-	-	-	139	12.5%	-	-	-	-
Gain on disposal of fixed assets	-	-	19	1.8%	<1	<1%	-	-	2	0.3%
Foreign exchange gain	-	-	-	-	-	-	185	27.3%	371	42.0%
Other income	200	19.5%	216	20.7%	201	18.1%	110	16.3%	176	20.0%
Total	1,029	100.0%	1,045	100.0%	1,108	100.0%	678	100.0%	881	100.0%

Notes:

- (1) Rental income relates to rent generated from the subletting of surplus floor areas in respect of our leasehold property at 2 Changi North Street 1 to various external unrelated third parties. We intend to cease such subletting with some of our tenants and utilise the floor areas for our own production needs with effect from the fourth quarter of 2018 to meet the growth in our business.
- (2) Grant income relates to government grants.
- (3) Interest income relates to the interest income earned on the cash deposits placed with various banks.
- (4) Gain on waiver of interest payable relates to the interest waived by our Executive Chairman, Mr Ricky Lee in respect of the shareholder loans.
- (5) Gain on fixed asset disposal relates to the accounting gains which arise from the difference of the disposal value and the carrying amount of our machinery at the point of disposal.
- (6) Other income mainly relates to sale of scrap metal which is generated from our manufacturing process. Scrap metal is collected periodically by our external purchaser where it is weighed and sold at prevailing market prices.

Selling and distribution expenses

Our selling and distribution expenses comprise transportation expense, travelling and accommodation expense and depreciation charged on motor vehicles. We typically do not incur delivery costs for our products as these costs are borne by our customers. Our selling and distribution expenses accounted for approximately 3.2%, 2.1%, 1.4%, 1.8% and 1.3% of our total revenue in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively. Our selling and distribution expenses recorded a 2-year CAGR of approximately 23.0% for the period between FY2015 to FY2017. This was mainly due to increased sales and marketing activities following the growth in business volume and expansion of our operations.

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The following table sets forth a breakdown of a breakdown of the selling and distribution expenses for the Period Under Review:

Selling and distribution expenses	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Transportation expenses	143	50.1%	212	62.9%	307	71.1%	216	76.1%	203	70.2%
Travelling and accommodation fee	23	8.1%	39	11.6%	37	8.5%	19	6.8%	32	11.2%
Depreciation	54	18.8%	24	7.0%	21	4.9%	-	-	18	6.4%
Others	65	23.0%	62	18.5%	67	15.5%	49	17.1%	35	12.2%
Total	285	100.0%	337	100.0%	432	100.0%	284	100.0%	288	100.0%

Notes:

- (1) Transportation expense as well as travelling and accommodation expense mainly relates to domestic and overseas travelling costs incurred by our sales, marketing employees and management staff.
- (2) Depreciation mainly relates to deprecation charged on our motor vehicles used by our sales and marketing employees in GVT Malaysia.
- (3) Others relates to miscellaneous fees which includes but not limited to petrol cost, parking fees and immigration custom fees incurred by our sales and marketing employees.

General and administrative expenses

Our general and administrative expenses comprise employee benefits, Executive Directors and Executive Officers' remuneration, insurance, professional fees, bad debt written-off, foreign exchange losses and others. Our general and administrative expenses accounted for approximately 24.2%, 15.7%, 12.4%, 11.5% and 11.6% of our total revenue in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively. Our general and administrative expenses recorded a 2-year CAGR of approximately 33.9% for the period between FY2015 to FY2017. This was in line with the growth in business volume and expansion of our operations.

The following table sets forth a breakdown of a breakdown of the general and administrative expenses for the Period Under Review:

General and administrative expenses	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Employee benefits	1,480	69.2%	1,621	65.3%	2,330	60.8%	1,310	71.9%	1,535	60.7%
Directors and Executive Officers' remuneration	125	5.9%	472	19.0%	648	16.9%	303	16.6%	383	15.1%
Insurance	10	0.5%	18	0.7%	24	0.6%	45	2.5%	32	1.2%
Professional fees	38	1.8%	47	1.9%	257	6.7%	14	0.8%	305	12.1%
Bad debts written-off	68	3.2%	5	0.2%	8	0.2%	-	-	-	-
Foreign exchange loss	313	14.6%	109	4.4%	277	7.3%	-	-	83	3.3%
Others	104	4.8%	211	8.5%	287	7.5%	150	8.2%	191	7.6%
Total	2,138	100.0%	2,483	100.0%	3,831	100.0%	1,822	100.0%	2,529	100.0%

Notes:

- (1) Employee benefits relates to salaries, overtime charges, allowances, CPF contributions, medical expenses, staff welfare and foreign workers' levy of employees from our administrative, finance and other non-production and engineering departments.
- (2) Executive Directors and Executive Officers' remuneration relates to their salaries, bonuses, allowances, CPF contributions and medical expenses.

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- (3) Insurance relates to general insurance for loss or damage to our properties by fire, loss due to burglary, public liability, workmen injury compensation for our employees as well as industrial all risk.
- (4) Professional fees relate to fees paid to external professionals whom we engage from time to time for the provision of services including but not limited to financial, legal, accounting and corporate secretarial services. The increase in professional fees in FY2017 was mainly due to a one-off audit fee in connection with a consolidation exercise and the increase in professional fees in HY2018 was incidental to the listing exercise.
- (5) Bad debts written-off in FY2015 relate to certain rental income receivables from our tenants in respect of our leasehold property at 2 Changi North Street 1 which had been written off as they were deemed irrecoverable.
- (6) Others relate to miscellaneous expenses which include but not limited to courier fees, donations, general office expenses and communication expenses.

Other operating expenses

Our other operating expenses comprise depreciation charged on our leasehold land and properties in Singapore and Malaysia, amortisation charged on customer relationships arising from the acquisition of GVT Malaysia in February 2013, rental, repair and maintenance, loss on disposal of fixed assets, and others. Our other operating expenses accounted for approximately 15.0%, 7.9%, 4.5%, 3.9% and 3.1% of our total revenue in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively. Our other operating expenses recorded a 2-year CAGR of approximately 2.2% for the period between FY2015 to FY2017. The following table sets forth a breakdown of a breakdown of the other operating expenses for the Period Under Review:

Other operating expenses	Audited FY2015		Audited FY2016		Audited FY2017		Unaudited HY2017		Unaudited HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Depreciation	622	47.0%	510	41.0%	550	39.8%	311	50.5%	269	39.9%
Amortisation	201	15.2%	201	16.2%	201	14.6%	101	16.4%	12	1.8%
Rental	87	6.6%	62	5.0%	57	4.1%	54	8.8%	32	4.8%
Repair and maintenance	82	6.2%	98	7.9%	123	8.9%	51	8.3%	61	9.1%
Loss on disposal of fixed assets	77	5.8%	-	-	-	-	-	-	-	-
Others	255	19.2%	371	29.9%	451	32.6%	99	16.0%	299	44.4%
Total	1,324	100.0%	1,242	100.0%	1,382	100.0%	616	100.0%	673	100.0%

Notes:

- (1) Depreciation relates to depreciation charges incurred on our leasehold property at 2 Changi North Street 1 as well as our leasehold land and property in Penang, Malaysia.
- (2) Amortisation relates to amortisation charges incurred on customer relationship arising from the acquisition of GVT Malaysia in February 2013.
- (3) Rental relates to the rental fees payable to our landlords in respect of our leased properties in Penang, Malaysia and Suzhou, PRC as well as land rental in respect of our leasehold property at 2 Changi North Street 1.
- (4) Repair and maintenance relates to expenses incurred for the upkeep of our premises and office equipment.
- (5) Loss on fixed asset disposal relates to the accounting losses which arise from the difference of the disposal value and the carrying amount of our machinery at the point of disposal.
- (6) Others relate to miscellaneous expenses which include but not limited to tooling expense as well as property tax.

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Finance cost

Finance expenses comprise interest expense on, trade finance facilities, bank loans, convertible loan, bank overdrafts, hire purchases for machinery, equipment and motor vehicles and shareholder loan.

The convertible loan relates to amounts raised between November 2015 and June 2016 from a group of investors of approximately S\$2.0 million for working capital purposes. The convertible loans were guaranteed by our Executive Chairman, Mr. Ricky Lee and were convertible into Shares or be redeemable in cash upon the repayment date on 31 December 2017. The repayment date of these convertible loans was subsequently extended to 1 February 2018 and the convertible loans were fully converted to into Shares on 1 February 2018. These convertible loans bore interest of 5.0% per annum on repayment date. Please refer to the section entitled "General Information of our Group – Our History" of this Offer Document for further details.

The shareholder loan relates to loans extended by our Executive Chairman, Mr. Ricky Lee between 2013 and 2018 for capital expenditure and working capital purposes. The shareholder loan is unsecured and it bears an interest of 3.0% per annum with a repayment notice period of not less than one year. Notwithstanding the foregoing, Mr. Ricky Lee had in FY2017 waived S\$138,707 in interest payable due to him arising from the shareholder loans in prior years. Please refer to the section entitled "Interested Person Transactions" of this Offer Document for further details.

Fair value loss on convertible loan option

The fair value loss on convertible loan option incurred by the Group relates to the increased valuation of the convertible loan held by the convertible loan investors. The increased valuation of the convertible loan arose due to the higher fair value of the Company's share capital which will increase the likelihood of conversion into Shares instead of redemption by these convertible loan investors.

Income tax

Our Company is subject to income tax at the statutory tax rate in Singapore. Our subsidiaries are taxed in accordance with the prevailing tax regulations of the jurisdiction in which our subsidiaries are incorporated.

The statutory tax rates and effective tax rates applicable are indicated below:

Tax rates	Audited FY2015	Audited FY2016	Audited FY2017	Unaudited HY2017	Unaudited HY2018
Corporate tax rate in Singapore (%)	17.0	17.0	17.0	17.0	17.0
Corporate tax rate in Malaysia (%)	24.0	24.0	24.0	24.0	24.0
Corporate tax rate in the PRC (%)	n.a	n.a	n.a	n.a	10.0
Effective tax rate	n.m	27.9	n.m	n.m	27.3

Notes:

- (1) "n.m" denotes not meaningful.
- (2) "n.a" denotes not applicable. Our Suzhou operations in the PRC only commenced in January 2018.

The effective tax rate for FY2015 was not meaningful as we incurred tax expense even though the Group recorded losses for that financial year. Our tax expense for FY2015 relates to our Malaysia operations which was profitable during that financial year.

The effective tax rate for FY2016 was higher than the applicable statutory tax rates for both Singapore and Malaysia. This was due to losses incurred by our Singapore operations which reduced the Group's profit before tax and consequently resulted in a higher effective tax rate. We did not incur any tax expense for Singapore in FY2016 as our Singapore operations was loss making during that financial year.

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The effective tax rate for FY2017 was not meaningful as we recorded tax credits even though the Group recorded profits for that financial year. The tax credits relate to the recognition of deferred tax assets as a result of unused capitalised allowance arising mainly from the Productivity and Innovation Credit Scheme ("PIC") on the purchase of machines for our Singapore operations.

The effective tax rate for HY2018 was higher than the applicable statutory tax rates for Singapore, Malaysia and the PRC. This was due to (i) the full utilisation of the unused capitalised allowance in FY2017 and HY2018 and (ii) the incurrence of certain expenses by our Singapore and Malaysia operations which were not tax deductible. This consequently resulted in a higher effective tax rate for the Group.

REVIEW OF PAST PERFORMANCE

FY2016 compared to FY2015

Revenue

Our revenue increased by approximately S\$7.0 million or 79.1%, from approximately S\$8.8 million in FY2015 to approximately S\$15.8 million in FY2016 due to an increase in revenue contribution from both our key business segments.

Semiconductor

The revenue from our Semiconductor segment increased by approximately S\$4.3 million or 65.5% from approximately S\$6.5 million in FY2015 to approximately S\$10.8 million in FY2016. The increase was mainly due to (i) an increase in sales to BE Semiconductor Industries N.V. of approximately S\$1.7 million as we commenced modular assembly services for them in FY2016, (ii) an increase in sales to a North America Semiconductor Company and SAM Equipment of approximately S\$2.1 million in aggregate following an increase in sales volume resulting from an industry wide ramp up in production of semiconductors, and (iii) an increase in sales to Teradyne Inc. of approximately S\$0.9 million as we received volume orders after first articles were approved by Teradyne Inc. across FY2015 and FY2016 in relation to the manufacturing of components and modular assembly services used in semiconductor capital equipment. The increase in revenue was partially offset by the decrease in sales to our other customers from this segment of approximately S\$0.4 million as we discontinued businesses which were not aligned with our business strategy.

Analytical Life Sciences, Electronics and Others

The revenue from our Analytical Life Sciences, Electronics and Others segment increased by approximately S\$2.7 million or 117.5% from approximately S\$2.3 million in FY2015 to approximately S\$5.0 million in FY2016. The increase was due to (i) an increase in sales to a North America Analytical Life Sciences Company of approximately S\$1.7 million as we received volume orders after first articles were approved by that customer in FY2015 in relation to manufacturing of components used in mass spectrometers, and (ii) an increase in sales to ASM Assembly Systems Singapore Pte Ltd of approximately S\$1.2 million resulting from an improvement of our manufacturing efficiency and capacity enabling us to increase our sales volume of existing components to them. The increase in revenue was partially offset by the decrease in sales to our other customers from this segment of approximately S\$0.2 million as we discontinued businesses which were not aligned with our business strategy.

From a geographic standpoint, the increase in revenue was driven by a 94.4% and 66.2% increase in revenue from Singapore and Malaysia respectively. The revenue increase in Singapore was primarily due to the increase in sales to a North America Analytical Life Sciences Company and the revenue increase in Malaysia was driven by the revenue increase in our Semiconductor segment. As a result of this increase, Singapore and Malaysia contributed more than 90% of our Group's revenue in FY2015 and FY2016.

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Cost of sales

Our cost of sales increased by approximately S\$3.9 million or 49.0% from approximately S\$7.9 million in FY2015 to approximately S\$11.8 million in FY2016. This was mainly due to (i) an increase in direct materials of approximately S\$2.2 million, (ii) an increase in direct labour of approximately S\$1.1 million and (iii) an increase in factory overheads of approximately S\$0.6 million, in line with the production ramp-up in FY2016.

Gross profit

Our overall gross profit increased by approximately S\$3.1 million or 350.7% from approximately S\$0.9 million in FY2015 to approximately S\$4.0 million in FY2016. Our overall gross profit margin increased from approximately 10.0% in FY2015 to approximately 25.1% in FY2016. The overall gross profit margin in FY2015 was low due to our low production volume as we focused on satisfying the audit and accreditation process to be an approved vendor and to clear first articles inspections of certain new customers and products. Consequently, we did not have the economies of scale in defraying our fixed cost. Thereafter, our overall gross profit margin increased in FY2016 as we ramped up production for certain components along with the relevant assembly and testing having cleared the first articles with our customers in prior years.

Gross profit of our Semiconductor segment increased by approximately S\$2.5 million or 228.6% from approximately S\$1.1 million in FY2015 to approximately S\$3.6 million in FY2016. Gross profit margin of our Semiconductor segment increased from approximately 16.6% in FY2015 to 33.0% in FY2016. This was mainly due to a ramp-up in production volume which led to more cost efficiencies in our operations.

Gross profit of our Analytical Life Sciences, Electronics and Others segment increased by approximately S\$0.6 million from a gross loss of approximately S\$0.2 million in FY2015 to a gross profit of approximately S\$0.4 million in FY2016. Gross profit margin of our Analytical Life Sciences, Electronics and Others segment increased from approximately -8.8% in FY2015 to 8.1% in FY2016. This was mainly due to a ramp-up in production volume which led to more cost efficiencies in our operations.

Other operating income

Our other operating income increased marginally by approximately S\$17,000 or 1.6% between FY2015 and FY2016. The increase was mainly due to (i) an increase in grant income of approximately S\$23,000, (ii) gain on disposal of fixed asset of approximately S\$19,000, and (iii) an increase in sale of scrap metal of approximately S\$16,000 which was partially offset by a decrease in rental income of approximately S\$41,000.

Selling and distribution expenses

Our selling and distribution expenses increased by approximately S\$52,000 or 18.1% from approximately S\$285,000 in FY2015 to approximately S\$337,000 in FY2016. The increase in selling and distribution expenses was mainly due to an increase in transportation expense, travelling and accommodation fee of approximately S\$85,000 in aggregate as a result of increased marketing activities by our sale and marketing employees. This increase was partially offset by (i) a decrease in depreciation of our motor vehicles of approximately S\$30,000 and (ii) a decrease in other selling and distribution expenses of approximately S\$3,000.

General and administrative expenses

Our general and administrative expenses increased by approximately S\$0.3 million or 16.1% from approximately S\$2.1 million in FY2015 to approximately S\$2.5 million in FY2016. The increase in general and administrative expenses was mainly due (i) an increase in Executive Director and Executive Officers' remuneration of approximately S\$0.3 million as a result of remuneration revision, (ii) an increase in employee benefits of approximately S\$0.1 million as a result of higher headcounts of our administrative, finance and other non-production and engineering departments and (iii) an increase

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in other general and administrative expenses of approximately S\$0.1 million. This increase was partially offset by a decrease in foreign exchange losses of approximately S\$0.2 million.

Other operating expenses

Our other operating expenses decreased by approximately S\$0.1 million or 6.1% from approximately S\$1.3 million in FY2015 to approximately S\$1.2 million in FY2016. The decrease in other operating expenses was mainly due to (i) a decrease in depreciation of approximately S\$0.1 million as a higher proportion of our depreciation have been allocated to our cost of sales following increased usage of our premises for production purposes and (ii) a decrease in loss of disposal of fixed assets of approximately S\$0.1 million, partially offset by an increase in other operating expenses of approximately S\$0.1 million.

Finance cost

Our finance cost increased by approximately S\$0.1 million or 20.7% from approximately S\$0.7 million in FY2015 to approximately S\$0.8 million in FY2016. The increase in finance cost was mainly due to an increase in our total borrowings of approximately S\$2.4 million used to support the growth of our business. In particular, we recorded interest charged on convertible loan of approximately S\$0.1 million as the Group raised approximately S\$2.0 million of convertible loans between November 2015 and June 2016 from a group of investors for working capital purposes.

Fair value loss on convertible loan option

We incurred fair value loss on convertible loan option of approximately S\$9,000 in FY2016 due to the higher fair value of the Company's share capital as at 31 December 2016 which increased the likelihood of conversion into Shares instead of redemption by these convertible loan investors.

Income tax

Our income tax expense increased by approximately S\$0.1 million from an income tax credit of approximately S\$65,000 in FY2015 to an income tax expense of approximately S\$40,000 in FY2016. The increase in income tax was due to higher profits achieved by our Malaysia operations in FY2016. The tax credit in FY2015 was mainly due to the Group's losses for that financial year.

Profit / (Loss) for the year

As a result of the above, we recorded a net profit of approximately S\$0.1 million in FY2016 as compared to a net loss of approximately S\$2.4 million in FY2015.

FY2017 compared to FY2016

Revenue

Our revenue increased by approximately S\$15.1 million or 95.4%, from approximately S\$15.8 million in FY2016 to approximately S\$30.9 million in FY2017 due to an increase in revenue contribution from both our key business segments.

Semiconductor

The revenue from our Semiconductor segment increased by approximately S\$12.1 million or 112.3% from approximately S\$10.8 million in FY2016 to approximately S\$22.9 million in FY2017. The increase was mainly due to (i) an increase in sales to Teradyne Inc. of approximately S\$5.4 million as we commenced full production of a new high value product after we obtained first articles approval in late FY2016 as well as additional orders for products which first articles approvals were obtained in FY2015 and FY2016, (ii) an increase in sales to BE Semiconductor Industries N.V., a North America Semiconductor Company and SAM Equipment of approximately S\$4.7 million in aggregate and (iii) an increase in sales to other customers in the semiconductor industry of approximately S\$2.0 million due to the continued industry wide ramp up in production of semiconductors.

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Analytical Life Sciences, Electronics and Others

The revenue from our Analytical Life Sciences, Electronics and Others segment increased by approximately S\$2.9 million or 58.9% from approximately S\$5.0 million in FY2016 to approximately S\$8.0 million in FY2017. The increase was due to (i) an increase in sales to a North America Analytical Life Sciences Company of approximately S\$1.4 million as we secured more orders for the manufacturing of high-precision components and started modular assembly services for mass spectrometers and (ii) an increase in sales to ASM Assembly Systems Singapore Pte Ltd of approximately S\$1.5 million following an increase in sales volume arising from the manufacturing of new and existing components and modular assembly services for ASM Assembly Systems Singapore Pte Ltd.

From a geographic standpoint, the increase in revenue was driven by a 56.1% and 113.3% increase in revenue from Singapore and Malaysia respectively. The revenue increase in Singapore was primarily due to the increase in sales to a North America Analytical Life Sciences Company and the revenue increase in Malaysia was in line with the revenue increase in our Semiconductor segment. As a result of this increase, Singapore and Malaysia continued to contribute more than 90% of our Group's revenue in FY2016 and FY2017.

Cost of sales

Our cost of sales increased by approximately S\$10.6 million or 89.6% from approximately S\$11.8 million in FY2016 to approximately S\$22.4 million in FY2017. This was mainly due to (i) an increase in direct materials of approximately S\$8.5 million, (ii) an increase in direct labour of approximately S\$1.3 million and (iii) an increase in factory overheads of approximately S\$0.7 million, in line with the production ramp up in FY2017.

Gross profit

Our overall gross profit increased by approximately S\$4.5 million or 112.5% from approximately S\$4.0 million in FY2016 to approximately S\$8.4 million in FY2017. Our overall gross profit margin increased from approximately 25.1% in FY2016 to approximately 27.3% in FY2017. The increase in overall gross profit margin was mainly due to improved margins from our Analytical Life Sciences, Electronics and Others segment arising from cost efficiency as we ramped up production volume.

Gross profit of our Semiconductor segment increased by approximately S\$3.4 million or 96.5% from approximately S\$3.6 million in FY2016 to approximately S\$7.0 million in FY2017. Gross profit margin of our Semiconductor segment decreased from approximately 33.0% in FY2016 to 30.6% in FY2017. This was mainly due to increased modular assembly services for one of our customer which has lower margins as compared to manufacturing of key components.

Gross profit of our Analytical Life Sciences, Electronics and Others segment increased by approximately S\$1.0 million or 253.0% from approximately S\$0.4 million in FY2016 to approximately S\$1.4 million in FY2017. Gross profit margin of our Analytical Life Sciences, Electronics and Others segment increased from approximately 8.1% in FY2016 to 18.0% in FY2017. This was mainly due to improvement in our cost efficiency as we ramped up production volume.

Other operating income

Our other operating income increased by approximately S\$0.1 million or 6.0% from approximately S\$1.0 million in FY2016 to approximately S\$1.1 million in FY2017. The increase in other operating income was mainly due gain on waiver of interest payable of approximately S\$0.1 million as our Executive Chairman, Mr. Ricky Lee, had in FY2017 waived S\$138,707 in interest payable due to him arising from the shareholder loans in prior years.

Selling and distribution expenses

Our selling and distribution expenses increased by approximately S\$0.1 million or 28.1% from approximately S\$0.3 million in FY2016 to approximately S\$0.4 million in FY2017. The increase in

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selling and distribution expenses was mainly due to an increase in transportation expense of approximately S\$0.1 million as a result of increased marketing activities by our sale and marketing employees.

General and administrative expenses

Our general and administrative expenses increased by approximately S\$1.3 million or 54.3% from approximately S\$2.5 million in FY2016 to approximately S\$3.8 million in FY2017. The increase in general and administrative expenses was mainly due to (i) an increase in employee benefits of approximately S\$0.7 million as a result of higher headcounts of our administrative, finance and other non-production and engineering departments, (ii) an increase in Executive Directors and Executive Officers' remuneration of approximately S\$0.2 million as a result of remuneration revision, (iii) an increase in professional fees of approximately S\$0.2 million as a result of an one-off audit fee in connection with a consolidation exercise and (iv) an increase in foreign exchange losses of approximately S\$0.2 million.

Other operating expenses

Our other operating expenses increased by approximately S\$0.1 million or 11.2% from approximately S\$1.2 million in FY2016 to approximately S\$1.4 million in FY2017. The increase in other operating expenses was mainly due to an increase in others of approximately S\$0.1 million as a result of higher tooling expenses and upkeep of equipment.

Finance cost

Our finance cost increased by approximately S\$0.1 million or 14.6% from approximately S\$0.8 million in FY2016 to approximately S\$0.9 million in FY2017. The increase in finance cost was mainly due to an increase in our total borrowings of approximately S\$1.2 million used to support the growth of our business. Consequently, this led to an increase in interest charged mainly on (i) hire purchase of approximately S\$40,000, (ii) shareholder loan of approximately S\$38,000 and (iii) convertible loan of approximately S\$27,000.

Fair value loss on convertible loan option

We incurred fair value loss on convertible loan option of approximately S\$0.4 million in FY2017 as compared to fair value loss on convertible loan option of approximately S\$9,000 in FY2016 mainly due to higher fair value of the Company's share capital as at 31 December 2017 which increased the likelihood of conversion into Shares instead of redemption by these convertible loan investors.

Income tax

We recorded an income tax credit of approximately S\$1.3 million in FY2017 as compared to an income tax expense of approximately S\$40,000 in FY2016 mainly due to the recognition of deferred tax assets as a result of unused capitalized allowance arising mainly from the PIC on the purchase of machines for our Singapore operations.

Profit for the year

As a result of the above, we recorded a net profit of approximately S\$3.8 million in FY2017 as compared to a net profit of approximately S\$0.1 million in FY2016.

HY2018 compared to HY2017

Revenue

Our revenue increased by approximately S\$6.0 million or 37.9%, from approximately S\$15.8 million in HY2017 to approximately S\$21.8 million in HY2018 mainly due to an increase in revenue contribution from both our key business segments.

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Semiconductor

The revenue from our Semiconductor segment increased by approximately S\$5.6 million or 48.1% from approximately S\$11.7 million in HY2017 to approximately S\$17.3 million in HY2018. The increase was mainly due to (i) an increase in sales to Teradyne Inc. of approximately S\$4.6 million as we commenced full production of a new product after we obtained first articles approval in FY2017 as well as additional orders for an existing product after engaging in DFM and (ii) an increase in sales to BE Semiconductor Industries N.V. and a North America Semiconductor Company of approximately S\$1.5 million in aggregate following an increase in sales volume resulting from the continued industry wide ramp-up in production of semiconductors, partially offset by a decrease in sales to SAM Equipment of approximately S\$0.5 million following a shift in customer demand.

Analytical Life Sciences, Electronics and Others

The revenue from our Analytical Life Sciences, Electronics and Others segment increased by approximately S\$0.4 million or 9.4% from approximately S\$4.2 million in HY2017 to approximately S\$4.6 million in HY2018. The increase was mainly due to (i) an increase in sales to a North America Analytical Life Sciences Company of approximately S\$0.4 million as we commenced production of a new product after we obtained first articles approval in early 2018 and (ii) an increase in sales to ASM Assembly Systems Singapore Pte Ltd of approximately S\$0.1 million following an increase in sales volume arising from the manufacturing of new components, partially offset by a decrease in sales to our other customers from this segment of approximately S\$0.1 million as we discontinued businesses which were not aligned with our business strategy.

From a geographic standpoint, the increase in revenue was driven by a 10.4%, 42.6% and 185.4% increase in revenue in Singapore, Malaysia and the PRC respectively. The revenue increase in Singapore was primarily due to the increase in sales to a North America Analytical Life Sciences Company, the revenue increase in Malaysia was in line with the revenue increase in our Semiconductor segment and the revenue increase in the PRC was due to the acquisition of the business and assets of SIP Excellence and SIP Innovation on 1 January 2018. Singapore and Malaysia continued to contribute more than 90% of our Group's revenue in HY2017 and HY2018.

Cost of sales

Our cost of sales increased by approximately S\$3.7 million or 33.0% from approximately S\$11.2 million in HY2017 to approximately S\$14.8 million in HY2018. This was mainly due to (i) an increase in direct materials of approximately S\$1.5 million, (ii) an increase in direct labour of approximately S\$1.9 million and (iii) an increase in factory overheads of approximately S\$0.4 million, in line with the production ramp-up in HY2018. The increase in factory overheads was partially offset by a reduction in depreciation charged on our leasehold building at 2 Changi North Street 1 as we received in-principle-approval for the extension of our lease by 20 years which consequently increased its useful life and reduced its annual depreciation charges.

Gross profit

Our overall gross profit increased by approximately S\$2.3 million or 49.8% from approximately S\$4.7 million in HY2017 to approximately S\$7.0 million in HY2018. Our overall gross profit margin increased from approximately 29.6% in HY2017 to approximately 32.1% in HY2018. The increase in overall gross profit margin was due to improved margins from our Analytical Life Sciences, Electronics and Others segments as we commenced production of new components which command better margins.

Gross profit of our Semiconductor segment increased by approximately S\$1.9 million or 45.6% from approximately S\$4.1 million in HY2017 to approximately S\$6.0 million in HY2018. Gross profit margin of our Semiconductor segment decreased from approximately 35.2% in HY2017 to 34.6% in HY2018. This was mainly due to increased modular assembly services for one of our customer which has lower margins as compared to manufacturing of key components.

Gross profit of our Analytical Life Sciences, Electronics and Others segment increased by approximately S\$0.5 million or 79.4% from approximately S\$0.6 million in HY2017 to approximately

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S\$1.0 million in HY2018. Gross profit margin of our Analytical Life Sciences, Electronics and Others segment increased from approximately 14.0% in HY2017 to 22.9% in HY2018. This was mainly due to production of new components which command better margins.

Other operating income

Our other operating income increased by approximately S\$0.2 million or 29.8% from approximately S\$0.7 million in HY2017 to approximately S\$0.9 million in HY2018. The increase in other operating income was mainly due to (i) an increase in foreign exchange gain of approximately S\$0.2 million and (ii) an increase in sale of scrap metal of approximately S\$0.1 million, partially offset by a decrease in rental income of approximately S\$0.1 million as a result of rental lease expiry of certain tenants for our leasehold property at 2 Changi North Street 1.

Selling and distribution expenses

Our selling and distribution expenses remained unchanged at approximately S\$0.3 million in HY2018 as compared to HY2017. This was mainly due to (i) an increase in depreciation on our motor vehicles of approximately S\$18,000 and (ii) an increase in travelling and accommodation expense of our sales and marketing employees and management staff of approximately S\$13,000, partially offset by a decrease in transportation expense of approximately S\$14,000 and others of approximately S\$13,000.

General and administrative expenses

Our general and administrative expenses increased by approximately S\$0.7 million or 38.8% from approximately S\$1.8 million in HY2017 to approximately S\$2.5 million in HY2018. The increase in general and administrative expenses was mainly due to (i) an increase in professional fees of approximately S\$0.3 million incidental to the listing exercise, (ii) an increase in employment benefits of approximately S\$0.2 million as a result of higher headcounts of our administrative, finance and other non-production and engineering departments, (iii) an increase in foreign exchange loss of approximately S\$0.1 million and (iv) an increase in Executive Officers' remuneration of approximately S\$0.1 million in connection with the appointment of our CFO and General Manager (China) in HY2018.

Other operating expenses

Our other operating expenses increased by approximately S\$0.1 million or 9.2% from approximately S\$0.6 million in HY2017 to approximately S\$0.7 million in HY2018. The increase in other operating expenses was mainly due to an increase in others of approximately S\$0.2 million as a result of higher tooling expenses, partially offset by (i) a decrease in amortisation of approximately S\$89,000 as customer relationships had been fully amortised in FY2017 and (ii) a decrease in depreciation charged on our leasehold property at 2 Changi North Street 1 of approximately S\$42,000 as we received in-principle-approval of the extension of our lease by 20 years which consequently increased its useful life and reduced its annual depreciation charges.

Finance cost

Our finance cost increased by approximately S\$19,000 or 4.3% from approximately S\$437,000 in HY2017 to approximately S\$456,000 in HY2018. The increase in finance cost was mainly due to an increase in our total borrowings of approximately S\$1.6 million used to support the growth of our business. Consequently, this led to an increase in interest charged on (i) hire purchase of approximately S\$44,000 and (ii) trade financing of approximately S\$13,000 partially offset by a decrease in interest charged on (i) shareholder loan of approximately S\$27,000 and (ii) bank loans of approximately S\$11,000.

Fair value loss on convertible loan option

We did not incur any fair value loss on convertible loan option in HY2018 as the holders of the convertible loan had on 1 February 2018 exercised the option and fully converted the entire loan principal into 800,000 Shares (before the Sub-Division).

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Income tax

Our income tax expense increased by approximately S\$1.1 million from an income tax credit of approximately S\$25,000 in HY2017 to an income tax expense of approximately S\$1.1 million in HY2018. The increase in income tax was due to (i) the full utilisation of the unused capitalised allowance in FY2017 and HY2018 and (ii) the incurrence of certain non-tax deductible expenses by our Singapore and Malaysia operations.

Profit for the year

As a result of the above, we recorded a net profit of approximately S\$2.9 million in HY2018 as compared to a net profit of approximately S\$2.1 million in HY2017.

REVIEW OF FINANCIAL POSITION

A review of the financial position of our Group as at 31 December 2017 and 30 June 2018 are set out below:

Assets

Non-current assets

As at 31 December 2017

Our non-current assets amounted to approximately S\$21.8 million which accounted for 56.3% of our total assets. It comprised property, plant and equipment of S\$18.9 million which includes leasehold property of approximately S\$9.6 million, leasehold land of approximately S\$0.5 million, plant, machinery and equipment of approximately S\$7.4 million, furniture and fittings of approximately S\$1.0 million, office equipment of approximately S\$0.3 million and motor vehicles of approximately S\$58,000. Non-current assets also comprised deferred tax assets of approximately S\$1.5 million comprising mainly of tax written-down value in excess of net book value of qualifying fixed assets and intangible assets of S\$1.4 million comprising of goodwill arising from acquisition of GVT Malaysia.

As at 30 June 2018

Our non-current assets amounted to approximately S\$25.4 million which accounted for 49.1% of our total assets. It comprised property, plant and equipment of S\$22.0 million which includes leasehold property of approximately S\$9.6 million, leasehold land of approximately S\$0.5 million, plant, machinery and equipment of approximately S\$9.9 million, furniture and fittings of approximately S\$1.4 million, office equipment of approximately S\$0.5 million and motor vehicles of approximately S\$0.1 million. Non-current assets also comprised deferred tax assets of approximately S\$1.3 million comprising mainly of tax written-down value in excess of net book value of qualifying fixed assets and intangible assets of S\$2.1 million comprising of goodwill arising from acquisition of GVT Malaysia and the business and assets of SIP Excellence and SIP Innovation.

Current assets

As at 31 December 2017

Our current assets amounted to approximately S\$16.9 million which accounted for 43.7% of our total assets. It comprised the following:

- (a) Trade receivable of approximately S\$8.5 million due from our customers which were unsecured and non-interest bearing;
- (b) Inventories of approximately S\$6.3 million which comprised (a) raw materials of approximately S\$0.9 million, (b) work-in-progress of approximately S\$2.2 million and (c) finished goods of approximately S\$3.2 million;

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- (c) Cash and bank balances of approximately S\$1.6 million which comprised (a) short-term deposits of approximately S\$0.1 million and (b) cash at banks and on hand of approximately S\$1.5 million;
- (d) Other receivables of approximately S\$145,000 which comprised (a) deposits of approximately S\$90,000 and (b) other receivables of approximately S\$55,000; and
- (e) Prepayments of approximately S\$0.3 million which related to advanced payments made for the purchases of machine tooling used in the Group's operations.

As at 30 June 2018

Our current assets amounted to approximately S\$26.4 million which accounted for 50.9% of our total assets. It comprised the following:

- (a) Trade receivable due from our customers of approximately S\$12.3 million which were unsecured and non-interest bearing;
- (b) Inventories of approximately S\$8.1 million which comprised mainly (a) raw materials of approximately S\$0.9 million, (b) work-in-progress of approximately S\$2.6 million and (c) finished goods of approximately S\$4.5 million;
- (c) Cash and bank balances of approximately S\$4.5 million which comprised (a) short-term deposits of approximately S\$0.2 million and (b) cash at banks and on hand of approximately S\$4.3 million;
- (d) Other receivables of approximately S\$1.0 million which comprised mainly (a) deposits of approximately S\$0.3 million, (b) other receivables of approximately S\$0.4 million and (c) input tax of approximately S\$0.2 million; and
- (e) Prepayments of approximately S\$0.4 million which related to advanced payments made for the purchases of machine tooling used in the Group's operations.

Liabilities

Non-current liabilities

As at 31 December 2017

Our non-current liabilities amounted to approximately S\$16.5 million which accounted for 51.6% of our total liabilities. It comprised the following:

- (a) Loans and borrowings of approximately S\$9.6 million which comprised (a) term loans of approximately S\$6.0 million in aggregate which were obtained mainly to finance the acquisition of our leasehold property at 2 Changi North Street 1 as well as our leasehold land and properties in Penang, Malaysia, (b) obligations under finance lease of approximately S\$3.4 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia and (c) working capital loan of approximately S\$0.2 million; and
- (b) Shareholder loan of approximately S\$6.9 million which related to loans extended to the Group by our Executive Chairman, Mr. Ricky Lee, for capital expenditure and working capital purposes.

As at 30 June 2018

Our non-current liabilities amounted to approximately S\$16.3 million which accounted for 41.5% of our total liabilities. It comprised the following:

- (a) Loans and borrowings of approximately S\$8.5 million which comprised (a) term loans of approximately S\$5.5 million in aggregate which were obtained mainly to finance the acquisition of our leasehold property at 2 Changi North Street 1 as well as our leasehold land and properties

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in Penang, Malaysia, (b) obligations under finance lease of approximately S\$2.8 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia and (c) working capital loan of approximately S\$0.2 million; and

- (b) Shareholder loan of approximately S\$7.8 million which related to loans which were extended to the Group by our Executive Chairman, Mr. Ricky Lee, for capital expenditure and working capital purposes.

Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

Current liabilities

As at 31 December 2017

Our current liabilities amounted to approximately S\$15.4 million which accounted for 48.4% of our total liabilities. It comprised the following:

- (a) Loans and borrowings of approximately S\$5.9 million which comprised (a) obligations under finance lease of approximately S\$1.9 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia, (b) short-term trade facilities of approximately S\$1.5 million, (c) bankers' acceptance of approximately S\$1.1 million, (d) term loans of approximately S\$0.9 million which were obtained mainly to finance the acquisition of our leasehold property at 2 Changi North Street 1 as well as our leasehold land and properties in Penang, Malaysia, (e) bank overdraft of approximately S\$0.3 million and (f) working capital loan of approximately S\$55,000.
- (b) Trade payables due to suppliers of approximately S\$4.9 million were unsecured and interest-free;
- (c) Other payable and accruals of approximately S\$2.2 million which comprised (a) accrued operating expenses of approximately S\$2.0 million and (b) others of approximately S\$0.2 million;
- (d) Convertible loans of approximately S\$2.0 million which were issued to third party investors comprising a group of investors and guaranteed by our Executive Chairman, Mr. Ricky Lee. The convertible loans are convertible into Shares or redeemable in cash upon the repayment date on 31 December 2017. The repayment date of these convertible loans was subsequently extended to 1 February 2018 and the convertible loans were fully converted into Shares on 1 February 2018. These convertible loans bore an interest of 5.0% per annum and the interest was due for repayment in full on the repayment date;
- (e) Derivatives value of approximately S\$0.4 million resulting from the conversion options embedded in the convertible loan; and
- (f) Provision for income tax of approximately S\$14,000.

As at 30 June 2018

Our current liabilities amounted to approximately S\$23.0 million which accounted for 58.5% of our total liabilities. It comprised the following:

- (a) Loans and borrowings of approximately S\$8.8 million which comprised (a) obligations under finance lease of approximately S\$2.0 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia, (b) short-term trade facilities of approximately S\$1.0 million, (c) bankers' acceptance of approximately S\$1.1 million, (d) term loans of approximately S\$4.2 million which were obtained mainly to finance the acquisition of our leasehold property at 2 Changi North Street 1 as well as our leasehold land and properties in Penang, Malaysia, (e) bank overdraft of approximately S\$0.5 million and (f) working capital loan of approximately S\$57,000. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details;
- (b) Trade payables due to suppliers of approximately S\$8.7 million were unsecured and interest-free;

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- (c) Other payable and accruals of approximately S\$4.1 million which comprised (a) accrued operating expenses of approximately S\$3.2 million and (b) others of approximately S\$0.9 million;
- (d) Shareholder loan of approximately S\$0.8 million owing to our General Manager (China), Mr. Alan Lu, who had extended an interest-free unsecured loan of approximately RMB 4.0 million to GVT Suzhou to fund its working capital requirement. The loan was repaid in tranches and was fully repaid in August 2018; and
- (e) Provision for income tax of approximately S\$0.6 million.

Capital and reserves

As at 31 December 2017

Our Shareholders' equity stood at approximately S\$6.9 million, comprising approximately S\$10.7 million issued and fully paid share capital, loss in foreign currency translation reserve of approximately S\$0.7 million and accumulated losses of approximately S\$3.1 million.

As at 30 June 2018

Our Shareholders' equity stood at approximately S\$12.4 million, comprising approximately S\$13.2 million issued and fully paid share capital, loss in foreign currency translation reserve of approximately S\$0.5 million and accumulated losses of approximately S\$0.2 million.

LIQUIDITY AND CAPITAL RESOURCES

During the Period Under Review, we had financed our working capital, capital expenditure and other capital requirements through a combinations of funds generated from our operating activities, shareholders' equity, shareholder loans, convertible loans and bank borrowings.

Our Group was in a negative working capital position as at 31 December 2015 and 31 December 2016 due to the following reasons:

- (a) Our Group had low production volumes in FY2015 and FY2016 and consequently incurred a loss in FY2015 and achieved low profits in FY2016; and
- (b) Our Group was funding its operations with short term borrowings including shareholder loans, convertible loans and bank borrowings.

With regard to our liquidity and capital resources, we would like to highlight the following:

- (a) As at 30 June 2018, our Group had net current assets amounting to approximately S\$3.3 million, including cash and cash equivalent of approximately S\$3.9 million;
- (b) During FY2017 and HY2018, our Group generated net cash flow from operations amounting to approximately S\$2.9 million and S\$2.4 million, respectively;
- (c) As at the Latest Practicable Date, our Group had unutilised banking facilities of approximately S\$4.5 million; and
- (d) As at the date of lodgement of this Offer Document, our Group did not have any material contingent liability.

Our Directors are of the reasonable opinion that, after taking into account the cash flows generated from our operations, our banking facilities, our existing cash and cash equivalents, and the net proceeds from the Invitation, the working capital available to us as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our Group's operations, our Group's banking

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facilities, our Group's existing cash and cash equivalents, and the net proceeds from the Invitation, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

The following table sets out a summary of our Group's net cash flow for the Period Under Review:

	Audited FY2015 S\$'000	Audited FY2016 S\$'000	Audited FY2017 S\$'000	Unaudited HY2017 S\$'000	Unaudited HY2018 S\$'000
Net cash generated from operating activities	90	1,760	2,912	1,571	2,387
Net cash (used in) investing activities	(421)	(2,365)	(650)	(934)	(2,520)
Net cash generated from / (used in) financing activities	466	599	(892)	39	2,822
Net increase/(decrease) in cash and cash equivalents	135	(6)	1,370	676	2,690
Effect of foreign exchange rate changes	79	7	3	(13)	(13)
Cash and cash equivalents at beginning of the year/period	(395)	(181)	(180)	(180)	1,193
Cash and cash equivalents at end of the year/period	(181)	(180)	1,193	483	3,870

FY2015

Net cash generated from operating activities

Our net cash generated from operating activities in FY2015 amounted to approximately S\$0.1 million.

We generated net cash of approximately S\$1.9 million from operating activities before changes in working capital, derived from loss before income tax of approximately S\$2.5 million and adjustments mainly for depreciation of approximately S\$3.2 million, interest expense of approximately S\$0.7 million, amortisation of approximately S\$0.2 million and unrealised foreign exchange loss of approximately S\$0.2 million.

Our net working capital outflows amounted to approximately S\$1.2 million. The net working capital outflow was mainly due to:

- (a) an increase inventories of approximately S\$1.5 million mainly due to a build-up of inventory arising from a slowdown in business volume of our Semiconductor segment in FY2015; and
- (b) an increase in trade and other receivables of approximately S\$0.1 million.

This was partially offset by:

- (a) an increase in trade and other payables of approximately S\$0.2 million; and
- (b) a decrease in prepayments of approximately S\$0.1 million.

In FY2015, we paid interest charged mainly on bank loans, hire purchases and shareholder loan of approximately S\$0.5 million and income tax of approximately S\$36,000.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$0.4 million.

This was due to the purchases of property, plant and equipment of approximately S\$0.8 million which mainly relates to the acquisition of additional CNC machines for our Singapore and Malaysia operations, partially offset by proceeds received from the disposal of property and plant of approximately S\$0.4 million which mainly relates to the disposal of a freehold land and property at 27 & 29 Lorong Teguh 3, Taman Industri Teguh, 1400 Bukit Mertajam in Penang, Malaysia which GVT Malaysia was operating in prior the relocation to the new production facility.

Net cash generated from financing activities

Net cash generated from financing activities amounted to approximately S\$0.5 million.

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This was mainly due to mainly due to:

- (a) proceeds from shareholder loan of approximately S\$1.3 million which relates to loans extended by our Executive Chairman, Mr. Ricky Lee, for capital expenditure and working capital purposes;
- (b) proceeds from trade financing of approximately S\$0.8 million;
- (c) proceeds from convertible loans of approximately S\$0.4 million which relates to amounts raised from a group of investors for working capital purposes; and
- (d) proceeds from loans and borrowings of approximately S\$0.4 million.

This was partially offset by:

- (a) repayment of finance lease obligations of approximately S\$1.3 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia; and
- (b) repayment of loans and borrowings of approximately S\$1.1 million.

FY2016

Net cash generated from operating activities

Our net cash generated from operating activities in FY2016 amounted to approximately S\$1.8 million.

We generated net cash of approximately S\$4.4 million from operating activities before changes in working capital, derived from profit before tax of approximately S\$0.1 million and adjustments mainly for depreciation of approximately S\$3.2 million, interest expense of approximately S\$0.8 million and amortisation of approximately S\$0.2 million.

Our net working capital outflows amounted to approximately S\$2.1 million. The net working capital outflow was mainly due to:

- (a) an increase in inventories of approximately S\$2.9 million mainly due to a build-up of inventory to (a) meet the increased orders from our Semiconductor customers, (b) anticipation of an industry wide ramp up in the production of semiconductors in FY2017 and (c) meet the orders from our Analytical Life Sciences customers as new products start to shift into mass production; and
- (b) an increase in trade and other receivables of approximately S\$2.7 million which mainly relates to trade receivables due from our customers, in line with the increase in revenue driven by our production ramp up in FY2016.

This was partially offset by an increase in trade and other payables of approximately S\$3.5 million which mainly relates to trade payable due to our suppliers, in line with the production ramp up in FY2016.

In FY2016, we paid interest charged mainly on bank loans, hire purchases, shareholder loan and convertible loan of approximately S\$0.6 million and income tax of approximately S\$18,000.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$2.4 million.

This was mainly due to purchases of property, plant and equipment of approximately S\$2.4 million which mainly related to the acquisition of additional CNC machines and Enterprise Resource Planning software for our Singapore operations.

Net cash generated from financing activities

Net cash from financing activities amounted to approximately S\$0.6 million.

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This was mainly due to mainly due to:

- (a) proceeds from convertible loans of approximately S\$1.6 million which related to amounts raised from a group of investors for working capital purposes;
- (b) proceeds from shareholder loan of approximately S\$1.3 million which related to loans extended by our Executive Chairman, Mr. Ricky Lee, for capital expenditure and working capital purposes; and
- (c) proceeds from trade financing of approximately S\$0.7 million.

This was partially offset by:

- (a) repayment of finance lease obligations of approximately S\$1.9 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia;
- (b) repayment of loans and borrowings of approximately S\$1.0 million; and
- (c) increase in placement of short-term deposits of S\$0.1 million.

FY2017

Net cash generated from operating activities

Our net cash generated from operating activities in FY2017 amounted to approximately S\$2.9 million.

We generated net cash of approximately S\$7.3 million from operating activities before changes in working capital, derived from profit before tax of approximately S\$2.6 million and adjustments mainly for depreciation of approximately S\$3.4 million, interest expense of approximately S\$0.9 million, amortisation of approximately S\$0.2 million and fair value loss on convertible loan option of approximately S\$0.4 million, partially offset by a gain on waiver of interest payable of approximately S\$0.1 million.

Our net working capital outflows amounted to approximately S\$3.1 million. The net working capital outflow was mainly due to:

- (a) an increase in trade and other receivables of approximately S\$3.5 million which mainly relates to trade receivables due from our customers, in line with the increase in revenue driven by our production ramp up in FY2017;
- (b) an increase in inventories of approximately S\$0.2 million; and
- (c) an increase in prepayment of approximately S\$0.1 million.

This was partially offset by an increase in trade and other payables of approximately S\$0.7 million which mainly relates to trade payables due to our suppliers in line with our production ramp-up during the year.

In FY2017, we paid interest charged mainly on bank loans, hire purchases, shareholder loan, convertible loan and trade financing of approximately S\$1.0 million and income tax of approximately S\$0.3 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$0.6 million.

This was mainly due to purchases of property, plant and equipment of approximately S\$0.6 million which mainly related to the acquisition of additional CNC machines for our Singapore and Malaysia operations.

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Net cash used in financing activities

Net cash used in financing activities amounted to approximately S\$0.9 million.

This was mainly due to mainly due to:

- (a) repayment of loans and borrowings of approximately S\$1.0 million; and
- (b) repayment of finance lease obligations of approximately S\$0.9 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia.

This was partially offset by:

- (a) proceeds from trade financing of approximately S\$0.6 million; and
- (b) proceeds from loans and borrowings of approximately S\$0.3 million.

HY2018

Net cash generated from operating activities

Our net cash generated from operating activities in HY2018 amounted to approximately S\$2.4 million.

In HY2018, we generated net cash of approximately S\$5.8 million from operating activities before movement in working capital, derived from profit before tax of approximately S\$4.0 million and adjustments for depreciation of approximately S\$1.7 million, interest expense of approximately S\$0.5 million, provision for unutilised leave of approximately S\$0.1 million and partially offset by unrealised foreign exchange gain of approximately S\$0.5 million.

Our net working capital outflows amounted to approximately S\$3.2 million. The net working capital outflow was mainly due to:

- (a) an increase in trade and other receivables of approximately S\$4.5 million which mainly related to trade receivables due from our customers, in line with the revenue increase in HY2018; and
- (b) an increase inventories of approximately S\$1.6 million mainly due to a build-up of inventories to meet the increased orders from our Semiconductor customers.

This was partially offset by an increase in trade and other payables of approximately S\$2.9 million which mainly relates to trade payable due to our suppliers in line with our production ramp-up during the financial period.

In HY2018, we paid interest charged mainly on bank loans, hire purchases, shareholder loan, convertible loan and trade financing of approximately S\$0.3 million and received income tax refund of approximately S\$0.2 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$2.5 million.

This was mainly due to:

- (a) purchases of property, plant and equipment of approximately S\$1.7 million which related to the acquisition of additional CNC machines for our Singapore, Malaysia and PRC operations; and
- (b) acquisition of business and assets of SIP Excellence and SIP Innovation of approximately S\$0.8 million.

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Net cash generated from financing activities

Net cash generated from financing activities amounted to approximately S\$2.8 million.

This was mainly due to mainly due to:

- (a) proceeds from loans and borrowings of approximately S\$3.2 million which related to a short-term facility which was entered into to finance the acquisition of CNC machines for our Singapore, Malaysia and PRC operations; and
- (b) proceeds from shareholder loan of approximately S\$1.7 million which related to loans extended by (a) our Executive Chairman, Mr. Ricky Lee, of approximately S\$0.9 million to increase the paid-up capital of GVT Suzhou and (b) our General Manager (China), Mr. Alan Lu, of approximately S\$0.8 million for general working capital purposes.

This was partially offset by:

- (a) repayment of obligations of finance lease obligations of approximately S\$0.9 million which were obtained to finance the acquisition of machinery and equipment for our operations in Singapore and Malaysia;
- (b) repayment of trade financing of approximately S\$0.6 million;
- (c) repayment of loans and borrowings of approximately S\$0.5 million; and
- (d) decrease in placement of short-term fixed deposits of approximately S\$0.1 million.

CAPITAL EXPENDITURES AND DIVESTMENTS

The capital expenditures and divestments made by us in the Period Under Review and for the period from 1 July 2018 to the Latest Practicable Date are as follows:

(\$'000) Expenditures	Audited FY2015	Audited FY2016	Audited FY2017	Unaudited HY2018	From 1 July 2018 to the Latest Practicable Date
Leasehold property ⁽¹⁾	20	32	44	19	-
Freehold property	-	-	-	-	-
Leasehold land	-	-	-	-	-
Freehold land	-	-	-	-	-
Plant, machinery and equipment ⁽²⁾	2,363	3,895	2,290	2,761	2,491
Furniture and fixtures	121	271	276	424	516
Office equipment	136	123	201	268	299
Motor vehicle	13	64	-	88	4
Total	2,653	4,385	2,811	3,560	3,309

(\$'000) Divestments	Audited FY2015	Audited FY2016	Audited FY2017	Unaudited HY2018	From 1 July 2018 to the Latest Practicable Date
Leasehold property	-	-	-	-	-
Freehold property ⁽³⁾	207	-	-	-	-
Leasehold land	-	-	-	-	-
Freehold land ⁽³⁾	147	-	-	-	-
Plant, machinery and equipment ⁽⁴⁾	-	277	-	-	-
Furniture and fixtures	294	-	-	-	-
Office equipment	71	-	-	-	-
Motor vehicle	-	16	29	-	-
Total	719	293	29	-	-

Notes:

- (1) The expenditures between FY2015 and FY2017 as well as HY2018 and up to the Latest Practicable Date related to the renovation and improvement works carried out on our leasehold properties Penang, Malaysia which is currently used for GVT Malaysia's operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (2) This expenditure between FY2015 and FY2017 as well as HY2018 and up to the Latest Practicable Date related to the acquisition of machinery and equipment for our Singapore and Malaysia operations. The aforesaid machinery and equipment comprised mainly CNC milling machines, surface grinding machines, laser cutting machines, turret punching machines and bending machines and coordinate measurement machines used for the manufacturing of high-precision machining components and sheet metal components which we supplied to our customers from the Semiconductor, Analytical Life Sciences and Electronics and Others industries.
- (3) The divestment in FY2015 related to the disposal of the property and land at 27 & 29 Lorong Teguh 3, Taman Industri Teguh, 1400 Bukit Mertajam in Penang, Malaysia which GVT Malaysia was operating in prior to relocation to the new production facility.
- (4) The divestment in FY2016 related to the disposal of old CNC machines used by GVT Malaysia.

The above capital expenditures were financed through a combination of cash generated from our operating activities, loans from shareholder, finance leases and bank borrowings.

Capital Commitments

As at the Latest Practicable Date, our Group had capital commitments of S\$1.1 million relating to the purchase of four (4) CNC machines, one (1) robot system, one (1) horizontal turning machine and one (1) vertical milling machine within the next four (4) months. These capital commitments will be fulfilled by finance leases and internally generated funds.

Operating Lease Commitments – Payables

Our operating lease commitments are in respect of the leased properties as disclosed in the section entitled “General Information on our Group – Properties, Plant and Equipment”.

Our operating lease commitments as at 31 December 2017, 30 June 2018 and the Latest Practicable Date are as follows:

Future Aggregate Minimum Lease Payments	Audited As at 31 December 2017 S\$'000	Unaudited As at 30 June 2018 S\$'000	As at the Latest Practicable Date S\$'000
Not later than one (1) year	128	127	127
Later than one (1) year but not later than five (5) years	510	510	510
More than five (5) years	414	351	308
	1,052	988	946

Please refer to the section entitled “General Information on our Group – Properties, Plant and Equipment” of this Offer Document for further details on our operating lease commitments in respect of our operating leases for premises.

These operating lease commitments will be fulfilled by internally generated funds.

Operating Lease Commitments – Receivables

We lease out part of our office premises at 2 Changi North Street 1 to non-related third party operators under non-cancellable operating leases which have remaining lease terms of between one (1) and three (3) years. The lessees are required to pay lease rentals based on terms of the lease agreements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our future minimum lease receivables under non-cancellable operating lease as at 31 December 2017, 30 June 2018 and the Latest Practicable Date are as follows:

Future Aggregate Minimum Lease Receivables	Audited As at 31 December 2017 S\$'000	Unaudited As at 30 June 2018 S\$'000	As at the Latest Practicable Date S\$'000
Not later than one (1) year	394	308	202
Later than one (1) year but not later than five (5) years	267	185	101
	661	493	303

Finance Lease Commitments

Our finance lease commitments are in respect of the acquisition of plant, machinery and equipment by means of finance leases as disclosed in the section entitled "General Information on our Group – Properties, Plant and Equipment".

Our finance lease commitments as at 31 December 2017, 30 June 2018 and the Latest Practicable Date are as follows:

	Audited As at 31 December 2017 S\$'000	Unaudited As at 30 June 2018 S\$'000	As at the Latest Practicable Date S\$'000
Minimum lease payments:			
Not later than one (1) year	2,133	2,168	2,145
Later than one (1) year but not later than five (5) years	3,572	2,970	3,432
Later than five (5) years	2	-	8
Total minimum lease payments	5,707	5,138	5,585
Less: Future finance charges	(468)	(382)	(317)
Present value of minimum lease payments	5,239	4,756	5,268
Present value of minimum lease payments			
Not later than one (1) year	1,883	1,956	2,081
Later than one (1) year but not later than five (5) years	3,354	2,800	3,180
Later than five (5) years	2	-	7
	5,239	4,756	5,268

These finance lease commitments will be funded by internally generated funds.

Contingent Liabilities

As at the Latest Practicable Date, we have no contingent liabilities.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

Our Group's and Company's reporting currency is in S\$. Our Malaysia subsidiary, GVT Malaysia, maintains its accounting books and records in RM, whilst our PRC subsidiary, GVT Suzhou, maintains its accounting books and records in RMB.

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the respective Group company's functional currencies using the exchange rates at the respective transaction dates. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the balance sheet date are recognised in the profit and loss statement.

In the preparation of the audited consolidated financial statements of our Group, the financial statements of both GVT Malaysia and GVT Suzhou were translated to S\$ at the rates of exchange prevailing at the end of the reporting period except share capital and reserves, which are translated at

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

historical exchange rates and income and expense items, which are translated at the average exchange rates for the year. Foreign exchange differences arising from translation are accounted for as translation reserves in the Shareholder's equity and other comprehensive income.

Furthermore, our 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 our Group. The foreign currencies in which these transactions are denominated are mainly USD. Approximately 55%, 59%, 66%, 66% and 70% of our Group's sales in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively, are denominated in foreign currencies whilst approximately 85%, 77%, 77%, 70% and 65% of our costs in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively, are denominated in the respective functional currencies of our Group's entities. Our Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

Our Group and our 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.

To the extent that our revenue and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/payment, we will be exposed to fluctuations of the various currencies against the S\$, which will affect our earnings. The appreciation or depreciation in the value of other currency other than the functional currency will have either a positive or negative effect on the financial result. During the Period Under Review, the net foreign exchange gain/ (loss) to our Group is not significant.

(\$'000)	Audited FY2015	Audited FY2016	Audited FY2017	Unaudited HY2018
Net foreign exchange (losses) / gains	(257)	(104)	(306)	287
As a percentage of profit before income tax (%)	n.m. ⁽¹⁾	73.3% ⁽²⁾	11.8%	7.3%

We currently do not hedge our foreign exchange exposure and we do not have a formal hedging policy. We may, subject to the approval of our Board of Directors, enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures, if in place, will be reviewed and approved by our Audit Committee and our Board of Directors to be in line with the foreign exchange management policy.

Notes:

- (1) "n.m" denotes not meaningful. It was not meaningful as we incurred loss before income tax in FY2015.
- (2) The percentage was high in FY2016 as our profit before tax was low.

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation.

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

The accounting policies have been consistently applied by the Group during the financial years ended 31 December 2015, 2016 and 2017 except that during the financial years ended 31 December 2015, 2016 and 2017, the Group adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015, 2016 and 2017 respectively. The adoption of these standards did not have any effect on the financial performance or positions of the Group.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND
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The Group has not adopted the following standards that have been issued but not yet effective that may be relevant to the Group:

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 116 Leases	1 January 2019

Except for FRS 116, the Directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities and EBITDA.

As disclosed in note 2.4 of the "Independent Auditor's and Reporting Accountant's Report on the Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2015, 2016 and 2017" as set out in Appendix A of this Offer Document, the Group will adopt SFRS(I) for the financial year ended 31 December 2018 and does not expect the application of SFRS(I) to have any significant impact on the financial statements.

Please refer to the "Independent Auditor's and Reporting Accountant's Report on the Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2015, 2016 and 2017" and "Independent Auditor's and Reporting Accountant's Report on the Unaudited Consolidated Financial Statements for the Six-Month Period Ended 30 June 2018" as set out in Appendices A and B respectively of this Offer Document for details on our Group's accounting policies.

CAPITALISATION AND INDEBTEDNESS

The following selected financial information should be read in conjunction with the full text of this Offer Document, including the “Independent Auditor’s and Reporting Accountant’s Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 December 2015, 2016 and 2017”, the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Consolidated Financial Statements for the Six-Month Period ended 30 June 2018” and the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 December 2017 and Unaudited Interim Pro Forma Consolidated Financial Information for the Six-Month Period ended 30 June 2018” as set out in Appendices A, B and C, respectively, of this Offer Document, as well as the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group as at 31 October 2018, being a date no earlier than sixty (60) days before the date of lodgement of this Offer Document, based on:

- (a) our unaudited management accounts as at 31 October 2018; and
- (b) as adjusted for the net proceeds from the Invitation and Cornerstone Subscription.

	As at 30 June 2018	As at 31 October 2018	As adjusted for the net proceeds from the Invitation and Cornerstone Subscription (S\$’000)
	(S\$’000)	(S\$’000)	(S\$’000)
Cash and cash equivalents	4,547	3,083	13,974
Indebtedness			
Current			
- secured	8,781	10,549	10,549
- unsecured	825	-	-
Non-current			
- secured	8,537	9,065	9,065
- unsecured	7,800	5,600	5,600
Total Indebtedness	25,943	25,214	25,214
Total shareholders’ equity	12,405	15,229	26,120
Total capitalisation and indebtedness	38,348	40,443	51,334

There were no material changes in our total capitalisation and indebtedness since 1 July 2018 to the Latest Practicable Date, save as disclosed in this section and save for the scheduled monthly repayments of our borrowings and changes in our retained earnings arising from the day-to-day operations in the ordinary course of business.

CAPITALISATION AND INDEBTEDNESS

Credit Facilities

As at the Latest Practicable Date, our Group's credit facilities were as follows:

Name of Borrower	Name of Bank	Type of Credit Facility	Amount of Facilities Granted ('000)	Amount of Facilities Utilised ('000)	Amount of Facilities Unutilised ('000)	Interest Rates	Maturity Profile
GVT Singapore	DBS Bank Ltd.(1)	Fixed Advance Facility II(2) (3)	S\$1,500	S\$1,500	-	Singapore Interbank Offered Rate ("SIBOR") + 1.50% per annum	23 November 2018
		Fixed Advance Facility II(2)	S\$1,800	S\$1,070	S\$730	SIBOR + 1.50% per annum	23 November 2018
		Fixed Advance Facility III(2)	S\$1,700	S\$1,700	-	SIBOR + 1.50% per annum	23 November 2018
		Trade Facilities II comprising Sight/Usance/Local Letters of Credit, Trust Receipts ("TR"), Import/Local Bills Receivable Purchase ("BRP"), Shipping Guarantees and Air Waybill Guarantees(2)	US\$2,300	US\$1,332	US\$968	TR and BRP: DBS Bank Ltd.'s Prime Rate + 0.75% per annum (for SGD denominated bills) or Cost of Funds ("COF") + 2.75% per annum (for foreign currency denominated bills)	-
		Term Loan II(2)	S\$4,685	S\$4,685	-	2.48% per annum (daily rests) for years 1 and 2 (note: year 1 commenced on 23 March 2018)	17 February 2021
		Foreign Exchange Spot and Forward	S\$500	-	S\$500	Singapore Interbank Offered Rate (3 months) + 3.00% per annum (daily rests) for subsequent years	-
		Local Enterprise Finance Scheme – SME Working Capital Loan I	S\$207	S\$207	-	7% per annum on monthly rests	23 February 2022
GVT Malaysia	RHB Bank Berhad(4)	Overdraft	RM2,000	-	RM2,000	Base Lending Rate ("BLR") + 1.25% per annum	-
		Term Loan 1	RM650	RM653(5)	-	BLR - 1.95% per annum with monthly rest	1 July 2023
		Term Loan 2	RM1,838	RM1,845(5)	-	BLR - 1.95% per annum with monthly rest	1 July 2023
		Term Loan 3	RM1,352	RM1,358(5)	-	BLR - 1.95% per annum with monthly rest	1 February 2024
		Term Loan 4	RM415	RM417(5)	-	BLR + 0.75% per annum	1 September 2020
		Letter of Credit/Trust Receipts/Bankers Acceptance/Shipping Guarantee/Foreign Currency Trade Financing/Promissory Note	RM4,000 in aggregate	RM3,207	RM793	Letter of Credit: 0.1% of the amount of the Letter of Credit for each month of validity of the credit Trust Receipt: BLR + 1.25% per annum Bankers' Acceptance: BLR + 1.25% per annum Shipping Guarantee: 0.125% flat on the invoice amount of the guarantee	-

CAPITALISATION AND INDEBTEDNESS

Name of Borrower	Name of Bank	Type of Credit Facility	Amount of Facilities Granted ('000)	Amount of Facilities Utilised ('000)	Amount of Facilities Unutilised ('000)	Interest Rates	Maturity Profile
						Foreign Currency Trade Financing: 1.25% per annum above the Effective Cost of Funds	
						Promissory Note: 2.00% per annum above the Cost of Funds	
	Hong Leong Bank Berhad ⁽⁶⁾	Foreign Exchange Contract Line	RM200	-	RM200	Letter of Credit: 0.10% per month	Nil
		Letter of Credit/Trust Receipt/Bankers' Acceptance/Invoice Financing	RM400 in aggregate	-	RM400 in aggregate	Trust Receipt: BLR + 1.5% per annum	-
		Industrial Hire Purchase / Letter of Credit (progressively redeemed and reduced upon each drawdown of the industrial hire purchase)	RM2,600 in aggregate	-	RM2,600	Bankers' Acceptance: 1.5% per annum	-
						Invoice Financing: Cost of funds + 1.5% per annum	
						Industrial Hire Purchase: 3.5% per annum	
						Letter of Credit: 0.1% or part thereof or such other rate/ minimum amount as may be prescribed by the Bank to be paid upfront for the duration of the Letter of Credit and the usance period of the bill	

Notes:

- (1) All the facilities granted by DBS Bank Ltd. are secured by a joint and several personal guarantee by our Executive Chairman, Mr. Ricky Lee, our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi.
- (2) These facilities granted by DBS Bank Ltd. are also secured by an existing first legal mortgage over 2 Changi North Street 1, Singapore 498828.
- (3) Our Company intends to utilise approximately S\$0.5 million of the net proceeds from the Invitation and Cornerstone Subscription to partially discharge the Fixed Advance Facility I granted by DBS Bank Ltd., to reduce its indebtedness and interest expense. Please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document for further details.
- (4) The facilities granted by RHB Bank Berhad are secured by the facilities agreement, an open all monies first party legal charge over our property HSD 59384, Lot No PT 1030, Mukim 13, District Seberang Perai Tengah, State Pulau Pinang – relating to a double storey office block with annexed 1 ½ storey factory building, erected on the land known as Plot 359, Lorong Perindustrian Bukit Minyak 22, Taman Perindustrian Bukit Minyak (Penang Science Park), 14100, Simpang Ampat, letters of set-off, joint and several guarantees by our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi, joint and several guarantees by our Executive Chairman, Mr. Ricky Lee, and Mr. Tay Choon Kiat Vincent, and corporate guarantees by GVT Singapore.

CAPITALISATION AND INDEBTEDNESS

(5) These amounts were duly utilised in accordance with the previous facility limits granted. Further to RHB Bank Berhad's periodic review of facilities, the facility limits granted were recently revised on 27 November 2018, taking into account GVT Malaysia's next monthly instalment payment in December 2018, which would bring the amount of the facilities utilised within the new facility limits granted.

(6) These facilities granted by Hong Leong Bank Berhad are secured by the facilities agreement, a first party/third party letter of set-off, and a joint and several guarantee by our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi.

As at the Latest Practicable Date, we had credit facilities (excluding shareholder loans and hire purchase agreements) of approximately S\$18.0 million comprising utilised facilities of approximately S\$13.5 million and unutilised credit facilities of approximately S\$4.5 million. As at the Latest Practicable Date, we have also entered into hire purchase agreements and lines with each of DBS Bank Ltd., BMW Credit (Malaysia) Sdn. Bhd., Hap Seng Credit Sdn. Bhd., Hitachi Capital Malaysia Sdn. Bhd. and Public Bank Berhad, in respect of the Group's purchase of equipment and vehicles for an aggregate principal sum of approximately S\$9.8 million of which approximately S\$5.3 million is outstanding.

Save as disclosed above and in the sections entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources" and "Interested Person Transactions – Present and Ongoing Interested Person Transactions", we do not have any committed credit facilities.

To the best of our Directors' knowledge and belief, as at the Latest Practicable Date, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group's business operations, financial position, results of operations, prospects or the investments of our Shareholders, and none of our Substantial Shareholders' Shares have been pledged, charged or mortgaged as collateral to secure any credit or banking facilities.

Pursuant to Rule 728 of the Catalist Rules, Metalbank and Mr. Ricky Lee, being Controlling Shareholders of our Company, have provided undertakings to our Company that they will notify our Company, as soon as they become aware of any share pledging arrangements relating to their respective Shares and of any event which may result in a breach of our Group's loan provisions. Upon notification by any of the Controlling Shareholders, our Company will make the necessary announcement(s) in compliance with the said rule.

In the event that any Group Company enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any Controlling Shareholder, or place restrictions on any change in control of our Group, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of our Group, we will immediately announce the details of the condition(s) in accordance with Rule 704(33) of the Catalist Rules, making reference to the shareholding interests of such Controlling Shareholder or restrictions placed on any change in control of our Company and the aggregate level of these facilities that may be affected by a breach of such condition or restriction.

Loans by our Executive Chairman, Mr. Ricky Lee, to our Group

Our Company was established by our Executive Chairman, Mr. Ricky Lee, in 2012. In order to drive our expansion, Mr. Ricky Lee had, since our establishment and during the Relevant Period, made a number of unsecured loans (the “**RL Loans**”) to us. Mr. Ricky Lee had extended up to S\$8,000,000 of RL Loans, of which: (a) in respect of S\$7,300,000 of RL Loans, interest is chargeable one (1) year from the date of the relevant RL Loan agreement, at an interest rate of 3.00 per cent. (3%) per annum, computed on a monthly basis; and (b) in respect of S\$700,000 of RL Loans, interest is chargeable at the same rate from the date of the relevant RL Loan Agreement. The RL Loans may be prepaid at our discretion and are repayable by no later than 366 days written notice by Mr. Ricky Lee. Notwithstanding the foregoing, Mr. Ricky Lee had in FY2017 waived S\$138,707 in interest payable due to him arising from the RL Loans in prior years.

The RL Loans will be subject to at least an annual review by our Audit Committee. The repayment of the RL Loans will be subject to the approval of the Audit Committee as set out in the section entitled “Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions” of this Offer Document.

As at the Latest Practicable Date, the amount outstanding pursuant to the RL Loans was approximately S\$5.6 million.

Subject to the receipt of such approvals as may be required pursuant to the terms and conditions of the various facilities granted to our Group, we intend to prepay S\$600,000 of the RL Loans using our internal resources to reduce the RL Loans to approximately S\$5.0 million. Additionally, our Executive Chairman, Mr Ricky Lee, has informed us that, subject to the Group having sufficient working capital and cash flows for its operations, as determined by and agreed to by our Audit Committee, he currently intends to serve written notice to us on a date no earlier than 1 April 2019 for a repayment of the RL Loans to be effected twelve (12) months thereafter. Please refer to the section entitled “Interested Person Transactions – Present and Ongoing Interested Person Transactions – Loans by our Executive Chairman, Mr. Ricky Lee, to our Group” of this Offer Document for further details.

Loans by our General Manager (China), Mr. Alan Lu, to our Group

In January 2018, our General Manager (China), Mr. Alan Lu extended an interest-free unsecured loan of approximately RMB 4,000,000 (approximately S\$824,800) to GVT Suzhou to fund its working capital requirements. The loan was repaid in tranches and was fully repaid in August 2018.

OUR HISTORY

Our Group's history began with the founding of our Company in September 2012 by our Executive Chairman, Mr. Ricky Lee.

Following the establishment of our Company, in January 2013, Mr. Ricky Lee increased the Company's share capital to fund the growth and expansion of our Company. Shortly thereafter, in February 2013, our Company acquired GVT Malaysia by way of a share swap, pursuant to which its then-shareholders, including Mr. Kong Sang Wah and Mr. Saw Yip Hooi, became our shareholders. Mr. Kong and Mr. Saw had earlier managed GVT Malaysia since 2010, and it is from GVT Malaysia that we took inspiration for our name, "Grand Venture Technology".

Before the establishment of our Company, Mr. Ricky Lee had been one of the founders and executive directors of Norelco Centreline Holdings Limited ("**Norelco**") (now part of UMS Holdings Limited, following a merger in 2004), which is listed on the Main Board of the SGX-ST. Then, Norelco specialised in the design and manufacture of precision machining components and the assembly and integration of equipment and automated assembly lines. Subsequently, in 2007, Mr. Ricky Lee joined Eng Tic Lee Achieve Pte. Ltd. (which was subsequently listed on the Main Board of the SGX-ST as ETLA Limited ("**ETLA**")) as an executive director and substantial shareholder. ETLA was delisted in 2009 following an acquisition by Electrotech Investments Limited, now known as Frencken Group Limited. Then, ETLA specialised in contract equipment manufacturing, sheet metal manufacturing and precision machining services.

Our CEO and Executive Director, Mr. Julian Ng, and our COO, Mr. Tan Chun Siong, who joined our Group in March 2014 and February 2014, respectively, had been colleagues of Mr. Ricky Lee at both Norelco and ETLA. Additionally, our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi, had been colleagues of Mr. Ricky Lee at Norelco.

Shortly after its incorporation, our Company acquired the lease for its current property at 2 Changi North Street 1, Singapore 498828, and invested in plant, equipment and machinery for the manufacture of precision engineering parts. Our Company thereafter commenced operations in early 2013, serving the Singapore-based customers of GVT Malaysia.

Concurrent with our Company's establishment of its Singapore production facility, GVT Malaysia purchased a 75,110 sq ft plot of land in Penang, Malaysia and commenced the construction of a new production facility. GVT Malaysia relocated to the new production facility and commenced operations there in 2014.

While GVT Malaysia focused on the provision of precision manufacturing of component parts and sheet metal manufacturing services for semiconductor multinational corporations operating in Malaysia, our Company targeted, and continues to target, such customers operating in Singapore and abroad.

In 2014, our Group secured its approved vendor status for the manufacture of semiconductor components with Teradyne Inc., a leading supplier of automated test equipment used to test semiconductors and a wide range of other complex electronic systems. In the same year, our Group broke into the analytical life sciences industry, securing approved vendor status for the manufacture of mass spectrometer components with a leading North America Analytical Life Sciences Company. From 2014 to 2016, we focused on manufacturing and securing of first article approvals from both these customers, and we attained this in 2016 and thereafter commenced full production. In 2016, we also started modular assembly services for these customers. Our precision manufacturing abilities were further validated in 2018 when we secured first article orders for the manufacture of mass spectrometer components from another North America Analytical Life Sciences Company and Thermo Fisher Scientific Inc., which are both global life sciences groups.

In 2015, our Group further enhanced our scope of services with the provision of full-service sheet metal manufacturing including painting and powder-coating by GVT Malaysia. Both our Company and GVT Malaysia also started modular assembly for our existing customers ASM Assembly Systems Singapore Pte. Ltd. and BE Semiconductor Industries N.V., respectively, in 2016.

GENERAL INFORMATION ON OUR GROUP

Between November 2015 and June 2016, the Company raised an aggregate of S\$2.0 million by way of convertible loans from third party investors comprising a group of private individuals and a registered fund management company who are unrelated to our Directors and Controlling Shareholder. The proceeds were used for working capital purposes to fund our growth. The convertible loans were subsequently converted into 800,000 Shares (before the Sub-Division) in the capital of our Company in February 2018.

In late 2017, we commenced the transformation of our Group towards a “smart organisation” and we intend to implement the following in phases over the next few years:

- (a) the deployment of enterprise resource planning (ERP) systems, manufacturing execution systems (MES) and warehouse management systems (WMS), which will integrate different functionalities, enabling our Group to better monitor business processes, achieve tighter operational synergy and better information flow. This will in turn allow us to better manage work progress in our production facilities, control our inventories and streamline our warehouse operations. This is currently under implementation in Singapore and we intend to roll this out to Malaysia and PRC in phases; and
- (b) the introduction of CNC machine tending robots which will allow our Group to automate certain processes in the loading of raw materials into and the removal of finished parts from our CNC machines. This is currently under implementation in Singapore.

In November 2017, we established our wholly-owned subsidiary GVT Suzhou, in response to our customers’ plans for business expansion in the PRC. Further thereto, in January 2018, we acquired the business and assets of SIP Excellence and SIP Innovation, which were previously both suppliers of precision machining components and had, since 2016, been sub-contractors to our Group. Following our acquisition of their assets and business, SIP Excellence and SIP Innovation are intended to be wound-up in 2019. Subsequent thereto, in July 2018, Mr. Alan Lu subscribed (via his investment holding company, ZG Innotech) for 800,000 Shares (before the Sub-Division) in the capital of our Company for an aggregate consideration of S\$2,200,000 which was satisfied in cash (S\$1,200,000) and via the capitalisation of the consideration payable by our Company to him (S\$1,000,000) for procuring the aforementioned acquisitions.

In 2018, we further distinguished ourselves from our competitors by expanding on our capabilities through the provision of the following new services to our customers in the analytical life sciences industry:

- (i) cleanroom assembly of precision machining components and complex modular assembly for mass spectrometers in a Class 10,000 cleanroom environment (which is a controlled environment with low level of pollutants));
- (ii) the manufacturing of engineering plastic components and ceramic machining; and
- (iii) sub-micron precision machining and manufacturing services.

In respect of our quartz machining capabilities, in 2018, we entered into a ten (10) year Cooperation Agreement with an established Austrian quartz, silicon and ceramics manufacturer, SICO Technology GmbH, and its Singapore outfit, Sico Asia Quartz Pte. Ltd. (collectively, “**SICO**”), to build up our quartz and ceramic machining capabilities, and pursuant thereto, we have commenced quartz machining services. Looking towards 2019, we intend to roll out ceramic machining services which has been developed with SICO’s know-how.

Most recently, in early 2018, we commenced a research and development project with another North America Analytical Life Sciences Company in conjunction with Singapore’s Economic Development Board’s Partnerships for Capability Transformation (PACT) program to localise the manufacture of a critical sub-assembly (currently being done in a technologically advanced European country), and in respect thereof, we have already secured an order.

Over the years, we have grown from relatively small scale of operations, starting with the manufacture of precision components for the semiconductor industry, to serving a broader range of industries, covering the analytical life sciences, electronics and other industries, as well as providing a wider range of services with more sophisticated precision engineering technologies.

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As at the Latest Practicable Date, our utilisable production facilities (including warehouse, office and production space) had grown from an aggregate area of approximately 105,000 sq ft in 2013 to approximately 220,000 sq ft, and our total staff strength had grown from approximately 170 in 2013 to approximately 573.

OUR BUSINESS

We are a trusted manufacturing solutions and service provider for the semiconductor, analytical life sciences, electronics and other industries, with operations in Singapore, Malaysia (Penang) and the PRC (Suzhou). We serve some of the largest OEMs in these industries, by providing a range of engineering, assembly, testing and product lifecycle management services for the manufacture of complex precision machining and sheet metal components and modules.

Semiconductor

Semiconductors are used in the manufacture of electrical components and electronic devices such as transistors and diodes. Our services and products cater to customers who are leading capital equipment manufacturers for semiconductor and electronics manufacturing and assembly solutions that in turn support the global automotive, consumer, communications, industrial and computing industries. Depending on the processes used, equipment for manufacturing semiconductor devices are categorised as front-end or back-end. Front-end processes include wafer fabrication and wafer probing, while back-end processes include assembly, testing and packaging.

For front-end processes, we manufacture and supply key and high-precision components such as chamber lids, cooldown plate bases, hinge brackets, and “SFD” type pivots that go into the vacuum chamber of chemical vapour disposition equipment.

For back-end processes (which includes die-cutting, die-attaching, wire bonding, package moulding, leads cutting and tin plating), we manufacture and supply key and high-precision components, such as machine bases, as well as assemble complex modules, such as linear guides, that are used in the manufacture of die bonders, wire bonders and wedge bonders equipment. With regard to back-end test equipment, we manufacture and supply key and high-precision components, such as bridge plate bases that are used in automated test machines, as well as assemble complex modules, such as zero insertion force (ZIF) assemblies.

The manufacture of the aforesaid products requires, in general, precision machining, complex sheet metal manufacturing, vacuum parts manufacturing and assembly of complex modules. Additionally, beyond the use of conventional metal materials, we are also able to provide engineering plastics and quartz machining services for customers in the semiconductor industry.

Sales to customers in the semiconductor industry accounted for 73.9%, 68.3%, 74.2%, and 79.1%, of our sales for FY2015, FY2016, FY2017 and HY2018, respectively.

Our customers in the semiconductor industry include Teradyne Inc., BE Semiconductor Industries N.V., Kulicke & Soffa Industries Inc., as well as the contract manufacturers for these and other OEMs, namely SAM Precision (M) Sdn. Bhd. and SAM Tooling Technology Sdn. Bhd. (collectively, “**SAM Equipment**”) and Flex Ltd.

Analytical Life Sciences

We manufacture and supply key components of both single and hybrid mass spectrometers (such as vacuum chambers and interfaces, and complex parts of the mass filters and the ion source). We also assemble key modules of ion source for mass spectrometers. These mass spectrometers, being apparatus for identifying the kinds of particles present in any given substance, are mainly used in analytical life sciences research, environmental testing, food and beverage testing, forensic analysis, pharmaceutical applications and clinical diagnosis. We also manufacture key components of high performance liquid chromatography instruments (such as manifolds, valves and plugs) used in laboratories for environmental testing, food and beverage testing, pharmaceutical applications, forensics screening and clinical diagnosis.

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The manufacture of the aforesaid products requires, in general, sub-micron machining, vacuum parts manufacturing, ultra-high vacuum production processing and in some cases, Class 10,000 cleanroom modular assembly.

We have the capability to manufacture components made of engineering plastics and ceramics in addition to the conventional materials such as steel and aluminium.

Sales to customers in the analytical life sciences industry accounted for 7.0%, 14.4%, 12.1%, and 10.5%, of our sales for FY2015, FY2016, FY2017 and HY2018, respectively.

Our customers include AB Sciex Pte. Ltd., Thermo Fisher Scientific Inc., another North America Analytical Life Sciences Company, as well as the contract manufacturers for these and other OEMs such as Plexus Corp.. We have been selected by these customers to be one of their Asian supply chain partners to support their growth plans in Asia.

Electronics and Others

For OEMs in the electronics and other industries, we mainly manufacture key and high-precision components, such as key components of feeder systems in SMT machines, as well as assemble the complex modules thereof, for customers who produce a range of industrial automation and manufacturing equipment. From time to time, we also provide customised engineering solutions to customers who are involved in the hard disk drive, automotive and general industrial applications industries.

The manufacture of the aforesaid products requires, in general, precision machining, complex sheet metal manufacturing, and assembly of complex modules.

Sales to customers in the electronics and other industries accounted for 19.1%, 17.3%, 13.7%, and 10.4%, of our sales for FY2015, FY2016, FY2017 and HY2018, respectively.

Our customers include ASM Assembly Systems Singapore Pte. Ltd., which manufactures SMT machines for the electronics industry, as well as other local engineering services firms in the countries we operate in.

AWARDS AND ACCREDITATIONS

Since our Group's establishment, we have received multiple awards and accreditations from various industry authorities in the following areas:

Date	Awarded By	Award	Awarded to	Significance
2015 – 2017	Certification International (Singapore) Pte. Ltd. (accredited by the Singapore Accreditation Council)	ISO 9001:2008	GVT Singapore	ISO 9001 for the Scope: Manufacturing of Precision Parts and Contract Equipment for Industrial Automation, Semiconductor, Life Sciences and Other Related Industries
2017 – 2020	Certification International (Singapore) Pte. Ltd. (accredited by the Singapore Accreditation Council)	ISO 9001:2015	GVT Singapore	ISO 9001 for the Scope: Manufacturing of Precision Parts and Contract Equipment for Industrial Automation, Semiconductor, Life Sciences and Other Related Industries

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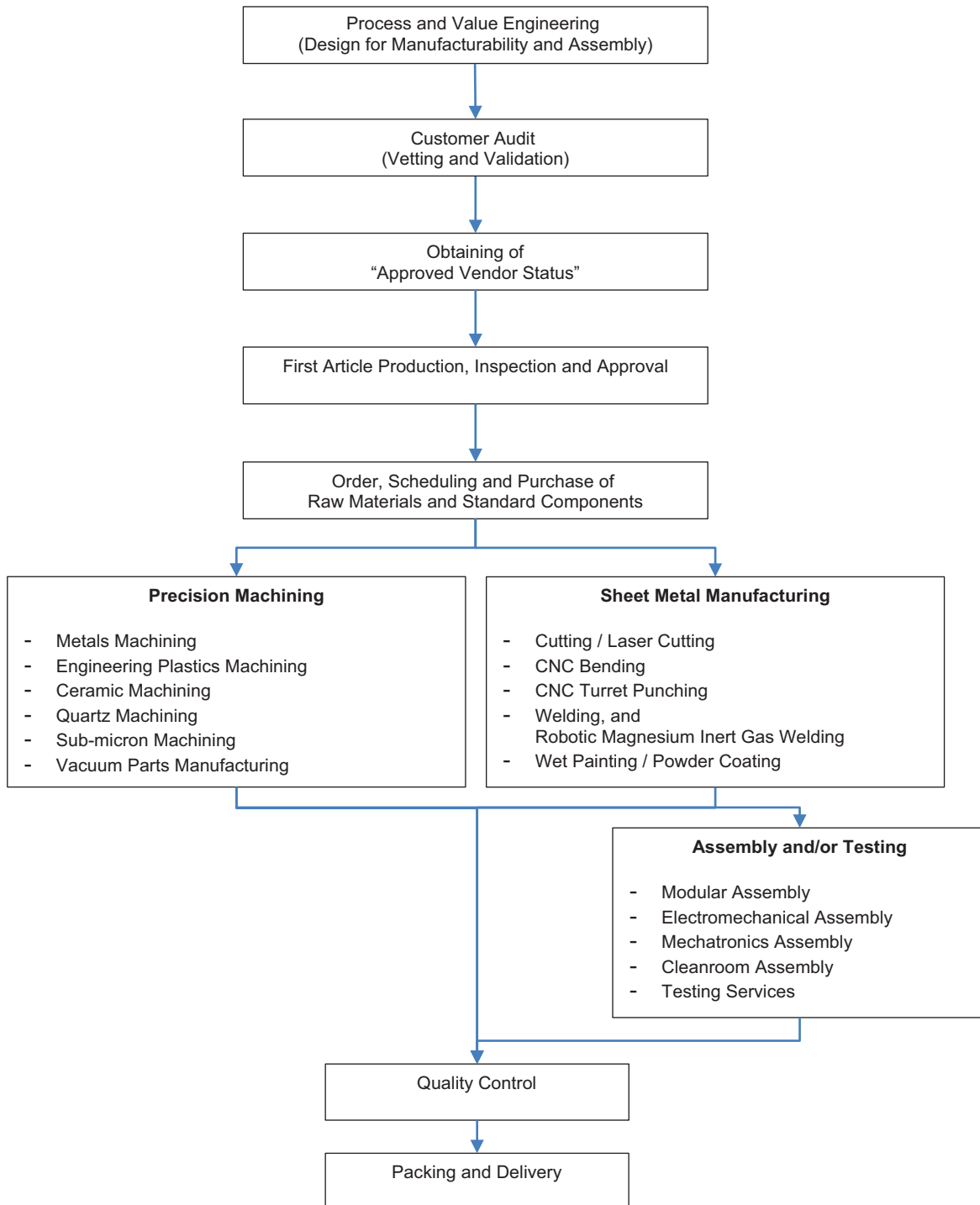
Date	Awarded By	Award	Awarded to	Significance
2018 – 2021	Singapore Workplace Safety and Health Council	bizSAFE Level 3	GVT Singapore	<p>bizSAFE is a five (5) level programme promulgated by Singapore’s Workplace Safety and Health Council to build up workplace safety and health.</p> <p>bizSAFE Level 3 means that GVT Singapore has demonstrated top management commitment, acquired risk management capability and implemented risk management.</p>
2014 – 2017	Bureau Veritas Certification Holding SAS-UK Branch	BS EN ISO 9001:2008 EN 9100:2009	GVT Malaysia	<p>(Technically equivalent to AS9100C)</p> <p>ISO 9001 for the Scope: Manufacture of High Precision Engineering and Metal Fabrication Parts.</p>
2017 – 2020	Novo Star Management Systems Solutions India Pvt Ltd (accredited by the ANSI-ASQ National Accreditation Board as a management systems certification body)	AS9100D (Based on and including ISO 9001:2015) Scope: Manufacture of High Precision Engineering Parts, Metal Fabrication Parts and Module Assembly	GVT Malaysia	This standard is the first international effort to formulate a quality management system standard for the aerospace industry. This standard includes ISO 9001:2015 quality management system requirements and specifies additional aviation, space, and defence industry requirements, definitions, and notes.
2017 – 2020	Novo Star Management Systems Solutions India Pvt Ltd (accredited by the ANSI-ASQ National Accreditation Board as a management systems certification body)	ISO 9001:2015	GVT Malaysia	ISO 9001 for the Scope: Manufacture of High Precision Engineering Parts, Metal Fabrication Parts and Module Assembly
2018 – 2021	NQA Certification Limited	ISO 9001:2015	GVT Suzhou	ISO 9001 for the Scope: Manufacturing and Sales of Precision Parts and Contract Equipment Assemblies

In addition to the above, we routinely receive recognition from our customers. Most recently, in 2018, we received the “Best Performance Supplier 2017/2018 (Fabrication Part)” award from Besi APac Sdn. Bhd., a subsidiary of BE Semiconductor Industries N.V.. We had also, in 2015, received the “Best Supporting Supplier” award from ASM Assembly Systems Singapore Pte. Ltd., and in 2014, the “Outstanding Performance Supplier” award from BE Semiconductor Industries N.V.

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BUSINESS PROCESS

A diagrammatic illustration of our typical business process is as follows (subject always to the specific requirements of our customers and their projects which may differ):



- Process Engineering and Design for Manufacturability

The first stage in our business process is to review the product which is proposed to be manufactured and give prospective customers our input on the manufacture thereof. As part of this stage, we review the steps involved in the manufacture of the product and help to redesign the same for manufacturability, assembly and value engineering (thereby lowering cost and/or increasing efficiency).

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- Customer Audit (Vetting and Validation)

After a prospective customer is satisfied with the preliminary insight into our capabilities (pursuant to the first stage of our business process), they usually then subject us to stringent vetting and validation. Our services and products cater to customers who are leading OEMs in the semiconductor, analytical life sciences, electronics and other industries. As such, they have strict criteria in the appointment of their business partners. Prospective customers typically require us to complete, amongst others, certain questionnaires and capability statements, and they will conduct physical audits of our production facilities. It should be noted that in addition to this initial audit, some of our existing customers require us to undergo annual reviews and audits (albeit on a less intensive scale and basis).

- Obtaining of "Approved Vendor Status"

After we have satisfactorily passed their vetting and validation processes, we are typically conferred "approved supplier status" or "approved vendor status". Certain of our customers only allow such approved suppliers/vendors to tender for projects, or to receive orders.

- First Article Production, Inspection and Approval

When a customer intends for a new product to be manufactured, it will typically request us to manufacture a "first article" or sample for its vetting and verification to ensure that the production process reliably produces the product in accordance with its design and specifications.

- Order, Scheduling and Purchase of Raw Materials and Standard Components

Once a customer is satisfied with our ability to deliver what is required, they will place an order with us, and we will schedule and manage the production thereof. Typically, this involves our purchasing team ordering the necessary raw materials and standard components, and our production planners allocating the resources required. Thereafter, our project managers will regularly monitor and report on the work-in-progress during the production process.

- Precision Machining and/or Sheet Metal Manufacturing

Depending on what is required, we will undertake, amongst others, the precision cutting, machining and finishing/grinding of various materials (such as metals, engineering plastics, ceramic and quartz) and/or the cutting, shearing, rolling, bending, punching, welding and painting/coating of sheet metal to manufacture key components. Our manufacturing capabilities also include sub-micron machining and vacuum parts manufacturing. We believe we are one of the few businesses in Southeast Asia that is able undertake precision ceramic and quartz machining which requires a much higher level of technical know-how and skill.

- Assembly and/or Testing

Depending on the project, we may also be engaged to assemble the key components into modules. In such cases, we manufacture a substantial portion of the key components required for our modular assembly projects, and purchase the rest from designated vendors as approved by our customers. Additionally, we may also be engaged to test the modules.

- Quality Control, Packing and Delivery

The finished products are then checked again as part of our quality control (in accordance with our quality policy and the standards set by our customers). Our quality policy applies throughout our business process beginning with the inspection of raw materials purchased from suppliers who also issue certificates of conformance. Thereafter, we conduct in-process inspection (during the course of manufacture) followed by a final inspection of the finished product to ensure conformance to our customers' specifications. All inspections are recorded and kept for at least one (1) year for accountability. Following our final inspection, the finished products are packed and delivered (by a third party).

We do not usually offer any warranty on our finished products. However, depending on the requirements of our customers and/or projects, we may provide up to twenty-four (24) months warranty in respect of the wear and tear of our machined parts, and up to twelve (12) months

GENERAL INFORMATION ON OUR GROUP

warranty in respect of modules assembled pursuant to our modular assembly projects. To the extent such modules comprise components not manufactured by us and instead purchased from designated vendors as approved by our customers, we typically obtain a back-to-back warranty from them in respect thereof.

MARKETING AND BUSINESS DEVELOPMENT

Our overall marketing and business development activities are headed by our CEO and Executive Director, Mr. Julian Ng, and our Group Senior Director of Sales, Mr. Saw Yip Hooi. They are supported by our marketing department, and together, they are responsible for developing strategies to increase our Group's market presence.

We market our services and brand through the following means:

- Direct Marketing

OEMs in the semiconductor, analytical life sciences, electronics and other industries generally rely on a few approved vendors. This is because many of them choose to work only with trusted manufacturers who pass their stringent vetting and validation processes. Established OEMs usually already have a pool of such approved vendors. To penetrate new customer segments, we proactively approach OEMs in these industries to market our services and showcase our capabilities. For example, it was pursuant to such direct marketing that we managed to secure AB Sciex Pte. Ltd. as a customer.

- Referrals and Industry Introductions

Since our establishment, our Group has progressed steadily to become a trusted manufacturing solutions and service provider for the semiconductor, analytical life sciences, electronics and other industries. Our approach to our business, which aims to add value to our customers, as well as our established track record, has cultivated much brand loyalty, goodwill and awareness amongst the players in the industry. Industry introductions have been particularly effective in marketing our services, and many of these customers go on to become referrers themselves.

Additionally, we leverage on the network of our senior management who have demonstrated track records and wide-reaching networks in the various industries which we service. We will continue to cultivate brand loyalty and goodwill amongst our existing customers by fostering long-term relationships with them.

- Corporate Website

Our corporate website details our manufacturing solutions and services, and is also an avenue for us to raise public awareness of our Group. We routinely publish updates on our offerings and other marketing materials such as press releases and media coverage on our corporate website. Our corporate website also functions as an important customer outreach portal through which our customers can correspond with us to obtain information about our Group and offerings, as well as provide feedback on the same. Additionally, our corporate website also enables our customers to immediately and conveniently reach out to us. **Information contained in our corporate website does not constitute part of this Offer Document.**

As at the Latest Practicable Date, we have a total of 17 sales and marketing, accounts, and project management personnel.

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MAJOR CUSTOMERS

The following table sets forth end customers who accounted for five per cent. (5%) or more of our Group's total revenue for each period for the Period Under Review:

Customer	Industry	As a Percentage of Revenue (%)			
		FY2015	FY2016	FY2017	HY2018
Teradyne Inc. ⁽¹⁾	Semiconductor	3.2	7.6	21.5	34.5
BE Semiconductor Industries N.V.	Semiconductor	21.0	22.5	22.1	20.7
North America Semiconductor Company ^{(2) (3)}	Semiconductor	19.4	15.9	11.4	13.8
ASM Assembly Systems Singapore Pte. Ltd. ⁽²⁾	Electronics	16.5	17.1	13.7	10.2
North America Analytical Life Sciences Company ^{(2) (3)}	Analytical Life Sciences	7.0	14.4	12.1	10.6
SAM Equipment ⁽²⁾	Semiconductor	11.7	14.8	9.0	5.1

Notes:

- (1) The Company provides services to Teradyne Inc. both directly and via its contract manufacturers, which include Flex Ltd..
- (2) Notwithstanding that the percentage of revenue has decreased year on year, the amount in absolute terms has increased. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Review of Past Performance".
- (3) We are unable to disclose the identity of these companies due to confidentiality obligations.

None of our Directors or Substantial Shareholders and their respective associates has any interest, direct or indirect, in any of our major customers listed above.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our relationship with our current major customers. While we are dependent on our relationship with our major customers, and our Group may be materially and adversely affected if we are not able to retain them, our Directors are of the opinion that our business and profitability are not materially dependent on any industrial, commercial or financial contract with any one of our customers and we will not be materially affected by the loss of any single customer. Please refer to the section entitled "Risk Factors – Risks Relating to our Business and Operations – We are dependent on our relationship with our major customers" of this Offer Document for further details.

There are no arrangements or understanding with our major customers pursuant to which any of our Directors or Executive Officers was appointed.

MAJOR SUPPLIERS

Our major suppliers are predominantly suppliers of the standard components and raw materials that we use. While we occasionally enter into fixed-price arrangements with our supplier for aluminium (pursuant to which the price is fixed for a period of six (6) or twelve (12) months), we generally do not enter into long-term arrangements with our suppliers in respect of pricing or supply. Given the

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multitude of suppliers to choose from and that we are not dependent on any one supplier, we usually seek competitive prices through calls for tender. It should also be noted that occasionally, our customers will specify the suppliers that we should use.

The following table sets forth our major suppliers for the Period Under Review:

Supplier	Products Supplied	As a Percentage of Purchases (%)			
		FY2015	FY2016	FY2017	HY2018
Garmco (S) Pte. Ltd.	Aluminium Blocks and Plates	15.7	19.6	17.8	6.3
Asteem Products Pte. Ltd.	Aluminium Extrusions	5.3	6.2	6.1	1.8
Wuxi Fuer Metal Products Co., Ltd	Sandcasting Block	7.9	9.2	5.8	13.6

None of our Directors or Substantial Shareholders and their respective associates has any interest, direct or indirect, in any of our major suppliers listed above.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our relationship with any of our current major suppliers. Our Directors are of the opinion that our business and profitability are not materially dependent on any industrial, commercial or financial contract with any supplier and will not be materially affected by the loss of any single supplier.

There are no arrangements or understanding with any major supplier pursuant to which any of our Directors or Executive Officers was appointed.

CREDIT MANAGEMENT

Credit Terms to our Customers

Our trade receivables' turnover during the Period Under Review were as follows:

	FY2015	FY2016	FY2017	HY2018
Trade receivables' turnover days	95	114	101	103

Note:

- (1) Closing trade receivables turnover days is computed as follows: $(\text{Closing Trade Receivables} / \text{revenue}) \times \text{Number of Days}$

Where:

"Closing Trade Receivables" is defined as the closing trade receivables (excluding bills receivable) of the relevant financial year / period.

"Number of Days" is defined as the number of calendar days in the relevant financial year / period.

Our payment terms for each customer differ. We have also established a credit policy under which each new customer is analysed for its creditworthiness before our standard payment terms are offered. Under our standard payment terms, we generally grant credit terms of between 60 to 90 days. However, we may grant credit terms in excess of 90 days to some of our more established customers, depending on their payment history and their financial strength, as well as the size of the relevant transaction. Conversely, where circumstances require, we may request payment on delivery.

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Our Group will review the trade debts and follow up on the outstanding debts with the respective customers. According to our Company's policy, our Group will provide an allowance for doubtful debts for trade debts that are aged over 180 days and with recoverability issues. Specific provision or write-off will be made when we are of the view that the collectability of an outstanding debt is impaired or the debt is uncollectible.

Except for those trade receivables that have been included in the allowance for doubtful debts and based on our customers' historical default rates and experience, our Group does not foresee any issue with collection of the outstanding debts. We incurred bad debts written off of S\$68,225, S\$4,551, S\$8,000 and nil in FY2015, FY2016, FY2017 and HY2018, respectively.

As at the Latest Practicable Date, approximately 83.4% of our trade receivables as at HY2018 had been collected.

Credit Terms from our Suppliers

Our suppliers mainly comprise suppliers of the standard components and raw materials that we use. The payment terms granted by our suppliers vary depending on, among other things, our relationships with them and the services they provide.

Our trade payables' turnover days for the Period Under Review were as follows:

	FY2015	FY2016	FY2017	HY2018
Trade payables' turnover days	80	147	80	106

Note:

- (1) Closing trade payables turnover days is computed as follows: $(\text{Closing Trade Payables} / \text{Costs of Sales}) \times \text{Number of Days}$

Where:

“**Closing Trade Payables**” is defined as the closing amount of the relevant financial year / period.

“**Number of Days**” is defined as the number of calendar days in the relevant financial year / period.

Our trade payables' turnover days increased from 80 days for FY2015 to 147 days for FY2016 due to our working capital needs and the needs of our business and operation expansion.

RESEARCH AND DEVELOPMENT

Due to the nature of our business, our Group does not undertake any research and development activities. However, we make deliberate efforts to stay abreast of developments in precision engineering technologies.

In respect of our quartz machining capabilities, in 2018, we entered into a ten (10) year Cooperation Agreement (the “**Cooperation Agreement**”) with an established Austrian quartz, silicon and ceramics manufacturer, SICO Technology GmbH, and its Singapore outfit, Sico Asia Quartz Pte. Ltd. (collectively, “**SICO**”), to build up our quartz and ceramic machining capabilities. Pursuant to the Cooperation Agreement, SICO granted us the right to use its know-how on working and processing with ceramic for the engineering, fabrication, processing and manufacture of ceramic products for the industrial automation, and analytical and life sciences electronics, industries, and any new industries that we might enter into (except the semiconductor industry). In consideration thereof, we agreed to process and manufacture parts consisting of quartz glass and/or silicon and/or ceramic, provided by SICO (provided always that SICO shall pay us for our services). We also undertook to SICO to not distribute, sell or otherwise deliver to any customer in the semiconductor business, ceramic, quartz glass, silicon parts/products, processed, fabricated, manufactured with SICO's know-how, without SICO's prior consent in writing. The Cooperation Agreement also prohibits us from distributing, selling or otherwise delivering any products made of silicon.

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Using SICO's know-how, we have since commenced quartz machining services. Looking towards 2019, we intend to roll out ceramic machining services with the same.

Most recently, in early 2018, we commenced a research and development project with another North America Analytical Life Sciences Company in conjunction with Singapore's Economic Development Board's Partnerships for Capability Transformation (PACT) program to localise the manufacture of a critical sub-assembly (currently being done in a technologically advanced European country), and in respect thereof, we have already secured an order.

INTELLECTUAL PROPERTY

We believe that our brand is one of the key elements of the success of our business operations, and we depend on the increased recognition thereof for branding and marketing our services to our customers. To protect our intellectual property rights including our internet domain names, trademarks and logos, as at the Latest Practicable Date, we have applied for certain intellectual property rights.

As at the Latest Practicable Date, we have registered the following trademarks:






Trademark	Registered Owner	Class	Registration number	Country	Expiry Date
	GVT Singapore	40 ⁽¹⁾	40201711726T	Singapore	21 June 2027
Grand Venture Technology Pte Ltd	GVT Singapore	40 ⁽¹⁾	40201711727X	Singapore	21 June 2027

Note:

- (1) Custom manufacture of goods [for others]; custom fabricating, making or manufacturing of goods or materials [for others].

Pending Trademark

As at the Latest Practicable Date, we have applied for the following trademarks:

Trademark	Name of Applicant	Class	Application number	Country	Application Date
	GVT Malaysia	40 ⁽¹⁾	2018011095	Malaysia	28 August 2018
	GVT Suzhou	7 ⁽²⁾	32750149	PRC	7 August 2018
	GVT Suzhou	9 ⁽³⁾	32727158	PRC	7 August 2018
	GVT Suzhou	10 ⁽⁴⁾	32738156	PRC	7 August 2018
	GVT Suzhou	40 ⁽⁵⁾	32982325	PRC	20 August 2018

Notes:

- (1) Manufacturing of high precision engineering parts, metal fabrication parts and module assembly.
- (2) Paper machine (造纸机), printing machines (印刷机器), textile machinery (纺织工业用机器), electric machinery for food production (制食品用电动机械), packaging machinery (包装机械), pharmaceutical processing industrial machine (制药加工工业机器), petrochemical equipment (石油化工设备), wind power equipment (风力动力设备), metal processing machinery (金属加工机械),

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automatic manipulator (mechanical hand) (自动操作机 (机械手)), industrial robot (工业机器人), machinery for wire and cable production (制造电线、电缆用机械), electronic industrial equipment (电子工业设备), printed circuit board processor (印刷电路板处理机), semiconductor wafer processing equipment (半导体晶片处理设备), semiconductor wafer processing machine (半导体晶片加工机), industrial suction machine (工业用抽吸机械).

- (3) Optical instruments and equipment (光学器械和仪器), industrial radiation equipment (工业用放射设备), non-medical X-ray equipment (非医用X光装置), surveying and mapping instruments (测绘仪器), measuring device (测量装置), measuring instrument (计量仪器), measuring equipment and instruments (测量器械和仪器).
- (4) Medical apparatus and instruments (医疗器械和仪器), medical analysis instrument (医疗分析仪器), medical test instrument (医用测试仪), medical diagnostic equipment (医用诊断设备), medical X-ray equipment (医用X光装置), medical X-ray generating device and equipment (医用光产生装置和设备), radiation medical equipment (放射医疗设备), medical CT scanner (医用断层扫描仪), ultrasonic equipment for medical use (医疗用超声器械), lifting instruments for the patients (升举病人用器具).
- (5) Grinding and polishing (研磨抛光), material cutting processing (材料刨削处理), material cutting services (材料锯切服务), customized materials assembly (for third parties) (定做材料装配替他人), material handling information (材料处理信息), sandblasting processing services (喷砂处理服务), metal plating (金属电镀), metal processing (金属处理), laser marking (激光划线), metal casting (金属铸造), welding service (焊接服务), milling (铣削加工), metal tempering (金属回火).

Our Directors are not aware of any reason which would cause or lead to the de-registration or non-registration of the foregoing trademarks. To the best of our Directors' knowledge and belief, there is no third party that is currently using a trademark that is similar to the foregoing trademarks.

As at the Latest Practicable Date, we also own the internet domain name "http://www.gvt.com.sg".

Our Group has not encountered any issues with the renewal of our domain names in the past. Barring any unforeseen circumstances, we do not foresee any issues with the future renewal of domain names which are material to our Group's business and operations.

Save as disclosed above, we do not use or own any other registered patents, trademarks or intellectual property which are material to our business. Our business and profitability are also not materially dependent on any other patent or licence or any other intellectual property rights.

PROPERTIES, PLANT AND EQUIPMENT

Properties

As at the Latest Practicable Date, our Group owns the following properties:

Location	Owner	Approximate area (sq ft)	Tenure	Usage	Encumbrance
1144, Lorong Perindustrian Bukit Minyak, 22 Taman Perindustrian Bukit Minyak (Penang Science Park) Simpang Ampat, 14100 Pulau Pinang, Malaysia	GVT Malaysia	75,110.5	Leasehold up to 7 August 2072	Office and production facility	Charge No. 006 registered by RHB Bank Berhad on 16 August 2012

GENERAL INFORMATION ON OUR GROUP

As at the Latest Practicable Date, our Group leases the following properties:

Location	Lessor / Lessee	Approximate area(sq ft)	Tenure	Usage
2 Changi North Street 1 GVT Building Singapore 498828	Jurong Town Corporation / GVT Singapore	59,766.6	1 April 1996 – 31 March 2026 ⁽¹⁾	Office and production facility
HS(D) 59630, Lot No. PT 1050, Mukim 13, Seberang Perai Tengah, Pulau Pinang, Malaysia	Easyplus Engineering Solution Sdn. Bhd. / GVT Malaysia	26,250.0	15 March 2016 – 14 March 2019	Production facility
PMT 1155, Lorong Perindustrian Bukit Minyak 20, Taman Perindustrian Bukit Minyak, Penang Science Park, 14100, Simpang Ampat, Pulau Pinang, Malaysia	H&T Industries (Penang) Sdn. Bhd. / GVT Malaysia	15,480.0	1 December 2017 – 31 November 2020	Production facility
No. 1783, Jalan Bukit Tambun, 14100 Simpang Ampat, Pulau Pinang, Malaysia	Choo Boon Khiam / GVT Malaysia	Not meaningful ⁽²⁾	1 August 2018 – 31 July 2020	Staff accommodation
No. 12, Lorong Merpati Indah 4, Taman Merpati Indah, 14110 Bukit Tambun, Pulau Pinang, Malaysia	Heah Ai Nee / GVT Malaysia	Not meaningful ⁽²⁾	1 November 2018 – 30 October 2019	Staff accommodation
No. 17, Lorong Merpati Indah 8, Taman Merpati Indah, 14110 Bukit Tambun, Pulau Pinang, Malaysia	Tan Hock Chye / GVT Malaysia	Not meaningful ⁽²⁾	15 November 2018 – 14 November 2020	Staff accommodation
No. 23, 1 st Floor, Lorong Merpati Indah 2, Taman Merpati Indah 2, 14100 Bukit Tambun, Pulau Pinang, Malaysia	Khor Chin Suah / GVT Malaysia	Not meaningful ⁽²⁾	1 November 2016 – 31 October 2019	Staff accommodation
No. 25, 1 st Floor, Lorong Merpati Indah 2, Taman Merpati Indah 2, 14100 Bukit Tambun, Pulau Pinang, Malaysia	Khor Chin Suah / GVT Malaysia	Not meaningful ⁽²⁾	1 November 2016 – 31 October 2019	Staff accommodation
No. 52, Lorong Merpati Indah 1, Taman Merpati Indah, 14110 Bukit Tambun, Seberang Perai Selatan, Pulau Pinang, Malaysia	Umabaran A/L Murugiah / GVT Malaysia	Not meaningful ⁽²⁾	3 February 2017 – 31 January 2020	Staff accommodation

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Location	Lessor / Lessee	Approximate area(sq ft)	Tenure	Usage
North of No. 7 Workshop, Venture Investment Industrial Workshop, Loufeng, PRC ⁽³⁾	Suzhou Industrial Park Loufeng Venture Investment Technology Enterprise Incubator Co., Ltd. / GVT Suzhou	18,011.0	1 January 2018 – 31 December 2021	Office and production facility

Notes:

- (1) Jurong Town Corporation has offered, and we have accepted, a further extension of twenty (20) years (i.e. to 31 March 2046) subject to, amongst others, certain investment criteria.
- (2) These premises are for staff accommodation only.
- (3) The lease registration of our PRC premises, as required by PRC housing administration authorities, has not been completed. According to PRC laws and regulations, the PRC housing administration authorities have the right to request parties to complete the necessary registration within a designated period of time, otherwise, the authorities may impose an administrative penalty (of up to RMB 10,000). Notwithstanding the foregoing, the Legal Advisers to our Company on PRC Law, Grandall Law Firm (Shanghai), are of the opinion that failure to complete the necessary registration does not affect the validity and legality of the lease. Additionally, our Controlling Shareholder, Metalbank, and our General Manager (China), Mr. Alan Lu, have executed Deeds of Indemnity dated 14 December 2018 in connection with the foregoing. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

Save for the foregoing, as at the Latest Practicable Date, our Directors are not aware of any existing breach of any obligations under the abovementioned lease agreements that would result in their termination by the lessors or non-renewal, if required, when they expire. Save for our staff accommodation at No. 17, Lorong Merpati Indah 8, Taman Merpati Indah, 14110 Bukit Tambun, Pulau Pinang, Malaysia, which lease may be terminated by either GVT Malaysia or the landlord with two (2) months’ notice, none of the lessors may unilaterally terminate the respective leases without cause (e.g. breach by the lessee of its obligations under the respective lessees). Our Directors are of the view that any unilateral termination by any lessor is unlikely to have a material impact on our Group’s business or operations as we believe that we will be able to secure leases for alternative premises in such event.

Production Facilities and Utilisation

The table below sets out our annual production capacity in terms of machine hours and our corresponding utilisation rate for the period under review.

	FY2015		FY2016		FY2017		HY2018	
	Annual Machine Hours Capacity ('000) ⁽¹⁾	Utilisation rate (%)	Annual Machine Hours Capacity ('000) ⁽¹⁾	Utilisation rate (%)	Annual Machine Hours Capacity ('000) ⁽¹⁾	Utilisation rate (%)	Annual Machine Hours Capacity ('000) ⁽¹⁾	Utilisation rate (%)
GVT Singapore								
Precision Machining	72	60	90	65	132	75	162	80
GVT Malaysia								
Precision Machining	366	70	450	70	510	75	612	80
Sheet Metal Fabrication	24	55	24	55	30	70	36	75
GVT Suzhou								
Precision Machining	-	-	-	-	-	-	144	65

Note:

- (1) Annual machine hours capacity is computed as follows: (Number of Machines) x (20 Operating Machine Hours Per Working Day) x (300 Working Days in a Year)

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Our annual production capacity and utilisation rate have increased over the Period Under Review in tandem with our business expansion and revenue growth.

Equipment

As at 30 June 2018, the net book value of our plant and equipment was S\$9.9 million, representing 19.0% of our total assets.

Fixed assets (excluding our real properties) comprise mainly precision machining equipment (such as CNC machining centres, CNC milling machines, surface grinding machines and conventional milling and turning machines), sheet metal manufacturing equipment (such as laser cutting machines, turret punching machines, bending machines, electric oven, spray booth, pre-treatment lines and welding facilities), quality control and assurance equipment, motor vehicles and furniture and fittings, office equipment and computers, as required for the running and functioning of our offices and production facilities. Our manufacturing and production equipment comes from reputable manufacturers such as Makino, FANUC and Kiwa.

As at the Latest Practicable Date, our key manufacturing and production equipment included the following:

Precision Machining Equipment	Quantity
CNC 3-Axis Vertical Machining Centre	62
CNC 4+1 Axis Vertical Milling Machine	22
CNC 3-Axis Double-Column Vertical Milling Machine	2
CNC 5-Face Double-Column Vertical Milling Machine	1
CNC 5-Axis Vertical Machining Centre	5
CNC Horizontal Milling Machine	16
CNC Turning Machine	19
Surface Grinding Machine	14
Conventional Milling & Turning Machine	7
Sheet Metal Manufacturing Equipment	Quantity
CNC Bending Machine	3
CNC Laser Cut Machine	1
CNC Fibre Laser Cut Machine	1
CNC Turret Punch	1
Robot Arm Metal Inert Gas Welding Machine	1
Metal Inert Gas Welding Machine	9
Tungsten Inert Gas Welding Machine	7
Spot Welding Machine	1
PEM Nut Inserter	2
Laser Marking Machine	2
Quality Assurance Measurement	Quantity
Coordinate Measurement Machine	15
Portable Coordinate Measurement Machine	1
Roundness / Straightness Tester	1
Digital Microscope	1
Microscope	5
Height Gauge	12
Video Measurement System	4
Profile Projector	2
Surface Roughness Tester	4
Coating Thickness Gauge	2
Surface Resistivity Tester	1
Spectro-Guide (Colour Checker)	1
Cross-cut Tester	1

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The above properties, plant and equipment are used to provide a range of engineering, assembly, testing and product lifecycle management services for the manufacture of complex precision machining and sheet metal components and modules.

To the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that may materially affect our use of the above properties, plant and equipment, save as disclosed in the sections entitled "General Information on our Group – Government Regulations" and "Risk Factors – Risks Relating to our Business and Operations – We may be subject to penalties for past failures to obtain certain environmental approvals" of this Offer Document.

STAFF TRAINING

We conduct formal training sessions for our employees based on our Group's standard operating procedures. New employees undergo in-house orientation to familiarise them with our equipment, policies and procedures, and on-the-job training is provided to equip them with the necessary working knowledge and practical skills to perform their tasks. Employees are also provided with training by our equipment suppliers and other external trainers from time to time.

We selectively send our employees to industry conferences and seminars in Singapore and abroad. 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.

During the Period Under Review, our staff training costs were not material.

GOVERNMENT REGULATIONS

We are subject to all relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. As at the Latest Practicable Date, except as disclosed herein and in the section entitled "Risk Factors" of this Offer Document, our business and operations are not subject to any special legislation or regulatory controls which have a material impact on our business operations other than those generally applicable to companies and businesses operating in Singapore, Malaysia and the PRC. Save as described in this Offer Document, to the best of our knowledge, we have not been in breach of any rules and/or regulations in any material particular.

The following is a summary of the material laws and regulations of Singapore, Malaysia and the PRC that are relevant to our businesses as at the Latest Practicable Date. The regulations set out below are not exhaustive and are only intended to provide some general information to investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of Singapore laws and regulations on our Group.

Singapore

Employment Act (Chapter 91)

The Employment Act (Chapter 91) covers every employee who is under a contract of service with an employer and includes a workman but does not include, amongst others, any person employed in a managerial or executive position (subject to the exceptions set out below).

Any person employed in a managerial or an executive position (who is generally not regarded as an employee under the Employment Act) who is in receipt of a salary not exceeding S\$4,500 shall be regarded as an employee for the purposes of provisions in the Employment Act except for the provisions of Part IV of the Employment Act. The Employment Act defines a "workman" as including (a) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any artisan or apprentice (but excluding any seaman or domestic worker); and (b) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work.

Part IV of the Employment Act contains provisions relating to, amongst others, working hours, overtime, rest days, holidays, annual leave, payment of retrenchment benefit, priority of retirement

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benefit, annual wage supplement and other conditions of work or service, which apply to (i) workmen earning basic monthly salaries of not more than S\$4,500; and (ii) employees (excluding workmen) earning basic monthly salaries of not more than S\$2,500. Paid public holidays and sick leave apply to all employees who are covered by the Employment Act regardless of salary levels.

Workplace Safety and Health Act (Chapter 354A)

Under the Workplace Safety and Health Act (“**WSHA**”), every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work. More specific duties imposed by the Ministry of Manpower on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations.

Under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health (“**CWSH**”) may, amongst others, enter the workplace to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is required for the purpose of an investigation or inquiry under the WSHA.

Under the WSHA, the CWSH may serve a stop-work order in respect of a workplace if he is satisfied that: (a) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (b) any person has contravened any duty imposed by the WSHA; or (c) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The stop-work order shall direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

Immigration Act (Chapter 133) and Employment of Foreign Manpower Act (Chapter 91A)

The Immigration Act provides that no person, other than a citizen of Singapore, shall enter or attempt to enter Singapore unless, amongst others, he is in possession of a valid pass lawfully issued to him to enter Singapore. Such valid pass would include, amongst others, a valid work pass issued by the Controller of Work Passes under the Employment of Foreign Manpower Act (“**EFMA**”) and the regulations issued pursuant to the EFMA, including, amongst others, work permits (including a training work permit), S passes and employment passes. A work pass may be in the form of a card or in an endorsement made in the passport or other travel document of the work pass holder or in such other form as the Controller of Work Passes may determine.

A work pass includes the following: (a) employment pass, for foreign professionals, managers and executives earning at least S\$3,600 per month and who have acceptable qualifications; (b) S pass, for mid-level skilled staff who earn at least S\$2,200 per month and who meet the assessment criteria; and (c) work permit for foreign worker, for semi-skilled foreign workers.

The EFMA provides that no person shall employ a foreign worker unless he has obtained in respect of the foreign worker a valid work permit from the Ministry of Manpower, which allows the foreign worker to work for him.

The availability of foreign workers is regulated by the Ministry of Manpower through its various policies on, amongst others, approved source countries, dependency ceilings based on the ratio of local to foreign workers, and the imposition of security bonds and levies.

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Work Injury Compensation Act (Chapter 354)

The Work Injury Compensation Act (“**WICA**”), which is regulated by the MOM, applies to workmen in all industries in respect of injury suffered by them in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to a workman, the employer shall be liable to pay compensation in accordance with the provisions of the WICA.

Employers are required to maintain work injury compensation insurance for two (2) categories of employees engaged under contracts of service (unless exempted) – firstly, all employees doing manual work and secondly, non-manual employees earning S\$1,600 or less a month.

Malaysia

Employment Act 1955

The Employment Act 1955 regulates all labour relations including, amongst others, contracts of service, payment of wages, rest days, hours of work and termination. The Employment Act, however, only applies to employees earning monthly wages of not more than RM2,000 or to employees, irrespective of their monthly wages, who are engaged in manual labour, including artisans or apprentices, or who are engaged in the operation of maintenance of mechanically propelled vehicles operated for the transport of passengers or goods or for commercial purposes, or who supervise or oversee other employees engaged in manual labour or who are engaged in any capacity in any vessel registered in Malaysia or who are engaged as a domestic servant.

Employees Provident Fund Act 1991

The Employees Provident Fund (“**EPF**”) administers the scheme of savings for employees’ retirement and the management of the savings for the retirement purposes and for matters incidental thereto.

The Employees Provident Fund Act 1991 requires both the employer and employee to make contributions into the employee’s individual account in the EPF. The amount is calculated based on the monthly wage of the employee and the contribution rate is based on the wage or salary received by the employee.

Employees’ Social Security Act 1969

The Social Security Organisation (“**SOCSO**”) is empowered by Employees’ Social Security Act 1969 (“**Social Security Act**”) to administer and enforce the Social Security Act. Through the Social Security Act and Employee Social Security General Rules 1971, SOCSO provides social security assistance to employees in certain contingencies such as employees which have their earning abilities affected due to accident or disease.

Pursuant to Section 5(1) of the Social Security Act, all employees in industries to which the Social Security Act applies, irrespective of the amount of wages, shall be insured in the manner provided by the Social Security Act.

The contribution payable under the Social Security Act in respect of an employee shall comprise contribution payable by the employer and contribution payable by the employee and shall be paid to the SOCSO in accordance with the rates specified in the Third Schedule of the Social Security Act.

Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 (“**OSHA**”) contains provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work, to establish the National Council for Occupational Safety and Health, which together with the Department of Occupational Safety and Health administers the OSHA, and for matters connected therewith.

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Under the OSHA, various regulations such as the Occupational Safety and Health (Safety and Health Committee) Regulations 1996 and the Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 have been passed.

The OSHA applies to various industries which includes manufacturing and wholesale and retail trades and sets out amongst others, the general duties of employers to their employees and self-employed persons, general duties of designers, manufacturers and suppliers, general duties of employees and the requirements of safety and health organisation in the place of work.

Under Section 16 of the OSHA, it is provided that, except in such cases as may be prescribed, it shall be the duty of every employer and every self-employed person to prepare and as often as may be appropriate revise a written statement of its general policy with respect to the safety and health at work of its employees and the organisation and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all its employees. Section 30 of the OSHA requires certain employers to establish a safety and health committee at a place of work which is, among others, to assist in development of safety and health rules and safe systems of work, to review the safety and health policies and the effectiveness of safety and health programmes.

Employment (Restriction) Act 1968

The Employment (Restriction) Act 1968 (“**ERA**”) prohibits a person from employing a non-citizen of Malaysia in any business in Malaysia unless a valid employment permit has been issued in respect of that non-citizen.

Under the ERA, a non-citizen shall before commencing employment apply for an employment permit to the Commissioner of Employment, and an employment permit may on the expiry of its period of validity be renewed.

Immigration Act 1959/63

The Immigration Act 1959/63 (“**IA**”) provides that no person other than a citizen shall enter Malaysia unless (i) he holds a valid entry permit lawfully issued to him in accordance with the IA; (ii) his name is endorsed upon a valid entry permit, and he is present with the holder of the permit; (iii) he is in possession of a valid pass lawfully issued to him entitling him to enter Malaysia; or (iv) he is exempted by virtue of an order made by the Minister of Home Affairs pursuant to the IA.

Workmen’s Compensation Act 1952

Under the Workmen’s Compensation Act 1952 (“**WCA**”), every employer is required to insure and keep himself insured in respect of any liability which he may incur under WCA to every workman employed by him (who are generally not covered by the Social Security Act).

Industrial Co-ordination Act 1975

The coordination and orderly development of manufacturing activities in Malaysia is governed under the Industrial Co-ordination Act 1975 (“**ICA**”) and it prescribes the licencing requirements for manufacturing activities.

A “manufacturing activity” means the making, altering, blending, ornamenting, finishing or otherwise treating or adapting of any articles or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but does not include any activity normally associated with retail or wholesale trade. The required license for manufacturing activities is issued by the Ministry of International Trade and Industry of Malaysia (“**MITI**”).

The Malaysian Investment Development Authority (“**MIDA**”) is a statutory body established under the Malaysian Industrial Development Authority (Incorporation) Act 1965 and is an agency under MITI. MIDA’s roles and functions consist of, amongst others, evaluating applications for projects and/or licences in the manufacturing and its related services sectors.

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Local Government Act 1976 and Municipal Council Province Wellesley Licence Fees By-Laws 1980

The Local Government Act 1976 (“**LGA**”) empowers every local authority to grant licences or permits for any trade, occupation or premises subject to such conditions and restrictions as the local authority may prescribe. Under the LGA, the local authorities are also empowered to enact by-laws.

Pursuant to the LGA, the Municipal Council Province Wellesley Licence Fees By-Laws 1980 (the “**By-Laws**”) was enacted to govern the licensing of business premises in Penang. Under the By-Laws, it shall be an offence for any person to operate any licensable activity without a valid premise licence issued by the Municipal Council of Province Wellesley (also known as the Municipal Council of Seberang Perai).

PRC

Labour Law of the PRC (中华人民共和国劳动法)

The Labour Law (中华人民共和国劳动法), which was promulgated by the Standing Committee of the National People’s Congress (全国人民代表大会常务委员会) on 5 July 1994, came into effect on 1 January 1995, and was amended on 27 August 2009, provides that an employer shall develop and improve its rules and regulations to safeguard the rights of its workers. An employer shall develop and improve its labour safety and health system, stringently implement national protocols and standards on labour safety and health, conduct labour safety and health education for workers, guard against labour accidents and reduce occupational hazards. Labour safety and health facilities must comply with relevant national standards. An employer must provide workers with the necessary labour protection equipment that complies with labour safety and health conditions stipulated under national regulations, as well as provide regular health checks for workers that are engaged in operations with occupational hazards. Workers engaged in special operations shall have received specialized training and obtained the pertinent qualifications. An employer must develop a vocational training system. Vocational training funds must be set aside and used in accordance with national regulations and vocational training for workers must be carried out systematically based on the actual conditions of the company.

Labour Contract Law of the PRC (中华人民共和国劳动合同法)

The Labour Contract Law of the PRC (中华人民共和国劳动合同法), which was promulgated by the Standing Committee of the National People’s Congress on 29 June 2007, came into effect on 1 January 2008, and was amended on 28 December 2012, and the Implementation Regulations on Labour Contract Law (劳动合同法实施条例) which were promulgated on 18 September 2008 and came into effect on the same day, regulate employer and the employee relations and contain specific provisions involving the terms of the labour contract. Labour contracts must be made in writing and may, after reaching agreement upon due negotiations, be for a fixed-term, an un-fixed term, or conclude upon the completion of certain work assignments. An employer may legally terminate a labour contract and dismiss its employees after reaching an agreement upon due negotiations with the employee or by fulfilling the statutory conditions.

Laws and Regulations on the Supervision over Social Security and Housing Funds

According to the Temporary Regulations on the Collection and Payment of Social Insurance Premium (社会保险费征缴暂行条例), the Regulations on Work Injury Insurance (工伤保险条例), the Regulations on Unemployment Insurance (失业保险条例) and the Trial Measures on Employee Maternity Insurance of Enterprises (企业职工生育保险试行办法), enterprises in the PRC must provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies, and must pay or withhold relevant social insurance premiums for or on behalf of employees. The Law on Social Insurance (中华人民共和国社会保险法), which was promulgated on 28 October 2010 and came into effect on 1 July 2011, regulate basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance, and has elaborated in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social insurance.

The Regulations on the Administration of Housing Provident Fund (住房公积金管理条例), which were promulgated and came into effective on 3 April 1999, and were amended on 24 March 2002, stipulate

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that housing provident fund contributions paid by an individual employee and housing provident fund contributions paid by his or her employer all belong to the individual employee.

PRC Environmental Laws

According to the Law of the PRC on Evaluation of Environmental Effects (中华人民共和国环境影响评价法), an environmental impact report or an environmental impact statement must be compiled for a construction project that may cause a major or light impact on the environment, and which provides an evaluation or analysis of the pollution generated and the environmental impact caused by the same. Where construction commences before the submission of such report, the relevant PRC authorities shall instruct the construction to stop and may impose a fine of between one per cent. (1%) to five per cent. (5%) of the total project investment, and may also order the restoration thereof (to original condition); and the persons directly in charge and other directly responsible persons in the construction unit shall be subject to administrative sanctions under the law.

Additionally, according to the Administrative Regulations on Environmental Protection Management for Construction Projects (建设项目环境保护管理条例), after the completion of a construction project for which an environmental impact report or environmental impact statement is prepared, the construction unit needs to make an acceptance check of the matching environmental protection facilities and prepare an acceptance report in accordance with the standards and procedures stipulated by the relevant PRC authorities. There shall be no use of the structure constructed and/or renovated until the environmental protection facilities necessary have been completed, inspected and/or approved. Where this has begun prior to such completion, inspection and/or approval, the relevant PRC authorities may order a stop in use, impose fines of up to RMB 2,000,000 and hold liable the persons in charge and impose a fine on them of more than RMB 50,000 but less than RMB 200,000.

Non-Compliance with Singapore, and Malaysian and PRC Laws, and Indemnity

Our Group aims to adhere to all regulatory requirements. However, it has come to our attention that we had inadvertently in the past breached certain regulatory requirements. We have taken corrective actions to prevent the recurrence of such breaches. These including putting in place the relevant internal controls and strengthening the management staff strength. While no enforcement action has been taken by any of the regulators, there may be risk of fines and/or penalties imposed.

In respect of Singapore and Malaysia, to mitigate the risk, our Controlling Shareholder, Metalbank, has executed a Deed of Indemnity dated 14 December 2018 pursuant to which it shall, amongst others, indemnify and hold harmless each of our Company and/or our subsidiaries from and against all actions, proceedings, fines, liabilities, claims, demands, losses, damages, charges, costs and expenses of whatever nature (whether direct, indirect or consequential), arising from:

- (a) our Company's non-compliance with the Employment Act (Chapter 91) of Singapore, in connection with our Company's failure to prevent employees from working overtime in excess of seventy-two (72) hours a month (please refer to the section entitled "Risk Factors – Risks Relating to our Business and Operations – We are subject to limits on overtime worked by our employees" of this Offer Document for further details);
- (b) GVT Malaysia's non-compliance with the Employment Act 1955 and Employment (Limitation of Overtime Work) Regulations 1980 of Malaysia ("**Malaysian Employment Laws and Regulations**"), in connection with GVT Malaysia's failure to prevent employees from working overtime in excess of 104 hours a month (please refer to the section entitled "Risk Factors – Risks Relating to our Business and Operations – We are subject to limits on overtime worked by our employees" of this Offer Document for further details);
- (c) GVT Malaysia's non-compliance with Malaysian Employment Laws and Regulations, in connection with GVT Malaysia's failure to provide sufficient paid leave to employees from their third year of service (please refer to the section entitled "Risk Factors – Risks Relating to our Business and Operations – We are required to provide a minimum amount of paid leave pursuant to Malaysia's Employment Act 1955" of this Offer Document for further details);
- (d) GVT Malaysia's non-compliance with Malaysian Employment Laws and Regulations, in connection with GVT Malaysia's inclusion in its contract of service (for foreign workers) a term

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restricting employees from participating in any activities connected with trade unions, and a term restricting employees from organising, participating or being involved in any kind of industrial action during their term of employment (please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We are required not to restrict employees from participating in unions pursuant to Malaysia’s Employment Act 1955” of this Offer Document for further details);

- (e) GVT Malaysia’s non-compliance with Notice 7: Export of Goods (Part A: Receipt by Resident) of the Foreign Exchange Administration Rules issued by Bank Negara Malaysia, in connection with GVT Malaysia’s failure to receive export proceeds exceeding six (6) months from the date of export and GVT Malaysia’s offsetting of export proceeds against other payables due to non-residents (please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We are subject to Bank Negara Malaysia’s Notice 7: Export of Goods (Part A: Receipt by Resident) of the Foreign Exchange Administration Rules” of this Offer Document for further details); and
- (f) all legal fees as between solicitors and clients and other costs and disbursements whatsoever including but not limited to stamp or other duties incurred in connection with (a) to (e) above or otherwise howsoever in enforcing this Deed or any of the covenants, undertakings, stipulations, terms, conditions or provisions of this Deed,

provided always that the actual or alleged act or omission first took place prior to the Listing Date.

In respect of the PRC, our Controlling Shareholder, Metalbank, and our General Manager (China), Mr. Alan Lu, have executed Deeds of Indemnity dated 14 December 2018 pursuant to which they shall, amongst others, jointly and severally indemnify and hold harmless each of our Company and/or our subsidiaries from and against all actions, proceedings, fines, liabilities, claims, demands, losses, damages, charges, costs and expenses of whatever nature (whether direct, indirect or consequential), arising from:

- (i) GVT Suzhou’s non-compliance with applicable PRC laws and regulations, which require the timely registration of leases, and its failure to timely register its leases (please refer to the section entitled “General Information on our Group – Properties, Plant and Equipment – Properties” of this Offer Document for further details);
- (ii) GVT Suzhou’s non-compliance with applicable PRC laws and regulations, which require the full payment of several statutory social welfare benefits (including medical care insurance, occupational injury insurance, unemployment insurance, maternity insurance and pension insurance and housing fund contributions for employees), including but not limited to GVT Suzhou’s failure to pay or underpayment of the same (please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We are required to make sufficient statutory social welfare benefit payments for our PRC employees” of this Offer Document for further details);
- (iii) GVT Suzhou’s non-compliance with the Decision of the State Council on Reforming the Investment System (国务院于投资体制改革的决定) through its failure to comply with reporting formalities with Suzhou Industrial Park Administrative Examination and Approval Bureau (苏州工业园区行政审批局) with respect to the construction of its PRC production facility until 26 July 2018 (please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We may be subject to penalties for past non-compliance with certain reporting formalities” of this Offer Document for further details);
- (iv) GVT Suzhou’s non-compliance with the PRC’s Law of the PRC on Evaluation of Environmental Effects (中华人民共和国环境影响评价法), and its failure to timely obtain the relevant approvals in relation to the environmental impact assessment of its construction projects (please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We may be subject to penalties for past failures to obtain certain environmental approvals” of this Offer Document for further details);

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- (v) GVT Suzhou's non-compliance with the PRC's Administrative Regulations on the Environmental Protection of Construction Projects (建设项目环境保护管理条例), and its failure to timely obtain the relevant inspection and acceptance approvals in relation to its construction projects (please refer to the section entitled "Risk Factors – Risks Relating to our Business and Operations – We may be subject to penalties for past failures to obtain certain environmental approvals" of this Offer Document for further details); and
- (vi) all legal fees as between solicitors and clients and other costs and disbursements whatsoever including but not limited to stamp or other duties incurred in connection with (i) to (v) above or otherwise howsoever in enforcing this Deed or any of the covenants, undertakings, stipulations, terms, conditions or provisions of this Deed,

provided always that the actual or alleged act or omission first took place prior to the Listing Date.

The foregoing Deeds of Indemnity also do not provide for any termination events or limit on the quantum of indemnity. The Deed of Indemnity also expressly provides for no discharge.

The Group's Executive Chairman, Mr. Ricky Lee, the CEO and Executive Director, Mr. Julian Ng, the Managing Director (Malaysia), Mr. Kong Sang Wah, the Group Senior Director of Sales, Mr. Saw Yip Hooi and the COO, Mr. Tan Chun Siong, have executed a Deed of Guarantee dated 14 December 2018 pursuant to which they jointly and severally, unconditionally and irrevocably guarantee to the Company that, if for any reason, Metalbank does not pay any sum payable by it to the Company pursuant to the abovementioned Deed of Indemnity, they will forthwith pay that sum to the Company.

The Deed of Guarantee does not provide for any termination events or limit on the quantum of guarantee. The Deed of Guarantee also expressly provides for no discharge.

In addition, to prevent the reoccurrence of similar breaches, the Group had in 2018 implemented internal control processes to ensure compliance with the applicable laws and regulations. These include, amongst others, the hiring by GVT Malaysia of a human resource manager (who commenced employment in November 2018), the imposition of restrictions on the number of overtime hours that relevant employees can work through the implementation of internal control processes to enforce these limits and to monitor the amount of overtime worked by such employees.

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LICENCES

As at the Latest Practicable Date, our Group has the following licences, permits and approvals which are material to its business operations as follows:

Type of Licence, Permit or Approval	Purpose	License Holder	Issuing/Licensing Body	Validity Period
Warehouse Licence	For manufacturing of parts of semiconductor machine	GVT Malaysia	Royal Malaysia Customs Department	1 December 2016 – 30 November 2020
Warehouse Manufacturing Licence	For manufacturing of parts of semiconductor machine	GVT Malaysia	Royal Malaysia Customs Department	1 December 2016 – 30 November 2020
Manufacturing Licence	For manufacturing of machined parts	GVT Malaysia	Ministry of International Trade and Industry of Malaysia	<ul style="list-style-type: none"> • 17 April 2015 onwards⁽¹⁾ • 7 December 2018 – 6 June 2019⁽²⁾⁽³⁾
Business Premise Licence	For the premise and trade of the business of the Company.	GVT Malaysia	Seberang Perai Municipal Council	<ul style="list-style-type: none"> • 17 November 2014 – 31 December 2019⁽¹⁾ • 5 December 2018 – 31 December 2019⁽²⁾

Note:

- (1) In respect of our production facility at 1144, Lorong Perindustrian Bukit Minyak 22 Taman Perindustrian Bukit Minyak (Penang Science Park) Simpang Ampat, 14100 Pulau Pinang, Malaysia.
- (2) In respect of our leased production facilities at HS(D) 59630, Lot No. PT 1050, Mukim 13, Seberang Perai Tengah, Pulau Pinang, Malaysia and PMT 1155, Lorong Perindustrian Bukit Minyak 20, Taman Perindustrian Bukit Minyak, Penang Science Park, 14100, Simpang Ampat, Pulau Pinang, Malaysia.
- (3) The Manufacturing Licences for our leased production facilities were obtained subsequent to the Latest Practicable Date and are interim approvals. The issuance of the final licences is subject to the fulfilment of certain conditions by 6 June 2019, which we intend to meet. Upon the fulfilment thereof, final licences will be issued.

In addition to the foregoing, it should be noted that we order CNC machines from Japan. Prior to delivery thereof, approvals from Japan's Ministry of Economy, Trade and Industry are required for the export of certain types of CNC machines. We have not encountered any material issues arising in respect of the foregoing.

Save as disclosed above, the relevant material business licences, certificates and approvals necessary for our business operations generally do not need to be renewed. Please refer to the section entitled "Risk Factors – Risks Relating to our Business and Operations – We require various licences and permits to operate our business" of this Offer Document for further details.

Our Directors confirm after having made all reasonable enquiries, that as at the Latest Practicable Date, our Group has obtained all relevant business licences, certificates and approvals necessary for our business operations and we have complied with all relevant laws and regulations that would materially affect our business operations. Save as disclosed herein and in the section entitled "Risk Factors" of this Offer Document, we do not require any other material licences, registrations, permits or

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approvals in respect of our operations apart from those pertaining to general business registration requirements. As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals have been suspended, revoked or cancelled and to the best of our knowledge and belief, we are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked or cancelled as the case may be, or for any applications for, or renewal of any of these licences, permits and approvals to be rejected by the relevant authorities.

INSURANCE

As at the Latest Practicable Date, we maintain the following insurance policies to cover our operational, human resource, fixed asset risks, including risks such as the following:

- (a) loss or damage to our properties by fire and/or extra perils;
- (b) machinery all risks;
- (c) public liability;
- (d) work injury compensation for employees; and
- (e) industrial all risks.

As at the Latest Practicable Date, having considered the risk levels and the cost of procuring insurance for certain risks associated with our business, our Directors believe that we have taken up sufficient insurance coverage in line with industry practice and we will conduct annual reviews of such coverage of our Group and will consider taking up additional insurance if necessary. Please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We may not have sufficient insurance coverage” of this Offer Document for further details.

SEASONALITY

Demand for our services and products from customers in the semiconductor industry generally tends to be higher in the first half of a year as the procurement cycle for most of our customers start in the last quarter of the preceding year (when the design of new products is typically finished). Demand generally tends to be lower in the second half, especially the fourth quarter.

We do not experience any material seasonality in respect of our customers from the other industries.

INVENTORY MANAGEMENT

Our inventory mainly comprises finished goods that we manufacture and standard components that we purchase pursuant to our ongoing projects.

We adopt the first-in first-out method of inventory management and costing, and maintain our inventory based on our ongoing projects.

With respect to GVT Singapore’s operations, we have put in place a computerised inventory management system, which tracks the movement of inventory items, and is linked to our financial, sales, procurement and customer service functions. We intend to roll out similar systems for GVT Malaysia and GVT Suzhou.

We continually assess the value and usefulness of inventory. Where necessary, allowance is provided for damaged, obsolete and slow-moving items, to adjust the carrying value of inventory to lower the costs and net realisable value.

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Our inventory turnover during the Period Under Review is as follows:

	FY2015	FY2016	FY2017	HY2018
Inventory turnover days	150	185	103	100

Note:

- (1) Inventory turnover days is computed as follows: $(\text{Closing Inventories} / \text{Costs of Sales}) \times \text{Number of Days}$

Where:

“**Closing Inventories**” is defined as the closing amount of the relevant financial year / period.

“**Number of Days**” is defined as the number of calendar days in the relevant financial year / period.

The increase in the inventory turnover days in FY2016 was mainly due to the build-up of inventory to meet the increased orders from our semiconductor customers, in anticipation of the industry wide ramp up in production of semiconductors in FY2017, and to meet the orders from our analytical life sciences customers as new products started to shift to mass production.

OUR ORDER BOOK

As at 30 June 2018, our Group had an outstanding order book amounting to approximately S\$15.5 million, all of which is expected to be delivered or completed within twelve (12) months of 30 June 2018.

As at the Latest Practicable Date, our Group had an outstanding order book amounting to approximately S\$20.5 million, all of which is expected to be delivered or completed within twelve (12) months of the Latest Practicable Date.

As our order book may be subject to cancellation and deferral, our order books as at any particular date may not be indicative of our revenue for the succeeding period.

CORPORATE SOCIAL RESPONSIBILITY

We recognise that we have an obligation towards our employees, shareholders, suppliers, customers, competitors and the community as a whole. We believe our reputation, together with the trust and confidence of those with whom we deal, to be one of our most valuable assets. In order to keep this reputation and trust, we demand and seek to raise standards. We have implemented multiple policies including a quality policy which outlines our objectives and approach to doing business. These policies help to uphold the reputation of our Company and staff, and maintain the confidence of all our stakeholders. Please refer to the section entitled “Corporate Governance – Policies” of this Offer Document for further details.

We have a whistleblowing policy pursuant to which our employees are encouraged to promptly report any potentially illegal, improper and/or unethical conduct that they become aware of at their workplace or in connection with their work. We believe we have an environment that enables our people to raise genuine and legitimate concerns. In the event that our people believe their reporting to line management may result in harassment, victimisation or undue distress, they may contact our Lead Independent Director, Mr. Joseph Liew, directly. Please refer to the section entitled “Corporate Governance – Policies” of this Offer Document for further details.

We also make regular donations to registered charitable organisations. Most recently, we received a token of appreciation from Sian Chay Medical Institution for our support and contribution to their charity gala, “Love from Sian Chay 2017”.

COMPETITION

We operate in a competitive environment and we expect to face more intense competition from our existing competitors and new market entrants in the future. We believe that the principal competitive factors in our industry include production technology, customer service, range and quality of products, pricing, and track record.

Our Directors believe that the barriers to entry for our industry are relatively high, due mainly to the capital and highly technical nature of our business and the stringent pre-qualification criteria of customers. For new entrants to compete effectively, they require, amongst others, the necessary production technology, ability to produce products of acceptable quality, track record and established relationship with customers.

We have undergone various vetting and validation processes to be appointed as an approved vendor by our major customers. The expertise and ability to meet and manage these requirements can only be built through years of experience in providing precision manufacturing services, and this is not easily replicated by new entrants. Furthermore, we are able to provide a wider range of products and services to our customers as compared to the smaller competitors. As such, our Directors believe that new entrants will, in the short term, have significant difficulties in providing the same level and scope of services which we provide.

We consider as our main competitors to be medium to large-sized companies that are engaged in similar business activities and who compete with us in different aspects of our business. We believe our main competitors are as follows:

- (a) AllianceCorp Manufacturing Sdn. Bhd.
- (b) JEP Holdings Ltd
- (c) Frencken Group Limited
- (d) UMS Holdings Limited
- (e) UWC Sdn. Bhd.

To the best of our Directors' knowledge, there are no published statistics that may be used to accurately measure the market share of our business within the markets that we operate.

COMPETITIVE STRENGTHS

We believe that our position as one of the industry leaders is based on the following competitive strengths.

We offer a broad range of engineering and assembly services as well as products across the semiconductor, analytical life sciences and electronics industries

We provide our customers with a broad range of engineering services which includes precision machining that involves vertical and horizontal milling, large format milling, grinding, turning and surface finishing. We also provide sheet metal fabrication which involves laser cutting, bending, turret punching, pre-treatment, welding, robotic welding, powder coating and spray painting. For value added services, we also engage in the assembly of complex modules along with the necessary testing. Leveraging on these capabilities, we have been able to secure numerous orders from customers where we manufacture a broad range of products ranging from large structural components to small high-precision components that require engineering precision down to sub-micron levels.

Furthermore, we have expanded our capabilities and diversified our customer base and we now serve customers across the semiconductor, analytical life sciences and electronics and other industries. We believe that this makes us less susceptible to the cyclical nature of any one industry.

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We have also strategically located our manufacturing facilities in Singapore, Malaysia and the PRC to better serve our customers in their respective domains with a shorter response time. We believe that our range of capabilities and close proximity to our customers help differentiate us from our competitors.

Please refer to the section entitled “General Information on our Group – Our Business” of this Offer Document for further details.

We have established strong relationships with customers who are leading players in their respective industries

Since our establishment, we have invested in our capabilities to successfully pass first article inspection and we are now pre-qualified as a vendor to customers who are leading players in their respective industries. Over the years, we continue to develop strong relationships with these customers by offering cost effective solutions to their product requirements. Our existing customers in the semiconductor industry include leading companies such as Teradyne Inc., BE Semiconductor Industries N.V., and Kulicke & Soffa Industries, Inc.. We also serve Thermo Fisher Scientific Inc. and AB Sciex Pte. Ltd. which are leading companies in the analytical life sciences equipment industry. We believe that our reputable customer base is a testament of our ability to consistently deliver quality products and services which meets our customers’ stringent requirements. This has been evident in our years of operation where our customers regularly reach out to us to expand their orders for the manufacturing of new components as well as value added services such as assembly and testing. Going forward, we are confident that our strong standing with customers will enable us to continue securing new and more rewarding projects from new and existing customers.

We are committed to investing and expanding our manufacturing capabilities

We recognise that it is important to invest and expand on our manufacturing capabilities so as to improve our productivity and increase our range of solutions, thereby remaining competitive in our industry. We believe this commitment of ours has guided us to constantly refine, improve and expand our technological know-how to deliver higher value-added and more complex solutions to our customers. This has led us to secure numerous rewarding projects involving the manufacturing of high-precision components that would have traditionally been manufactured elsewhere, particularly in more technologically advanced countries in Europe, and in Japan.

In 2018, we entered into a ten (10) year Cooperation Agreement with an Austrian company, SICO Technology GmbH, and its Singapore outfit, Sico Asia Quartz Pte. Ltd., to build up our quartz and ceramic machining capabilities. With the introduction of precision ceramic and quartz machining capabilities, we have been able to expand beyond the use of conventional metal and apply such materials in our manufacturing process which are known for their thermal and electrical insulation properties. We believe we are one of the few businesses in Southeast Asia that is able undertake precision ceramic and quartz machining which requires a much higher level of technical know-how and skill.

We are in the midst of successfully developing our sub-micron machining capabilities. This will enable us to manufacture more high-precision components which are typically used in analytical life sciences equipment. We believe the build-up of this capability will enable us to further grow our business with customers in the analytical life sciences industry.

As part of our future plans, we intend to invest in robotics and software as we aim to transform our operations to being a “Smart Factory” on the back of the fourth industrial revolution where manufacturing processes are largely automated. We expect this investment to improve our efficiency in order to stay ahead of our competitors. For further details, please refer to the section entitled “Prospects, Business Strategies and Future Plans” of this Offer Document.

We believe there are high barriers to entry for our businesses

We believe that there are high entry barriers to our businesses as the technical know-how involved in complex precision machining, sheet metal fabrication as well as assembly and testing cannot be

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replicated easily. In addition, building up production lines necessitates heavy capital investments. We also note that new entrants typically need to demonstrate their engineering capabilities which results in long lead time to pass first article inspection before they are accepted into the customers' list of approved vendors. We have already secured approved vendor status with our major customers and built up substantial production capacity to serve our customers. With our know-how and expertise, we have been able to improve existing processing steps and operating parameters as well as develop new or alternative solutions which help some of our customers to improve the quality and cost effectiveness of their products and the manufacturing process. As such, we believe this helps create customer stickiness for our existing products and services as customers are less inclined to substitute them with another competitor.

We have a strong and experienced management team

We are led by a strong management team that has extensive experience in the precision engineering industry. Several members of our senior management have demonstrated track records in optimising operations, implementing strategic plans and creating shareholder value; in particular, our Executive Chairman, Mr. Ricky Lee, our CEO and Executive Director, Mr. Julian Ng, our COO, Mr. Tan Chun Siong and our Managing Director (Malaysia), Mr. Kong Sang Wah. It should be noted that between Mr. Ricky Lee, Mr. Julian Ng, Mr. Tan Chun Siong and Mr. Kong Sang Wah, they have on average more than twenty-five years of experience in the manufacturing and precision engineering industries. Since establishing the business in 2012, our Executive Directors and Executive Officers have worked closely with our customers to better understand their requirements and offer cost-effective products and solutions to meet their expectations.

Please refer to the section entitled "Directors, Executive Officers and Employees" of this Offer Document for further details.

PROSPECTS

Our Group focuses on the manufacturing of highly complex precision machining components, sheet metal fabrication and complex modular assembly and testing for the OEM market mainly for the capital equipment manufacturers serving the semiconductor, analytical life sciences and electronics industries.

Barring any unforeseen circumstances, our Directors are confident of the prospects and outlook of our business due to the following factors.

Sustained demand for semiconductor capital equipment

According to SEMI, the global industry association representing the electronics manufacturing supply chain, sales of new semiconductor manufacturing equipment is projected to increase by 10.8% to US\$62.7 billion in 2018, exceeding sales of US\$56.6 billion in 2017. SEMI also expects sales to increase by 7.7% to US\$67.6 billion in 2019. Rising demand for tablets, smartphones, wireless communication, infrastructure, network hardware, digital television, computers and medical devices is supporting global demand for semiconductors which in turn drives the demand for semiconductor capital equipment. Other factors such as the adoption of Internet of Things (“**IOT**”) as well as the growth of smart cities and automated manufacturing are expected to sustain the use of semiconductors and consequently the growth of the semiconductor capital equipment market in the near future. Some of the key players in the global semiconductor equipment market include Teradyne Inc., BE Semiconductor Industries N.V., and Kulicke & Soffa Industries, Inc. which are customers of our Group under the semiconductor segment⁽⁴⁾.

Growth in the analytical equipment market for the analytical life sciences industry

Based on a report by Frost & Sullivan, the mass spectrometry market generated revenues of US\$3.0 billion in 2015 which is estimated to reach US\$5.0 billion by 2022, representing a CAGR of 7.6% over the forecasted period.

On the basis of technology, the mass spectrometry market can be broadly segmented into single mass spectrometry, hybrid mass spectrometry and other mass spectrometry technologies. In 2017, the hybrid mass spectrometry accounted for the largest share in the market. The popular use of hybrid mass spectrometer stems from the higher performance driven by the combination of several mass-analyser components in a single spectrometer. The wide-spread use of hybrid mass spectrometers along with the technological advancements is driving the growth of the mass spectrometry market.

On the basis of application, the mass spectrometry market can be further segmented into pharmaceutical application, biotech application, environmental testing, food and beverage testing, petrochemical applications, and other applications. In 2017, the pharmaceutical sector accounted for the largest share in the market. Prevalent use of mass spectrometry technologies in drug development processes and increase research & development spending by pharmaceutical industries are driving the growth of the mass spectrometry market.

⁴ Source: “\$62.7 Billion Semiconductor Equipment Forecast – Tops Previous Record, Korea at Top but China closes the Gap” provided by SEMI and available on its website: www.semi.org. SEMI has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and Issue Manager and the Underwriter and Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and Issue Manager the Underwriter and Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Geographically, North America commands the largest share of the mass spectrometry market in 2017, followed by Europe. Some of the key players in the mass spectrometry market include Thermo Fisher Scientific Inc. and AB Sciex Pte. Ltd. which are customers of our Group under the analytical life sciences equipment segment.

Continued outsourcing demand by OEMs

We have observed continued outsourcing demand of certain high-precision component manufacturing and modular assembly activities by OEMs to companies which specialise in such manufacturing activities and which offer competitive pricing. This outsourcing allows the OEMs to better focus their management efforts and channel more resources to their core activities which include product design and development, marketing and distribution and critical manufacturing processes. With many of these outsourcing activities taking pace in Asia, our Directors believe that our operating presence in Singapore, Malaysia and the PRC is well positioned to capture the continued outsourcing demand for such services.

TREND INFORMATION

The following discussions about our trends include forward-looking statements that involve risk and uncertainty. Please refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

Barring unforeseen circumstances, our Directors have observed the following trends for FY2018 and for the twelve (12) months from the Latest Practicable Date, based on our revenue and operations as at the Latest Practicable Date:

- (a) We expect our revenue to increase in line with our order book. However, we expect demand for our services and products from customers in the semiconductor industry to be lower in the second half of FY2018 as the procurement cycle for most of our customers start in the last quarter of the preceding year when the design of new products is typically finished. Demand generally tends to be higher in the first half of the year from customers in the semiconductor industry and we expect the same for FY2019;
- (b) We expect our operating expenses to move in tandem with our level of business activities and to cater for any changes in scale of our business operations;
- (c) We expect our general and administrative expenses to increase as a result of an upward revision in the basic salaries of our Executive Directors and Executive Officers in July 2018, to levels similar to that set out in their service agreements. We also expect our general and administrative expenses to increase in FY2019 as a result of entering into service agreements with our Executive Directors and Executive Officers in connection with our listing exercise. Please refer to the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document for further details;
- (d) We expect to incur higher expenses mainly due to non-tax deductible expenses incurred in connection with the Invitation;
- (e) We expect to incur higher Directors’ fees due to the appointment of our Independent Directors along with higher compliance costs associated with our listing status in FY2019; and
- (f) In contrast to FY2017 where we recorded a tax credit, we may incur income tax expense in FY2018 and FY2019 due to the full utilisation of the unused capitalised allowance in FY2017 and HY2018.

For FY2019, the Group plans to adopt FRS 116 which will replace FRS 17 effective for annual periods beginning on or after 1 January 2019. FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charge. The Group is currently assessing the impact of the new standard and expects that the adoption of the new standard will result in the increase in total assets, total liabilities and EBITDA. There is no

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assurance that the adoption of the new standard will not negatively impact the Group's profitability. Please refer to the section entitled "Risk Factors – Risks Relating to our Business and Operations – We may be affected by changes to accounting standards and policies, particularly Financial Reporting Standard 116 issued by the Accounting Standards Council Singapore" of this Offer Document for further details.

Save as disclosed above and in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position" and "Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Offer Document and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends in sales and in the costs and selling prices of our services, or other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document not to be necessarily indicative of our future operating results or financial position.

BUSINESS STRATEGIES AND FUTURE PLANS

Enlarge our customer base in both existing and new market segments, by leveraging on our capabilities and technological know-how

Since our establishment, our Group has cultivated much goodwill and progressed steadily to become a trusted manufacturing solutions and service provider for the semiconductor, analytical life sciences, electronics and other industries.

We intend to leverage on our capabilities, technological know-how and proven track record to further expand our range of offerings to our existing customers, and to acquire new customers across our existing market segments (i.e. the semiconductor, analytical life sciences and electronics industries) via targeted sales and marketing activities. Additionally, we intend to explore new market segments that we believe we are well-poised to service, such as medical imaging, medical diagnostics and medical surgical robots. As part of this initiative, we intend to obtain further certifications from the International Organisation for Standardisation (ISO) such as ISO 13485:2016 certification, which recognises an organisation's ability to provide medical devices and related services that consistently meet customer and applicable regulatory requirements.

As at the Latest Practicable Date, the Group is currently working on 2,128 cases of first articles relating to new projects from existing and new customers as compared to 1,050, 1,543 and 1,815 cases of first articles for FY2015, FY2016 and FY2017, respectively.

Invest in and enhance our operational and engineering capabilities

To drive our business expansion as described above:

- (a) with respect to Singapore, we intend to:
 - (i) invest in further enhancing our capabilities in respect of the machining of advance materials (i.e. non-conventional materials such as engineering plastics, ceramic and quartz), as well as our sub-micron machining capabilities. Please refer to the section entitled "General Information on our Group – Research and Development" of this Offer Document for further details;
 - (ii) to build additional Class 10,000 cleanrooms;
 - (iii) to explore alternative manufacturing methods including but not limited to additive manufacturing such as "3D printing" and laser sintering (using a laser to sinter powdered material to create a solid structure);
- (b) with respect to Malaysia, we intend to scale up our operations by acquiring more equipment and hiring more workers to allow us to take on high volume orders, and to enjoy greater cost savings to maintain our competitiveness;

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- (c) with respect to the PRC, we intend to expand our factory (and its equipment), as well as our capabilities such as sheet manufacturing and assembly capabilities to target both existing and new market segments such as the medical imaging and diagnostics market.

Simultaneous with the above, we intend to further streamline the processes in our production facilities to allow us to increase our responsiveness and efficiency. We intend to do this by transforming our Group into a “smart organisation” and to this end, we intend to implement the following in phases over the next few years:

- (1) the deployment of enterprise resource planning (ERP) systems, manufacturing execution systems (MES) and warehouse management systems (WMS), which will integrate different functionalities, enabling our Group to better monitor business processes, achieve tighter operational synergy and better information flow. This will in turn allow us to better manage work progress in our production facilities, control our inventories and streamline our warehouse operations. This is currently under implementation in Singapore and we intend to roll this out to Malaysia and PRC in phases; and
- (2) the introduction of CNC machine tending robots which will allow our Group to automate certain processes in the loading of raw materials into and the removal of finished parts from our CNC machines. This is currently under implementation in Singapore.

We intend to set aside S\$7.5 million from the net proceeds of the issuance of the Invitation Shares and the Cornerstone Shares for the above.

Expand our market reach, technological know-how and operational capabilities via mergers and acquisitions, joint ventures and partnerships

We intend to expand our footprint through mergers and acquisitions, joint ventures and partnerships, and we will seize opportunities as and when they arise – in particular, we seek new synergies that will allow us to expand our technological know-how and operational capabilities, as well as acquire new customers. An example of this is our recent entry into a ten (10) year Cooperation Agreement with Austrian company, SICO Technology GmbH, and its Singapore outfit, Sico Asia Quartz Pte. Ltd., to build up our quartz and ceramic machining capabilities. Pursuant thereto, we have commenced quartz machining services. Looking towards 2019, we intend to roll out ceramic machining services with SICO's know-how.

We intend to set aside S\$1.5 million from the net proceeds of the issuance of the Invitation Shares and the Cornerstone Shares for the above.

INTERESTED PERSON TRANSACTIONS

OVERVIEW

In general, transactions between our Group and any of its Interested Persons (namely, our Directors, CEO, Controlling Shareholders and their respective associates) are known as Interested Person Transactions for the purposes of Chapter 9 of the Catalist Rules.

Save as disclosed below, no Director, CEO, Controlling Shareholder or their respective associates was or is interested in any material transaction undertaken by our Group during the Relevant Period. Investors, upon subscription of the Invitation Shares, are deemed to have specifically approved these transactions with our Interested Persons, and as such, these transactions are not subject to Rules 905 and 906 of the Catalist Rules to the extent that there are no subsequent changes to the terms of the agreements in relation to each of these transactions.

In line with the rules set out in Chapter 9 of the Catalist Rules, a transaction which value is less than S\$100,000 is not considered material in the context of the Invitation and is not taken into account for the purposes of aggregation in this section.

INTERESTED PERSONS

The following persons or companies are considered “Interested Persons” for the purpose of this section and the section entitled “Potential Conflicts of Interest” of this Offer Document.

Interested Person	Nature of Relationship with our Group
Ricky Lee	Executive Chairman
Metalbank	Controlling Shareholder and associate of Ricky Lee

PAST INTERESTED PERSON TRANSACTIONS

Personal Guarantees Provided by our Executive Chairman, Mr. Ricky Lee Pursuant to Convertible Loans

Between 2015 and 2016, we had, in order to drive our expansion, entered into various convertible loan agreements. Pursuant thereto, our Executive Chairman, Mr. Ricky Lee, had provided personal guarantees to certain lenders thereunder.

Pursuant to the personal guarantees, Mr. Ricky Lee guaranteed, amongst others, full and prompt payment by us and the performance by us of all our obligations under the convertible loan agreements.

Details of the personal guarantees by Mr. Ricky Lee and the amounts owing as at the end of each applicable financial period and the largest amount owing by our Group under the convertible loans are set out below.

(S\$'000)	FY2015	FY2016	FY2017	HY2018	As at Latest Practicable Date	Largest amount guaranteed for the Relevant Period
Personal guarantees pursuant to convertible loans	400	2,000	2,000	-	-	2,000

The largest outstanding amount secured under the above personal guarantees during the Relevant Period was approximately S\$2,000,000 and there is no outstanding amount secured as at the Latest Practicable Date.

As no consideration was paid by our Group to Mr. Ricky Lee for providing these personal guarantees, the personal guarantees were not given on an arm's length basis or on normal commercial terms. Our Directors are however of the view that the loans were not prejudicial to the interests of our Group.

INTERESTED PERSON TRANSACTIONS

The convertible loans have since, on 1 February 2018, been converted into new Shares of our Company, and accordingly, the personal guarantees by Mr. Ricky Lee have been discharged. We do not intend to enter into similar transactions with Mr. Ricky Lee in the future. Please refer to the section entitled “General Information on our Group – Our History” of this Offer Document for further details.

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

Deeds of Indemnity Provided by our Controlling Shareholder, Metalbank

Our Controlling Shareholder, Metalbank, has executed a Deed of Indemnity dated 14 December 2018 pursuant to which it shall, amongst others, indemnify and hold harmless each of our Company and/or our subsidiaries from and against all actions, proceedings, fines, liabilities, claims, demands, losses, damages, charges, costs and expenses of whatever nature (whether direct, indirect or consequential), arising from certain historical non-compliance by GVT Singapore and GVT Malaysia with applicable Singapore and Malaysia laws and regulations.

Metalbank has also, together with our General Manager (China), Mr. Alan Lu, executed a Deed of Indemnity dated 14 December 2018 pursuant to which they shall, amongst others, jointly and severally indemnify and hold harmless each of our Company and/or our subsidiaries from and against all actions, proceedings, fines, liabilities, claims, demands, losses, damages, charges, costs and expenses of whatever nature (whether direct, indirect or consequential), arising from certain historical non-compliance by GVT Suzhou with applicable PRC laws and regulations.

The Deeds of Indemnity do not provide for any termination events or limit on the quantum of indemnity. The Deeds of Indemnity expressly provide for no discharge. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for further details.

The provision of the foregoing Deeds of Indemnity is not made on an arm’s length basis and normal commercial terms as no payments or benefits in kind were given to Metalbank in relation to the provision thereof. However, our Directors are of the view that the indemnities are not prejudicial to the interests of our Group and our minority Shareholders. After our admission to Catalist, all such transactions and arrangements will be subject to the review procedures as set out in the section entitled “Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions” of this Offer Document, and will be subject to Chapter 9 of the Catalist Rules. Such terms will also be subject to the review and approval of our Audit Committee.

Deed of Guarantee Provided by our Executive Chairman, Mr. Ricky Lee, and our CEO and Executive Director, Mr. Julian Ng

Our Executive Chairman, Mr. Ricky Lee, and our CEO and Executive Director, Mr. Julian Ng, have (together with our Managing Director (Malaysia), Mr. Kong Sang Wah, Group Senior Director of Sales, Mr. Saw Yip Hooi and our COO, Mr. Tan Chun Siang) executed a Deed of Guarantee dated 14 December 2018 pursuant to which they jointly and severally, unconditionally and irrevocably guarantee to our Company that, if for any reason, Metalbank does not pay any sum payable by it to our Company pursuant to the abovementioned Deeds of Indemnity, they will forthwith pay that sum to the Company.

The Deed of Guarantee does not provide for any termination events or limit on the quantum of guarantee. The Deed of Guarantee expressly provides for no discharge.

The provision of the foregoing Deed of Guarantee is not made on an arm’s length basis and normal commercial terms as no payments or benefits in kind were given to Mr. Ricky Lee and/or Mr. Julian Ng in relation to the provision thereof. However, our Directors are of the view that the guarantee is not prejudicial to the interests of our Group and our minority Shareholders. After our admission to Catalist, all such transactions and arrangements will be subject to the review procedures as set out in the section entitled “Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions” of this Offer Document, and will be subject to Chapter 9 of the Catalist Rules. Such terms will also be subject to the review and approval of our Audit Committee.

INTERESTED PERSON TRANSACTIONS

Loans by our Executive Chairman, Mr. Ricky Lee, to our Group

We were established by our Executive Chairman, Mr. Ricky Lee, in 2012. In order to drive our expansion, Mr. Ricky Lee had, since our establishment and during the Relevant Period, made a number of unsecured loans (the “**RL Loans**”) to us. Mr. Ricky Lee has extended up to S\$8,000,000 of RL Loans, of which: (a) in respect of S\$7,300,000 of RL Loans, interest is chargeable one (1) year from the date of the relevant RL Loan agreement, at an interest rate of 3.00 per cent. (3%) per annum, computed on a monthly basis; and (b) in respect of S\$700,000 of RL Loans, interest is chargeable at the same rate from the date of the relevant RL Loan Agreement. Notwithstanding the foregoing, Mr. Ricky Lee had in FY2017 waived S\$138,707 in interest payable due to him arising from the RL Loans in prior years.

The RL Loans may be prepaid at our discretion and are repayable by no later than 366 days written notice by Mr. Ricky Lee. The RL Loans will be subject to at least an annual review by our Audit Committee. The repayment of the RL Loans will be subject to the approval of the Audit Committee as set out in the section entitled “Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions”.

As at the Latest Practicable Date, the amount outstanding pursuant to the RL Loans was S\$5,600,000.

Subject to the receipt of such approvals as may be required pursuant to the terms and conditions of the various facilities granted to our Group, we intend to prepay S\$600,000 of the RL Loans using our internal resources to reduce the RL Loans to approximately S\$5.0 million. Additionally, our Executive Chairman, Mr Ricky Lee, has informed us that, subject to the Group having sufficient working capital and cash flows for its operations, as determined by and agreed to by our Audit Committee, he currently intends to serve written notice to us on a date no earlier than 1 April 2019 for a repayment of the RL Loans to be effected twelve (12) months thereafter.

(S\$'000)	FY2015	FY2016	FY2017	HY2018	As at Latest Practicable Date	Largest amount outstanding during the Relevant Period
Outstanding RL Loans	5,600	6,900	6,900	7,800	5,600	7,900
Interest paid to Mr. Ricky Lee	-	-	150	-	185 ⁽¹⁾	

Note:

(1) This represents the interest paid to Mr. Ricky Lee from 1 July 2018 to the Latest Practicable Date.

As the loans were unsecured and did not have a fixed repayment date, it was not made on an arm’s length basis. While the loans were not made on normal commercial terms, our Directors are of the view that the loans were not prejudicial to the interests of our Group as the loans are unsecured and bear interest at a rate lower than that for unsecured loans from banks and financial institutions.

Personal Guarantees Provided by our Executive Chairman, Mr. Ricky Lee

Our Executive Chairman, Mr. Ricky Lee had provided personal guarantees to DBS Bank Ltd. and RHB Bank Berhad in relation to certain banking and hire purchase facilities entered into by us.

Pursuant to the personal guarantees, he guaranteed to pay and satisfy on demand all sums of money which as at the date of such demand shall be owing or remain unpaid to DBS Bank Ltd. and RHB Bank Berhad.

INTERESTED PERSON TRANSACTIONS

The details of the banking and hire purchase facilities are set out in the section entitled “Capitalisation and Indebtedness” of this Offer Document. Details of the personal guarantees and the amounts owing as at the end of each applicable financial period and the largest amount owing to our Group are set out below.

(S\$'000)	FY2015	FY2016	FY2017	HY2018	As at Latest Practicable Date	Largest amount guaranteed for the Relevant Period
DBS Bank Ltd.	8,570	8,227	8,497	10,453	12,421	12,828
RHB Bank Berhad	3,137	3,179	3,212	3,314	2,494	3,314

The largest outstanding amount secured under the above personal guarantees during the Relevant Period was approximately S\$15.6 million and the outstanding amount secured as at the Latest Practicable Date is approximately S\$14.9 million.

As no consideration was paid by our Group for the provision of these personal guarantees, the personal guarantees were not given on an arm's length basis or on normal commercial terms. Our Directors are however of the view that the loans were not prejudicial to the interests of our Group. The existing personal guarantees in place will remain until the maturity of the loans to which they relate.

Upon admission of our Company to Catalist, we intend to continue with the above present and ongoing Interested Person Transactions. This will be subject to the procedures for Interested Person Transactions as set out in the section entitled “Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions”, and the applicable listing rules in Chapter 9 of the Catalist Rules.

GUIDELINES AND REVIEW PROCEDURES FOR ONGOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review and approve all Interested Person Transactions to ensure that they are on commercial terms and on arm's length basis, that is, the transactions are transacted on terms and prices not more favourable to the Interested Persons than if they were transacted with an unrelated third party and are not prejudicial to the interests of our Company and our minority Shareholders in any way.

To ensure that future transactions with Interested Persons are undertaken on commercial terms and are consistent with our Group's usual business practices and policies, which are generally no more favourable than those extended to unrelated third parties, the following procedures will be followed.

Our Audit Committee, comprising Independent Directors only, will review and approve all Interested Person Transactions on a quarterly basis.

In relation to any purchase of products or procurement of services by us from Interested Persons, our Group will obtain or procure additional quotations from at least two (2) unrelated third parties in respect of the same or substantially the same type of product or service to be used as comparison wherever possible. Our Audit Committee will take into account the suitability, quality, timeliness in delivery and cost of the product or service, and the experience and expertise of the supplier. The purchase price or procurement price shall not be higher than the most competitive price of the two (2) comparative prices from the two (2) unrelated third parties.

In relation to any sale of products or provision of services by us to Interested Persons, our Group will obtain or procure from at least two (2) unrelated third parties the price and terms of two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third parties to be used as comparison wherever possible. The Interested Persons shall not be charged at rates lower than those charged to the unrelated third parties.

INTERESTED PERSON TRANSACTIONS

When renting properties from or to an Interested Person, our Audit Committee shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (as necessary), including independent valuation report by a property valuer, where necessary and/or appropriate. The rent payable shall be based on the most competitive market rental rate of similar properties in terms of size and location, based on the results of the relevant enquiries.

In the event that it is not possible for appropriate information (for comparative purposes) to be obtained and given that the products or services may be purchased only from an Interested Person, our Audit Committee will determine whether the price, fees and/or the other terms offered by or to the Interested Persons are fair and reasonable, and approve such Interested Person Transaction. In so determining, our Audit Committee will consider whether the price, fees and/or other terms are in accordance with usual business practices and pricing policies and consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at an arm's length basis and on commercial terms.

Any contracts to be made with an Interested Person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties, and the terms are no more favourable to the Interested Person than those extended to or received from unrelated parties.

All Interested Person Transactions equal and below S\$100,000 (either individually or as part of a series or are aggregated with other transactions involving the same Interested Person during the same financial year) are to be approved by (i) our CEO for the time being, or (ii) such other senior executive(s) of our Company designated by our Audit Committee from time to time for such purpose, who shall have no interest, directly or indirectly, in the transaction, prior to entry.

In addition, our Audit Committee shall monitor all Interested Person Transactions entered into by us categorising the transactions as follows:

- (a) a "category one" Interested Person Transaction is one where the value thereof is equal to or in excess of three per cent. (3.0%) of the NTA of our Group; and
- (b) a "category two" Interested Person Transaction is one where the value thereof is below three per cent. (3.0%) of the NTA of our Group but above S\$100,000.

"Category one" Interested Person Transactions must be approved by our Audit Committee prior to entry. "Category two" Interested Person Transactions need not be approved by our Audit Committee prior to entry but must be approved by one Audit Committee member and one director or one executive officer that is not interested in the Interested Person Transaction. Additionally, "Category two" Interested Person Transactions shall be reviewed on a quarterly basis by our Audit Committee.

In respect of all Interested Person Transactions, we shall adopt the following policies:

- (i) Our Audit Committee will review all Interested Person Transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above, taking into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any Interested Person Transaction, he will abstain from deliberating, reviewing and/or approving that particular transaction.
- (ii) We shall prepare all the relevant information to assist our Audit Committee in its review and will keep and maintain a register to record all Interested Person Transactions which are entered into by our Group. The register shall also record the basis for entry into the transactions, including any quotations obtained from unrelated parties and other evidence to support such basis for the terms of the Interested Person Transactions.
- (iii) We shall incorporate into our internal audit plan a review of all Interested Person Transactions entered into by our Group.

INTERESTED PERSON TRANSACTIONS

- (iv) Our Audit Committee shall review the internal audit reports at least yearly to ensure that all Interested Person Transactions are carried out on an arm's length basis and in accordance with the procedures outlined above. Our Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that Interested Person Transactions are conducted on commercial terms, on an arm's length basis and do not prejudice our interests and the interests of our minority Shareholders. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that Interested Person Transactions will be on commercial terms, on an arms' length basis and not prejudicial to the interests of minority Shareholders, our Audit Committee will adopt such new guidelines and review procedures for future Interested Person Transactions as may be appropriate. The Audit Committee may request for an independent financial adviser's opinion as it deems fit.

We shall ensure that all Interested Person Transactions comply with the provisions in Chapter 9 of the Catalist Rules, and if required, we will seek independent Shareholders' approval for such transactions. In accordance with Rule 919 of the Catalist Rules, Interested Persons and their associates shall abstain from voting on resolutions approving Interested Person Transactions involving themselves and our Group. In addition, such Interested Persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the Shareholder(s).

Our Audit Committee and our Board of Directors will ensure that all disclosures, approvals and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules (in particular Chapter 9) and relevant accounting standards, are complied with. We will disclose in our annual report the aggregate value of Interested Person Transactions during the financial year.

POTENTIAL CONFLICTS OF INTEREST

INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

All our Directors have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflicts of interest (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceedings of the Board and shall abstain from voting in respect of any such transaction where the conflict arises.

In general, a conflict of interest arises when any of our Directors, Controlling Shareholders or their respective associates is carrying on or has any interest in any other corporation carrying on the same business or dealing in similar products or services as our Group.

Save as disclosed in the section entitled "Interested Person Transactions" of this Offer Document, and personal investments (whether directly or through nominees) in quoted investments which may include companies listed on the SGX-ST and such investment less than 5.0% of the total amount of issued securities in that class, none of our Directors, Controlling Shareholders or any of their associates has any interest, direct or indirect, in the following:

- (a) any material transactions to which our Group was or is a party;
- (b) any entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group; and
- (c) in any enterprise or company that is our Group's customer or supplier of goods or services.

In addition, our Executive Directors and Executive Officers, have each undertaken, that they shall not during the term of their employment and within a period of one (1) year upon the termination thereof, in all territories where any Group Company operates directly or indirectly, except with the Company's prior written consent:

- (i) either on their own account or for any other person directly or indirectly solicit, interfere with or endeavour to entice away from any Group Company any person who to their knowledge is now or has been a client, customer or employee of, or in the habit of dealing with, any Group Company;
- (ii) either alone or jointly with or as a manager, agent or employee of any person, directly or indirectly carry on or be engaged or concerned or interested in any business which shall be in competition with the business carried on by any Group Company as or at the of time of termination of their employment;
- (iii) assist any person, firm or company with technical advice in relation to any business in competition (directly or indirectly) with the business of the Group; or
- (iv) cause or permit any person or entity directly or indirectly under their control or in which they have any beneficial interests to do any of the foregoing acts or things.

MITIGATION OF POTENTIAL CONFLICTS OF INTEREST

In addition to the non-compete undertakings described above, we also believe that any potential conflicts of interests, whether with our Directors, Controlling Shareholders and their respective associates or otherwise (including those mentioned above), are mitigated as follows:

- (a) our Directors have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from their directorship(s) or executive position(s) or personal investments in any other corporation(s)) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board of Directors, and shall in any event abstain from voting in

POTENTIAL CONFLICTS OF INTEREST

respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists;

- (b) our Audit Committee is required to examine the internal control procedures and review procedures put in place by our Company to determine if such procedures put in place are sufficient to ensure that Interested Person Transactions are conducted on normal commercial terms and will not be prejudicial to our Company and our minority Shareholders;
- (c) our Audit Committee will review any actual or potential conflicts of interest that may involve our Directors as disclosed by them to our Board and the exercise of Directors' fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interests by a Director, our Audit Committee will consider whether a conflict of interests does in fact exist. A Director who is a member of our Audit Committee will not participate in any proceedings of our Audit Committee in relation to the review of a conflict of interests relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as our Audit Committee may deem reasonably necessary;
- (d) upon our listing on Catalist, we will be subject to Chapter 9 of the Catalist Rules in relation to Interested Person Transactions. The objective of these rules is to ensure that our Interested Person Transactions do not prejudice the interests of our Shareholders as a whole. These rules require us to make prompt announcements, disclosures in our annual report and/or seek Shareholders' approval for certain material Interested Person Transactions. Our Audit Committee may also have to appoint independent financial advisers to review such Interested Person Transactions and opine on whether such transactions are fair and reasonable to us, not prejudicial to our interests and the interests of our minority Shareholders;
- (e) our Audit Committee will also monitor the investments in our customers, suppliers and competitors made by our Directors, Controlling Shareholders and their respective associates who are involved in the management of or have shareholding interests in similar or related business of our Company (to the extent as disclosed by them to our Audit Committee) and make assessments on whether there are any potential conflicts of interest;
- (f) our Directors owe fiduciary duties to us, including the duty to act in good faith and in our best interests. In addition, a Director may only disclose information (not otherwise available to him) which he has obtained in his capacity as a director, to the Controlling Shareholder whose interests he represents, when certain conditions stipulated in Section 158 of the Companies Act are met. These conditions are that: the relevant director declares at a meeting of the Directors the person to whom such information is to be disclosed and particulars of such information; our Board authorises him to make such disclosure; and the disclosure will not be likely to prejudice us. In addition, the relevant director shall abstain from voting in respect of any decision of our Board to authorise him to make such disclosure. Therefore, any non-public information regarding us that any of our Directors wishes to disclose to the Controlling Shareholder whose interests he represents can only be so disclosed if our Board authorises such disclosure and our Board is satisfied that such disclosure will not be likely to prejudice us. Our Directors are also subject to a duty of confidentiality that precludes a Director from disclosing to any third party (including any of our Shareholders or their associates) information that is confidential; and
- (g) our Audit Committee will, following the listing of our Company on Catalist, undertake the following additional responsibilities:
 - (i) review on a periodic basis the framework and processes established above for the mitigation of potential conflicts of interests in order to ensure that such framework and processes remain appropriate;
 - (ii) review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with our Directors, Controlling Shareholders and their respective associates and propose, where appropriate, the relevant measures for the management of such conflicts; and

POTENTIAL CONFLICTS OF INTEREST

- (iii) review and propose, where appropriate, the relevant measures for the management of all conflicts of interest matters referred to it.

INTERESTS OF EXPERTS

None of the experts named in this Offer Document:

- (a) is employed on a contingent basis by our Company or our subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

INTERESTS OF THE SPONSOR AND ISSUE MANAGER, AND THE UNDERWRITER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, the Sponsor and Issue Manager, CIMB, and the Underwriter and Placement Agent, CGS-CIMB, do not have any material relationships with our Company save as disclosed below and in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements”:

- (a) CIMB is the Sponsor and Issue Manager and will be the continuing sponsor of our Company for an initial period of three (3) years from the date our Company is admitted and listed on Catalyst;
- (b) CGS-CIMB is the Underwriter and Placement Agent; and
- (c) CIMB is the Receiving Bank for the Invitation.

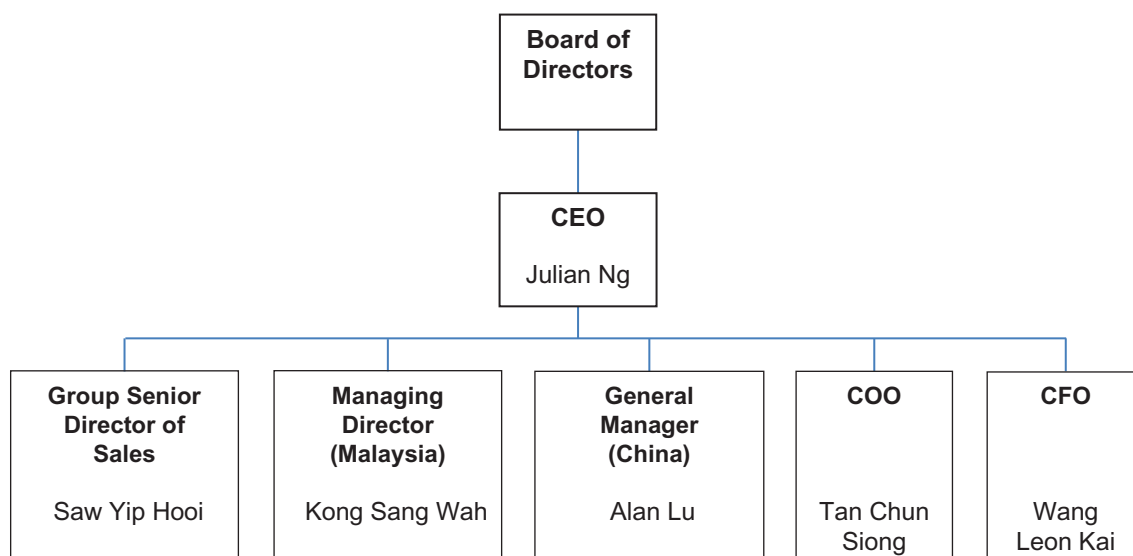
INTERESTS OF THE INTRODUCER

The Introducer, Mr. Tay Woon Teck, is a partner in CLSF LLP, a limited liability partnership comprising, as at the Latest Practicable Date, 17 partners, including Mr. Chio Kian Huat and Mr. Teo Cheow Tong, who are each holding their shares in Sunshine Power in trust for CLSF LLP. Sunshine Power is one of our Substantial Shareholders (please refer to the section entitled “Shareholders – Shareholding and Ownership Structure” of this Offer Document for further details). Mr. Tay Woon Teck is also a director of RSM Corporate Advisory Pte. Ltd., a subsidiary of Stone Forest Pte. Ltd. which in turn is beneficially owned and controlled by CLSF LLP, and had been engaged, as part of the Invitation preparatory process, to provide corporate advisory services to our Group. Save as aforementioned, in the reasonable opinion of our Directors, the Introducer does not have any material relationships with our Company.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out as follows:



DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Company. Our Directors' particulars are as follows:

Name	Age	Address	Position
Ricky Lee	57	c/o 2 Changi North Street 1 GVT Building Singapore 498828	Executive Chairman
Julian Ng	46	c/o 2 Changi North Street 1 GVT Building Singapore 498828	CEO and Executive Director
Joseph Liew	62	c/o 2 Changi North Street 1 GVT Building Singapore 498828	Lead Independent Director
Pong Chen Yih	43	c/o 2 Changi North Street 1 GVT Building Singapore 498828	Independent Director
Mae Heng	48	c/o 2 Changi North Street 1 GVT Building Singapore 498828	Independent Director

The business and working experience and areas of responsibility of our Directors are set out below:

Mr. Ricky Lee is our Executive 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. Mr. Lee has over thirty-six (36) years of experience in the manufacturing, assembly/servicing and precision engineering industries.

Mr. Ricky Lee 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

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

vending machines. While at Square Contractor, Mr. Lee 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. Mr. Lee was a managing director of Norelco Centreline Holdings Limited until its subsequent merger with UMS Holdings Limited in 2004 (and which is listed on the Main Board of the SGX-ST). Subsequently, in 2006, Mr. Lee 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 Mr. Lee remained a director thereof until the start of 2011.

Mr. Lee is a member of the school management committee of his alma mater, Chung Cheng High School, and was the president of the Society of Modern Management Singapore (新加坡现代企业管理协会) from 2013 to 2017 (第十五和第十六届).

Mr. Julian Ng is our 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. Mr. Ng has almost twenty (20) years of experience in the manufacturing and precision engineering industries.

Mr. Ng 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, Mr. Ng 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 Mr. Ng 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 Mr. Ng remained its sales and marketing director until 2014 when he left to join our Company as our sales and marketing director. Mr. Ng was appointed to our Board on 22 September 2015, and he became our CEO in 2018.

Mr. Ng graduated with a Diploma in Shipbuilding & Offshore Engineering from Ngee Ann Polytechnic, Singapore, in 1993.

Mr. Joseph Liew is our Lead Independent Director and was appointed to our Board on 11 January 2019. Mr. Liew has over thirty (30) years of experience in information technology, finance and accounting.

Mr. Liew 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, Mr. Liew was head of operations and information technology audit with Great Eastern Life Assurance Company Limited. Mr. Liew 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, Mr. Liew was a director of Stone Forest Consulting Pte. Ltd., Stone Forest IT Pte. Ltd., Stone Forest M&A Pte. Ltd. and Infosecurity Consultants Pte. Ltd. providing business management, information technology and system consultancy services. Mr. Liew joined Sunlife Everbright Life Insurance Company Limited in 2003 as its chief financial officer, followed by Sage Software Asia Pte. Ltd. in 2006, as its director and Asia regional chief financial officer. Subsequently, from 2014 to 2018, Mr. Liew was general manager of business compliance and senior adviser on internal audit at Giti Tire (China) Investment Company Ltd. Mr. Liew was also an independent director of Innovalues Holdings Limited from 2013 to 2017 (which has since been delisted). Mr. Liew is currently a consultant with GT Asia Pacific Holdings Pte. Ltd. ("GT") and he provides consulting services and financial expertise for projects undertaken by GT's group companies.

Mr. Liew graduated with a Bachelor of Commerce from Nanyang University, Singapore, in 1980. 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. Mr. Liew was also the President of the Singapore Chapter of ISACA (Information Systems Audit and Control Association)

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

from 1995 to 1997, and was previously a director of Char Yong (Dabu) Foundation Limited from 2000 to 2003, and again from 2011 to 2016. Mr. Liew is currently a director of the Lew Foundation.

Mr. Pong Chen Yih is our Independent Director and was appointed to our Board on 11 January 2019. Mr. Pong is currently 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., Mr Pong 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. Mr Pong 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. Mr Pong subsequently joined Baker Mckenzie.Wong & Leow in 2014 prior to taking up his current position in Novus Corporate Finance Pte. Ltd. Mr. Pong is also an independent non-executive director of Singapore-listed Figtree Holdings Limited and holds a Bachelor of Laws from the National University of Singapore.

Ms. Mae Heng is our Independent Director and was appointed to our Board on 11 January 2019. Ms. Heng has over seventeen (17) years of experience in finance and accounting.

Ms. Heng began her career in 1992 with Ernst & Young (now known as Ernst & Young LLP) where she eventually rose to become Audit Senior Manager. She left in 2008 and thereafter, in 2010, joined Stamford Law Corporation (now known as Morgan Lewis Stamford LLC) as a Finance Executive before leaving in 2011. Ms. Heng holds directorships in her family-owned investment holding companies and is also an independent non-executive director of Singapore-listed Ossia International Limited, HRnet Group Limited, Pacific Star Development Limited and Chuan Hup Holdings Limited, and a director of Malaysia-listed Apex Healthcare Berhad. Ms. Heng was also an independent director of Singapore-listed Asiatravel.com Holdings Ltd from 2012 to February 2018.

Ms. Heng graduated with a Bachelor of Accountancy from the Nanyang Technological University, Singapore, in 1992. She is a Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants.

Save as disclosed in this section and in the section entitled “Shareholders – Shareholding and Ownership Structure” of this Offer Document, none of our Directors are related to each other, our Executive Officers or our Substantial Shareholders.

Save as disclosed above, our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

Present and Past Directorships of our Directors

Save as disclosed below and excluding the directorship held in our Company, none of our Directors currently holds or has held any directorships in the past five (5) years preceding the date of this Offer Document.

Name	Present Directorships	Past Directorships
Ricky Lee	<u>Group Companies</u> <ul style="list-style-type: none"> • Grand Venture Technology (Suzhou) Co., Ltd. <u>Other Companies</u> <ul style="list-style-type: none"> • Chung Cheng High School Ltd. • Metalbank Singapore Pte. Ltd. • Proinvest Capital Pte. Ltd. • Punggol 33 Pte. Ltd. • UBI2 Pte. Ltd. 	<u>Group Companies</u> <p>Nil</p> <u>Other Companies</u> <ul style="list-style-type: none"> • Golden Hunt Consultancy Services Pte Ltd • YGL Convergence Berhad

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name	Present Directorships	Past Directorships
Julian Ng ⁽¹⁾	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Nil	<u>Other Companies</u> Nil
Joseph Liew	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> <ul style="list-style-type: none"> • Lew Foundation Limited 	<u>Other Companies</u> <ul style="list-style-type: none"> • Char Yong (Dabu) Foundation Limited • Innovalues Limited (now known as Innovalues Holdings Pte. Ltd.) • Sage Singapore Holdings Pte. Ltd. • Sage Software Asia Pte. Ltd. • Sage Software Solutions Pte Ltd
Pong Chen Yih	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> <ul style="list-style-type: none"> • Acumen Holdings Pte. Ltd. • Novus Corporate Finance Pte. Ltd. • Novus Investment Holdings Pte. Ltd. • Figtree Holdings Limited 	<u>Other Companies</u> Nil
Mae Heng	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> <ul style="list-style-type: none"> • Chuan Hup Holdings Limited • Drew & Lee Holdings (Private) Limited • Drew & Lee Investment (Private) Limited • Drew & Lee Land Pte Ltd • HRnet Group Limited • Ossia International Limited • Pacific Star Development Limited • Apex Healthcare Berhad 	<u>Other Companies</u> <ul style="list-style-type: none"> • Asiatravel.com Holdings Ltd

Note:

- (1) While our CEO and Executive Director, Mr. Julian Ng, does not have prior experience as a director of public listed companies, he has attended the prescribed mandatory training specified under Schedule 1 of Practice Note 4D of the Catalist Rules.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Executive Directors who are assisted by a management team of experienced Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Position
Tan Chun Siong	42	c/o 2 Changi North Street 1 GVT Building Singapore 498828	COO
Wang Leon Kai	48	c/o 2 Changi North Street 1 GVT Building Singapore 498828	CFO
Alan Lu	40	c/o 2 Changi North Street 1 GVT Building Singapore 498828	General Manager (China)
Kong Sang Wah	52	c/o 2 Changi North Street 1 GVT Building Singapore 498828	Managing Director (Malaysia)
Saw Yip Hooi	48	c/o 2 Changi North Street 1 GVT Building Singapore 498828	Group Senior Director of Sales

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Mr. Tan Chun Siong is our COO and he assists our CEO and Executive Director, Mr. Julian Ng, in overseeing our Group's operations. He joined our Group in February 2014. Mr. Tan has over eighteen (18) years of experience in the manufacturing and precision engineering industries.

Mr. Tan 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, Mr. Tan 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 Mr. Tan advanced and remained its general manager until 2014 when he left to join our Company as our operation director. Mr. Tan was appointed as our COO in 2018.

Mr. Tan graduated with a Diploma in Mechanical Engineering from Singapore Polytechnic, Singapore, in 1997.

Mr. Wang Leon Kai is our CFO and he is responsible for our accounting, financial administration, analysis and planning, and the compliance and reporting obligations of our Group. He joined our Group in March 2018. Mr. Wang Leon Kai has over twenty-five (25) years of experience in finance and accounting.

Mr. Wang began his career in 1992 as a junior auditor with Heng Lee Seng & Co. In 1993, he joined MK Electric (Singapore) Pte. Limited as an assistant accountant before assuming the role of financial accountant with Baxter Healthcare Pte. Ltd. in 1994. He then became the finance manager of Temasek Life Sciences Laboratory Limited (1997 to 2005), Lynk Biotechnologies Pte. Ltd. (2005 to 2006) and Avery Dennison Singapore (Pte) Ltd. (2006 to 2011). Mr. Wang subsequently joined Sutttons International Singapore Pte. Ltd. in 2011 as its regional finance director (Asia), and was a director of I-Solution Logistics Pte. Ltd. and IS Logistics Pte. Ltd. from 2014 to 2018. Mr. Wang then joined us as our group financial controller in 2018. He was subsequently appointed as our CFO.

Mr. Wang graduated with a Bachelor of Accountancy from the Nanyang Technological University, Singapore, in 1992, and a Master of Technology Management from the University of Queensland,

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Australia, in 2003. Mr. Wang is a Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants.

Mr. Alan Lu is our General Manager (China) and he assists our CEO and Executive Director, Mr. Julian Ng, with the overall management and growth of GVT Suzhou. He joined our Group in January 2018. Mr. Lu has over twenty (20) years of experience in the manufacturing and precision engineering industries.

Mr. Lu 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, Mr. Lu 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, Mr. Lu became our General Manager (China) in January 2018.

Mr. Lu graduated with a Diploma in Turn-mill Machining from the Suzhou Technician Institute, PRC, in 1997.

Mr. Kong Sang Wah is our Managing Director (Malaysia) and he assists our CEO and Executive Director, Mr. Julian Ng, with the overall management and growth of GVT Malaysia. Mr. Kong has over thirty (30) years of experience in the manufacturing and precision engineering industries.

Mr. Kong began his career in 1988 as a machinist with Cosmo Engineering, a Malaysian partnership engaged in precision engineering. He then joined Centrelines Engineering (S) Pte. Ltd. in 1990 as a machinist. In 1993, Mr. Kong left to start Centrepoint Precision Engineering, a Malaysian partnership engaged in precision engineering, with our Group Senior Director of Sales, Mr. Saw Yip Hooi. This was followed by Centretechnics Engineering Works (PG) Sdn. Bhd. in 1994. Mr. Kong then joined CF Engineering Sdn. Bhd. in 1995 as an operation manager, before returning to Centretechnics Engineering Works (PG) Sdn. Bhd. in 1997 as its managing director. Mr. Kong then joined Norelco Centreline (PG) Sdn. Bhd. in 2000 as its managing director before moving to Norelco Centreline (M) Sdn. Bhd. in 2003 to be its director, and then Norelco-UMS (M) Sdn. Bhd. in 2005 (also to be its director). In 2008, he joined Ultimate Manufacturing Solutions (M) Sdn. Bhd. as its director and left in 2009 to be a full time private investor. Mr. Kong then took over the operations of GVT Malaysia in 2010 with our Group Senior Director of Sales, Mr. Saw Yip Hooi, and joined our Group in 2013 pursuant to our acquisition of GVT Malaysia by way of a share swap.

Mr. Saw Yip Hooi is our Group Senior Director of Sales and he assists our Managing Director (Malaysia), Mr. Kong Sang Wah, with driving the growth of GVT Malaysia. Mr. Saw has over twenty-eight (28) years of experience in the manufacturing and precision engineering industries.

Mr. Saw began his career in 1990 as a machinist with Centrelines Engineering (S) Pte. Ltd.. In 1993, Mr. Saw left to start Centrepoint Precision Engineering, a Malaysian partnership engaged in precision engineering, with our Managing Director (Malaysia), Mr. Kong Sang Wah. This was followed by Centretechnics Engineering Works (PG) Sdn. Bhd. in 1994 where he assumed the role of director of sales and marketing. Mr. Saw 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. Mr. Saw then took over the operations of GVT Malaysia in 2010 with our Managing Director (Malaysia), Mr. Kong Sang Wah, and joined our Group in 2013 pursuant to our acquisition of GVT Malaysia by way of a share swap.

Mr. Saw 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.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Present and Past Directorships of our Executive Officers

Save as disclosed below and excluding the directorship held in our Company, none of our Executive Officers currently holds or has held any directorships in the past five (5) years preceding the date of this Offer Document:

Name	Present Directorships	Past Directorships
Tan Chun Siong	<u>Group Companies</u> <ul style="list-style-type: none"> • Grand Venture Technology (Suzhou) Co., Ltd. <u>Other Companies</u> <ul style="list-style-type: none"> • ZG Innotech Pte. Ltd. 	<u>Group Companies</u> <ul style="list-style-type: none"> • The Company <u>Other Companies</u> Nil
Wang Leon Kai	<u>Group Companies</u> Nil <u>Other Companies</u> Nil	<u>Group Companies</u> Nil <u>Other Companies</u> <ul style="list-style-type: none"> • I-Solution Logistics Pte. Ltd. • IS Logistics Pte. Ltd.
Alan Lu	<u>Group Companies</u> <ul style="list-style-type: none"> • Grand Venture Technology (Suzhou) Co., Ltd. <u>Other Companies</u> <ul style="list-style-type: none"> • ZG Innotech Pte. Ltd. 	<u>Group Companies</u> Nil <u>Other Companies</u> <ul style="list-style-type: none"> • Suzhou Industrial Park Excellence Precision Machinery Co., Ltd. (苏州工业园区卓冠精密机电有限公司)
Kong Sang Wah	<u>Group Companies</u> <ul style="list-style-type: none"> • Grand Venture Technology Sdn. Bhd. • Grand Venture Technology (Suzhou) Co., Ltd. <u>Other Companies</u> Nil	<u>Group Companies</u> <ul style="list-style-type: none"> • The Company <u>Other Companies</u> Nil
Saw Yip Hooi	<u>Group Companies</u> <ul style="list-style-type: none"> • Grand Venture Technology Sdn. Bhd. <u>Other Companies</u> Nil	<u>Group Companies</u> <ul style="list-style-type: none"> • The Company <u>Other Companies</u> Nil

RELATIONSHIPS BETWEEN OUR DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXECUTIVE OFFICERS

None of our Directors and Executive Officers has any family relationship with each other or with any Substantial Shareholder of our Company.

There is no arrangement or understanding with any Substantial Shareholder or any other person, pursuant to which any of our Directors or Executive Officers was selected as a director or executive officer of our Group.

Shareholders' Agreement in Relation to Shareholding in Metalbank

Metalbank's shareholders, being certain executives of the Group (please refer to the section entitled "Shareholders – Shareholding and Ownership Structure" of this Offer Document) have entered into a shareholders' agreement to record and regulate the business affairs of Metalbank, and their relationship inter se. The shareholders' agreement provides, amongst others:

- (a) each Metalbank shareholder holding at least 10.0% of the shares in Metalbank shall be entitled to appoint one (1) director of Metalbank;
- (b) subject to the moratorium on the sale of shares (please refer to the section entitled "Shareholders – Moratorium – Metalbank, ZG Innotech and Their Respective Shareholders" of this Offer Document), any sale by Metalbank shareholders of their shares in Metalbank shall be made to the remaining Metalbank shareholders unless they do not exercise their rights to purchase, in which event, the shares may be sold to third parties on terms no more favourable than offered to the remaining Metalbank shareholders; and
- (c) each Metalbank shareholder shall not, while he holds Metalbank shares, and for a period of two (2) years from the date of transfer of the entirety thereof, compete against Metalbank, its subsidiaries or its related corporations.

LEGAL REPRESENTATIVE

Our Executive Chairman, Mr. Ricky Lee, is the legal representative of our PRC subsidiary, GVT Suzhou.

The Legal Adviser to our Company on PRC Law, Grandall Law Firm (Shanghai), has confirmed the following:

- (a) the legal representative has the following powers in accordance with PRC law:
 - (i) to act as representative of GVT Suzhou; and
 - (ii) to execute contracts on behalf of GVT Suzhou;
- (b) pursuant to the Provisions on Registration Administration of Legal Representatives of Legal Entities (企业法人法定代表人登记管理规定), for a legal entity to register a change of its legal representative, the following documents shall be submitted to the competent authorities:
 - (i) the removal document of the existing legal representative of the legal entity;
 - (ii) the appointment document of the new legal representative of the legal entity; and
 - (iii) an application to register the change of legal representative, signed by the existing legal representative or the new legal representative;
- (c) based on the articles of association of GVT Suzhou, we are able to control the appointment and dismissal of its legal representative; and
- (d) under PRC law, the legal representative shall be either the chairman of the board (or in the case of a company without a board, the executive director) or the general manager of the company. As the chairman of the board or the executive director is appointed by the shareholders and the general manager is appointed by the board or the executive director, the legal representative can be appointed and removed by the shareholders or through the appointed board or executive director, with or without the legal representative's consent.

Our Board has noted that there are risks in relation to the appointment of Mr. Ricky Lee as the legal representative, including concentration of authority and that we and/or our PRC subsidiary, GVT Suzhou, may be held liable should its legal representative perform any unauthorised actions on its behalf. In this regard, the following measures have been implemented in order to mitigate such a risk:

- (a) the articles of association of GVT Suzhou has been drafted to allow its shareholders to be able to directly control the appointment and dismissal of its legal representative;

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

- (b) the documents which are required to be registered with the relevant authorities to effect a change of legal representative have been executed and affixed with the company stamp (where necessary) and left undated and will be kept in escrow with the Company's secretary in Singapore;
- (c) relevant resolutions by the directors and shareholder of GVT Suzhou, as well as a letter of power of attorney by Mr. Ricky Lee, which grants to the Company's Directors, the authority to take into custody all necessary company stamps and licences, and carry out the duties as the new legal representative such that the business operations are not disrupted, have been executed and affixed with the company stamp (where necessary) and left undated and will be kept in escrow with the Company's secretary in Singapore;
- (d) an internal control system has been implemented to ensure that there is proper authorisation as to disbursements and delegation of authority;
- (e) safeguarding controls over the corporate seal (公章), finance seal (财务章), legal representative seal (法人章) and cheque books of GVT Suzhou have been implemented;
- (f) segregation of duties in the cash management process including receipts and disbursements;
- (g) an undertaking from Mr. Ricky Lee to seek the approval of our Nominating Committee prior to his assumption of any executive roles outside of our Group has been obtained;
- (h) the maintenance of a register in relation to the legal representative of GVT Suzhou reflecting all other appointments and/or business interests (e.g. directorships, sole proprietorships, partnerships, or shareholdings above 5.0%) of the legal representative outside our Group;
- (i) annual reviews by our Audit Committee of the processes and procedures in relation to the appointment and removal of the legal representative of GVT Suzhou to ensure their effectiveness and robustness; and
- (j) the Company will ensure that controls are put in place so that physical access to the original copies of the business licences of GVT Suzhou will be controlled by employees not related to the legal representatives.

The Legal Advisers to our Company on PRC Law, Grandall Law Firm (Shanghai), are of the view that the abovementioned measures adopted by us are sufficient to enable us to effect a change of the legal representative of GVT Suzhou according to the relevant PRC laws and regulations.

After having reviewed the risks, the above measures and noting that the articles of association of GVT Suzhou grants us, the shareholder thereof, the power to, amongst others, remove the legal representative of GVT Suzhou, Grandall Law Firm (Shanghai) and the Board are of the view that the processes and procedures put in place are reasonably sufficient to safeguard against the risk of the legal representative of GVT Suzhou taking any unauthorised action in the future, and Grandall Law Firm (Shanghai) and the Board are of the opinion that the processes and procedures put in place will be adequate to mitigate the risks in relation to the appointment of the legal representative of GVT Suzhou. We will monitor and periodically review the processes and procedures in relation to the appointment and removal and the avoidance of concentration of authority of the legal representatives, to ensure their effectiveness and robustness.

SERVICE AGREEMENTS

Our Group has entered into separate service agreements with each of our Executive Directors and Executive Officers⁵, being:

- (a) our Executive Chairman, Mr. Ricky Lee;

⁵ Save for our General Manager (China), Mr. Alan Lu, whose service agreement is with GVT Suzhou, and our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi, whose service agreements are with GVT Malaysia, the Service Agreements are with our Company

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

- (b) our CEO and Executive Director, Mr. Julian Ng;
 - (c) our COO, Mr. Tan Chun Siong;
 - (d) our CFO, Mr. Wang Leon Kai;
 - (e) our General Manager (China), Mr. Alan Lu;
 - (f) our Managing Director (Malaysia), Mr. Kong Sang Wah; and
 - (g) our Group Senior Director of Sales, Mr. Saw Yip Hooi,
- (each an “**Executive**”).

Employment and Duration

The Service Agreements are valid for an initial period of three (3) years (the “**Term**”) with effect from the Listing Date (“**Effective Date**”). Upon expiry of the Term, the employment of the Executive shall automatically extend for periods of one (1) year thereafter (the “**Extended Term**”), unless terminated in accordance with the Service Agreement.

Termination

During the Extended Term, the employment of the Executive may be terminated by either us or him at any time by either us or him giving to the other party three (3) months’ notice in writing of such termination, or in lieu of such three (3) months’ notice, an amount equivalent to three (3) months’ salary based on the last drawn monthly salary.

During both the Term and the Extended Term, the Service Agreements:

- (a) shall automatically terminate without notice or payment in lieu of notice if:
 - (i) the Executive becomes prohibited from being an employee of the Company or any Group Company by law or any order or directive from any regulatory body or government authority for any reason whatsoever; or
 - (ii) is convicted of any criminal offence (save for an offence under any road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment) and sentenced to any term of immediate or suspended imprisonment; and
- (b) may be terminated by us forthwith without notice or payment in lieu of notice if, in the reasonable opinion of our Board, the Executive:
 - (i) is guilty of any misconduct or neglect in the discharge of his duties hereunder or be incompetent in the performance of his duties;
 - (ii) has materially or repeatedly breached or failed to comply with the terms of his Service Agreement;
 - (iii) commits any criminal act relating to breach of trust, fraud or dishonesty;
 - (iv) becomes bankrupt, make any composition or enter into a deed of arrangement with his creditors generally;
 - (v) becomes of unsound mind; or
 - (vi) commits any act that achieves general notoriety which discredits him to a degree which materially reduces the value of his services to the Group or may discredit the Group through association with him.

Upon such termination, the Executive shall not be entitled to claim any compensation or damages for or in respect or by reason of such termination.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Remuneration

During the employment of the Executives, we shall pay them a basic salary as follows:

Executive Director / Executive Officer	Basic Salary per Annum
Mr. Ricky Lee	S\$270,000
Mr. Julian Ng	S\$198,000
Mr. Tan Chun Siong	S\$198,000
Mr. Wang Leon Kai	S\$126,000
Mr. Alan Lu	RMB 480,000
Mr. Kong Sang Wah	RM 396,000
Mr. Saw Yip Hooi	RM 396,000

Additionally, subject to each of their performance, our Board (as recommended by our Remuneration Committee) may pay an annual variable discretionary bonus.

The Executive shall be entitled to participate in all benefit programmes that the Company establishes and makes available to the employees of the Group, to the extent that the Executive is eligible to participate.

The Executive shall be entitled during his employment to such other benefits, including insurance coverage, health and medical benefits, generally accorded to employees holding a similar position, as may be determined by the Board.

The Company shall reimburse to the Executive all travelling, hotel, entertainment and other expenses reasonably and properly incurred by him in the reasonable and proper performance of his duties hereunder upon the Executive providing the Board with such vouchers or other evidence of actual payment of such expenses as the Board may require.

The Executive shall be entitled to such number of paid annual leave and paid medical leave as per the leave policy of the Group.

The employment of the Executive shall, in addition to the terms set forth herein, be governed by the rules, regulations and such other practices, systems, procedures and policies framed, amended, modified or omitted by the Company from time to time.

The remuneration and other benefits payable to the Executive shall be reviewed by the Remuneration Committee on a regular basis.

Non-Competition and Non-Solicitation

The Executive shall not, during his employment and within a period of one (1) year upon the termination thereof, in all territories where any Group Company operates directly or indirectly, except with the Company's prior written consent:

- (a) either on his own account or for any other person directly or indirectly solicit, interfere with or endeavour to entice away from any Group Company any person who to his knowledge is now or has been a client, customer or employee of, or in the habit of dealing with, any Group Company;
- (b) either alone or jointly with or as a manager, agent or employee of any person, directly or indirectly carry on or be engaged or concerned or interested in any business which shall be in competition with the business carried on by any Group Company as at the date hereof or at the of time of termination of the Executive's employment hereunder (as the case may be);
- (c) assist any person, firm or company with technical advice in relation to any business in competition (directly or indirectly) with the business of the Group; or
- (d) cause or permit any person or entity directly or indirectly under his control or in which he has any beneficial interests to do any of the foregoing acts or things.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or our subsidiaries which provide for benefits upon termination of employment.

There are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company, our subsidiaries and any of our Directors, Executive Officers or employees.

Had the Service Agreements been in existence since the beginning of FY2017, based on our unaudited pro forma consolidated financial information, our pro forma net profit for FY2017 and HY2018 would have been approximately S\$3.8 million (instead of S\$4.4 million) and S\$2.7 million (instead of S\$2.9 million), respectively.

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The compensation (which includes CPF or such equivalent contributions, benefits-in-kind and bonuses) paid by our Group to our Directors and Executive Officers for services rendered to us on an aggregate basis and in remuneration bands of S\$250,000⁽¹⁾ during FY2016 and FY2017 (being the two (2) most recent completed financial years), and as estimated for FY2018 (based on assumptions about benefits-in-kind and bonuses, which are subject to revision), is as follows:

Name	FY2016	FY2017	FY2018 (estimated)
Directors			
Ricky Lee	A	A	B
Julian Ng	A	A	A
Joseph Liew	-(2)	-(2)	A
Pong Chen Yih	-(2)	-(2)	A
Mae Heng	-(2)	-(2)	A
Executive Officers			
Tan Chun Siong	A	A	A
Wang Leon Kai	-(3)	-(3)	A
Alan Lu	-(3)	-(3)	A
Kong Sang Wah	A	A	A
Saw Yip Hooi	A	A	A

Notes:

- (1) Band A: Compensation from S\$0 to S\$250,000 per annum. Band B: Compensation from S\$250,001 to S\$500,000 per annum.
- (2) Not appointed during the relevant period.
- (3) Not employed by our Group during the relevant period.

Save for contributions made for our employees by our Group for CPF contributions (or equivalent), no amounts have been set aside or accrued by our Company or our subsidiaries to provide for pension, retirement or similar benefits for our Directors and Executive Officers. No compensation has been paid or will be paid in the form of stock options or shares to any of our Directors, Executive Officers or employees.

Related Employees

Save for the following employees, we do not have any employees who are related to our Directors or Substantial Shareholders as at the Latest Practicable Date, and we do not have any employee upon whose work our Group is dependent, who is related to our Directors or Substantial Shareholders:

- (a) Mr. Lee Ching Ann, the younger brother of our Executive Chairman, Mr. Ricky Lee, is a Sales Manager in our Company. As at the Latest Practicable Date, he remains in the Company's

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

employment. His duties are primarily in sales, where he manages and maintains certain key customer relationships.

- (b) Mr. Lee Peng Guan, the younger brother of our Executive Chairman, Mr. Ricky Lee, is a senior Engineer in our Company. As at the Latest Practicable Date, he remains in the Company's employment. His duties primarily involve the optimisation of operational processes and methods.
- (c) Mr. Lee Ban Seng, the nephew of our Executive Chairman, Mr. Ricky Lee, is an Operations Manager in our Company. As at the Latest Practicable Date, he remains in the Company's employment. His duties are primarily in day-to-day operations, where he oversees projects.

The remuneration (which includes CPF or such equivalent contributions, benefits-in-kind and bonuses) paid by our Group to Mr. Lee Ching Ann, Mr. Lee Peng Guan and Mr. Lee Ban Seng for services rendered to us on an aggregate basis and in remuneration bands of S\$50,000⁽¹⁾ during FY2016 and FY2017 (being the two (2) most recent completed financial years), and as estimated for FY2018 (based on assumptions about benefits-in-kind and bonuses, which are subject to revision), is as follows:

Name	FY2016	FY2017	FY2018 (estimated)
Lee Ching Ann	B	C	C
Lee Peng Guan	B	B	B
Lee Ban Seng	B	B	B

Notes:

- (1) Band A: Compensation from S\$0 to S\$50,000 per annum. Band B: Compensation from S\$50,001 to S\$100,000 per annum. Band C: Compensation from S\$100,001 to S\$150,000 per annum.

The remuneration of employees who are related to our Directors and Substantial Shareholders will be reviewed annually by our Remuneration Committee 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 our Remuneration Committee. 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 our Nominating Committee and Remuneration Committee. In the event that a member of our Remuneration Committee or Nominating Committee is related to the employee under review, he will abstain from the review.

We will disclose in our annual report details of the remuneration of employees who are immediate family members of our Directors and Substantial Shareholders and whose remuneration exceeds S\$50,000 during each year in incremental bands of S\$50,000.

EMPLOYEES

As at 30 June 2018, we had a total of 557 full time employees. As at the Latest Practicable Date, we had 573 full time employees. All our employees are located in Singapore, Malaysia and the PRC.

All our employees have entered into employment contracts with us. We do not employ a significant number of temporary staff and do not experience any significant seasonal fluctuation in the number of employees. All our employees in our Group are not unionised. We believe that the relationship and cooperation between our management and employees have been good and this is expected to continue. There has not been any incidence of work stoppages or labour disputes. Except for contributions to CPF in Singapore, EPF in Malaysia and statutory social welfare benefit payments in the PRC, we have not set aside or accrued any amounts for our employees to provide for pension, retirement or similar benefits.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

A breakdown of the number of our full-time employees of our Group by business functions for the Period Under Review and as at the Latest Practicable Date is as follows:

Job Functions	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at Latest Practicable Date
Management	5	5	5	7
Business development, branding and marketing	2	2	2	10
Finance	2	4	6	10
Human resources	10	11	10	16
Information technology	0	0	1	3
Purchasing	6	8	10	15
Administrative support	2	2	2	17
Document control	0	3	3	3
Technical	143	216	287	378
Quality	31	42	52	86
Project management	9	13	12	7
Store	8	14	22	21
Total	218	320	412	573

The geographical breakdown of our full-time employees for the Period Under Review and as at the Latest Practicable Date is as follows:

	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at Latest Practicable Date
Singapore	40	67	66	88
Malaysia	178	253	346	422
PRC	-(1)	-(1)	-(1)	63
Total	218	320	412	573

The increase in our full-time employee staff strength was due to the growth in our Group's business operations and revenue.

Note:

- (1) GVT Suzhou was only established in November 2017 and only commenced operations in January 2018 following the acquisition of the business and assets of SIP Excellence and SIP Innovation. Please refer to the section entitled "General Information on our Group – Our History" of this Offer Document for further details.

GVT ESOS

On 14 December 2018, our Shareholders approved a share option scheme known as the GVT Employee Share Option scheme (the “**GVT ESOS**”), the rules of which are set out in Appendix G of this Offer Document. The GVT ESOS complies with the relevant rules as set out in Chapter 8 of the Catalist Rules. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in “Appendix G – Rules of the GVT ESOS” of this Offer Document.

The GVT ESOS provides eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The GVT ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain Group Employees (including Executive Directors) and Non-executive Directors whose services are vital to our well-being and success.

The GVT ESOS is administered by our Remuneration Committee. As at the Latest Practicable Date, no Options have been granted under the GVT ESOS.

Objectives of and Rationale for the GVT ESOS

The objectives of the GVT ESOS are as follows:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) instil loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

Unlike the awards granted under the GVT PSP (as detailed in the section entitled “GVT PSP” of this Offer Document), the GVT ESOS is designed to provide eligible participants with an opportunity to participate in the equity of our Company through the grant of Options, and to motivate them towards better performance through increased dedication and loyalty. The reason for having the GVT ESOS in addition to the GVT PSP is to give our Company greater flexibility in structuring the compensation packages of eligible participants and providing an additional tool to motivate and retain staff members through the offering of compensation packages that are market-competitive.

Summary of the GVT ESOS

A summary of the rules of the GVT ESOS is set out as follows:

1. Participants

Under the rules of the GVT ESOS, Group Employees and Non-executive Directors of our Group, are eligible to participate in the GVT ESOS.

Pursuant to Rule 852 of the Catalist Rules, participation in the GVT ESOS by Controlling Shareholders and their associates must be approved by independent Shareholders of our Company and a separate resolution must be passed for each such person to approve the actual number and terms of the Options to be granted to such person. Controlling Shareholders and their associates shall abstain from voting on any resolution in relation to their participation in the GVT ESOS and grant of Options to them.

2. Scheme administration

The GVT ESOS shall be administered by our Remuneration Committee with powers to determine, amongst others, the following:

- (a) persons to be granted Options;
- (b) number of Options to be granted; and
- (c) recommendations for modifications to the GVT ESOS.

Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the GVT ESOS). A member of our Remuneration Committee who is also a participant of the GVT ESOS must not be involved in its deliberation in respect of Options granted or to be granted to him.

3. Size of the GVT ESOS

The aggregate number of Shares over which our Remuneration Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the GVT ESOS and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the day immediately preceding the date on which an offer to grant an Option is made.

Our Company believes that this 15.0% limit gives our Company sufficient flexibility to decide the number of Shares to offer to its existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants, will increase as a result. If the number of Options available under the GVT ESOS is limited, our Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of Options to offer to new employees as well as to existing ones. The number of Options offered must also be significant enough to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that our Remuneration Committee will definitely issue Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Shares to be granted to each employee, which will depend on the performance and value of the employee to our Group.

4. Maximum entitlements

The aggregate number of Shares comprised in any Options to be offered to a grantee shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service and potential for future development of that grantee.

5. Options, exercise period and exercise price

The Options that are granted under the GVT ESOS may have exercise prices that are, at our Remuneration Committee's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for a Share on the Official List of the SGX-ST for the five (5) consecutive market days immediately preceding the date on which an offer to grant an Option is made or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date on which an offer to grant that Option is made while Options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to

grant that Option is made. Options granted under the GVT ESOS will have a life span of up to ten (10) years for Options granted to Group Employees (other than Non-executive Directors and/or employees of associated companies) and five (5) years for Options granted to Non-executive Directors and/or employees of associated companies.

6. Grant of Options

Under the rules of the GVT ESOS, there are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time from time to time at the discretion of our Remuneration Committee. However, no Option shall be granted during the period of thirty (30) days immediately preceding the date of announcement of our Company's interim or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the second Market Day from the date on which the aforesaid announcement is made.

7. Termination of Options

Special provisions in the rules of the GVT ESOS deal with the lapse or earlier exercise of Options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

8. Acceptance of Options

The grant of Options shall be accepted within thirty (30) days from the date of the offer. Offers of Options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1 or such amount as our Remuneration Committee may decide.

9. Rights of Shares arising

Subject to the prevailing legislation, our Company will deliver Shares to participants upon exercise of their Options by way of (a) an allotment and issue of new Shares; and/or (b) a transfer of Shares acquired by our Company pursuant to a share purchase mandate and/or held by our Company in treasury.

In determining whether to issue new Shares or deliver existing Shares to participants upon exercise of their Options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares and the cost to our Company of issuing new Shares or purchasing existing Shares.

The financial effects of the above methods are discussed below.

Shares arising from the exercise of Options are subject to the provisions of our Constitution. Shares allotted and issued, and existing Shares procured by our Company for transfer, upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the record date ("**Record Date**") for which is prior to the relevant exercise date of the Option. "**Record Date**" means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

10. Duration of the GVT ESOS

The GVT ESOS shall continue in operation for a maximum duration of ten (10) years commencing on the date on which the GVT ESOS is adopted by our Company in general meeting and may subject to compliance with applicable laws and regulations in Singapore be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

11. Abstention from voting

Shareholders who are eligible to participate in the GVT ESOS are to abstain from voting on any shareholders' resolution relating to the GVT ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the GVT ESOS shall abstain from voting on the following resolutions, where applicable: (a) implementation of the GVT ESOS; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their associates.

Grant of Options with a Discounted Exercise Price

The ability to offer Options to participants of the GVT ESOS with exercise prices set at a discount to the prevailing Market Prices of the Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. The GVT ESOS will also serve to recruit new group employees whose contributions are important to the long-term growth and profitability of our Group. Discounted Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Options at a discount as only employees who have made outstanding contributions to the success and development of our Group would be granted Options at a discount.

At present, our Company foresees that Options may be granted with a discount principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of a discounted price Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the discounted price Option serves as additional incentives to such group employees. Options granted by our Company on the basis of Market Price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such Options at a discount would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Options granted at a discount will give an opportunity to Group Employees to realise some tangible benefits even if external events cause the share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a discounted price Option rather than paying him a cash bonus. For example, Options granted at a discount may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or discounted price Options, as part of eligible employees' compensation packages. The GVT ESOS will provide Group Employees with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.
- (c) Thirdly, where due to speculative forces and having regard to the historical performance of the Share price, the Market Price of the Shares at the time of the grant of the Options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Our Remuneration Committee will have the absolute discretion to grant Options where the exercise price is discounted, to determine the level of discount (subject to a maximum discount of 20.0% of the Market Price) and the grantees to whom, and the Options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the GVT ESOS at a discount not exceeding the maximum discount as aforesaid.

In deciding whether to give a discount and the quantum of such discount (subject to the aforesaid limit), our Remuneration Committee will have regard to the financial and other performance of our Company and our Group, the years of service and individual performance of the grantee, the contribution of the grantee to the success and development of our Group and the prevailing market conditions.

Our Company may also grant Options without any discount to the Market Price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the Market Price or at a discount to the Market Price), such as restricting the number of Shares for which the option may be exercised during the initial years following its vesting.

Adjustments and Alterations under the GVT ESOS

The following describes the adjustment events under, and provisions relating to alterations of, the GVT ESOS.

1. Adjustment events

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (a) the exercise price in respect of the Shares comprised in the Option to the extent unexercised;
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto;
- (c) the maximum entitlement in any one financial year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to participants under the GVT ESOS,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made: (i) if as a result, the participant receives a benefit that a Shareholder does not receive; and (ii) unless our Remuneration Committee after considering all relevant circumstances considers it equitable to do so.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless our Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.

2. Modifications or alterations to the GVT ESOS

The GVT ESOS may be modified and/or altered from time to time by a resolution of our Remuneration Committee subject to the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST) and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options granted prior to such modification or alteration except with the written consent of such number of participants under the GVT ESOS who, if their Options were exercised in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued or transferred in full of all outstanding Options under the GVT ESOS.

GVT ESOS

No alteration shall be made to particular rules of the GVT ESOS to the advantage of the holders of the Options except with the prior approval of Shareholders in general meeting.

Rationale for Participation of Executive Directors and employees of our Associated Companies and Non-executive Directors of our Group in the GVT ESOS

The extension of the GVT ESOS to Executive Directors and employees of our associated companies and Non-executive Directors of our Group allows our Group to have a fair and equitable system to reward Directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the GVT ESOS will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the Non-executive Directors are not involved in the day-to-day running of our Group's business, they nonetheless play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the Non-executive Directors in the GVT ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflicts of interest and not to compromise the independence of the Non-executive Directors, our Company intends to grant only a nominal number of Options under the GVT ESOS to such Non-executive Directors.

Rationale for Participation of Controlling Shareholders and their Associates in the GVT ESOS

Although the Controlling Shareholders and their associates already have shareholding interests in our Company, our Directors are of the view that they should be provided an opportunity to participate in the GVT ESOS as they have contributed significantly to the growth and performance of our Group, and the opportunity to participate therein will further motivate and encourage them to continue expending great energies towards the success of our Group. Options, unlike cash bonuses, will additionally encourage such Controlling Shareholders and their associates to take a long term view of our Group, and will motivate them towards improving the return on equity as this will affect the amount of benefit that they will ultimately derive from their participation in the GVT ESOS. It is in the long-term interests of our Company to ensure that these Controlling Shareholders and their associates who are actively contributing to our Group be incentivised to remain in and contribute to the growth and development of our Group. Their continued contribution will benefit our Group.

Pursuant to the Rule 852 of the Catalist Rules, participation in the GVT ESOS by Controlling Shareholders and their associates must be approved by independent Shareholders of our Company and a separate resolution must be passed for each such person to approve the actual number and terms of the Options to be granted to such person. Controlling Shareholders and their associates shall abstain from voting on any resolution in relation to their participation in the GVT ESOS and grant of Options to them.

Financial Effects of the GVT ESOS

The GVT ESOS will increase our issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of Options. Under the Financial Reporting Standard 102 on Share-based Payment ("FRS 102"), the fair value of employee services received in exchange for the grant of the Options would be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Option granted at the grant date and the number of Options vested by the vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Options that are expected to vest by the vesting date and recognises the impact of this

revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the Options are exercised.

During the vesting period, the consolidated earnings per Share would be reduced by both the expenses recognised and the potential Shares to be issued under the GVT ESOS. When the Options are exercised, the consolidated net tangible assets will be increased by the amount of cash received for exercise of the Options. On a per share basis, the effect is accretive if the exercise price is above the net tangible assets per Share but dilutive otherwise.

There will be no cash outlay expended by us at the time of grant of such Options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any Options granted to subscribe for new Shares (whether the exercise price is set at the Market Price of the Shares at the date of grant or otherwise) have a fair value at the time of grant. The fair value of an Option is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the grant date. Options are granted to participants at a nominal consideration of S\$1. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to our Company in that we will receive from the participant upon the grant of the Option a consideration that is less than the fair value of the Option.

The following sets out the financial effects of the GVT ESOS.

1. Share capital

The GVT ESOS will result in an increase in our Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, amongst others, the size of the Options granted under the GVT ESOS. Whether and when the Options granted under the GVT ESOS will be exercised will depend on the exercise price of the Options, when the Options will vest as well as the prevailing trading price of the Shares. In any case, the GVT ESOS provides that the number of Shares to be issued or transferred under the GVT ESOS, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be subject to the maximum limit of 15.0% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the GVT ESOS will have no impact on our Company's issued share capital.

2. Net tangible assets

As described in paragraph (3) below on earnings per share, the grant of Options will be recognised as an expense, the amount of which will be computed in accordance with FRS 102. When new Shares are issued pursuant to the exercise of Options, there would be no effect on the net tangible assets due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the net tangible assets would be impacted by the cost of the Shares purchased.

3. Earnings per Share

Without taking into account earnings that may be derived by our Company from the use of the proceeds from the issuance of Shares pursuant to the exercise of Options granted under the GVT ESOS, any new Shares issued pursuant to any exercise of the Options will have a dilutive impact on our Company's earnings per Share.

4. Dilutive impact

The issuance of new Shares under the GVT ESOS will have a dilutive impact on our consolidated earnings per Share.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Shares which may be issued upon the exercise of the Options to be granted under the GVT ESOS. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our subsidiaries, our Shares, the Invitation Shares, the Option Shares or the Award Shares.

GVT PSP

On 14 December 2018, our Shareholders approved a performance share scheme known as the GVT performance share plan (the “**GVT PSP**”), the rules of which are set out in Appendix H of this Offer Document. The GVT PSP complies with the relevant rules as set out in Chapter 8 of the Catalyst Rules. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in “Appendix H – Rules of the GVT PSP” of this Offer Document.

The GVT PSP will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The GVT PSP, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain Executive Directors, Non-executive Directors and Group Employees whose services are vital to our well-being and success.

The GVT PSP shall be administered by our Remuneration Committee. As at the Latest Practicable Date, no Awards have been granted under the GVT PSP.

Rationale for the GVT PSP

The GVT PSP allows our Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. Our Directors believe that the plan will provide our Company with a flexible approach to provide performance incentives to Executive Directors, Non-executive Directors and Group Employees and, consequently, to improve performance and achieve sustainable growth for our Company in the changing business environment, and to foster a greater ownership culture amongst Executive Directors, Non-executive Directors and Group Employees.

Unlike the options granted under the GVT ESOS (as detailed in the section entitled “GVT ESOS” of this Offer Document), the GVT PSP is designed to reward eligible participants with Awards comprising fully paid Shares, or the equivalent in cash or a combination of both. The reason for having the GVT PSP in addition to the GVT ESOS is to give our Company greater flexibility in structuring the compensation packages of eligible participants and providing an additional tool to motivate and retain staff members through the offering of compensation packages that are market competitive.

Share Awards under the GVT PSP

Awards granted under the GVT PSP are principally performance-based with performance targets to be set over a performance period and may vary from one (1) performance period to another performance period and from one (1) grant to another grant. The performance targets are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance targets and performance periods will be set according to the specific roles of each participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth. These targets will be tied in with our Company’s corporate key performance indicators.

The GVT PSP uses methods fairly common among major local and multinational companies to incentivise and motivate senior executives and key senior management to achieve predetermined targets which create and enhance economic value for Shareholders. Our Company believes that the GVT PSP will be an effective tool in motivating Executive Directors, Non-executive Directors and Group Employees to work towards stretched goals.

The GVT PSP contemplates the award of fully paid Shares, when and after pre-determined performance or service conditions are accomplished.

A participant’s Award under the GVT PSP will be determined at the sole discretion of our Remuneration Committee. In considering an Award to be granted to a participant who is a Group Employee, our Remuneration Committee may take into account, amongst others, the participant’s capability, creativity, entrepreneurship, innovativeness, scope of responsibility and skills set. In considering an award to be granted to a participant who is a Non-executive Director, our Remuneration Committee may take into account, amongst others, the services and contributions made to the growth of our Group, attendance and participation in meetings and the years of service.

Currently, it is envisaged that Group Employees and Non-executive Directors of our Group may be granted awards under the GVT PSP.

Under the GVT PSP, participants are encouraged to continue serving our Group beyond the achievement date of the pre-determined performance targets. Our Remuneration Committee has the discretion to impose a further vesting period after the performance period to encourage the participant to continue serving our Group for a further period of time.

Maximum Limits on Shares

In order to reduce the dilutive impact of the GVT PSP, the maximum number of Shares issuable or to be transferred by our Company under the GVT PSP, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15.0% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

Summary of Rules of the GVT PSP

A summary of the rules of the GVT PSP is set out as follows:

1. Eligibility

Under the rules of the GVT PSP, Group Employees and Non-executive Directors of our Group, are eligible to participate in the GVT PSP.

Pursuant to Rule 852 of the Catalist Rules, participation in the GVT PSP by Controlling Shareholders and their associates must be approved by independent Shareholders of our Company and a separate resolution must be passed for each such person to approve the actual number and terms of the Awards to be granted to such person. Controlling Shareholders and their associates shall abstain from voting on any resolution in relation to their participation in the GVT PSP and grant of Awards to them.

2. Awards

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Shares which are allotted and issued or transferred to a participant pursuant to the grant of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by our Remuneration Committee in the Award letter), except to the extent approved by our Remuneration Committee.

Our Remuneration Committee, may in its absolute discretion, make a Release of an Award, wholly or partly, in the form of cash rather than Shares.

3. Participants

The selection of a participant and the number of Shares which are the subject of each Award to be granted to a participant in accordance with the GVT PSP shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

4. Awards

Our Remuneration Committee shall decide, in relation to an Award to be granted to a participant, amongst others:

- (a) the participant;

- (b) the date on which the Award is to be granted;
- (c) the number of Shares which are the subject of the Award;
- (d) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (e) the extent to which Shares, which are the subject of that Award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and
- (f) any other condition which our Remuneration the Committee may determine in relation to that Award.

5. Timing

Our Remuneration Committee has the discretion to grant Awards at any time in the year. An Award letter confirming the Award and specifying, amongst others, the number of Shares which are the subject of the award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each participant as soon as reasonably practicable after the granting of an Award.

6. Events Prior to Vesting

Special provisions for the vesting, lapsing and/or cancellation of Awards apply in certain circumstances including the following:

- (a) the misconduct on the part of a participant as determined by our Remuneration Committee in its discretion;
- (b) the participant ceasing to be in the employment of our Group for any reason whatsoever (other than as specified in paragraph (e) below);
- (c) an order being made or a resolution passed for the winding-up of our Company on the basis, or by reason, of its insolvency;
- (d) the bankruptcy of a participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of the Award;
- (e) the participant ceases to be in the employment of our Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of our Remuneration Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of our Remuneration Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group, as the case may be; or
 - (vi) any other event approved by our the Committee;
- (f) the death of a participant;

- (g) any other event approved by our Remuneration Committee; or
- (h) a take-over, reconstruction or amalgamation of our Company or an order being made or a resolution passed for the winding-up of our Company (other than as provided in paragraph (c) above or for amalgamation or reconstruction).

Upon the occurrence of any of the events specified in paragraphs (a), (b) and (c), an Award then held by a participant shall, subject as provided in the rules of the GVT PSP and to the extent not yet released, immediately lapse without any claim whatsoever against our Company.

Upon the occurrence of any of the events specified in paragraphs (d), (e), (f) and (g) above, our Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant performance period. In exercising its discretion, our Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant and, in the case of performance-related Awards, the extent to which the applicable performance conditions and targets have been satisfied.

Upon the occurrence of the events specified in paragraph (h) above, our Remuneration Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant. If our Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, our Remuneration Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the applicable performance conditions and targets have been satisfied.

7. Size and Duration of the GVT PSP

The total number of Shares which may be issued or transferred pursuant to awards granted under the GVT PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, shall not exceed 15.0% of the total number issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

The GVT PSP shall continue in operation for a maximum duration of ten (10) years commencing on the date on which the GVT PSP is adopted by our Company in general meeting and may subject to compliance with applicable laws and regulations in Singapore be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the GVT PSP, any Awards made to participants prior to such expiry or termination will continue to remain valid.

8. Operation of the GVT PSP

Subject to the prevailing legislation, our Company may deliver Shares to participants upon vesting of their Awards by way of either (i) an allotment and issue of new Shares deemed to be fully paid upon their issuance and allotment, and/or (ii) a transfer of Shares acquired by our Company pursuant to a share purchase mandate and/or held by our Company in treasury.

In determining whether to issue new Shares to participants or to transfer existing Shares upon vesting of their Awards, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

Additionally, our Company has the flexibility, and if circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares. In determining whether to

release an Award, wholly or partly, in the form of cash rather than Shares, our Company will take into account factors such as (but not limited to) the cost to the Company of releasing an Award, wholly or partly, in the form of cash rather than Shares.

New Shares allotted and issued and existing Shares procured by our Company for transfer on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Our Remuneration Committee shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, our Remuneration Committee shall have the right to take into account such factors as our Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if our Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

9. Abstention from voting

Shareholders who are eligible to participate in the GVT PSP are to abstain from voting on any shareholders' resolution relating to the GVT PSP.

Adjustments and Alterations under the GVT PSP

The following describes the adjustment events under, and provisions relating to alterations of, the GVT PSP.

1. Adjustment events

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the GVT PSP,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless our Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

2. Modifications or alterations to the GVT PSP

The GVT PSP may be modified and/or altered from time to time by a resolution of our Remuneration Committee subject to the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST) and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of

participants under the GVT PSP who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued or transferred in full of all outstanding awards under the GVT PSP.

No alteration shall be made to particular rules of the GVT PSP to the advantage of the holders of the Awards except with the prior approval of Shareholders in general meeting.

Rationale for participation of Executive Directors and employees of our Associated Companies and Non-executive Directors of our Group in the GVT PSP

The extension of the GVT PSP to Executive Directors and employees of our associated companies and Non-executive Directors of our Group allows our Group to have a fair and equitable system to reward Directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the GVT PSP will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the Non-executive Directors are not involved in the day-to-day running of our Group's business, they, nonetheless, play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the Non-executive Directors in the GVT PSP will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflicts of interest and not to compromise the independence of the Non-executive Directors, our Company intends to grant only a nominal number of options under the GVT PSP to such Non-executive Directors.

Rationale for participation of Controlling Shareholders and their Associates in the GVT PSP

The purpose of the participation of Controlling Shareholders and associates of Controlling Shareholders in the GVT PSP is to provide an opportunity for eligible Group Employees (including Executive Directors) and Non-executive Directors who are Controlling Shareholders or associates of Controlling Shareholders who have contributed or continue to contribute significantly to the growth and performance of our Group to participate in the equity of our Company.

We acknowledge that the services and contributions of the employees who are Controlling Shareholders or associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the GVT PSP to the eligible Directors and employees who are Controlling Shareholders or associates of our Controlling Shareholders allows our Company to have a fair and equitable system for rewarding the eligible Directors and employees who have made and continue to make important contributions to the long-term growth of our Group notwithstanding that they are Controlling Shareholders or associates of our Controlling Shareholders.

Although our Controlling Shareholders and/or their associates already have shareholding interests in our Company, including them in the GVT PSP will ensure that they are equally entitled with other eligible Group Employees (including Executive Directors) and Non-executive Directors who are not Controlling Shareholders or associates of Controlling Shareholders to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the GVT PSP solely by reason that he/she is a Controlling Shareholders or an associate of our Controlling Shareholder.

Pursuant to the Rule 852 of the Catalist Rules, participation in the GVT PSP by Controlling Shareholders and their associates must be approved by independent Shareholders of our Company and a separate resolution must be passed for each such person to approve the actual number and terms of the Options to be granted to such person. Controlling Shareholders and their associates shall abstain from voting on any resolution in relation to their participation in the GVT PSP and grant of Awards to them.

Financial effects of the GVT PSP

The GVT PSP is considered a share-based payment that falls under Financial Reporting Standard 102 on Share-based Payment (“**FRS 102**”) where participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to profit or loss over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding increase in equity. Vesting conditions, other than market conditions, shall be taken into account by adjusting the number of Shares included in the measurement of the transaction amount. During the vesting period, charge to the profit or loss will be recognised based on the best estimate of the number of shares expected to vest and shall be revised that estimate, if necessary. After the vesting date, no adjustment to the charge to the profit or loss is made.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

The amount charged to the profit and loss account would be the same whether our Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of the charge to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made if the market condition is not met. However, if the performance target is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to the income statement if the Awards do not ultimately vest.

In the event that the participants receive cash, our Company shall measure the fair value of the liability at grant date. Until the liability is settled, our Company shall re-measure the fair value of the liability at each accounting date and at the date of settlement, with changes in the fair value recognised in the income statement.

The following sets out the financial effects of the GVT PSP.

1. Share capital

The GVT PSP will result in an increase in our Company’s issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, amongst others, the size of the Awards granted under the GVT PSP. In any case, the GVT PSP provides that the number of Shares to be issued or transferred under the GVT PSP, will be subject to the maximum limit of 15.0% of our Company’s total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the GVT PSP will have no impact on our Company’s issued share capital.

2. Net tangible assets

As described in paragraph (3) below on Earnings, the GVT PSP is likely to result in a charge to our Company’s income statement over the period from the grant date to the vesting date of the awards. The amount of the charge will be computed in accordance with FRS 102. When new Shares are issued under the GVT PSP, there would be no effect on the net tangible assets due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to

participants, the net tangible assets would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to participants under the GVT PSP will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

3. Earnings per Share

The GVT PSP is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with FRS 102.

It should again be noted that the delivery of Shares to participants of the GVT PSP will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

4. Dilutive impact

The issuance of new Shares under the GVT PSP will have a dilutive impact on our consolidated earnings per Share.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Award Shares which may be issued upon the release of the share awards to be granted under the GVT PSP. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our subsidiaries, our Shares, the Invitation Shares, the Option Shares or the Award Shares.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will use best efforts to implement the good practices recommended in the Code of Corporate Governance 2018.

Our Board has formed three (3) committees: (i) the Nominating Committee; (ii) the Remuneration Committee; and (iii) the Audit Committee. In addition, we have appointed Mr. Joseph Liew as our Lead Independent Director. As Lead Independent Director, he is the contact person for Shareholders in situations where there are concerns or issues which communication with our Executive Chairman, CEO, and/or CFO has failed to resolve or where such communication is inappropriate.

We have five (5) Directors on our Board, of whom three (3) are Independent Directors. Our Independent Directors do not have any past or existing business or professional relationship of a material nature with our Group, our other Directors and/or Substantial Shareholders. Our Independent Directors are also not related to our other Directors and/or Substantial Shareholders.

Nominating Committee

Our Nominating Committee comprises Mr. Pong Chen Yih, Mr. Joseph Liew, Ms. Mae Heng and Mr. Ricky Lee. The chairman of our Nominating Committee will be Mr. Pong Chen Yih. Our Nominating Committee will be responsible for:

- (a) reviewing of succession plans for Directors, in particular, the appointment and/or replacement of our chairman, CEO and Executive Officers;
- (b) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Directors' contribution and performance;
- (c) 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 as well as the Catalist Rules and the Code of Corporate Governance 2018;
- (f) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director; and
- (g) reviewing and approving any new employment of related persons and the proposed terms of their employment.

The Nominating Committee will decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term shareholders' value. Our Board will also implement a process to be carried out by the Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board. Where appropriate, the chairman of our Nominating Committee will act on the results of the performance evaluation, and in consultation with the Nominating Committee, propose new members to be appointed to the Board or seek the resignation of our Directors. Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his or her performance or re-nomination as Director.

Remuneration Committee

Our Remuneration Committee comprises Ms. Mae Heng, Mr. Joseph Liew and Mr. Pong Chen Yih. The chairman of our Remuneration Committee will be Ms. Mae Heng.

CORPORATE GOVERNANCE

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director having regard to, amongst others, the interests of shareholders, the long-term success of our Group, retention, motivation and the level of contribution, effort, time spent and responsibilities of our Directors, as well as the Catalist Rules and the Code of Corporate Governance 2018. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and other benefits-in-kind shall be covered by our Remuneration Committee. Our Remuneration Committee shall also review the remuneration of senior management and employees related to our Directors, if any. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his or her remuneration package.

Audit Committee

Our Audit Committee comprises Mr. Joseph Liew, Mr. Pong Chen Yih and Ms. Mae Heng. The chairman of our Audit Committee will be Mr. Joseph Liew. Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders of our Company.

Our Audit Committee does not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

Our Audit Committee will assist our Board of Directors in discharging their responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board of Directors, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) review with the external auditors the audit plans, their audit report, their management letter and our management's response;
- (b) review 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);
- (c) review, at least annually, the effectiveness and adequacy of our internal control and procedures and ensure coordination between the external auditors and our management, and review the assistance given by our 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 our management where necessary);
- (d) review the co-operation given by our Company's officers to external auditors;
- (e) review 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;
- (f) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of our Company and any announcements relating to our financial performance;
- (g) review the assurance from our CEO and CFO on the financial records and financial statements;

CORPORATE GOVERNANCE

- (h) review and discuss 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 our Group's operating results or financial position, and our management's response;
- (i) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the external auditors;
- (j) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (k) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;
- (l) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures;
- (m) review our key financial risk areas, with a view to providing an independent oversight on our 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;
- (n) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (o) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;
- (p) review 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;
- (q) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- (r) review and approve all hedging policies and instruments (if any) to be implemented by our Group; and
- (s) review our whistle-blowing policy and procedures.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any law, rule or regulation of the jurisdictions in which our Group operates, which has or is likely to have a material impact on our Company's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

After our admission to Catalist, internal audit on the operational areas of our Group will continue to be audited by third party internal control advisers. The appointed third party internal control advisers shall report its audit findings directly to our Audit Committee. Such third party internal audit is likely to continue, for monitoring reasons, even after the Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). In the event of and prior to the decommissioning of such an internal audit, our Board is required to report to the SGX-ST and the Sponsor on how key internal control weaknesses have been rectified, and the basis for the decision to decommission the internal control audit. Thereafter, such audits may be initiated by the Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure must be made via SGXNET on any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

CORPORATE GOVERNANCE

Currently, our Board, with the concurrence of our Audit Committee, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews by our Board and our Audit Committee, is of the view that we have adequate and effective risk management and internal control systems, including financial, operational, compliance and informational technology controls.

Suitability of the CFO

Mr. Wang Leon Kai joined our Group in March 2018 as our Financial Controller and was subsequently appointed as our CFO in July 2018. In considering the suitability of Mr. Wang as our CFO, our Audit Committee, after having:

- (a) conducted an interview with Mr. Wang;
- (b) considered his qualifications and past working experience, and assessed that he is sufficiently qualified and equipped to handle the financial matters of our Group, taking into consideration the nature of our Group's business;
- (c) observed his abilities and diligence in the financial matters of our Group and in the preparation of the financial information of our Group for purposes of the Invitation;
- (d) noted the absence of negative feedback from our Independent Auditors and Reporting Accountants, Ernst & Young LLP; and
- (e) reviewed the internal audit reports from the internal auditor, Foo Kon Tan LLP ("FKT") and conducted an interview with the engagement partner at FKT, to take into account views and feedback from FKT,

is of the view that Mr. Wang is suitable for the position of CFO, and our Audit Committee confirms that, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to their attention to cause them to believe that Mr. Wang does not have the competence, character and integrity expected of a CFO of a listed issuer.

Mr. Wang will be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

POLICIES

Our Board has adopted or intends to adopt the following policies.

Conflict of Interest Policy

Our Group will adopt a conflict of interest policy to guide our employees in the identification and management of conflicts of interests. Conflicts of interest is defined broadly in the policy to refer to any situation where an employee has a personal interest that is sufficient to influence, or appears to influence, the objective exercise of his official duties. Pursuant to the policy, our employees are required to declare real or perceived conflicts of interests in accordance with documented procedures and to comply with the actions recommended by our management to address such conflicts.

All of our key management, including but not limited to our Executive Directors and Executive Officers, are to complete annual conflict of interest disclosures to our Board.

Insider Trading Policy

Our Group intends to adopt an insider trading policy to preserve the reputation and integrity of our Group and our affiliates, and to promote compliance with the relevant requirements of, amongst others, the SFA. In accordance with the policy, any person who possesses material, non-public information relating to our Company, or any other publicly-traded company, including our customers and suppliers, obtained in the course of employment or by association with our Group, is considered an insider to such information. An insider may not buy or sell securities of our Company or communicate such information to a third party.

CORPORATE GOVERNANCE

The insider trading policy shall include a restriction on the dealing in Shares during the period commencing two (2) weeks before the announcement of our Group's financial statements for each of the first three (3) quarters of our financial year and one (1) month before the announcement of our Group's full year financial statements (if required to announce quarterly financial statements), or one (1) month before the announcement of our Group's half year and full year financial statements (if not required to announce quarterly financial statements).

Interested Person Transaction Policy

The Board shall established internal control procedures for Interested Person Transactions. Please refer to the section entitled "Interested Person Transactions – Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions" of this Offer Document.

Fraud and Whistleblowing Policy

Our Group is committed to maintaining high standards of honesty, openness and accountability and eliminating fraud and corruption in the conduct of our business.

Our Group takes all malpractice very seriously, whether it is committed by an employee, supplier, customer, competitor or contractor. As employees will usually be the first to know when someone inside or connected with our Group is doing something illegal, dishonest or improper, our Group has adopted a whistleblowing policy to alleviate any apprehension that employees may feel about voicing their concerns. Our Board believes that it is in the interest of our Group to have prompt knowledge of such illegal, dishonest or improper activities.

As such, our Group intends to adopt a whistleblowing policy which will be disseminated to our employees, contractors, agents and consultants. Any information received will be examined carefully and if it has merit will be acted on. The whistleblower can be assured that our Group intends to protect our business and reputation.

Privacy Policy

In the course of our operations, our Group is required to collect and retain personal information of our customers. In line with the Personal Data Protection Act 2012 (No. 26 of 2012), our Group respects the right to privacy of our customers and has put in place a privacy policy to address how such information which can identify any individual is treated. Such personal information will be used in providing our service, and may also be used to improve our service and to notify individuals of opportunities which they may be interested in. No personal information is provided to third parties except where necessary to our business partners who assist us in the provision of our services to our customers.

BOARD PRACTICES

Our Directors are appointed by our shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the section entitled "Summary of our Constitution" as set out in Appendix E of this Offer Document.

EXCHANGE CONTROLS

Singapore

As at the Latest Practicable Date, there are no foreign exchange control restrictions in Singapore.

Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows in and out of Malaysia in order to preserve its financial and economic stability. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Exchange Control Notices of Malaysia and the Foreign Exchange Administration Rules issued by the Bank Negara Malaysia, non-residents are free to repatriate any amount of funds from Malaysia, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to applicable reporting requirements and any withholding tax, provided that the repatriation is made in foreign currency.

Non-residents are also free to invest in any form of RM assets either as direct or portfolio investments. The investments can be funded through (a) conversion of foreign currency to RM with licensed onshore banks (excluding licensed international Islamic banks) or through an appointed overseas office of the licensed onshore bank's banking group, (b) foreign currency borrowings from the licensed onshore banks or (c) RM borrowing from licensed onshore banks (excluding licensed international Islamic banks) for real sector activities and for the purchase of residential and commercial properties in Malaysia except for the purchase of land only.

PRC

The principal regulation governing foreign currency exchange in China are the Regulations on the Control of Foreign Exchange (外汇管理条例) which were issued by the State Council in January 1996, became effective in April 1996 and was amended in January 1997 and August 2008. Under these rules, RMB is freely convertible for payments of current account items, including trade and service related foreign exchange transactions and dividend payments, but not for capital account expenses, including direct investment, loan or investment in securities outside China. RMB may only be converted for capital account expenses once the prior approval of the PRC's State Administration of Foreign Exchange of the PRC (国家外汇管理局) ("SAFE") has been obtained. Under the Foreign Exchange Administration Rules, FIEs in China may purchase foreign exchange without the approval of the SAFE for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions to commercial banks which are allowed to engage in foreign exchange business.

According to the Regulations on the Administration of Settlement, Sale and Payment of Foreign Exchange as issued on 20 June 1996, the Rules for Implementation of Guideline of Regulations on Service Trade as issued on 18 July 2013, and the Announcement on Tax Filing of Payment Outside of the PRC Relating to Service Trade and Other Items issued on 9 July 2013, a FIE may convert RMB-denominated profits into foreign exchange and remit the same offshore by presenting certain documents to commercial banks which are allowed to engage in foreign exchange business, without the prior approval of, or registration with, the SAFE. Such documents include the (i) audited financial report on relevant year issued by certified accounting firms, (ii) resolution(s) of the board of directors on profit distribution, (iii) the latest capital verification report, and (iv) the Tax Filing Form for Payment Outside of the PRC for Service Trade and Other Items required for a single payment equivalent to or over US\$50,000.

Save as disclosed above, there is no restriction on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book entry settlement system and obtaining physical share certificates.

In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Pursuant to announced rules effective from 1 June 2014, transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in Singapore Dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

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INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

Save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:

- (a) has, at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction 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 two (2) years from the date he ceased to be a partner;
- (b) has, at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction 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 two (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;
- (c) has any unsatisfied judgement against him;
- (d) 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;
- (e) 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;
- (f) has, at any time during the last ten (10) years, had judgement 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, nor has he 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;
- (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) 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;
- (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (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;
 - (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,

GENERAL AND STATUTORY INFORMATION

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Disclosures relating to our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi

Following the establishment of our Company, in February 2013, our Company acquired GVT Malaysia from our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi, by way of a share swap (the “**GVT Malaysia Share Swap**”). Under Malaysia’s foreign exchange administration policies (published by the Central Bank of Malaysia (i.e. Bank Negara Malaysia) (“**BNM**”) pursuant to Malaysia’s Financial Services Act 2013 (which revoked the Exchange Control Act 1953)), the swapping of a financial asset in Malaysia for a financial asset outside Malaysia (which includes a swapping of shares in a Malaysian company) that is above the allowed threshold by BNM shall require the prior approval of BNM. The failure to obtain approval is a contravention of the foreign exchange administration policies which carries the penalty of fine and/or imprisonment under Malaysia’s Financial Services Act 2013 (as it did under the now revoked Exchange Control Act 1953).

Section 21 of the Exchange Control Act 1953 (“**Section 21**”) provides that the title of any person to a security for which he has given value on a transfer thereof will be valid notwithstanding that the transfer was, by reason of the residence of any person other than the transferee, prohibited by the Exchange Control Act 1953 unless the transferee had notice of the facts by reason of which it was prohibited. The Company and GVT Malaysia have confirmed that the Company did not have notice of the prohibition. Furthermore, Section 270 of Malaysia’s Financial Services Act 2013 provides that, unless otherwise provided, no contract, agreement or arrangement, entered into in breach or contravention of any provision of Malaysia’s Financial Services Act 2013 shall be void solely by reason of such breach or contravention.

Accordingly, the Legal Advisers to our Company on Malaysia Law, Tay & Partners, are of the opinion that the GVT Malaysia Share Swap was valid, and there is no risk of the same being undone or of any penalty of fine and/or imprisonment being imposed on the Company or its Directors, managers or similar officers. Notwithstanding the foregoing, our Managing Director (Malaysia), Mr. Kong Sang Wah, and our Group Senior Director of Sales, Mr. Saw Yip Hooi, may be liable in their personal capacities, in respect of the GVT Malaysia Share Swap. The maximum penalty for non-compliance under Malaysia’s Financial Services Act 2013 is imprisonment for a term not exceeding ten (10) years or a fine not exceeding fifty (50) million ringgit (RM50,000,000) or both. Mr. Kong and Mr. Saw have since submitted relevant applications to BNM and to which, BNM had on 19 December 2018, responded with acknowledgments thereof and reminded them to comply with the relevant rules going forward. It should be noted that BNM has not imposed any penalty on either of them, and has not indicated that it will invalidate the GVT Malaysia Share Swap. As at the date hereof, there has not been any prosecution of Mr. Kong and Mr. Saw by BNM. Our Audit Committee will monitor the status of Mr. Kong’s and Mr. Saw’s applications to BNM, and we will make timely announcements when there are any material developments in connection therewith.

While we consider Mr. Kong Sang Wah, our Managing Director (Malaysia) to be a key member of our management team (please refer to the section entitled “Risk Factors – Risks Relating to our Business and Operations – We are dependent on certain key management personnel” of this Offer Document for further details), our Directors are of the view that in the event that Mr. Kong is no longer fit to remain in the Group’s employment as a result of any penalty or fines and/or imprisonment being imposed on him, we will not be adversely affected as we have other experienced managers on the ground in GVT Malaysia. Additionally, our COO, Mr. Tan Chun Siong, who currently oversees the Group’s operations (which includes GVT Malaysia), can be tasked to manage the operations of GVT Malaysia.

Disclosures relating to our Lead Independent Director, Mr. Joseph Liew

Our Lead Independent Director, Mr. Joseph Liew, was a director of Beltek Corporation Pte Ltd and Beltek Engineering Pte Ltd (collectively, the “**Beltek Group**”). The Beltek Group was dissolved

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pursuant to a creditors' voluntary winding up on 29 January 2010. Mr. Joseph Liew was only appointed as a director pursuant to him becoming an executor of the estate of the shareholder of the Beltek Group. Mr. Joseph Liew was not involved in the day-to-day operations of the Beltek Group.

Disclosure relating to our Company

For FY2016 and FY2017, we did not hold our annual general meetings within the prescribed time under Section 175 of the Companies Act, and consequently, the accounts which we presented at such annual general meetings were more than six (6) months before the date thereof (in non-compliance with Section 201 of the Companies Act). We have since paid composition fines amounting to S\$600 in connection with the foregoing.

SHARE CAPITAL

As at the date of this Offer Document, our Company has only one (1) class of Shares, being ordinary shares. A summary of the Constitution of our Company relating to, amongst others, the voting rights and privileges of our Shareholders are set out in the section entitled "Summary of our Constitution" as set out in Appendix E of this Offer Document. There are no founder, management or deferred shares.

Except pursuant to the GVT ESOS and GVT PSP, no person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries. As at the Latest Practicable Date, no options have been issued pursuant to the GVT ESOS and no share awards have been granted pursuant to the GVT PSP. As at the Latest Practicable Date, the Shares held by our Controlling Shareholders and the Invitation Shares to be allotted and issued were not subject to any pledge, mortgage or any other form of encumbrance. There are no Shares that are held by or on behalf of our Company or by our subsidiaries.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

There has not been any public takeover offer, by a third party in respect of our Shares or by our Company in respect of the shares of another corporation, or the units of a business trust since 1 January 2015 to the Latest Practicable Date.

There are no shares in our Company that are held by or on behalf of our Company or by our subsidiaries.

Save as disclosed below, there were no changes in the issued and paid-up share capital of our Company and our subsidiaries within the three (3) years preceding the Latest Practicable Date:

Our Company

Date	Event	Number of Shares issued (before the Sub-Division)	Issue price per Share	Resultant number of Shares (before the Sub-Division)	Resultant issued share capital
1 February 2018	Conversion of Convertible Loans	800,000	S\$2.50	8,800,000	S\$10,000,000
30 July 2018	Share Subscription by ZG Innotech	800,000	S\$2.75	9,600,000	S\$12,200,000 ⁽¹⁾

Note:

- (1) This does not reflect (i) the adjustment to the fair value of GVT Malaysia's shares of S\$2,744,359 in connection with the acquisition of GVT Malaysia, and (ii) fair value of the conversion option of S\$407,000, relating to the issue of new Shares pursuant to conversion of convertible loans. If such amounts were reflected, the share capital would be S\$15,351,359 before the Invitation.

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Our Subsidiaries

Subsidiary	Date	Event	Number of Shares issued	Issue price per Share	Resultant number of Shares	Resultant issued share capital
GVT Suzhou	7 February 2018	Payment of registered capital by GVT Singapore	-(1)	US\$399,965	-(1)	US\$399,965
	24 February 2018	Payment of registered capital by GVT Singapore	-(1)	US\$399,965	-(1)	US\$799,930
	27 June 2018	Payment of registered capital by GVT Singapore	-(1)	US\$1,200,070	-(1)	US\$2,000,000

Note:

- (1) Under the laws of the PRC, liabilities of shareholders of a limited liability company are limited to the amount of registered capital they have subscribed.

MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our subsidiaries within the two (2) years preceding the date of lodgement of this Offer Document and are or may be material:

- (a) The Business Transfer Agreement dated 1 January 2018 entered into between, GVT Suzhou, SIP Excellence and SIP Innovation, which had been entered into in connection with our acquisition of their business and assets for the aggregate consideration of RMB 3,678,291.
- (b) The Call Option Agreement dated 18 January 2018 entered into between our Company and Sunshine Power, which has since been terminated pursuant to our entry into the Cornerstone Subscription Agreement.
- (c) The Cornerstone Subscription Agreement.
- (d) The Cooperation Agreement dated 7 May 2018 entered into between our Company and SICO Technology GmbH and its Singapore outfit, Sico Asia Quartz Pte. Ltd., which had been entered into to build up our quartz and ceramic machining capabilities.
- (e) The Share Subscription Agreement dated 30 July 2018 entered into between our Company and our General Manager (China), Mr. Alan Lu, which had been entered into in connection with the allotment and issuance of 800,000 new Shares to ZG Innotech for an aggregate consideration of S\$2,200,000.
- (f) The Service Agreements, details of which can be found in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document.
- (g) The Sponsorship and Management Agreement.
- (h) The Underwriting and Placement Agreement.

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LITIGATION

To the best of our knowledge and belief, as at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant including those which are pending or known to be contemplated which may have or have had in the last twelve (12) months before the date of lodgement of this Offer Document, a material effect on the financial position or the profitability of our Group.

MISCELLANEOUS

- (a) The nature of the business of our Company is stated in the section entitled “General Information on our Group – Our Business” of this Offer Document. The companies which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled “Group Structure” of this Offer Document.
- (b) Save as discussed in this Offer Document, there has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two (2) years preceding the date of this Offer Document.
- (c) There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred since our Company’s incorporation and the Latest Practicable Date.
- (d) Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Bank. In the ordinary course of business, the Receiving Bank will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without interest or any share of revenue or other benefit arising therefrom.
- (e) Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since the end of HY2018 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
- (f) Details, including the name, address and professional qualifications (including membership in a professional body) of the auditors of our Company for the Period Under Review are as follows:

Period of engagement	Name / Address	Professional body	Partner-in-charge / Professional qualification
From June 2017 to March 2018	EisnerAmper PAC (formerly known as Saw Meng Tee & Partners PAC) / 1 North Bridge Road, #23-05, High Street Centre, Singapore 179094	Institute of Singapore Chartered Accountants	Saw Meng Tee / Chartered Accountant of Singapore
From March 2018	Ernst & Young LLP / One Raffles Quay, North Tower, Level 18, Singapore 048583	Institute of Singapore Chartered Accountants	Tan Swee Ho / Chartered Accountant of Singapore

We currently have no intention of changing our auditors after the admission to, and listing of, our Company on Catalist.

CONSENTS

- (a) The Independent Auditors and Reporting Accountants, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Independent Auditor’s and Reporting Accountant’s Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 December 2015, 2016 and 2017”, the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Consolidated Financial Statements for the Six-Month Period ended 30 June 2018” and the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 December 2017 and Unaudited Interim Pro Forma Consolidated Financial Information for the Six-Month Financial Period ended 30 June 2018” and references to its name, in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.
- (b) The Sponsor and Issue Manager, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
- (c) The Underwriter and Placement Agent, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
- (d) Each of the Legal Adviser to our Company on Singapore Law, the Legal Adviser to our Company on Malaysia Law and the Legal Adviser to our Company on PRC Law, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
- (e) Frost & Sullivan has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto, and the information prepared by it for purposes of incorporation in the section entitled “Prospects, Business Strategies and Future Plans – Prospects – Growth in the analytical equipment market for the analytical life sciences industry” of this Offer Document, in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
- (f) Each of the Share Registrar, the Principal Banker and the Receiving Bank do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any persons which is based on, or arises out of, the statements, information or opinions in this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts, the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

GENERAL AND STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority:

- (a) the Constitution of our Company;
- (b) the “Independent Auditor’s and Reporting Accountant’s Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 December 2015, 2016 and 2017” as set out in Appendix A of this Offer Document;
- (c) the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Consolidated Financial Statements for the Six-Month Period ended 30 June 2018” as set out in Appendix B of this Offer Document;
- (d) the “Independent Auditor’s and Reporting Accountant’s Report on the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 December 2017 and Unaudited Interim Pro Forma Consolidated Financial Information for the Six-Month Period ended 30 June 2018” as set out in Appendix C of this Offer Document;
- (e) the letters of consent referred to in the section entitled “General and Statutory Information – Consents” of this Offer Document;
- (f) the material contracts referred to in this Offer Document; and
- (g) the Service Agreements.

SOURCES

We have included the information from SEMI in its proper form and context in this Offer Document. SEMI has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information cited and attributed to it, in this Offer Document and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and Issue Manager, and the Underwriter and Placement Agent have taken reasonable actions to ensure that the relevant information from the relevant source has been reproduced in its proper form and context, neither we, the Sponsor and Issue Manager, the Underwriter and Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of the relevant information

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2015, 2016 AND 2017**

Company Registration No. 201222831E

**Grand Venture Technology Pte. Ltd.
and its subsidiaries**

Annual Financial Statements
For the financial years ended
31 December 2015, 2016 and 2017

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
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Grand Venture Technology Pte. Ltd. and its subsidiaries

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**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Directors’ statement

In the opinion of the directors,

- (i) the consolidated financial statements of the Group are drawn up so as to present fairly, in all material respects, the financial positions of the Group as at 31 December 2015, 2016 and 2017 and the financial performance, changes in equity and cash flows of the Group for the financial years ended 31 December 2015, 2016 and 2017, and
- (ii) at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Lee Tiam Nam
Director

Ng Wai Yuen Julian
Director

Singapore
15 January 2019

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Independent auditor’s report

For the financial years ended 31 December 2015, 2016 and 2017

The Board of Directors
Grand Venture Technology Pte. Ltd.
2 Changi North Street 1
GVT Building
Singapore 498828

Dear Sirs,

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Grand Venture Technology Pte. Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the consolidated statements of financial position of the Group as at 31 December 2015, 2016 and 2017, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flows statements for each of the financial years ended 31 December 2015, 2016 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”) so as to give a true and fair view of the consolidated financial positions of the Group as at 31 December 2015, 2016 and 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for each of the financial years ended 31 December 2015, 2016 and 2017.

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 Consolidated 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.

Responsibilities of management and directors for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with FRS, 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 consolidated 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.

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Independent auditor’s report

For the financial years ended 31 December 2015, 2016 and 2017

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Independent auditor’s report

For the financial years ended 31 December 2015, 2016 and 2017

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of shares of the Company in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Tan Swee Ho

15 January 2019

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Consolidated statements of comprehensive income

For the financial years ended 31 December 2015, 2016 and 2017

	Note	2015 S\$	2016 S\$	2017 S\$
Revenue	4	8,819,272	15,794,018	30,856,349
Cost of sales		(7,938,636)	(11,826,019)	(22,423,267)
Gross profit		880,636	3,967,999	8,433,082
Other operating income	5	1,028,676	1,045,214	1,108,277
Selling and distribution expenses		(285,321)	(336,953)	(431,654)
General and administrative expenses		(2,138,002)	(2,482,977)	(3,830,694)
Other operating expenses		(1,323,624)	(1,242,350)	(1,381,931)
Finance costs	6	(663,094)	(800,176)	(916,810)
Fair value loss on convertible loan option		–	(9,000)	(398,000)
(Loss)/profit before tax	7	(2,500,729)	141,757	2,582,270
Income tax credit/(expense)	8	64,849	(39,501)	1,258,058
(Loss)/profit for the year		(2,435,880)	102,256	3,840,328
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange difference on translation of foreign operations		(543,343)	(105,433)	122,880
Total comprehensive income for the year		(2,979,223)	(3,177)	3,963,208
(Loss)/earnings per share (cents per share)				
- Basic and diluted	9	(1.57)	0.07	2.47

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

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Consolidated statements of financial position

As at 31 December 2015, 2016 and 2017

	Note	2015 S\$	2016 S\$	2017 S\$
Non-current assets				
Property, plant and equipment	10	18,285,647	19,288,345	18,889,884
Intangible assets	11	1,787,527	1,557,073	1,379,030
Prepayments		45,751	–	–
Deferred tax assets	13	2,933	5,257	1,548,571
		<u>20,121,858</u>	<u>20,850,675</u>	<u>21,817,485</u>
Current assets				
Cash and bank balances	14	518,309	424,270	1,642,774
Trade receivables	15	2,300,245	4,943,045	8,515,241
Prepayments		194,603	188,827	333,009
Other receivables	16	197,343	124,033	145,268
Inventories	17	3,262,186	6,010,140	6,311,656
		<u>6,472,686</u>	<u>11,690,315</u>	<u>16,947,948</u>
Total assets		<u>26,594,544</u>	<u>32,540,990</u>	<u>38,765,433</u>
Current liabilities				
Trade payables	18	1,740,529	4,766,062	4,894,019
Other payables and accruals	19	1,097,102	1,674,051	2,215,059
Shareholder loan	20	5,600,000	6,900,000	–
Loans and borrowings	21	4,615,895	4,881,659	5,889,110
Convertible loans	22	–	2,000,000	2,000,000
Derivatives	23	–	9,000	407,000
Provision for income tax		–	–	14,491
		<u>13,053,526</u>	<u>20,230,772</u>	<u>15,419,679</u>
Net current (liabilities)/assets		<u>(6,580,840)</u>	<u>(8,540,457)</u>	<u>1,528,269</u>
Non-current liabilities				
Shareholder loan	20	–	–	6,900,000
Loans and borrowings	21	10,123,967	9,344,591	9,565,166
Convertible loans	22	400,000	–	–
Deferred tax liabilities	13	96,494	48,247	–
		<u>10,620,461</u>	<u>9,392,838</u>	<u>16,465,166</u>
Total liabilities		<u>23,673,987</u>	<u>29,623,610</u>	<u>31,884,845</u>
Net assets		<u>2,920,557</u>	<u>2,917,380</u>	<u>6,880,588</u>
Equity attributable to owners of the Company				
Share capital	24	10,744,359	10,744,359	10,744,359
Currency translation reserve		(765,724)	(871,157)	(748,277)
Accumulated losses		(7,058,078)	(6,955,822)	(3,115,494)
Total equity		<u>2,920,557</u>	<u>2,917,380</u>	<u>6,880,588</u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2015, 2016 AND 2017**

Grand Venture Technology Pte. Ltd. and its subsidiaries

Consolidated statements of changes in equity

For the financial years ended 31 December 2015, 2016 and 2017

Group	Note	Share capital S\$	Currency translation reserve S\$	Accumulated losses S\$	Total S\$
Balance as at 1 January 2015		10,744,359	(222,381)	(4,622,198)	5,899,780
<i>Total comprehensive income for the year</i>					
Loss for the year		–	–	(2,435,880)	(2,435,880)
Other comprehensive loss for the year		–	(543,343)	–	(543,343)
Total comprehensive loss for the year		–	(543,343)	(2,435,880)	(2,979,223)
Balance as at 31 December 2015		10,744,359	(765,724)	(7,058,078)	2,920,557
Balance as at 1 January 2016		10,744,359	(765,724)	(7,058,078)	2,920,557
<i>Total comprehensive income for the year</i>					
Profit for the year		–	–	102,256	102,256
Other comprehensive loss for the year		–	(105,433)	–	(105,433)
Total comprehensive income for the year		–	(105,433)	102,256	(3,177)
Balance as at 31 December 2016		10,744,359	(871,157)	(6,955,822)	2,917,380
Balance as at 1 January 2017		10,744,359	(871,157)	(6,955,822)	2,917,380
<i>Total comprehensive income for the year</i>					
Profit for the year		–	–	3,840,328	3,840,328
Other comprehensive income for the year		–	122,880	–	122,880
Total comprehensive income for the year		–	122,880	3,840,328	3,963,208
Balance as at 31 December 2017		10,744,359	(748,277)	(3,115,494)	6,880,588

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

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Grand Venture Technology Pte. Ltd. and its subsidiaries

Consolidated cash flow statements

For the financial years ended 31 December 2015, 2016 and 2017

	Note	2015 S\$	2016 S\$	2017 S\$
Operating activities				
(Loss)/profit before tax		(2,500,729)	141,757	2,582,270
Adjustments for:				
Depreciation expense	7	3,166,615	3,175,292	3,368,831
Amortisation expense	7	201,028	201,028	201,028
Loss/(gain) on disposal of property, plant and equipment	5,7	65,105	(18,581)	(322)
Interest income	5	(2,839)	(2,808)	(760)
Interest expense	6	663,094	800,176	916,810
Bad debts written-off	7	68,225	4,551	8,000
Gain on waiver of interest payable	5,20	–	–	(138,707)
Provision for unutilized leave		30,318	24,303	36,657
Fair value loss on convertible loan option	23	–	9,000	398,000
Unrealised foreign exchange loss/(gain)		200,607	70,934	(85,480)
Operating cash flows before changes in working capital		1,891,424	4,405,652	7,286,327
Increase in trade and other receivables		(54,127)	(2,734,636)	(3,510,359)
Increase in inventories		(1,476,981)	(2,851,061)	(194,016)
Decrease/(increase) in prepayments		79,223	47,957	(138,224)
Increase in trade and other payables		230,442	3,468,090	730,641
Cash flows from operations		669,981	2,336,002	4,174,369
Income tax paid		(35,655)	(18,370)	(298,602)
Interest received		2,839	2,808	760
Interest paid		(546,770)	(560,251)	(964,806)
Net cash flows generated from operating activities		90,395	1,760,189	2,911,721
Investing activities				
Purchase of property, plant and equipment	10	(828,765)	(2,385,471)	(649,821)
Proceeds from disposal of property, plant and equipment		407,624	20,765	322
Net cash flows used in investing activities		(421,141)	(2,364,706)	(649,499)
Financing activities				
Proceeds from convertible loan		400,000	1,600,000	–
Repayment of finance lease obligations		(1,250,257)	(1,920,075)	(886,545)
Proceeds from trade financing		779,312	688,379	629,500
Proceeds from loans and borrowings		351,400	–	300,000
Repayment of loans and borrowings		(1,113,264)	(1,004,246)	(973,466)
Proceeds from advances from a shareholder		1,300,000	1,300,000	–
(Increase)/decrease in placement of short-term fixed deposits		(1,436)	(65,334)	38,054
Net cash flows generated from/(used in) financing activities		465,755	598,724	(892,457)
Net increase/(decrease) in cash and cash equivalents		135,009	(5,793)	1,369,765
Effect of foreign exchange rate changes, net		79,138	6,938	3,213
Cash and cash equivalents at the beginning of the year		(394,738)	(180,591)	(179,446)
Cash and cash equivalents at the end of the year	14	(180,591)	(179,446)	1,193,532

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

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the financial statements

For the financial years ended 31 December 2015, 2016 and 2017

1. Corporate information

1.1 The Company

The Company (Registration No. 201222831E) was incorporated in Singapore on 17 September 2012 under the Companies Act as a private company domiciled in Singapore. On 27 December 2018, the Company was converted into a public limited company and changed its name to Grand Venture Technology Limited.

Subsequent to 31 December 2017, the immediate and ultimate holding company is Metalbank Singapore Pte. Ltd. (formerly known as GVT Pte. Ltd.).

The registered office and principal place of business is located at 2 Changi North Street 1. GVT Building, Singapore 498828.

The principal activities of the Company and its subsidiaries for the financial years ended 31 December 2015, 2016 and 2017 were that of manufacturing complex precision machining and sheet metal components and modules.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

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 S\$).

2.2 Changes in accounting policies

The accounting policies have been consistently applied by the Group during the financial years ended 31 December 2015, 2016 and 2017 except that during the financial years ended 31 December 2015, 2016 and 2017, the Group adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015, 2016 and 2017 respectively. The adoption of these standards did not have any effect on the financial performance or positions of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective that may be relevant to the Group:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019

Except for FRS 116, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the financial statements

For the financial years ended 31 December 2015, 2016 and 2017

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

2.3 Standards issued but not yet effective (cont'd)

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities and EBITDA.

2.4 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards

Applicable to 2018 financial statements

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with the SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements.

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening

**APPENDIX A – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the financial statements

For the financial years ended 31 December 2015, 2016 and 2017

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

2.4 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont’d)

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) (cont’d)

statement of financial position and comparative information to be prepared using the most current accounting policies.

SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

Applicable to financial statements for the year 2019 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after 1 January 2019:

- SFRS(I) 16 Leases

The Group has assessed that the abovementioned standard is identical to FRS 116. Please refer to Note 2.3 for the Group’s assessment on the impact to the financial statements.

Reconciliation of FRS to SFRS(I)

On 19 January 2018, Monetary Authority of Singapore (“MAS”) announced those entities who lodge prospectus with MAS on or after 1 January 2018 are required to prepare the restatement of up to 3 years of historical audited financial statements in accordance with SFRS(I) in the prospectus. However, transition relief was also given for these entities that choose to lodge a prospectus on or after 1 January 2018 using FRS by including the followings:

- a) audited statements of reconciliation of the four primary financial statements (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows) prepared in accordance with the FRS, and the respective financial statements prepared in accordance with the new framework, SFRS(I) for the historical financial information for the annual period beginning on or after 1 January 2017; and
- b) notes to describe any differences between the financial figures of the audited annual financial statements prepared in accordance with the FRS, and the financial figures of the annual financial statements prepared in accordance with the SFRS(I).

The Group has elected the transition relief to prepare the financial statements using the current FRS.

An assessment has been made with respect to the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1. There is no impact on the financial statements of the Group arising from the assessment on the adoption of SFRS(I).

Accordingly, for the purposes of paragraph 8A(b)(ii) of Part IX (Financial Information) of the 5th Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, no audited reconciliation of the statement of profit or loss and other comprehensive income, statement of cash flows, statement of financial position and statement of changes in equity for the most recent completed financial year has been presented.

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

2.5 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 periods. 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;
- Re-classifies 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.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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

2.5 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

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.

2.6 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 subsidiary companies 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 dollar 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.

2.7 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.

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

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

2.7 *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 property	-	50 years
Leasehold property	-	10-30 years
Leasehold land	-	10-60 years
Plant, machinery and equipment	-	5-10 years
Furniture and fittings	-	5-10 years
Office equipment	-	3-10 years
Motor vehicle	-	5-10 years

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.

2.8 *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 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.

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

2.9 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.

2.10 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.

2.11 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 financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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 and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

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

2.11 *Financial instruments (cont'd)*

(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. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.12 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

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

2.12 Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments 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.

2.14 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: purchase costs 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.

2.15 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.

2.16 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. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position 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.

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

2.17 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.

2.18 Convertible loan

Convertible loan with conversion option are accounted for as financial liability with an embedded equity conversion derivative based on the terms of the contract.

On issuance of convertible loans, the embedded option is recognised at its fair value as derivative liability with subsequent changes in fair value recognised in profit or loss.

The remainder of the proceeds is allocated to the liability component that is carried at amortised cost until the liability is extinguished on conversion or redemption.

When an equity conversion option is exercised, the carrying amounts of the liability component and the equity conversion option are derecognised with a corresponding recognition of share capital.

2.19 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 in Singapore and Malaysia 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.

2.20 Leases

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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

2.20 Leases (cont’d)

As lessee (cont’d)

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(b).

2.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(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.

2.22 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 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.

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

2.22 Income taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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 other comprehensive income 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.

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

2.23 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.

2.24 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 consolidated 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 end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key source 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.

Impairment of goodwill on consolidation

As disclosed in Note 11 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 11 to the financial statements.

The carrying amount of goodwill on consolidation is S\$1,379,030 (2016: S\$1,356,045; 2015: S\$1,385,471).

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4. Revenue

Revenue represents sales of goods to customers, net of sales returns.

5. Other operating income

	2015 S\$	2016 S\$	2017 S\$
Rental income	791,316	750,232	725,472
Grant income	34,178	57,040	42,029
Interest income	2,839	2,808	760
Utilities charged to tenants	92,305	86,300	102,907
Gain on waiver of interest payable	–	–	138,707
Gain on disposal of fixed assets	–	18,581	322
Other income	108,038	130,253	98,080
	<u>1,028,676</u>	<u>1,045,214</u>	<u>1,108,277</u>

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

6. Finance costs

	2015 S\$	2016 S\$	2017 S\$
Interest expense on:			
Trade financing	18,618	34,563	52,347
Shareholder loan	110,277	146,917	184,677
Convertible loan	–	86,562	113,438
Bank loans	342,818	331,213	324,414
Hire purchases	189,902	200,657	240,383
Others	1,479	264	1,551
	<u>663,094</u>	<u>800,176</u>	<u>916,810</u>

7. (Loss)/profit before tax

The following items have been charged in arriving at (loss)/profit before tax:

	2015 S\$	2016 S\$	2017 S\$
Employee benefits expenses			
- Salaries and bonuses	2,879,839	3,970,111	5,452,080
- Defined contribution plan	374,806	492,387	643,242
- Other benefits	503,195	907,077	1,406,140
Loss on disposal of fixed assets	65,105	–	–
Bad debts written-off	68,225	4,551	8,000
Foreign exchange loss	256,532	104,279	305,799
Depreciation expenses	3,166,615	3,175,292	3,368,831
Amortisation expenses	201,028	201,028	201,028
Operating lease expenses	218,386	275,552	295,033
	<u>6,333,533</u>	<u>7,267,210</u>	<u>8,075,113</u>

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8. Income tax (credit)/expense

The major components of income tax (credit)/expense for the years ended 31 December 2015, 2016 and 2017 are:

	2015 S\$	2016 S\$	2017 S\$
Current income tax	11,537	90,072	324,314
Deferred income tax	(76,386)	(50,571)	(1,582,372)
	<u>(64,849)</u>	<u>39,501</u>	<u>(1,258,058)</u>

Domestic income tax is calculated at 17% (2016: 17%; 2015: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Relationship between tax (credit)/expense and accounting (loss)/profit

	2015 S\$	2016 S\$	2017 S\$
(Loss)/profit before tax	<u>(2,500,729)</u>	<u>141,757</u>	<u>2,582,270</u>
Tax at the domestic rates applicable to (loss)/profit in the countries where the Group operates	(510,067)	93,021	621,977
Non-deductible expenses	202,043	171,598	264,321
Income not subject to taxation	(3,980)	(13,960)	(5,788)
Effects of partial tax exemption and tax relief	(1,719)	(3,613)	–
Deferred tax assets not recognised	294,915	72,542	–
Utilisation of previously unrecognised deferred tax assets	(46,041)	(280,087)	(478,801)
Recognition of deferred tax assets previously not recognised	–	–	(1,659,767)
Income tax (credit)/expense	<u>(64,849)</u>	<u>39,501</u>	<u>(1,258,058)</u>

9. (Loss)/earnings per share

	2015 S\$	2016 S\$	2017 S\$
(Loss)/profit for the year, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share	<u>(2,435,880)</u>	<u>102,256</u>	<u>3,840,328</u>
Weighted average number of ordinary shares for basic and diluted earnings per share computation	<u>155,200,000</u>	<u>155,200,000</u>	<u>155,200,000</u>

As approved by shareholders of the Company in an extraordinary general meeting held on 14 December 2018, every one share in the capital of the Company was sub-divided into 19.4 shares (the “Sub-Division”). Accordingly, the number of outstanding shares is adjusted for the effect of the Sub-Division.

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9. (Loss)/earnings per share (cont'd)

Basic (loss)/earnings per share are calculated by dividing (loss)/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.

The convertible loans, which are anti-dilutive, have not been included in the calculation of diluted (loss)/earnings per share. Accordingly, diluted (loss)/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.

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10. Property, plant and equipment

	Leasehold property S\$	Freehold property S\$	Leasehold land S\$	Freehold land S\$	Plant, machinery and equipment S\$	Furniture and fittings S\$	Office Equipment S\$	Motor vehicle S\$	Total S\$
Cost:									
At 1 January 2015	14,383,714	221,021	637,604	154,256	11,804,199	1,057,158	557,961	355,157	29,171,070
Additions	19,523	–	–	–	2,363,187	121,039	136,289	12,853	2,652,891
Disposal	–	(206,574)	–	(147,033)	–	(293,983)	(71,078)	–	(718,668)
Translation differences	(468,149)	(14,447)	(83,297)	(7,223)	(1,386,285)	(68,240)	(61,673)	(47,203)	(2,136,517)
At 31 December 2015 and 1 January 2016	13,935,088	–	554,307	–	12,781,101	815,974	561,499	320,807	28,968,776
Additions	31,700	–	–	–	3,895,178	271,413	122,674	63,815	4,384,780
Disposal	–	–	–	–	(276,783)	–	–	(16,585)	(293,368)
Written-off	–	–	–	–	(967)	–	–	(8,717)	(9,684)
Translation differences	(67,483)	–	(11,773)	–	(295,943)	(16,240)	(11,784)	(8,151)	(411,374)
At 31 December 2016 and 1 January 2017	13,899,305	–	542,534	–	16,102,586	1,071,147	672,389	351,169	32,639,130
Additions	43,932	–	–	–	2,290,401	275,885	201,211	–	2,811,429
Disposal	–	–	–	–	–	–	–	(29,058)	(29,058)
Translation differences	53,237	–	9,196	–	247,428	15,096	10,054	5,381	340,392
At 31 December 2017	13,996,474	–	551,730	–	18,640,415	1,362,128	883,654	327,492	35,761,893

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

	Leasehold property S\$	Freehold property S\$	Leasehold land S\$	Freehold land S\$	Plant, machinery and equipment S\$	Furniture and fittings S\$	Office equipment S\$	Motor vehicle S\$	Total S\$
Accumulated depreciation:									
At 1 January 2015	1,682,240	16,220	13,420	–	6,253,925	236,515	263,699	265,094	8,731,113
Charge for the year	897,961	3,692	10,038	–	1,960,694	109,365	131,209	53,656	3,166,615
Disposal	–	(18,734)	–	–	–	(158,399)	(68,806)	–	(245,939)
Translation differences	(15,724)	(1,178)	(2,382)	–	(864,125)	(16,485)	(30,775)	(37,991)	(968,660)
At 31 December 2015 and 1 January 2016	2,564,477	–	21,076	–	7,350,494	170,996	295,327	280,759	10,683,129
Charge for the year	895,349	–	9,541	–	2,027,624	92,214	127,083	23,481	3,175,292
Disposal	–	–	–	–	(274,600)	–	–	(16,584)	(291,184)
Written-off	–	–	–	–	(967)	–	–	(8,717)	(9,684)
Translation differences	(5,174)	–	(779)	–	(184,413)	(2,805)	(7,697)	(5,900)	(206,768)
At 31 December 2016 and 1 January 2017	3,454,652	–	29,838	–	8,918,138	260,405	414,713	273,039	13,350,785
Charge for the year	893,478	–	9,185	–	2,185,400	122,738	137,040	20,990	3,368,831
Disposal	–	–	–	–	–	–	–	(29,058)	(29,058)
Translation differences	4,574	–	686	–	161,741	3,157	6,823	4,470	181,451
At 31 December 2017	4,352,704	–	39,709	–	11,265,279	386,300	558,576	269,441	16,872,009
Carrying amount:									
At 31 December 2015	11,370,611	–	533,231	–	5,430,607	644,978	266,172	40,048	18,285,647
At 31 December 2016	10,444,653	–	512,696	–	7,184,448	810,742	257,676	78,130	19,288,345
At 31 December 2017	9,643,770	–	512,021	–	7,375,136	975,828	325,078	58,051	18,889,884

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

Assets held under finance leases

During the year, the Group acquired plant, machinery and equipment with an aggregate cost of \$2,161,608 (2016: \$1,999,309; 2015: \$1,824,126) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to \$649,821 (2016: \$2,385,471; 2015: \$828,765).

The carrying amount of plant, machinery and equipment held under finance leases at the end of the reporting period as disclosed under Note 21 are as follows:

	2015 S\$	2016 S\$	2017 S\$
Plant and machinery	4,297,738	5,269,789	5,698,317
Motor vehicles	22,153	78,127	58,049
	<u>4,319,891</u>	<u>5,347,916</u>	<u>5,756,366</u>

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, the Group’s leasehold land and buildings with a carrying amount of \$10,155,791 (2016: \$10,957,349; 2015: \$11,903,842) are mortgaged to secure the Group’s bank loans (Note 21).

11. Intangible assets

	Customer relationship S\$	Goodwill S\$	Total S\$
Cost:			
At 1 January 2015	1,005,142	1,593,669	2,598,811
Translation differences	–	(208,198)	(208,198)
At 31 December 2015 and 1 January 2016	1,005,142	1,385,471	2,390,613
Translation differences	–	(29,426)	(29,426)
At 31 December 2016 and 1 January 2017	1,005,142	1,356,045	2,361,187
Translation differences	–	22,985	22,985
At 31 December 2017	<u>1,005,142</u>	<u>1,379,030</u>	<u>2,384,172</u>

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11. Intangible assets (cont'd)

	Customer relationship S\$	Goodwill S\$	Total S\$
Accumulated amortisation:			
At 1 January 2015	402,058	–	402,058
Amortisation for the year	201,028	–	201,028
At 31 December 2015 and 1 January 2016	603,086	–	603,086
Amortisation for the year	201,028	–	201,028
At 31 December 2016 and 1 January 2017	804,114	–	804,114
Amortisation for the year	201,028	–	201,028
At 31 December 2017	1,005,142	–	1,005,142
Carrying amount:			
At 31 December 2015	402,056	1,385,471	1,787,527
At 31 December 2016	201,028	1,356,045	1,557,073
At 31 December 2017	–	1,379,030	1,379,030

Impairment testing of goodwill

Goodwill acquired through business combinations is attributable to the acquisition of its wholly-owned subsidiary, Grand Venture Technology Sdn. Bhd., which is considered as a cash-generating unit (“CGU”) for impairment testing as follows:

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

	2015 S\$	2016 S\$	2017 S\$
Growth rates	2.0%	2.0%	2.0%
Pre-tax discount rates	14.2%	14.2%	14.2%

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are based on the average values achieved in the three years preceding the start of the budget period, or if unavailable, based on management assessment of the markets. These are increased over the budget period for anticipated efficiency improvements.

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.

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

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11. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

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

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.

No impairment loss were required for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 for goodwill as their recoverable values were in excess of their carrying values.

12. Investments in subsidiaries

Composition of the Group

The Group has the following subsidiaries as at the financial years ended 31 December 2015, 2016 and 2017:

Name of subsidiary	Principal activities (Country of incorporation and operations)	Proportion of ownership interest	Proportion of ownership interest	Proportion of ownership interest
		2015 %	2016 %	2017 %
<i>Held by the Company</i>				
Grand Venture Technology Sdn. Bhd.	Manufacturing of machinery parts (Malaysia)	100	100	100
Grand Venture Technology (Suzhou) Co. Ltd.	Manufacturing of machinery parts (Suzhou, China)	–	–	100

The Company's interest in Grand Venture Technology (Suzhou) Co. Ltd. were unpaid for as at 31 December 2017, and were only fully settled after year end.

13. Deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) as at 31 December relates to the following:

	2015 S\$	2016 S\$	2017 S\$
Deferred tax assets:			
Balance as at 1 January	–	2,933	5,257
Credited to profit or loss	2,933	2,324	1,534,125
Translation differences	–	–	9,189
Balance as at 31 December	2,933	5,257	1,548,571
Deferred tax liabilities:			
Balance as at 1 January	(169,947)	(96,494)	(48,247)
Credited to profit or loss	73,453	48,247	48,247
Balance as at 31 December	(96,494)	(48,247)	–

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13. Deferred tax assets/(liabilities) (cont’d)

Deferred tax assets/(liabilities) as at 31 December related to the following:

	2015 S\$	2016 S\$	2017 S\$
Deferred tax assets:			
Tax written-down value in excess of net book value of qualifying fixed assets	–	–	1,542,231
Others	2,933	5,257	6,340
	<u>2,933</u>	<u>5,257</u>	<u>1,548,571</u>
Deferred tax liabilities:			
Fair value adjustments on acquisition of subsidiary	(96,464)	(48,247)	–

The Group has tax losses carry forwards available for offsetting against future taxable income as follows:

	2015 S\$	2016 S\$	2017 S\$
Amount at beginning of year	1,003,782	1,150,264	421,177
Addition	146,482	–	–
Amount utilised	–	(729,087)	(421,177)
	<u>1,150,264</u>	<u>421,177</u>	<u>–</u>

Subject to the agreement with the Comptroller of Income Tax and the relevant provisions of the Income Tax Act, the Group has estimated unabsorbed tax losses of \$nil (2016: \$421,177; 2015: \$1,150,264) available for offset against future profits. The tax losses can be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

14. Cash and bank balances

	2015 S\$	2016 S\$	2017 S\$
Cash at banks and on hand	441,708	286,230	1,541,197
Short-term fixed deposits	76,601	138,040	101,577
	<u>518,309</u>	<u>424,270</u>	<u>1,642,774</u>

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 3.15% (2016: 3.15% to 3.45%; 2015: 3.45%) per annum and are made for a period of 12 months (2016: 12 months; 2015: 12 months).

The short-term fixed deposits are pledged to the bank as security for bank borrowings (Note 21) and bank guarantee facilities granted to the Group.

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

	2015 S\$	2016 S\$	2017 S\$
United States Dollar	<u>221,807</u>	<u>65,846</u>	<u>1,303,015</u>

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14. Cash and bank balances (cont’d)

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

	2015	2016	2017
	S\$	S\$	S\$
Cash and bank balances	518,309	424,270	1,642,774
Less:			
Short-term fixed deposits	(76,601)	(138,040)	(101,577)
Bank overdrafts (Note 21)	(622,299)	(465,676)	(347,665)
Cash and cash equivalents	<u>(180,591)</u>	<u>(179,446)</u>	<u>1,193,532</u>

15. Trade receivables

	2015	2016	2017
	S\$	S\$	S\$
Third parties	2,247,037	4,670,613	8,314,696
Net input tax	53,208	272,432	200,545
	<u>2,300,245</u>	<u>4,943,045</u>	<u>8,515,241</u>

Trade receivables are unsecured, non-interest bearing and are generally on 60 to 90 days’ (2016: 60 to 90 days’) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to S\$1,806,543 (2016: S\$992,486; 2015 S\$609,704) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2015	2016	2017
	S\$	S\$	S\$
Trade receivables that are past due but not impaired:			
- Less than 30 days	399,440	741,496	1,514,589
- 31 to 60 days	78,852	176,775	256,234
- More than 60 days	131,412	74,215	35,720
Balance at 31 December	<u>609,704</u>	<u>992,486</u>	<u>1,806,543</u>

Trade receivables are denominated in the following foreign currencies:

	2015	2016	2017
	S\$	S\$	S\$
United States Dollar	1,508,747	2,644,629	4,768,692

16. Other receivables

	2015	2016	2017
	S\$	S\$	S\$
Deposits	47,546	82,715	90,431
Other receivables	149,797	41,318	54,837
	<u>197,343</u>	<u>124,033</u>	<u>145,268</u>

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17. Inventories

	2015 S\$	2016 S\$	2017 S\$
Statement of financial position:			
Raw materials	213,024	539,120	930,831
Work-in-progress	1,013,532	1,857,953	2,153,676
Finished goods	2,035,630	3,613,067	3,227,149
Total inventories at lower of cost and net realisable value	<u>3,262,186</u>	<u>6,010,140</u>	<u>6,311,656</u>
Statement of comprehensive income:			
Inventories recognised as an expense in cost of sales	<u>7,889,437</u>	<u>11,674,547</u>	<u>22,180,739</u>

18. Trade payables

	2015 S\$	2016 S\$	2017 S\$
Third parties	<u>1,740,529</u>	<u>4,766,062</u>	<u>4,894,019</u>

Trade payables are unsecured, interest-free and are normally settled on 30 to 60 days (2016: 30 to 60 days; 2015: 30 to 60 days) terms.

Trade payables are denominated in the following foreign currencies:

	2015 S\$	2016 S\$	2017 S\$
United States Dollar	267,722	744,196	1,626,112
Japanese Yen	–	–	694,914

19. Other payables and accruals

	2015 S\$	2016 S\$	2017 S\$
Accrued operating expenses	642,238	1,272,019	2,045,870
Amount due to directors	279,990	242,221	–
Amount due to a related party	7,576	35,464	–
Others	167,298	124,347	169,189
	<u>1,097,102</u>	<u>1,674,051</u>	<u>2,215,059</u>

The amounts due to directors and a related party are non-trade related, unsecured, non-interest bearing and are repayable upon demand.

20. Shareholder loan

The loan from a shareholder is unsecured, and bears interest at 3% (2016: 3%, 2015: 3%) per annum, of which S\$138,707 (2016: S\$nil, 2015: S\$nil) of interest payable had been waived by the shareholder (Note 5).

The loan is repayable on demand as at 31 December 2015 and 31 December 2016.

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20. Shareholder loan (cont’d)

As at 31 December 2017, the shareholder has agreed that the loan can only be repaid upon serving a one year written notice. As at 31 December 2017, as the Company has not received such written notice, the loan from a shareholder has been classified as non-current accordingly.

21. Loans and borrowings

	2015		2016		2017	
	Maturity	S\$	Maturity	S\$	Maturity	S\$
Current:						
Bank overdrafts	On demand	622,299	On demand	465,676	On demand	347,665
Obligations under finance lease (Note 26 (c))	2016	1,641,013	2017	1,466,059	2018	1,882,897
Bank loans:						
Short-term trade facilities	2016	936,734	2017	1,288,105	2018	1,516,319
Bankers’ acceptances	2016	410,433	2017	727,020	2018	1,148,524
Term loan in SGD	2016	646,154	2017	646,154	2018	646,154
Term loans in MYR	2016	359,262	2017	288,645	2018	292,495
Working capital loan		–		–	2018	55,056
		<u>4,615,895</u>		<u>4,881,659</u>		<u>5,889,110</u>
Non-current:						
Obligations under finance lease (Note 26 (c))	2017 - 2020	2,238,907	2018 - 2023	2,430,025	2019 - 2023	3,355,911
Bank loans:						
Term loan in SGD	2026	5,923,077	2026	5,276,924	2026	4,630,770
Term loans in MYR	2017 - 2023	1,961,983	2018 - 2024	1,637,642	2019 - 2024	1,376,644
Working capital loan		–		–	2022	201,841
		<u>10,123,967</u>		<u>9,344,591</u>		<u>9,565,166</u>

Bank overdrafts (secured) and bankers’ acceptances (secured)

Bank overdrafts and bankers’ acceptances are denominated in Malaysian Ringgit (“MYR”), bears interest at 7.85% (2016: 7.85% to 8.10%; 2015: 7.85% to 8.10%) per annum and 6.66% to 6.78% (2016: 5.96% to 6.68%; 2015: 5.21% to 6.19%) per annum respectively and are secured by the following:

- (a) deposits with a licensed bank of the Group (Note 14),
- (b) a corporate guarantee from the Company, and
- (c) joint and several guarantee from the directors of the Group.

Obligations under finance leases (secured)

The obligations under finance leases are secured by a charge over the leased assets (Note 26 (c)). The average discount rate implicit in the leases is 6.11% (2016: 5.74%, 2015: 5.44%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

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21. Loans and borrowings (cont’d)

Short-term trade facilities (secured) and term loan in SGD (secured)

The short-term trade facilities and term loan in SGD are denominated in SGD, bears interest at 3.85% to 4.83% (2016: 3.08% to 3.69%; 2015: 2.94% to 5.00%) per annum and 2.08% (2016: 2.08%; 2015: 2.08%) per annum respectively and are secured by the following:

- (a) mortgage over certain of the Group’s leasehold buildings (Note 10),
- (b) joint and several guarantee from the directors of the Group.

Term loans in MYR (secured)

The term loans in MYR are denominated in MYR, bear interest at rates which ranges from 7.35% to 8.55% (2016: 7.35% to 8.55%; 2015: 7.35% to 8.55%) per annum and are secured by the following:

- (a) mortgage over the Group’s leasehold land and certain leasehold buildings (Note 10),
- (b) deposits with a licensed bank of the Group (Note 14),
- (c) a corporate guarantee from the Company, and
- (d) joint and several guarantee from the directors of the Group.

Working capital loan (secured)

The working capital loan is denominated in SGD, bears interest at 7% (2016: nil%; 2015: nil%) per annum on monthly rests, and is secured by joint and several guarantee from the directors of the Group.

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:

	2015 S\$	2016 S\$	2017 S\$
Denominated in:			
Singapore Dollar	7,609,886	6,963,278	6,870,504
Malaysian Ringgit	6,193,242	5,974,867	7,067,453
United States Dollar	936,734	1,288,105	1,516,319
	14,739,862	14,226,250	15,454,276

A reconciliation of liabilities arising from financing activities is as follows:

	2016	Cash flows Proceeds / (Repayment)	Acquisition	Non-cash changes Translation differences	Others	2017
Loans and borrowings:						
<u>Current</u>						
Bank overdrafts	465,676	(123,476)	–	5,465	–	347,665
Obligation under finance leases	1,466,059	(1,566,579)	496,332	24,785	1,462,300	1,882,897
Bank loans	2,949,924	(292,008)	–	25,090	975,542	3,658,548
<u>Non-current</u>						
Obligation under finance leases	2,430,025	680,034	1,665,276	42,876	(1,462,300)	3,355,911
Bank loans	6,914,566	248,042	–	22,189	(975,542)	6,209,255
Total	14,226,250	(1,053,987)	2,161,608	120,405	–	15,454,276

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21. Loans and borrowings (cont’d)

The ‘other’ column relates to reclassification of non-current portion of loans and borrowings including obligations under finance leases due to the passage of time.

22. Convertible loan

The convertible loans are guaranteed by a director. The holders have an option to convert the loans into ordinary shares of the Company or to receive cash upon the repayment date on 31 December 2017 (the “maturity date”).

In 2017, the maturity date of the loan principal had been extended to 1 February 2018.

The rate of conversion is such that S\$1,000,000 of loan principal converts into ordinary shares representing 5% of the total ordinary shares in the Company after conversion. Other amounts of the loan converted will be prorated to this rate.

The convertible loans bears interest at 5% (2016: 5%) per annum, and the interest is due for repayment in full on the maturity date, or upon the exercise of option by the holders, whichever is earlier.

23. Derivatives

Derivatives relates to the conversion options embedded in the convertible loan (Note 22). These options are derivative financial instruments accounted for at fair value through profit or loss.

Changes in fair value amounting to S\$398,000 (2016: S\$9,000; 2015: S\$nil) have been recorded in the statement of profit or loss for the years.

24. Share capital

	2015		2016		2017	
	No. of shares	S\$	No. of shares	S\$	No. of shares	S\$
Ordinary shares						
Beginning of year	8,000,000	10,744,359	8,000,000	10,744,359	8,000,000	10,744,359
Issued during the year	–	–	–	–	–	–
At the end of the year	<u>8,000,000</u>	<u>10,744,359</u>	<u>8,000,000</u>	<u>10,744,359</u>	<u>8,000,000</u>	<u>10,744,359</u>

The holder 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.

25. 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:

	2015 S\$	2016 S\$	2017 S\$
Gain on waiver of interest payable to shareholder	–	–	138,707
Interest expense to a shareholder	(110,277)	(146,917)	(184,677)

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25. Other related party transactions (cont’d)

Compensation of directors and key management personnel

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

	2015	2016	2017
	S\$	S\$	S\$
Short-term benefits	358,868	415,636	662,321
Defined contribution plans	50,399	56,535	69,002
	<u>409,267</u>	<u>472,171</u>	<u>731,323</u>

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals.

26. Commitments

(a) *Operating lease commitments – as lessee*

The Group has entered into commercial leases on rental premises. These leases have an average tenure of 13 years with no contingent rent provision included in the contracts.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2015	2016	2017
	S\$	S\$	S\$
Not later than one year	163,077	151,750	127,485
Later than one year but not later than five years	652,308	606,999	509,942
More than five years	856,154	644,937	414,328
	<u>1,671,539</u>	<u>1,403,686</u>	<u>1,051,755</u>

(b) *Operating lease commitments – as lessor*

The Group entered into commercial property leases on its office premises. These non-cancellable leases have remaining lease terms of between 1 and 3 years.

Future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2015	2016	2017
	S\$	S\$	S\$
Not later than one year	322,973	679,000	394,413
Later than one year but not later than five years	121,300	248,853	266,860
	<u>444,273</u>	<u>927,853</u>	<u>661,273</u>

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26. Commitments (cont’d)

(c) **Finance lease commitments – as lessee**

	2015 S\$	2016 S\$	2017 S\$
Minimum lease payments:			
Not later than one year	1,778,312	1,642,987	2,133,089
Later than one year but not later than five years	2,400,133	2,587,427	3,571,945
Later than 5 years	–	7,229	1,831
Total minimum lease payments	4,178,445	4,237,643	5,706,865
Less: Future finance charges	(298,525)	(341,559)	(468,057)
Present value of minimum lease payments	3,879,920	3,896,084	5,238,808
Present value of minimum lease payments (Note 20):			
Not later than one year	1,641,013	1,466,059	1,882,897
Later than one year but not later than five years	2,238,907	2,423,040	3,354,098
Later than 5 years	–	6,985	1,813
	3,879,920	3,896,084	5,238,808

Finance leases bear interest rate at a range of 2.88% to 9.37% (2016: 2.88% to 9.37%; 2015: 2.88% to 7.82%) per annum which are also the effective interest rates.

27. Financial risk management objectives and policies

The Group is 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 exposure to credit risk arises 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.

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.

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

(a) ***Credit risk (cont’d)***

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.

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:

	2015		2016		2017	
	S\$	% of total	S\$	% of total	S\$	% of total
By industry sector:						
Life sciences, electronics and others	797,202	35%	1,177,622	25%	1,865,184	22%
Semi-conductors	1,449,835	65%	3,492,991	75%	6,449,512	78%
	<u>2,247,037</u>	<u>100%</u>	<u>4,670,613</u>	<u>100%</u>	<u>8,314,696</u>	<u>100%</u>

At the end of the reporting period, approximately 22% (2016: 25%, 2015: 34%) of the Group’s trade receivables were due from 2 major customers who are in the life sciences, electronics and others industry located in Singapore.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group.

Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(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 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.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2016: 100; 2015: 100) basis points lower/higher with all other variables held constant, the Group’s profit before tax would have been S\$20,875 (2016: S\$27,624; 2015: S\$29,405) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

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

(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.

Analysis of financial instruments by remaining contractual maturities

Non-derivative financial instruments

	One year or less S\$	One to five years S\$	Over five years S\$	Total S\$
2017				
Financial assets:				
Trade receivables	8,314,696	–	–	8,314,696
Other receivables	145,268	–	–	145,268
Cash and bank balances	1,642,774	–	–	1,642,774
Total undiscounted financial assets	<u>10,102,738</u>	<u>–</u>	<u>–</u>	<u>10,102,738</u>
Financial liabilities:				
Trade payables	4,894,019	–	–	4,894,019
Other payables and accruals	2,215,059	–	–	2,215,059
Shareholder loan	207,000	7,728,000	–	7,935,000
Loans and borrowings	6,106,789	7,575,083	2,335,525	16,017,397
Convertible loan	2,000,000	–	–	2,000,000
Total undiscounted financial liabilities	<u>15,422,867</u>	<u>15,303,083</u>	<u>2,335,525</u>	<u>33,061,475</u>
Total net undiscounted financial liabilities	<u>(5,320,129)</u>	<u>(15,303,083)</u>	<u>(2,335,525)</u>	<u>(22,958,737)</u>
2016				
Financial assets:				
Trade receivables	4,670,613	–	–	4,670,613
Other receivables	124,033	–	–	124,033
Cash and cash equivalents	424,270	–	–	424,270
Total undiscounted financial assets	<u>5,218,916</u>	<u>–</u>	<u>–</u>	<u>5,218,916</u>
Financial liabilities:				
Trade payables	4,766,062	–	–	4,766,062
Other payables and accruals	1,674,051	–	–	1,674,051
Shareholder loan	7,107,000	–	–	7,107,000
Loans and borrowings	5,080,694	6,501,256	3,291,866	14,873,816
Convertible loan	2,100,000	–	–	2,100,000
Total undiscounted financial liabilities	<u>20,727,807</u>	<u>6,501,256</u>	<u>3,291,866</u>	<u>30,520,929</u>
Total net undiscounted financial liabilities	<u>(15,508,891)</u>	<u>(6,501,256)</u>	<u>(3,291,866)</u>	<u>(25,302,013)</u>

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

(c) **Liquidity risk (cont’d)**

Analysis of financial instruments by remaining contractual maturities (cont’d)

Non-derivative financial instruments

	One year or less S\$	One to five years S\$	Over five years S\$	Total S\$
2015				
Financial assets:				
Trade receivables	2,247,037	–	–	2,247,037
Other receivables	197,343	–	–	197,343
Cash and cash equivalents	518,309	–	–	518,309
Total undiscounted financial assets	2,962,689	–	–	2,962,689
Financial liabilities:				
Trade payables	1,740,529	–	–	1,740,529
Other payables and accruals	1,097,102	–	–	1,097,102
Shareholder loan	5,768,000	–	–	5,768,000
Loans and borrowings	4,746,992	6,410,549	4,277,659	15,435,200
Convertible loan	20,000	420,000	–	440,000
Total undiscounted financial liabilities	13,372,623	6,830,549	4,277,659	24,480,831
Total net undiscounted financial liabilities	(10,409,934)	(6,830,549)	(4,277,659)	(21,518,142)

(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 United States Dollars (“USD”). Approximately 66% (2016: 59%; 2015: 55%) of the Group’s sales are denominated in foreign currencies whilst almost 77% (2016: 77%; 2015: 85%) of costs are denominated in the respective functional currencies of the Group’s 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.

		Profit before taxation		
		2015	2016	2017
		S\$	S\$	S\$
USD/SGD	- strengthened 5%	26,305	33,909	146,464
	- weakened 5%	(26,305)	(33,909)	(146,464)
USD/MYR	- strengthened 5%	28,495	23,639	45,219
	- weakened 5%	(28,495)	(23,639)	(45,219)

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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 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.

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using			Total S\$
	Quoted prices in active markets for identical instruments S\$	Significant observable inputs other than quoted prices S\$	Significant unobservable inputs S\$	
2017				
Liabilities measured at fair value				
Financial liabilities				
Convertible loan option	–	–	407,000	407,000
Financial liabilities as at 31 December 2017	–	–	407,000	407,000
2016				
Liabilities measured at fair value				
Financial liabilities				
Convertible loan option	–	–	9,000	9,000
Financial liabilities as at 31 December 2016	–	–	9,000	9,000
2015				
Liabilities measured at fair value				
Financial liabilities				
Convertible loan option	–	–	–	–
Financial liabilities as at 31 December 2015	–	–	–	–

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28. Fair value of financial assets and financial liabilities (cont'd)

(c) Level 3 fair value measurements

i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair Value as at 31 December 2017 S\$	Valuation techniques	Significant Unobservable inputs	Relationship unobservable inputs to fair value
Derivative financial instruments Convertible loan option	407,000	The Binomial Tree model was applied which relies on the backward induction methodology by discounting the expected value of the later nodes and comparing it with the conversion value of the current node. At each node in the Binomial Tree, a comparison was made between the value of the Convertible Loans (5% of the share capital of GVT for each principal amount of S\$1 million) if being converted versus the present value of holding the Convertible Loans until the next period.	Discount rate	The higher the discount rate, the lower the fair value.
		The discount rate applied for the conversion value is the risk-free rate and the discount rate applied for the redemption value is the risky-rate. The maximum of the two values at each node will be taken as the value of the current node. This process repeats until the first node of the Binomial Tree is reached.		

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28. Fair value of financial assets and financial liabilities (cont'd)

(c) Level 3 fair value measurements (cont'd)

i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value as at 31 December 2016 S\$	Valuation techniques	Significant Unobservable inputs	Relationship unobservable inputs to fair value
Derivative financial instruments Convertible loan option	9,000	The Binomial Tree model was applied which relies on the backward induction methodology by discounting the expected value of the later nodes and comparing it with the conversion value of the current node. At each node in the Binomial Tree, a comparison was made between the value of the Convertible Loans (5% of the share capital of GVT for each principal amount of S\$1 million) if being converted versus the present value of holding the Convertible Loans until the next period.	Discount rate	The higher the discount rate, the lower the fair value.
		The discount rate applied for the conversion value is the risk-free rate and the discount rate applied for the redemption value is the risky-rate. The maximum of the two values at each node will be taken as the value of the current node. This process repeats until the first node of the Binomial Tree is reached.		

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28. Fair value of financial assets and financial liabilities (cont'd)

(c) Level 3 fair value measurements (cont'd)

i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value as at 31 December 2015 S\$	Valuation techniques	Significant Unobservable inputs	Relationship unobservable inputs to fair value
Derivative financial instruments Convertible loan option	–	The Binomial Tree model was applied which relies on the backward induction methodology by discounting the expected value of the later nodes and comparing it with the conversion value of the current node. At each node in the Binomial Tree, a comparison was made between the value of the Convertible Loans (5% of the share capital of GVT for each principal amount of S\$1 million) if being converted versus the present value of holding the Convertible Loans until the next period.	Discount rate	The higher the discount rate, the lower the fair value.
		The discount rate applied for the conversion value is the risk-free rate and the discount rate applied for the redemption value is the risky-rate. The maximum of the two values at each node will be taken as the value of the current node. This process repeats until the first node of the Binomial Tree is reached.		

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28. Fair value of financial assets and financial liabilities (cont’d)

(c) **Level 3 fair value measurements (cont’d)**

ii) **Movements in Level 3 assets and liabilities measured at fair value**

	Fair value measurements using significant unobservable inputs (Level 3) Convertible loan option S\$
At 1 January 2015	–
Additions	–
	–
At 31 December 2015 and 1 January 2016	–
Total fair value change	9,000
	9,000
At 31 December 2016 and 1 January 2017	9,000
Total fair value change	398,000
	398,000
At 31 December 2017	407,000

iii) **Valuation policies and procedures**

The board of directors is responsible for setting and documenting the Group’s valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group’s policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

(d) **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			Total S\$
	Quoted prices in active markets for identical instruments S\$	Significant observable inputs other than quoted prices S\$	Significant unobservable inputs S\$	
2017				
Financial liabilities				
Shareholder loan	–	–	6,445,586	6,445,586
			6,445,586	6,445,586

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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the financial statements

For the financial years ended 31 December 2015, 2016 and 2017

28. Fair value of financial assets and financial liabilities (cont'd)

- (d) *Assets and liabilities not measured at fair value, for which fair value is disclosed (cont'd)*

Determination of fair value

Shareholder loan

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.

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 two reportable operating segment as follows:

- (i) Life sciences, electronics and others

The life sciences, electronics and others segment involves the manufacturing of key components of mass spectrometers, high performance liquid chromatography instruments used for various laboratories testing and pharmaceutical applications, as well as the assembly of complex modules for customers in the business of industrial automation and manufacturing equipment.

This reportable segment had been formed by aggregating the life sciences segment and the electronics and others segment, which are regarded by management to exhibit similar economic characteristics. In making this judgement, management considers the products and services offered by these segments share common production facilities and usage of raw materials in the production process.

- (ii) Semiconductor

The semiconductor segment involves the manufacturing of electrical components and devices such as transistors and diodes for customers who are leading equipment providers for semiconductor manufacturing and electronics assembly solutions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segment.

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Grand Venture Technology Pte. Ltd. and its subsidiaries

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For the financial years ended 31 December 2015, 2016 and 2017

29. Segment information (cont’d)

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.

	Life sciences, electronics and others S\$	Semiconductors S\$	Total S\$
2017			
Revenue	7,956,881	22,899,468	30,856,349
Cost of Sales	(6,524,723)	(15,898,544)	(22,423,267)
Gross Profit	1,432,158	7,000,924	8,433,082
2016			
Revenue	5,007,870	10,786,148	15,794,018
Cost of Sales	(4,602,217)	(7,223,802)	(11,826,019)
Gross Profit	405,653	3,562,346	3,967,999
2015			
Revenue	2,302,128	6,517,144	8,819,272
Cost of Sales	(2,505,549)	(5,433,087)	(7,938,636)
Gross Profit	(203,421)	1,084,057	880,636

Geographical information

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

	2015 S\$	Revenue 2016 S\$	2017 S\$	2015 S\$	Non-current assets 2016 S\$	2017 S\$
Singapore	2,400,956	4,667,833	7,285,457	10,845,900	10,711,416	9,464,910
Malaysia	6,210,809	10,326,347	22,029,233	9,227,274	10,134,002	10,804,004
United States	167,821	590,675	1,017,480	–	–	–
China	7,228	145,230	503,566	–	–	–
Others	32,458	63,933	20,613	–	–	–
	8,819,272	15,794,018	30,856,349	20,073,174	20,845,418	20,268,914

Non-current assets information presented above consist of property, plant and equipment, and intangible assets as presented in the consolidated statement of financial position.

Information about major customers

Revenue from five (2016: five; 2015: four) major customers, each contributing ten per cent or more to the Group’s revenue, amounted to S\$23,033,380 (2016: S\$12,107,815; 2015: S\$5,478,795), arising from sales by the life sciences, electronics and others segment, and the semiconductors segment.

30. Events occurring after the reporting period

(a) Conversion of convertible loan

On 1 February 2018, the holders of the convertible loan had exercised the option and fully converted the entire loan principal into ordinary shares. The Company issued a total of 800,000 ordinary shares to the holders.

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30. Events occurring after the reporting period (cont’d)

(b) Acquisition of business in China

On 1 January 2018, Grand Venture Technology (Suzhou) Co. Ltd., a wholly-owned subsidiary of the Company had entered into a business transfer agreement to acquire the business assets of two other entities, Suzhou Industrial Park Excellence Precision Machinery Co., Ltd. and Suzhou Industrial Park Innovation Precision Machinery Co., Ltd. (collectively known as the “Acquirees”), who are manufacturers of various types of precision parts and fixture products in Suzhou, China.

The business assets, which includes plants and machineries, inventories, and customers’ contracts, were acquired at their carrying amount of RMB 3,678,291 by the Group to enter and develop its business in the China market. The acquisition is also expected to reduce costs through economies of scale.

In connection with the acquisition, the Company agrees to issue 800,000 ordinary shares to ZG Innotech Pte. Ltd., a company incorporated in Singapore whose sole shareholder was the previous owner of the Acquirees, for a consideration of S\$2,200,000. The cash consideration received was S\$1,200,000, and the balance of S\$1,000,000 was deemed as an investment in Grand Venture Technology (Suzhou) Co. Ltd. by the Company. The issuance of the shares was completed on 30 July 2018.

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

	Fair value recognised on acquisition S\$
Property, plant and equipment	959,970
Inventories	62,848
Customer relationship	238,658
Total identifiable net assets at fair value	1,261,476
Goodwill arising from acquisition	493,931
	1,755,407
 Consideration transferred for the acquisition of business:	
Cash paid	755,407
Equity instruments to be issued (800,000 ordinary shares of the Company)	2,200,000
Less: cash consideration to be received for equity instruments	(1,200,000)
Total consideration transferred	1,755,407

Goodwill arising from acquisition

The goodwill of S\$493,931 pertains to the benefit of having access to a readily available production facility.

Impact of the acquisition on profit or loss

If the business combination had taken place on 1 January 2017, the Group’s revenue for the year would have been S\$33,925,980 and the Group’s profit net of tax for the year would have been S\$3,928,099.

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30. Events occurring after the reporting period (cont'd)

(b) Acquisition of business in China (cont'd)

Provisional accounting of the acquisition of business in China

Customer relationship and goodwill had been identified as intangible assets arising from this acquisition. The Group has engaged an independent valuer to determine the fair value of the identifiable assets.

The fair value of the net identifiable assets amounting to S\$1,261,476 has been determined on a provisional basis as the final results of the independent valuation have not been received by the date the financial statements was authorised for issue.

31. Authorisation of financial statements

The financial statements for the years ended 31 December 2015, 2016 and 2017 were authorised for issue in accordance with a resolution of the Directors on 15 January 2019.

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ENDED 30 JUNE 2018**

Company Registration No. 201222831E

Grand Venture Technology Pte. Ltd.
and its subsidiaries

Interim condensed consolidated financial statements
For the six-month period ended 30 June 2018

**APPENDIX B – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

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ENDED 30 JUNE 2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Independent auditor’s review report
For the six-month financial period ended 30 June 2018**

The Board of Directors
Grand Venture Technology Pte. Ltd.
2 Changi North Street 1
GVT Building
Singapore 498828

Dear Sirs,

Report on the Review of Unaudited Interim Condensed Consolidated Financial Statements

We have reviewed the interim condensed consolidated statement of financial position of Grand Venture Technology Pte. Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) as at 30 June 2018 and the related interim condensed consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month financial period then ended, and other explanatory information (the “interim financial information”). The Company’s management is responsible for the preparation and presentation of the interim financial information in accordance with Singapore Financial Reporting Standard (International) (“SFRS (I)”) 1-34 Interim Financial Reporting. Our responsibility is to express a conclusion on the interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with SFRS(I) 1- 34 Interim Financial Reporting.

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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Independent auditor’s review report
For the six-month financial period ended 30 June 2018**

Restriction and Distribution of Use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of shares of the Company in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Tan Swee Ho
15 January 2019

**APPENDIX B – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited interim condensed consolidated statement of comprehensive income
For the six-month financial period ended 30 June 2018**

	Note	Unaudited 30.6.2017 S\$	Unaudited 30.6.2018 S\$
Revenue		15,839,072	21,848,207
Cost of sales		(11,150,639)	(14,826,008)
Gross profit		4,688,433	7,022,199
Other operating income		678,355	880,515
Selling and distribution expenses		(284,192)	(288,084)
General and administrative expenses		(1,821,550)	(2,529,189)
Other operating expenses		(615,936)	(672,639)
Finance costs		(437,003)	(455,883)
Fair value loss on convertible loan option		(182,000)	–
Profit before tax		2,026,107	3,956,919
Income tax credit/(expense)		25,152	(1,081,445)
Profit for the period		2,051,259	2,875,474
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations		141,130	242,323
Total comprehensive income for the period		2,192,389	3,117,797
Earnings per share (cents per share)			
- Basic and diluted	3	1.32	1.71

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

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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited interim condensed consolidated statement of financial position
As at 30 June 2018**

	Note	Audited 31.12.2017 S\$	Unaudited 30.6.2018 S\$
Non-current assets			
Property, plant and equipment	4	18,889,884	21,969,967
Intangible assets	5	1,379,030	2,144,258
Deferred tax assets		1,548,571	1,286,000
		21,817,485	25,400,225
Current assets			
Cash and bank balances		1,642,774	4,547,298
Trade receivables		8,515,241	12,325,572
Prepayments		333,009	364,478
Other receivables		145,268	985,230
Inventories		6,311,656	8,139,300
		16,947,948	26,361,878
Total assets		38,765,433	51,762,103
Current liabilities			
Trade payables		4,894,019	8,651,069
Other payables and accruals		2,215,059	4,127,672
Shareholder loan	7	–	824,800
Loans and borrowings	8	5,889,110	8,780,620
Convertible loan	9	2,000,000	–
Derivatives	10	407,000	–
Provision for income tax		14,491	635,283
		15,419,679	23,019,444
Net current assets		1,528,269	3,342,434
Non-current liabilities			
Shareholder loan	7	6,900,000	7,800,000
Loans and borrowings	8	9,565,166	8,537,274
		16,465,166	16,337,274
Total liabilities		31,884,845	39,356,718
Net assets		6,880,588	12,405,385
Equity attributable to owners of the Company			
Share capital	11	10,744,359	13,151,359
Currency translation reserve		(748,277)	(505,954)
Accumulated losses		(3,115,494)	(240,020)
Total equity		6,880,588	12,405,385

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

**APPENDIX B – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited interim condensed consolidated statement of changes in equity
For the six-month financial period ended 30 June 2018**

Group	Note	Share capital S\$	Currency translation reserve S\$	Accumulated losses S\$	Total S\$
Balance as at 1 January 2017		10,744,359	(871,157)	(6,955,822)	2,917,380
<i>Total comprehensive income for the period</i>					
Profit for the period		–	–	2,051,259	2,051,259
Other comprehensive income for the period		–	141,130	–	141,130
Total comprehensive income for the period		–	141,130	2,051,259	2,192,389
Balance as at 30 June 2017		10,744,359	(730,027)	(4,904,563)	5,109,769
Balance as at 1 January 2018		10,744,359	(748,277)	(3,115,494)	6,880,588
<i>Transactions with owners, recognised directly in equity</i>					
Conversion of convertible loan	9,11	2,407,000	–	–	2,407,000
Total		2,407,000	–	–	2,407,000
<i>Total comprehensive income for the period</i>					
Profit for the period		–	–	2,875,474	2,875,474
Other comprehensive income for the period		–	242,323	–	242,323
Total comprehensive income for the period		–	242,323	2,875,474	3,117,797
Balance as at 30 June 2018		13,151,359	(505,954)	(240,020)	12,405,385

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

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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited interim condensed consolidated cash flow statement
For the six-month financial period ended 30 June 2018**

	Note	Unaudited 30.6.2017 S\$	Unaudited 30.6.2018 S\$
Operating activities			
Profit before taxation		2,026,107	3,956,919
Adjustments for:			
Depreciation expense		1,679,490	1,729,251
Amortisation of intangible assets		100,514	11,933
Gain on disposal of property, plant and equipment		(333)	–
Interest income		(165)	(1,076)
Interest expense		437,003	455,677
Provision for unutilized leave		91,029	87,622
Provision for stock obsolescence		–	36,254
Fair value loss on convertible loan option		182,000	–
Unrealised foreign exchange gain		(208,334)	(484,676)
Operating cash flows before changes in working capital		4,307,311	5,791,904
Increase in trade and other receivables		(3,971,036)	(4,476,791)
Decrease/(increase) in inventories		737,031	(1,604,025)
Increase in prepayments		(163,272)	(21,242)
Increase in trade and other payables		888,741	2,850,397
Cash flows from operations		1,798,775	2,540,243
Income tax refund		65,873	185,405
Interest received		165	1,076
Interest paid		(294,077)	(339,805)
Net cash flows generated from operating activities		1,570,736	2,386,919
Investing activities			
Purchase of property, plant and equipment		(934,272)	(1,764,245)
Proceeds from disposal of property, plant and equipment		333	–
Net cash outflow on acquisition of subsidiary	6	–	(755,407)
Net cash flows used in investing activities		(933,939)	(2,519,652)
Financing activities			
Repayment of finance lease obligations		(505,715)	(938,395)
Proceeds from/(repayment of) trade financing		348,676	(562,660)
Proceeds from loans and borrowings		550,000	3,200,000
Repayment of loans and borrowings		(493,098)	(501,105)
Proceeds from advances from a shareholder		100,000	1,724,800
Increase/(decrease) in placement of short-term fixed deposits		39,449	(100,357)
Net cash flows generated from financing activities		39,312	2,822,283
Net increase in cash and cash equivalents		676,109	2,689,550
Effect of foreign exchange rate changes, net		(13,381)	(12,658)
Cash and cash equivalents at the beginning of the period		(179,445)	1,193,532
Cash and cash equivalents at the end of the period		483,283	3,870,424

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

**APPENDIX B – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Notes to the unaudited interim condensed consolidated financial statements
For the six-month financial period ended 30 June 2018**

1. Corporate information

1.1 The Company

The Company (Registration No. 201222831E) was incorporated in Singapore on 17 September 2012 under the Companies Act as a private company domiciled in Singapore. On 27 December 2018, the Company was converted into a public limited company and changed its name to Grand Venture Technology Limited.

The immediate and ultimate holding company is Metalbank Singapore Pte. Ltd. (formerly known as GVT Pte. Ltd.).

The registered office and principal place of business is located at 2 Changi North Street 1, GVT Building, Singapore 498828.

The principal activities of the Company and its subsidiaries are that of manufacturing complex precision machining and sheet metal components and modules.

2. Summary of significant accounting policies

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months financial periods ended 30 June 2018 and 30 June 2017 of the Group have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s Consolidated Financial Statements for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017.

The unaudited interim condensed consolidated financial statements are presented in Singapore Dollars (SGD or S\$).

2.2 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (“SFRS(I)”). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

An assessment has been made with respect to the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1. There is no impact on the financial statements of the Group arising from the assessment on the adoption of SFRS(I).

The Group has adopted the new financial reporting framework on 1 January 2018 with transition date of 1 January 2017.

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Grand Venture Technology Pte. Ltd. and its subsidiaries

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

2.2 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont'd)

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the financial year ended 31 December 2017, except for the adoption of new and revised standards effective as of 1 January 2018. The adoption of these standards did not have any effect on the financial performance or positions of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective that may be relevant to the Group:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
SFRS(I) 16 <i>Leases</i>	1 January 2019

The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of ‘low value’ assets and short term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities and EBITDA.

3. Earnings per share

	Unaudited 30.6.2017 S\$	Unaudited 30.6.2018 S\$
Profit for the period, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share	2,051,259	2,875,474
Weighted average number of ordinary shares for basic and diluted earnings per share computation	155,200,000	168,133,333

As approved by shareholders of the Company in an extraordinary general meeting held on 14 December 2018, every one share in the capital of the Company was sub-divided into 19.4

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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Notes to the unaudited interim condensed consolidated financial statements
For the six-month financial period ended 30 June 2018**

3. Earnings per share (cont’d)

shares (the “Sub-Division”). Accordingly, the number of outstanding shares is adjusted for the effect of the Sub-Division.

Basic earnings per share are calculated by dividing profit for the period, net of tax, attributable to the owners of the Company by the weighted average number of shares held by the owners of the Company.

The convertible loans, which are anti-dilutive, have not been included in the calculation of diluted earnings per share. Accordingly, 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.

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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Notes to the unaudited interim condensed consolidated financial statements
For the six-month financial period ended 30 June 2018**

4. Property, plant and equipment

	Leasehold property S\$	Leasehold land S\$	Plant, machinery and equipment S\$	Furniture and fittings S\$	Office equipment S\$	Motor vehicle S\$	Total S\$
Cost:							
At 1 January 2017	13,899,305	542,534	16,102,586	1,071,147	672,389	351,169	32,639,130
Additions	43,932	–	2,290,401	275,885	201,211	–	2,811,429
Disposal	–	–	–	–	–	(29,058)	(29,058)
Translation differences	53,237	9,196	247,428	15,096	10,054	5,381	340,392
At 31 December 2017 and 1 January 2018	13,996,474	551,730	18,640,415	1,362,128	883,654	327,492	35,761,893
Additions	19,020	–	2,761,065	423,944	267,959	88,003	3,559,991
Acquisition of subsidiaries (Note 5)	–	–	923,944	33,457	2,569	–	959,970
Translation differences	98,525	17,048	449,152	25,619	18,399	10,355	619,098
At 30 June 2018	14,114,019	568,778	22,774,576	1,845,148	1,172,581	425,850	40,900,952
Accumulated depreciation:							
At 1 January 2017	3,454,652	29,838	8,918,138	260,405	414,713	273,039	13,350,785
Charge for the year	893,478	9,185	2,185,400	122,738	137,040	20,990	3,368,831
Disposal	–	–	–	–	–	(29,058)	(29,058)
Translation differences	4,574	686	161,741	3,157	6,823	4,470	181,451
At 31 December 2017 and 1 January 2018	4,352,704	39,709	11,265,279	386,300	558,576	269,441	16,872,009
Charge for the year	151,793	4,815	1,354,636	99,399	100,272	18,336	1,729,251
Translation differences	8,259	1,240	294,059	5,440	12,350	8,377	329,725
At 30 June 2018	4,512,756	45,764	12,913,974	491,139	671,198	296,154	18,930,985
Carrying amount:							
At 31 December 2017	9,643,770	512,021	7,375,136	975,828	325,078	58,051	18,889,884
At 30 June 2018	9,601,263	523,014	9,860,602	1,354,009	501,383	129,696	21,969,967

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

Assets held under finance leases

During the period/year, the Group acquired plant, machinery and equipment with an aggregate cost of S\$1,795,746 (2017: S\$2,161,608) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to S\$1,764,245 (2017: S\$649,821).

The carrying amount of plant, machinery and equipment held under finance leases at the end of the reporting period as disclosed under Note 8 are as follows:

	Audited 31.12.2017	Unaudited 30.6.2018
	S\$	S\$
Plant and machinery	5,698,317	7,407,223
Motor vehicles	58,049	127,891
	<hr/> 5,756,366	<hr/> 7,535,114 <hr/>

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold land and buildings with a carrying amount of S\$10,124,277 (2017: S\$10,155,791) are mortgaged to secure the Group's bank loans (Note 8).

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5. Intangible assets

	Customer relationship S\$	Goodwill S\$	Total S\$
Cost:			
At 1 January 2017	1,005,142	1,356,045	2,361,187
Translation differences	–	22,985	22,985
At 31 December 2017 and 1 January 2018	1,005,142	1,379,030	2,384,172
Additions for the period	238,658	493,931	732,589
Translation differences	–	44,572	44,572
At 30 June 2018	1,243,800	1,917,533	3,161,333
Accumulated amortisation:			
At 1 January 2017	804,114	–	804,114
Amortisation for the year	201,028	–	201,028
At 31 December 2017 and 1 January 2018	1,005,142	–	1,005,142
Amortisation for the period	11,933	–	11,933
At 30 June 2018	1,017,075	–	1,017,075
Carrying amount:			
At 31 December 2017	–	1,379,030	1,379,030
At 30 June 2018	226,725	1,917,533	2,144,258

6. Investments in subsidiaries

Composition of the Group

The Group has the following investments in subsidiary as at the financial year ended 30 June 2018:

Name of subsidiary	Principal activities (Country of incorporation and operations)	Proportion of ownership interest 31.12.2017 %	Proportion of ownership interest 30.6.2018 %
<i>Held by the Company</i>			
Grand Venture Technology Sdn. Bhd.	Manufacturing of machinery parts (Malaysia)	100	100
Grand Venture Technology (Suzhou) Co. Ltd.	Manufacturing of machinery parts (Suzhou, China)	100	100

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6. Investments in subsidiaries (cont’d)

Acquisition of business in China

On 1 January 2018, Grand Venture Technology (Suzhou) Co. Ltd., a wholly-owned subsidiary of the Company had entered into a business transfer agreement to acquire the business assets of two other entities, Suzhou Industrial Park Excellence Precision Machinery Co., Ltd. and Suzhou Industrial Park Innovation Precision Machinery Co., Ltd. (collectively known as the “Acquirees”), who are manufacturers of various types of precision parts and fixture products in Suzhou, China.

The business assets, which includes plants and machineries, inventories, and customers’ contracts, were acquired at their carrying amount of RMB 3,678,291 by the Group to enter and develop its business in the China market. The acquisition is also expected to reduce costs through economies of scale.

In connection with the acquisition, the Company agrees to issue 800,000 ordinary shares to ZG Innotech Pte. Ltd., a company incorporated in Singapore whose sole shareholder was the previous owner of the Acquirees, for a consideration of S\$2,200,000. The cash consideration received was S\$1,200,000, and the balance of S\$1,000,000 was deemed as an investment in Grand Venture Technology (Suzhou) Co. Ltd. by the Company. The issuance of shares was completed on 30 July 2018.

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

	Fair value recognised on acquisition S\$
Property, plant and equipment	959,970
Inventories	62,848
Customer relationship	238,658
	1,261,476
Total identifiable net assets at fair value	493,931
Goodwill arising from acquisition	1,755,407
 Consideration transferred for the acquisition of business:	
Cash paid	755,407
Equity instruments to be issued (800,000 ordinary shares of the Company)	2,200,000
Less: cash consideration to be received for equity instruments	(1,200,000)
Total consideration transferred	1,755,407

Goodwill arising from acquisition

The goodwill of S\$493,931 pertains to the benefit of having access to a readily available production facility.

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6. Investments in subsidiaries (cont’d)

Impact of the acquisition on profit or loss

If the business combination had taken place on 1 January 2017, the Group’s revenue for the year would have been S\$33,925,980 and the Group’s profit net of tax for the year would have been S\$3,928,099.

Provisional accounting of the acquisition of business in China

Customer relationship and goodwill had been identified as intangible assets arising from this acquisition. The Group has engaged an independent valuer to determine the fair value of the identifiable assets.

The fair value of the net identifiable assets amounting to S\$1,261,476 has been determined on a provisional basis as the final results of the independent valuation have not been received by the date the financial statements was authorised for issue.

7. Shareholder loan

The current loan from shareholder is unsecured and non-interest bearing.

The non-current loan from shareholder is unsecured, and bears interest at 3% (2017: 3%) per annum.

The shareholder has agreed that the non-current loan can only be repaid upon serving a one year written notice. As at 30 June 2018, as the Company has not received such written notice, the loan from a shareholder has been classified as non-current accordingly.

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8. Loans and borrowings

	Audited 31.12.2017		Unaudited 30.6.2018	
	Maturity	S\$	Maturity	S\$
Current:				
Bank overdrafts	On demand	347,665	On demand	471,534
Obligations under finance lease	2018	1,882,897	2019	1,956,167
Bank loans:				
- Short-term trade facilities	2018	1,516,319	2019	987,706
- Bankers' acceptances	2018	1,148,524	2019	1,149,876
- Short-term facility loan	–	–	2019	3,200,000
- Term loan in SGD	2018	646,154	2019	646,154
- Term loans in MYR	2018	292,495	2019	312,177
- Working capital loan	2018	55,056	2019	57,006
		<u>5,889,110</u>		<u>8,780,620</u>
Non-current:				
Obligations under finance lease	2019 - 2023	3,355,911	2020 - 2023	2,799,583
Bank loans:				
- Term loan in SGD	2026	4,630,770	2026	4,307,693
- Term loans in MYR	2019 - 2024	1,376,644	2020 - 2024	1,257,178
- Working capital loan	2022	201,841	2022	172,820
		<u>9,565,166</u>		<u>8,537,274</u>

Bank overdrafts (secured) and bankers' acceptances (secured)

Bank overdrafts and bankers' acceptances are denominated in Malaysian Ringgit ("MYR"), bears interest at 7.85% (2017: 7.85%) per annum and 6.66% to 6.78% (2017: 6.66% to 6.78%) per annum respectively and are secured by the following:

- (a) deposits with a licensed bank of the Group,
- (b) a corporate guarantee from the Company, and
- (c) joint and several SGD guarantee from the directors of the Group.

Obligations under finance leases

The obligations under finance leases are secured by a charge over the leased assets. The average discount rate implicit in the leases is 6.11% (2017: 6.11%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

Short-term trade facilities (secured), short-term facility loan (secured) and term loan in SGD (secured)

The short-term trade facilities, short-term facility loan and term loan in SGD are denominated in SGD, bears interest at 3.85% to 4.83% (2017: 3.85% to 4.83%) per annum, 3.01% (2017:

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8. Loans and borrowings (cont’d)

nil%) per annum and 2.48% (2017: 2.08%) per annum respectively and are secured by the following:

- (a) mortgage over certain of the Group’s leasehold buildings (Note 4),
- (b) joint and several guarantee from the directors of the Group.

Term loans in MYR (secured)

The term loans in MYR are denominated in MYR, bear interest at rates which ranges from 7.35% to 8.55% (2017: 7.35% to 8.55%) and are secured by the following:

- (a) mortgage over the Group’s leasehold land and certain leasehold buildings (Note 4),
- (b) deposits with a licensed bank of the Group,
- (c) a corporate guarantee from the Company, and
- (d) joint and several guarantee from the directors of the Group.

Working capital loan (secured)

The working capital loan is denominated in SGD, bears interest at 7% (2017: 7%) per annum on monthly rests, and is secured by joint and several guarantee from the directors of the Group.

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:

	Audited 31.12.2017	Unaudited 30.6.2018
	S\$	S\$
Denominated in:		
Singapore Dollar	6,870,504	9,485,016
Malaysian Ringgit	7,067,453	6,845,172
United States Dollar	1,516,319	987,706
	15,454,276	17,317,894

9. Convertible loan

The convertible loans are guaranteed by a director. The holders have an option to convert the loans into ordinary shares of the Company or to receive cash upon the repayment date on 1 February 2018 (the “maturity date”).

The rate of conversion is such that S\$1,000,000 of loan principal converts into ordinary shares representing 5% of the total ordinary shares in the Company after conversion. Other amounts of the loan converted will be prorated to this rate.

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9. Convertible loan (cont’d)

The convertible loans bears interest at 5% (2017: 5%) per annum, and the interest is due for repayment in full on the maturity date, or upon the exercise of option by the holders, whichever is earlier.

On 1 February 2018, the holders of the convertible loan had exercised the option and fully converted the entire loan principal into ordinary shares. The Company issued a total of 800,000 ordinary shares to the holders.

10. Derivatives

Derivatives relates to the conversion options embedded in the convertible loan (Note 9). These options are derivative financial instruments accounted for at fair value through profit or loss.

Changes in fair value amounting to S\$nil (30 June 2017: S\$182,000) have been recorded in the statement of profit or loss for the period.

11. Share capital

	Audited 31.12.2017		Unaudited 30.6.2018	
	No. of shares	S\$	No. of shares	S\$
Ordinary shares				
Beginning of year	8,000,000	10,744,359	8,000,000	10,744,359
Conversion of convertible loan option (Note 9)	–	–	800,000	2,407,000
At the end of the year	<u>8,000,000</u>	<u>10,744,359</u>	<u>8,800,000</u>	<u>13,151,359</u>

The holder 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.

12. 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:

	Audited 31.12.2017 S\$	Unaudited 30.6.2018 S\$
Gain on waiver of interest payable to shareholder	138,707	–
Interest expense to a shareholder	(184,677)	(115,666)

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12. Other related party transactions (cont'd)

Compensation of directors and key management personnel

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

	Audited 31.12.2017	Unaudited 30.6.2018
	S\$	S\$
Short-term benefits	662,321	312,343
Defined contribution plans	69,002	34,541
	<u>731,323</u>	<u>346,884</u>

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals.

13. 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 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.

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13. Fair value of financial assets and financial liabilities (cont’d)

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments S\$	Significant observable inputs other than quoted prices S\$	Significant unobservable inputs S\$	Total S\$
30 June 2018				
Liabilities measured at fair value				
Financial liabilities				
Convertible loan option	–	–	–	–
Financial liabilities as at 30 June 2018	–	–	–	–
31 December 2017				
Liabilities measured at fair value				
Financial liabilities				
Convertible loan option	–	–	407,000	407,000
Financial liabilities as at 31 December 2017	–	–	407,000	407,000

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13. Fair value of financial assets and financial liabilities (cont'd)

(c) Level 3 fair value measurements

i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair Value as at 30 June 2018 S\$	Valuation techniques	Significant Unobservable inputs	Relationship unobservable inputs to fair value
Derivative financial instruments Convertible loan option	–	The Binomial Tree model was applied which relies on the backward induction methodology by discounting the expected value of the later nodes and comparing it with the conversion value of the current node. At each node in the Binomial Tree, a comparison was made between the value of the Convertible Loans (5% of the share capital of GVT for each principal amount of S\$1 million) if being converted versus the present value of holding the Convertible Loans until the next period.	Discount rate	The higher the discount rate, the lower the fair value.
		The discount rate applied for the conversion value is the risk-free rate and the discount rate applied for the redemption value is the risky-rate. The maximum of the two values at each node will be taken as the value of the current node. This process repeats until the first node of the Binomial Tree is reached.		

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13. Fair value of financial assets and financial liabilities (cont'd)

(c) Level 3 fair value measurements (cont'd)

i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value as at 31 December 2017 S\$	Valuation techniques	Significant Unobservable inputs	Relationship unobservable inputs to fair value
<u>Derivative financial instruments</u> Convertible loan option	407,000	The Binomial Tree model was applied which relies on the backward induction methodology by discounting the expected value of the later nodes and comparing it with the conversion value of the current node. At each node in the Binomial Tree, a comparison was made between the value of the Convertible Loans (5% of the share capital of GVT for each principal amount of S\$1 million) if being converted versus the present value of holding the Convertible Loans until the next period.	Discount rate	The higher the discount rate, the lower the fair value.
		The discount rate applied for the conversion value is the risk-free rate and the discount rate applied for the redemption value is the risky-rate. The maximum of the two values at each node will be taken as the value of the current node. This process repeats until the first node of the Binomial Tree is reached.		

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13. Fair value of financial assets and financial liabilities (cont’d)

(c) Level 3 fair value measurements (cont’d)

ii) Movements in Level 3 assets and liabilities measured at fair value

	Fair value measurements using significant unobservable inputs (Level 3) Convertible loan option S\$
At 1 January 2017	9,000
Total fair value change	398,000
At 31 December 2017 and 1 January 2018	407,000
Conversion of convertible loan option	(407,000)
At 30 June 2018	–

iii) Valuation policies and procedures

The board of directors is responsible for setting and documenting the Group’s valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group’s policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 1-13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

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13. Fair value of financial assets and financial liabilities (cont’d)

(d) ***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			Total S\$
	Quoted prices in active markets for identical instruments S\$	Significant observable inputs other than quoted prices S\$	Significant unobservable inputs S\$	
30 June 2018				
Financial liabilities				
Shareholder loan	–	–	7,318,446	7,318,446
31 December 2017				
Financial liabilities				
Shareholder loan	–	–	6,445,586	6,445,586

Determination of fair value

Shareholder loan

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.

14. 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) Life sciences, electronics and others

The life sciences, electronics and others segment involves the manufacturing of key components of mass spectrometers, high performance liquid chromatography instruments used for various laboratories testing and pharmaceutical applications, as well as the assembly of complex modules for customers in the business of industrial automation and manufacturing equipment.

This reportable segment had been formed by aggregating the life sciences segment and the electronics and others segment, which are regarded by management to exhibit similar economic characteristics. In making this judgement, management considers the products and services offered by these segments are in the areas of common, and the segments share common production facilities and usage of raw materials in the production process.

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14. Segment information (cont’d)

(ii) Semiconductor

The semiconductor segment involves the manufacturing of electrical components and devices such as transistors and diodes for customers who are leading equipment providers for semiconductor manufacturing and electronics assembly solutions.

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 net fair value gain or loss for strategic investments, or operating profit or loss for healthcare and information security and corporate segment.

	Life sciences, electronics and others S\$	Semiconductors S\$	Total S\$
2018			
Revenue	4,563,017	17,285,190	21,848,207
Cost of Sales	(3,518,767)	(11,307,241)	(14,826,008)
Gross Profit	1,044,250	5,977,949	7,022,199
2017			
Revenue	4,170,522	11,668,550	15,839,072
Cost of Sales	(3,588,430)	(7,562,209)	(11,150,639)
Gross Profit	582,092	4,106,341	4,688,433

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	
	30.06.17	30.06.18	31.12.17	30.06.18
	S\$	S\$	S\$	S\$
Singapore	3,764,901	4,155,769	9,464,910	9,267,252
Malaysia	11,145,749	15,895,991	10,804,004	12,349,208
United States	532,439	687,083	–	–
China	383,889	1,095,551	–	2,497,765
Others	12,094	13,813	–	–
	15,839,072	21,848,207	20,268,914	24,114,225

Non-current assets information presented above consist of property, plant and equipment, and intangible assets as presented in the interim condensed consolidated statement of financial position.

Information about major customers

Revenue from five (30 June 2017: four) major customers, each contributing ten percent or more of the Group’s revenue, amounted to S\$16,615,376 (30 June 2017: S\$9,708,022),

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14. Segment information (cont'd)

arising from sales from the life sciences, electronics and others segment, and the semiconductors segment.

Seasonality of operations

Due to the seasonal nature of the semiconductor segment, higher revenue and operating profit are usually expected in the first half of the year rather than in the last six months. Higher sales during the first half of the year is mainly attributed to increased demand from customers during this period as the procurement cycle for most customers start in the last quarter of the preceding year.

The life sciences, electronics and others segment is not subject to seasonality.

15. Authorisation of financial statements

The interim condensed consolidated financial statements for the six-month financial period ended 30 June 2018 were authorized for issue in accordance with a resolution of the Directors on 15 January 2019.

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Company Registration No. 201222831E

**Grand Venture Technology Pte. Ltd.
and its subsidiaries**

Unaudited Pro Forma Consolidated Financial Information
For the financial year ended 31 December 2017

and

Unaudited Interim Pro Forma Consolidated Financial Information
For the six-month financial period ended 30 June 2018

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
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**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Independent practitioner’s assurance report on the compilation of pro forma financial
information included in the Offer Document**

The Board of Directors
Grand Venture Technology Pte. Ltd.
2 Changi North Street 1
GVT Building
Singapore 498828

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of Grand Venture Technology Pte. Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) by management. The pro forma financial information consists of the pro forma consolidated statements of financial position as at 31 December 2017 and 30 June 2018, the pro forma consolidated statements of comprehensive income and pro forma consolidated cash flow statements for the financial year ended 31 December 2017 and for the six-month financial period ended 30 June 2018, and related notes as set out on pages D-16 to D-18 of the Offer Document. The applicable criteria on the basis of which management has compiled the pro forma financial information are described in Note 3.

The pro forma financial information has been compiled by management to illustrate the impact of the events set out in Note 2 on:

- (i) the unaudited pro forma financial position of the Group as at 31 December 2017 and 30 June 2018 as if the events had occurred on 31 December 2017 and 30 June 2018 respectively;
- (ii) the unaudited pro forma financial performance and unaudited pro forma cash flows of the Group for the financial year ended 31 December 2017 and for the six-month financial period ended 30 June 2018 as if the events had occurred on 1 January 2017 and 1 January 2018 respectively.

As part of this process, information about the Group’s financial position, financial performance and cash flows have been extracted by management from the Group’s consolidated financial statements for the year ended 31 December 2017, and for six-month financial period ended 30 June 2018, on which an audit report, and a review report had been published respectively.

Management’s Responsibility for the Pro Forma Financial Information

Management is responsible for compiling the pro forma consolidated financial information on the basis as described in Note 3.

Auditor’s responsibilities

Our responsibility is to express an opinion on whether the pro forma consolidated financial information has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the pro forma financial information on the basis as described in Note 3.

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Independent practitioner’s assurance report on the compilation of pro forma financial
information included in the Offer Document**

Auditor’s responsibilities (cont’d)

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Offer Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) the related pro forma adjustments give appropriate effect to those criteria; and
- (ii) the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner’s judgment, having regard to the practitioner’s understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- (a) the pro forma financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its audited financial statements as included in Appendix A of the Offer Document, which are in accordance with Singapore Financial Reporting Standards;
 - (ii) on the basis stated in Note 3 to the pro forma financial information; and
- (b) each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purpose of preparing such unaudited pro forma financial information.

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Independent practitioner’s assurance report on the compilation of pro forma financial
information included in the Offer Document**

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of shares of the Company in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Tan Swee Ho
15 January 2019

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited pro forma consolidated statement of comprehensive income
For the financial year ended 31 December 2017**

	2017 \$
Revenue	33,925,980
Cost of sales	(24,859,467)
Gross profit	<u>9,066,513</u>
Other operating income	1,110,897
Selling and distribution expenses	(431,654)
General and administrative expenses	(3,830,694)
Other operating expenses	(1,881,470)
Finance costs	(803,484)
Fair value loss on convertible loan option	–
Profit before tax	<u>3,230,108</u>
Income tax credit	1,190,144
Profit for the year	<u>4,420,252</u>
Other comprehensive income:	
<i>Items that may be reclassified subsequently to profit or loss</i>	
Exchange difference on translation of foreign operations	113,775
Total comprehensive income for the year	<u><u>4,534,027</u></u>

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited pro forma consolidated statement of comprehensive income
For the six-month financial period ended 30 June 2018**

	2018 \$
Revenue	21,848,207
Cost of sales	(14,826,008)
Gross profit	7,022,199
Other operating income	880,515
Selling and distribution expenses	(288,084)
General and administrative expenses	(2,529,189)
Other operating expenses	(672,639)
Finance costs	(455,883)
Profit before tax	3,956,919
Income tax expense	(1,081,445)
Profit for the year	2,875,474
Other comprehensive income:	
<i>Items that may be reclassified subsequently to profit or loss</i>	
Exchange difference on translation of foreign operations	242,323
Total comprehensive income for the year	3,117,797

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited pro forma consolidated statement of financial position
As at 31 December 2017**

	2017
	\$
Non-current assets	
Property, plant and equipment	19,849,854
Intangible assets	2,111,619
Deferred tax assets	1,548,571
	<u>23,510,044</u>
Current assets	
Cash and bank balances	2,087,307
Trade receivables	8,515,241
Prepayments	333,009
Other receivables	145,268
Inventories	6,374,564
	<u>17,455,389</u>
Total assets	<u><u>40,965,433</u></u>
Current liabilities	
Trade payables	4,894,019
Other payables and accruals	2,215,059
Loans and borrowings	5,889,110
Provision for income tax	14,491
	<u>13,012,679</u>
Net current assets	<u>4,442,710</u>
Non-current liabilities	
Shareholder loan	6,900,000
Loans and borrowings	9,565,166
	<u>16,465,166</u>
Total liabilities	<u>29,477,845</u>
Net assets	<u>11,487,588</u>
Equity attributable to owners of the Company	
Share capital	15,351,359
Currency translation reserve	(748,277)
Accumulated losses	(3,115,494)
Total equity	<u><u>11,487,588</u></u>

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited pro forma consolidated statement of financial position
As at 30 June 2018**

	2018 \$
Non-current assets	
Property, plant and equipment	21,969,967
Intangible assets	2,144,258
Deferred tax assets	1,286,000
	25,400,225
Current assets	
Cash and bank balances	5,747,298
Trade receivables	12,325,572
Prepayments	364,478
Other receivables	985,230
Inventories	8,139,300
	27,561,878
Total assets	52,962,103
Current liabilities	
Trade payables	8,651,069
Other payables and accruals	3,127,672
Shareholder loan	824,800
Loans and borrowings	8,780,620
Provision for income tax	635,283
	22,019,444
Net current assets	5,542,434
Non-current liabilities	
Shareholder loan	7,800,000
Loans and borrowings	8,537,274
	16,337,274
Total liabilities	38,356,718
Net assets	14,605,385
Equity attributable to owners of the Company	
Share capital	15,351,359
Currency translation reserve	(505,954)
Accumulated losses	(240,020)
Total equity	14,605,385

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited pro forma consolidated cash flow statement
For the financial year ended 31 December 2017**

	2017
	\$
Operating activities	
Profit before taxation	3,230,108
Adjustments for:	
Depreciation expense	3,508,063
Amortisation expense	224,894
Gain on disposal of property, plant and equipment	(322)
Interest income	(760)
Interest expense	803,484
Bad debts written-off	8,000
Gain on waiver of interest payable	(138,707)
Provision for unutilized leave	36,657
Unrealised foreign exchange gain	(83,227)
Operating cash flows before changes in working capital	7,588,190
Increase in trade and other receivables	(3,546,166)
Increase in inventories	(297,102)
Increase in prepayments	(157,596)
Increase in trade and other payables	360,757
Cash flows from operations	3,948,083
Income tax paid	(356,227)
Interest received	760
Interest paid	(851,480)
Net cash flows generated from operating activities	2,741,136
Investing activities	
Purchase of property, plant and equipment	(1,572,431)
Proceeds from disposal of property, plant and equipment	322
Net cash flows used in investing activities	(1,572,109)
Financing activities	
Capital contributions from a previous shareholder	864,748
Proceeds from issuance of shares	1,200,000
Repayment of obligations of finance lease	(886,545)
Proceeds from trade financing	629,500
Proceeds from loans and borrowings	300,000
Repayment of loans and borrowings	(973,466)
Decrease in placement of short-term fixed deposits	38,054
Net cash flows generated from financing activities	1,172,291
Net increase in cash and cash equivalents	2,341,318
Effect of foreign exchange rate changes, net	3,213
Cash and cash equivalents at the beginning of the period	(179,446)
Cash and cash equivalents at the end of the period	2,165,085

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Unaudited pro forma consolidated cash flow statement
For the six-month financial period ended 30 June 2018**

	2018 \$
Operating activities	
Profit before taxation	3,956,919
Adjustments for:	
Depreciation expense	1,729,251
Amortisation of intangible assets	11,933
Interest income	(1,076)
Interest expense	455,677
Provision for unutilized leave	87,622
Provision for stock obsolescence	36,254
Unrealised foreign exchange gain	(484,676)
Operating cash flows before changes in working capital	5,791,904
Increase in trade and other receivables	(4,476,791)
Increase in inventories	(1,604,025)
Increase in prepayments	(21,242)
Increase in trade and other payables	2,850,397
Cash flows from operations	2,540,243
Income tax refund	185,405
Interest received	1,076
Interest paid	(339,805)
Net cash flows generated from operating activities	2,386,919
Investing activities	
Purchase of property, plant and equipment	(1,764,245)
Acquisition of subsidiary	(755,407)
Net cash flows used in investing activities	(2,519,652)
Financing activities	
Proceeds from issuance of shares	1,200,000
Repayment of obligations of finance lease	(938,395)
Repayment of trade financing	(562,660)
Proceeds from loans and borrowings	3,200,000
Repayment of loans and borrowings	(501,105)
Proceeds from advances from a shareholder	1,724,800
Decrease in placement of short-term fixed deposits	(100,357)
Net cash flows generated from financing activities	4,022,283
Net increase in cash and cash equivalents	3,889,550
Effect of foreign exchange rate changes, net	(12,658)
Cash and cash equivalents at the beginning of the period	1,193,532
Cash and cash equivalents at the end of the period	5,070,424

The accompanying accounting policies and explanatory notes form an integral part of the unaudited interim pro forma consolidated financial information.

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Statement of adjustments for the unaudited pro forma consolidated statement of
comprehensive income
For the financial year ended 31 December 2017**

	Audited Consolidated Statement of Comprehensive Income 2017 \$	Pro Forma Adjustments \$	Unaudited Pro Forma Consolidated Statement of Comprehensive Income 2017 \$
Revenue	30,856,349	3,069,631	33,925,980
Cost of sales	(22,423,267)	(2,436,200)	(24,859,467)
Gross profit	8,433,082	633,431	9,066,513
Other operating income	1,108,277	2,620	1,110,897
Selling and distribution expenses	(431,654)	–	(431,654)
General and administrative expenses	(3,830,694)	–	(3,830,694)
Other operating expenses	(1,381,931)	(499,539)	(1,881,470)
Finance costs	(916,810)	113,326	(803,484)
Fair value loss on convertible loan option	(398,000)	398,000	–
Profit before tax	2,582,270	647,838	3,230,108
Income tax credit	1,258,058	(67,914)	1,190,144
Profit for the year	3,840,328	579,924	4,420,252
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations	122,880	(9,105)	113,775
Total comprehensive income for the period	3,963,208	570,819	4,534,027

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Statement of adjustments for the unaudited pro forma consolidated statement of
comprehensive income
For the six-month financial period ended 30 June 2018**

	Unaudited Consolidated Statement of Comprehensive Income 2018 \$	Pro Forma Adjustments \$	Unaudited Pro Forma Consolidated Statement of Comprehensive Income 2018 \$
Revenue	21,848,207	–	21,848,207
Cost of sales	(14,826,008)	–	(14,826,008)
Gross profit	7,022,199	–	7,022,199
Other operating income	880,515	–	880,515
Selling and distribution expenses	(288,084)	–	(288,084)
General and administrative expenses	(2,529,189)	–	(2,529,189)
Other operating expenses	(672,639)	–	(672,639)
Finance costs	(455,883)	–	(455,883)
Profit before tax	3,956,919	–	3,956,919
Income tax expense	(1,081,445)	–	(1,081,445)
Profit for the year	2,875,474	–	2,875,474
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations	242,323	–	242,323
Total comprehensive income for the period	3,117,797	–	3,117,797

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Statement of adjustments for the unaudited pro forma consolidated statement of
financial position
As at 31 December 2017**

	Audited Consolidated Statement of Financial Position 2017 \$	Pro Forma Adjustments \$	Unaudited Pro Forma Consolidated Statement of Financial Position 2017 \$
Non-current assets			
Property, plant and equipment	18,889,884	959,970	19,849,854
Intangible assets	1,379,030	732,589	2,111,619
Deferred tax assets	1,548,571	–	1,548,571
	21,817,485	1,692,559	23,510,044
Current assets			
Cash and bank balances	1,642,774	444,533	2,087,307
Trade receivables	8,515,241	–	8,515,241
Prepayments	333,009	–	333,009
Other receivables	145,268	–	145,268
Inventories	6,311,656	62,908	6,374,564
	16,947,948	507,441	17,455,389
Total assets	38,765,433	2,200,000	40,965,433
Current liabilities			
Trade payables	4,894,019	–	4,894,019
Other payables and accruals	2,215,059	–	2,215,059
Loans and borrowings	5,889,110	–	5,889,110
Convertible loan	2,000,000	(2,000,000)	–
Derivatives	407,000	(407,000)	–
Provision for income tax	14,491	–	14,491
	15,419,679	(2,407,000)	13,012,679
Net current assets	1,528,269	2,914,441	4,442,710
Non-current liabilities			
Shareholder loan	6,900,000	–	6,900,000
Loans and borrowings	9,565,166	–	9,565,166
	16,465,166	–	16,465,166
Total liabilities	31,884,845	(2,407,000)	29,477,845
Net assets	6,880,588	4,607,000	11,487,588
Equity attributable to equity holders of the Company			
Share capital	10,744,359	4,607,000	15,351,359
Currency translation reserve	(748,277)	–	(748,277)
Accumulated losses	(3,115,494)	–	(3,115,494)
Total equity	6,880,588	4,607,000	11,487,588

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Statement of adjustments for the unaudited pro forma consolidated statement of
financial position
As at 30 June 2018**

	Unaudited Consolidated Statement of Financial Position 2018 \$	Pro Forma Adjustments \$	Unaudited Pro Forma Consolidated Statement of Financial Position 2018 \$
Non-current assets			
Property, plant and equipment	21,969,967	–	21,969,967
Intangible assets	2,144,258	–	2,144,258
Deferred tax assets	1,286,000	–	1,286,000
	25,400,225	–	25,400,225
Current assets			
Cash and bank balances	4,547,298	1,200,000	5,747,298
Trade receivables	12,325,572	–	12,325,572
Prepayments	364,478	–	364,478
Other receivables	985,230	–	985,230
Inventories	8,139,300	–	8,139,300
	26,361,878	1,200,000	27,561,878
Total assets	51,762,103	1,200,000	52,962,103
Current liabilities			
Trade payables	8,651,069	–	8,651,069
Other payables and accruals	4,127,672	(1,000,000)	3,127,672
Shareholder loan	824,800	–	824,800
Loans and borrowings	8,780,620	–	8,780,620
Provision for income tax	635,283	–	635,283
	23,019,444	(1,000,000)	22,019,444
Net current assets	3,342,434	2,200,000	5,542,434
Non-current liabilities			
Shareholder loan	7,800,000	–	7,800,000
Loans and borrowings	8,537,274	–	8,537,274
	16,337,274	–	16,337,274
Total liabilities	39,356,718	(1,000,000)	38,356,718
Net assets	12,405,385	2,200,000	14,605,385
Equity attributable to equity holders of the Company			
Share capital	13,151,359	2,200,000	15,351,359
Currency translation reserve	(505,954)	–	(505,954)
Accumulated losses	(240,020)	–	(240,020)
Total equity	12,405,385	2,200,000	14,605,385

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND UNAUDITED INTERIM PRO FORMA
CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2018**

Grand Venture Technology Pte. Ltd. and its subsidiaries

**Statement of adjustments for the unaudited pro forma consolidated cash flow statement
For the financial year ended 31 December 2017**

	Audited Consolidated Cash Flow Statement 2017 \$	Pro Forma Adjustments \$	Unaudited Pro Forma Consolidated Cash Flow Statement 2017 \$
Operating activities			
Profit before tax	2,582,270	647,838	3,230,108
Adjustments for:			
Depreciation expense	3,368,831	139,232	3,508,063
Amortisation expense	201,028	23,866	224,894
Gain on disposal of property, plant and equipment	(322)	–	(322)
Interest income	(760)	–	(760)
Interest expense	916,810	(113,326)	803,484
Bad debts written-off	8,000		8,000
Gain on waiver of interest payable	(138,707)	–	(138,707)
Provision for unutilized leave	36,657	–	36,657
Fair value loss on convertible loan option	398,000	(398,000)	–
Unrealised foreign exchange loss	(85,480)	2,253	(83,227)
Operating cash flow before changes in working capital	7,286,327	301,863	7,588,190
Increase in trade and other receivables	(3,510,359)	(35,807)	(3,546,166)
Increase in inventories	(194,016)	(103,086)	(297,102)
Increase in prepayments	(138,224)	(19,372)	(157,596)
Increase in trade and other payables	730,641	(369,884)	360,757
Cash flows from operations	4,174,369	(226,286)	3,948,083
Income tax paid	(298,602)	(57,625)	(356,227)
Interest received	760	–	760
Interest paid	(964,806)	113,326	(851,480)
Net cash flows generated from operating activities	2,911,721	(170,585)	2,741,136
Investing activities			
Purchase of property, plant and equipment	(649,821)	(922,610)	(1,572,431)
Proceeds from disposal of property, plant and equipment	322	–	322
Net cash flows used in investing activities	(649,499)	(922,610)	(1,572,109)
Financing activities			
Capital contributions from a previous shareholder	–	864,748	864,748
Proceeds from issuance of shares	–	1,200,000	1,200,000
Repayment of obligations of finance lease	(886,545)	–	(886,545)
Proceeds from trade financing	629,500	–	629,500
Proceeds from loans and borrowings	300,000	–	300,000
Repayment of loans and borrowings	(973,466)	–	(973,466)
Increase in placement of short-term fixed deposits	38,054	–	38,054
Net cash flows (used in)/generated from financing activities	(892,457)	2,064,748	1,172,291
Net increase in cash and cash equivalents	1,369,765	971,553	2,341,318
Effect of foreign exchange rate changes, net	3,213	–	3,213
Cash and cash equivalents at the beginning of the period	(179,446)	–	(179,446)
Cash and cash equivalents at the end of the period	1,193,532	971,553	2,165,085

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

**Statement of adjustments for the unaudited pro forma consolidated cash flow statement
For the six-month financial period ended 30 June 2018**

	Unaudited Consolidated Cash Flow Statement 2018 \$	Pro Forma Adjustments \$	Unaudited Pro Forma Consolidated Cash Flow Statement 2018 \$
Operating activities			
Profit before tax	3,956,919	–	3,956,919
Adjustments for:			
Depreciation expense	1,729,251	–	1,729,251
Amortisation of intangible assets	11,933	–	11,933
Interest income	(1,076)	–	(1,076)
Interest expense	455,677	–	455,677
Provision for unutilized leave	87,622	–	87,622
Provision for stock obsolescence	36,254	–	36,254
Unrealised foreign exchange gain	(484,676)	–	(484,676)
Operating cash flow before changes in working capital	5,791,904	–	5,791,904
Increase in trade and other receivables	(4,476,791)	–	(4,476,791)
Increase in inventories	(1,604,025)	–	(1,604,025)
Increase in prepayments	(21,242)	–	(21,242)
Increase in trade and other payables	2,850,397	–	2,850,397
Cash flows from operations	2,540,243	–	2,540,243
Income tax refund	185,405	–	185,405
Interest received	1,076	–	1,076
Interest paid	(339,805)	–	(339,805)
Net cash flows generated from operating activities	2,386,919	–	2,386,919
Investing activities			
Purchase of property, plant and equipment	(1,764,245)	–	(1,764,245)
Acquisition of subsidiary	(755,407)	–	(755,407)
Net cash flows used in investing activities	(2,519,652)	–	(2,519,652)
Financing activities			
Proceeds from issuance of shares	–	1,200,000	1,200,000
Repayment of obligations of finance lease	(938,395)	–	(938,395)
Repayment of trade financing	(562,660)	–	(562,660)
Proceeds from loans and borrowings	3,200,000	–	3,200,000
Repayment of loans and borrowings	(501,105)	–	(501,105)
Proceeds from advances from a shareholder	1,724,800	–	1,724,800
Decrease in placement of short-term fixed deposits	(100,357)	–	(100,357)
Net cash flows generated from financing activities	2,822,283	1,200,000	4,022,283
Net increase in cash and cash equivalents	2,689,550	1,200,000	3,889,550
Effect of foreign exchange rate changes, net	(12,658)	–	(12,658)
Cash and cash equivalents at the beginning of the period	1,193,532	–	1,193,532
Cash and cash equivalents at the end of the period	3,870,424	1,200,000	5,070,424

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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the unaudited pro forma consolidated financial information

1. Corporate information

The Company (Registration No. 201222831E) was incorporated in Singapore on 17 September 2012 under the Companies Act as a private company domiciled in Singapore. On 27 December 2018, the Company was converted into a public limited company and changed its name to Grand Venture Technology Limited.

The immediate and ultimate holding company is Metalbank Singapore Pte. Ltd. (formerly known as GVT Pte. Ltd.).

The registered office and principal place of business is located at 2 Changi North Street 1. GVT Building, Singapore 498828.

The principal activities of the Company and its subsidiaries are that of manufacturing metal precision components.

2. Significant events

2.1 Conversion of convertible loan

On 1 February 2018, the holders of the convertible loan had exercised the option and fully converted the entire loan principal into ordinary shares. The Company issued a total of 800,000 ordinary shares to the holders.

2.2 Acquisition of business in China

On 1 January 2018, Grand Venture Technology (Suzhou) Co. Ltd., a wholly-owned subsidiary of the Company had entered into a business transfer agreement to acquire the business assets of two other entities, Suzhou Industrial Park Excellence Precision Machinery Co., Ltd. and Suzhou Industrial Park Innovation Precision Machinery Co., Ltd. (collectively known as the “Acquirees”), who are manufacturers of various types of precision parts and fixture products in Suzhou, China.

The business assets, which includes plants and machineries, inventories, and customers’ contracts, were acquired at their carrying amount of RMB 3,678,291 by the Group to enter and develop its business in the China market. The acquisition is also expected to reduce costs through economies of scale.

In connection with the acquisition, the Company agrees to issue 800,000 ordinary shares to ZG Innotech Pte. Ltd., a company incorporated in Singapore whose sole shareholder was the previous owner of the Acquirees, for a consideration of S\$2,200,000. The cash consideration received was S\$1,200,000, and the balance of S\$1,000,000 was deemed as an investment in Grand Venture Technology (Suzhou) Co. Ltd. by the Company. The issuance of the shares was completed on 30 July 2018.

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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the unaudited pro forma consolidated financial information

2. Significant events (cont’d)

2.2 Acquisition of business in China (cont’d)

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

	Fair value recognised on acquisition S\$
Property, plant and equipment	959,970
Inventories	62,848
Customer relationship	238,658
Total identifiable net assets at fair value	1,261,476
Goodwill arising from acquisition	493,931
	1,755,407
	Fair value recognised on acquisition S\$
Consideration transferred for the acquisition of business:	
Cash paid	755,407
Equity instruments to be issued (800,000 ordinary shares of the Company)	2,200,000
Less: cash consideration to be received for equity instruments	(1,200,000)
Total consideration transferred	1,755,407

Impact of the acquisition on profit or loss

If the business combination had taken place on 1 January 2017, the Group’s revenue for the year would have been S\$33,925,980 and the Group’s profit net of tax for the year would have been S\$3,928,099.

Provisional accounting of the acquisition of business in China

Customer relationship and goodwill had been identified as intangible assets arising from this acquisition. The Group has engaged an independent valuer to determine the fair value of the identifiable assets.

The fair value of the net identifiable assets amounting to S\$1,261,476 has been determined on a provisional basis as the final results of the independent valuation have not been received by the date the financial statements was authorised for issue.

2.3 Issuance of shares

On 30 July 2018, the Company issued 800,000 ordinary shares to ZG Innotech Pte. Ltd. For a consideration of S\$2,200,000. Please see Note 2.2 for further details.

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the unaudited pro forma consolidated financial information

3. Basis of preparation of the unaudited pro forma consolidated financial information

The unaudited pro forma consolidated financial information of the Group in this report is expressed in Singapore Dollars (SGD or \$). The financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show:

- (i) the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma cash flow statements of the Group for the financial year ended 31 December 2017, had the pro forma event, as described in Note 2, been completed since 1 January 2017; and
- (ii) the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma cash flow statements of the Group for the six month financial period ended 30 June 2018 had the pro forma event, as described in Note 2.3, been completed since 1 January 2018; and
- (iii) the unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2017, had the pro forma event, as described in Note 2, been completed on 31 December 2017; and
- (iv) the unaudited pro forma consolidated statement of financial position of the Group as at 30 June 2018, had the pro forma event, as described in Note 2.3, been completed on 30 June 2018.

The objective of the unaudited pro forma consolidated financial information of the Group is to show:

- (a) what the financial performance and cash flow of the Group would have been had the pro forma events been completed on 1 January 2017 and 1 January 2018 respectively; and
- (b) what the financial position of the Group would have been had the pro forma events been completed on 31 December 2017 and 30 June 2018 respectively.

However, the unaudited pro forma consolidated financial information of the Group is not necessarily indicative of the results of operations or financial position that would have been obtained had the pro forma events actually existed earlier.

- (a) The unaudited pro forma consolidated financial information of the Group is based on the following:
 - (i) the audited consolidated financial statements of Grand Venture Technology Pte. Ltd. and its subsidiaries for the financial year ended 31 December 2017, which have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The audited consolidated financial statements of Grand Venture Technology Pte. Ltd. and its subsidiaries for the financial year ended 31 December 2017 was audited by Ernst & Young LLP, Public Accountants and Chartered Accountants, Singapore. The independent auditor’s report relating to the audited financial statements was not subject to any qualification;
 - (ii) the unaudited interim condensed consolidated financial statements for Grand Venture Technology Pte. Ltd. and its subsidiaries for the six-month financial period ended 30 June 2018, which have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34.

**APPENDIX C – INDEPENDENT AUDITOR’S AND REPORTING ACCOUNTANT’S REPORT ON
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Grand Venture Technology Pte. Ltd. and its subsidiaries

Notes to the unaudited pro forma consolidated financial information

3. Basis of preparation of the unaudited pro forma consolidated financial information (cont’d)

The unaudited interim condensed consolidated financial statements of Grand Venture Technology Pte. Ltd. and its subsidiaries for the six-month financial period ended 30 June 2018 was reviewed by Ernst & Young LLP, Public Accountants and Chartered Accountants, Singapore. The independent auditor’s reporting relating to the reviewed financial statements was not subject to any qualification.

4. Authorization of unaudited pro forma consolidated financial information

The unaudited pro forma consolidated financial information for the financial year ended 31 December 2017 and the unaudited pro forma consolidated financial information for the six-month financial period ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 15 January 2019.

APPENDIX D – DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the rights and privileges of Shareholders conferred by the laws of Singapore and the Constitution of our Company. These statements summarise the material provisions of our Constitution and are qualified in entirety by reference to our Constitution and the Companies Act. A copy of our Constitution is available for inspection at our registered office during normal business hours for a period of six (6) months from the date of this Offer Document.

Ordinary Shares

There are no founders, management, deferred or unissued shares reserved for issue for any purpose. We have only one (1) class of shares, namely, our ordinary shares which have identical rights in all respects and rank equally with one another. All of our Shares are in registered form. Our Company may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase its Shares. However, it may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of its own Shares.

New Shares

New Shares may only be issued with the prior approval in a general meeting of our Shareholders. The aggregate number of Shares to be issued pursuant to such approval may not exceed 100.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of shares to be issued other than on a pro rata basis to our Shareholders may not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being (the percentage of issued share capital being based on our issued Shares at the time such authority is given after adjusting for new Shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or sub-division of Shares). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier but any approval may be previously revoked or varied by our Company in general meeting. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board who may allot and issue the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered in the register of Shareholders of our Company and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. Our Company will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. Our Company may close the register of Shareholders for any time or times if we provide the SGX-ST at least five (5) clear market days' notice. However, the register of Shareholders may not be closed for more than thirty (30) days in aggregate in any calendar year. Our Company typically closes the register of Shareholders to determine Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules or the rules or by-laws of any stock exchange on which our Company is listed. Our Board may decline to register any transfer of Shares which are not fully paid Shares, or Shares on which our Company has a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed.

Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as it may require. Our Company will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Board may require.

General Meetings of Shareholders

Our Company is required to hold an annual general meeting every year. Our Board may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two (2) or more Shareholders holding not less than 10.0% of the issued share capital of our Company (excluding treasury shares) may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Constitution, a change of the corporate name and a reduction in the share capital. Our Company must give at least twenty-one (21) days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least fourteen (14) days' notice in writing. The notice must be given to every Shareholder who has supplied our Company with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP seventy-two (72) hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder present in person and by proxy shall have one (1) vote (provided that in the case of a Shareholder who is represented by more than one (1) proxy (subject to the provisions of the Companies Act), only one (1) of the proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder or Shareholders present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by not less than two (2) Shareholders present in person or by proxy and entitled to vote. In the case of an equality of vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

Dividends

Our Company may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by our Board. Our Company must pay all dividends out of its profits. Our Board may also declare an interim dividend without the approval of our Shareholders. All dividends are paid pro rata among our Shareholders in proportion to the amount paid up on each Share, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issues

Our Board may, with approval by our Shareholders at a general meeting, capitalise any reserves or profits and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which our Company is listed.

APPENDIX D – DESCRIPTION OF OUR SHARES

Take-overs

Under the Singapore Code on Take-overs and Mergers (“**Singapore Take-over Code**”), issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting rights acquires additional voting shares representing more than 1.0% of the voting shares in any six (6) month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer’s equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);

APPENDIX D – DESCRIPTION OF OUR SHARES

- (iii) the related trusts of (i);
- (iv) any person who is accustomed to act in accordance with the instructions of (i);
- (v) companies controlled by any of (i), (ii), (iii) or (iv); and
- (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six (6) months.

Liquidation or Other Return of Capital

If our Company is liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by our Company against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgment is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. Our Company may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to our Company.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Take-overs” above, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold or vote in respect of our Shares.

Minority Rights

The rights of minority Shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any Shareholder of our Company, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;

APPENDIX D – DESCRIPTION OF OUR SHARES

- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
- (e) provide that our Constitution be amended; or
- (f) provide that we be wound up.

APPENDIX E – SUMMARY OF OUR CONSTITUTION

The discussion below provides information on certain provisions of our Constitution and the laws of Singapore. This discussion is only a summary and is qualified by reference to our Constitution and to Singapore law.

The instrument that constitutes and defines our Company is the Constitution of our Company.

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he has any personal material interest, and he shall not be counted in the quorum present at the meeting.

(b) Remuneration

Fees payable to Non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of the Company) as shall from time to time be determined by the Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who renders any special or extra services to the Company or goes or resides abroad in connection with the conduct of any of the affairs of the Company may be granted special remuneration by a lump sum or by way of salary, or, except in the case of a Non-executive Director, by a percentage of profits, or by any or all of those modes, as the Directors may determine.

The remuneration of a Chief Executive Officer, or persons holding equivalent positions, shall from time to time be fixed by the Directors and may, subject to the provisions of this Constitution, be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover.

The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

The Directors shall not vote in respect of any contract or proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall also not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(c) Borrowing

Subject to our Constitution and the applicable laws, our Directors may exercise all the powers of our Company to raise or borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to secure any debt, liability or obligation of our Company or of any third party.

(d) Retirement age limit

There is no retirement age limit for Directors under our Constitution.

(e) Shareholding qualification

There is no shareholding qualification for Directors in our Constitution.

2. Share rights and restrictions

Our Company currently has one (1) class of Shares, namely, ordinary shares. Only persons who are registered on our register of Shareholders and in cases in which the person so registered is

APPENDIX E – SUMMARY OF OUR CONSTITUTION

CDP, the persons named as the depositors in the depository register maintained by CDP for the ordinary shares, are recognised as our Shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we shall not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits; however, we may capitalise any sum standing to the credit of any of our Company's reserve accounts or other distributable reserve or any sum standing to the credit of profit and loss account and apply it to pay dividends, if such dividends are satisfied by the issue of Shares to our Shareholders.

All dividends are paid pro rata amongst our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to the Company but the Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled prior to the forfeiture.

The Directors may retain any dividends or other moneys payable on or in respect of a Share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP seventy-two (72) hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder who is not a relevant intermediary present in person and by proxy shall have one (1) vote, and on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents. A Shareholder who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote at the same general meeting. A Shareholder who is a relevant intermediary may appoint more than two (2) proxies to attend and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by it. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder or Shareholders present in person or by proxy and representing not less than five per cent. (5%) of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by not less than two (2) Shareholders present in person or by proxy and entitled to vote. In the case of an equality of vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require Shareholders to pass an

APPENDIX E – SUMMARY OF OUR CONSTITUTION

ordinary resolution. Ordinary resolutions generally require at least fourteen (14) days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our Shareholders' approval by way of a special resolution for any reduction of our share capital or other undistributable reserve, subject to the conditions prescribed by law.

4. Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Constitution relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third of the total voting rights of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total voting rights of the issued shares of the class concerned within two (2) months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

The relevant regulation in our Constitution does not impose more significant conditions than the Companies Act in this regard.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Constitution on the rights of our Shareholders who are regarded as non-residents of Singapore, to hold or vote their Shares.

APPENDIX F – TAXATION

The following is a discussion of tax matters arising under the current tax laws in Singapore, Malaysia and the PRC, and the administrative guidelines issued by the relevant authorities, which are in force as at the date of this Offer Document. It is not intended to be and does not constitute legal or tax advice. The summary below is based on laws, regulations, guidelines, rulings and decisions in effect as at the Latest Practicable Date, and these may change at any time, and any change could be retrospective. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out herein.

The discussion is limited to a general description of certain tax consequences in Singapore, Malaysia and the PRC with respect to the subscription for, acquisition, holding and disposal of our Shares by investors, and does not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to the same. It does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. The summary below is not intended to constitute a comprehensive or exhaustive description of the taxes mentioned herein nor of all the taxes that may be applicable or relevant to the subscription for, ownership and disposal of our Share.

Prospective investors should consult their own tax advisers and/or legal advisers regarding taxation in Singapore, Malaysia and the PRC and other consequences of subscribing for, owning and disposing of our Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

SINGAPORE TAX

Singapore Income Tax

Corporate income tax

Corporate taxpayers (both resident and non-resident) are subject to Singapore income tax on income accrued in or derived from Singapore (i.e. Singapore-sourced) and income received in Singapore from outside Singapore (i.e. foreign-sourced income received or deemed received in Singapore) unless it is specifically exempted from tax.

Under Section 13(8) of the Singapore Income Tax Act (“SITA”), foreign-sourced income in the form of branch profits, dividends and service fee income (“**specified foreign income**”) received or deemed received in Singapore by a Singapore tax resident company is exempted from Singapore tax provided that the following qualifying conditions are met:

- (a) such income is subject to tax of a similar character to income tax under the law of the territory from which such income is received;
- (b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received is at least 15.0%; and
- (c) the Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the recipient of the specified foreign income.

The prevailing corporate income tax rate in Singapore is 17.0% with the first S\$300,000 of normal chargeable income being partially exempt from tax as follows:

- (a) 75.0% of the first S\$10,000 of normal chargeable income; and
- (b) 50.0% of the next S\$290,000 of normal chargeable income.

From the Year of Assessment (“YA”) 2020, 75.0% of the first S\$10,000 of a company’s normal chargeable income and 50% of the next S\$190,000 of its normal chargeable income will be exempt from tax. Any chargeable income that exceeds S\$200,000 will no longer enjoy the partial tax exemption.

APPENDIX F – TAXATION

Notwithstanding the above, new start-up companies, subject to certain conditions, will be eligible for full tax exemption on the first S\$100,000 and 50.0% tax exemption on the next S\$200,000 of their normal chargeable income for each of their first three (3) consecutive YAs. With effect from YA 2020, 75.0% of the first S\$100,000 of a company's normal chargeable income and 50% of the next S\$100,000 of its normal chargeable income will be exempt from tax.

As announced in Budget 2018, for YA 2018, companies will receive a corporate income tax rebate of 40.0% of the corporate tax payable, up to a cap of S\$15,000. For YA 2019, companies will receive a corporate income tax rate of 20.0% of the corporate tax payable, subject to a cap of S\$10,000. The rebate will not be applicable to the income derived by a non-Singapore tax resident company that is subject to final withholding tax.

A company is regarded as a Singapore tax resident if the control and management of the business is exercised in Singapore. In general, the control and management of a company's business is vested in its board of directors and its tax residency is generally where its board of directors meet to make strategic business decisions of the company.

Individual income tax

Individual taxpayers (both resident and non-resident) are subject to Singapore income tax on income accrued in or derived from Singapore. Under Section 13(7A) of the SITA, all foreign-sourced income received in Singapore by an individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax. Additionally, under Section 13(1)(zj) of the SITA and subject to conditions, individuals are generally not subject to tax on income from any structured product offered by a financial institution derived from Singapore.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 22.0%, after deductions of qualifying personal reliefs where applicable.

A non-Singapore tax resident individual is generally taxed at the tax rate of 22.0% except that Singapore-sourced employment income is taxed at either a flat rate of 15.0% (without deductions for personal reliefs), or at progressive resident rates (with deductions for personal reliefs), whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the YA, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Dividend Distributions

Singapore adopted the one-tier corporate tax system from 1 January 2003. Under the one-tier corporate tax system, the tax paid by a Singapore resident company on its corporate profits is a final tax. Dividends payable by the Singapore resident company to its shareholders are exempt from Singapore income tax in the hands of the shareholders.

There is no withholding tax on the dividend payments to both resident and non-resident shareholders.

Foreign shareholders receiving tax exempt (one-tier) dividends are advised to consult their tax advisers to take into account the tax laws of their respective countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, gains arising from the disposal of our Shares which are considered gains derived from any trade, business, vocation or profession carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. Gains derived from the sale of our Shares may also be taxable if they constitute any gains or profits of any income nature under Section 10(1)(g) of the SITA.

APPENDIX F – TAXATION

Any gains from the disposal of our Shares, if regarded as capital gains, are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the disposal gains would be taxable.

Section 13Z of the SITA provides a safe harbour in the form of an exemption of gains or profits arising from the disposal of ordinary shares (for disposals made up to 31 May 2022). To qualify for the tax exemption, the divesting company must be both the legal and beneficial owner of the ordinary shares which are disposed of and must have legally and beneficially held at least 20.0% of the ordinary shares in the investee company for a continuous period of at least 24 months ending on the date immediately prior to the date of disposal of such shares. The foregoing, however, is not applicable to the disposal of shares held in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development), or generally to a divesting company in the insurance business industry, or to the disposal of shares by a partnership, limited partnership or limited liability partnership where one (1) or more of the partners of which is a company or are companies.

Shareholders who adopted or are required to adopt the Singapore Financial Reporting Standard 39 Financial Instruments - Recognition and Measurement (“**FRS 39**”) or Singapore Financial Reporting Standard 109 – Financial Instruments (“**FRS 109**”) may be taxed on gains or losses recognised in accordance with the provisions of FRS 39 or FRS 109 (not being gains or losses in the nature of capital) even though no sale or disposal of our Shares is made. Shareholders are advised to consult their accounting and tax advisers regarding the Singapore income tax consequences on their subscription, purchase, holding and disposal of our Shares.

Bonus Shares

Any bonus shares received by our Shareholders are not taxable in Singapore.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the contract or agreement entered into for the transfer of our Shares at 0.2% on the consideration for, or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable if no dutiable document relating to the share transfer is executed or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the dutiable document which is executed outside Singapore is subsequently received in Singapore.

In the case of scripless shares which are book-entry securities defined under Section 81SF of the SFA, where the transfer of which does not require instruments of transfer to be executed, stamp duty which is ordinarily payable on the contract or agreement entered into for the transfer is remitted.

Goods and Services Tax (“GST”)

The sale of our Shares by a GST-registered investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any GST incurred by the investor in making this exempt supply is not recoverable from the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore, the sale is a taxable supply subject to GST at zero-rate if certain conditions are met. Any GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business may be recoverable from the Comptroller of GST.

Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase, sale or holding of our Shares will be subject to GST at the standard rate (currently at 7.0%). Similar services rendered to an investor belonging outside Singapore may be subject to GST at zero-rate if certain conditions are met.

APPENDIX F – TAXATION

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

Estate Duty

Singapore estate duty has been abolished with effect from 15 February 2008.

MALAYSIA (EXCLUDING LABUAN) TAX

Dividend Distributions

Under Malaysian law, income tax is payable on income accruing or derived from Malaysia or received in Malaysia. Dividends paid or credited by a company which is tax resident in Malaysia (“**Malaysia Resident Company**”) would be deemed to be derived from Malaysia and are thus taxable in Malaysia.

A company is a Malaysia Resident Company if the control and management of its business are exercised in Malaysia.

A Malaysia Resident Company is entitled to deduct tax at the applicable corporate tax rate from such dividends paid or credited to its shareholders in the basis period for the relevant year of assessment.

Dividends paid by a Malaysia Resident Company from its tax-exempt income are tax-exempt in the hands of its shareholders.

The income of any person, other than a Malaysia Resident Company carrying on the business of banking, insurance or sea or air transport, for the basis year for a year of assessment derived from sources outside Malaysia and received in Malaysia, is tax-exempt under the Income Tax Act 1967 of Malaysia (the “**Malaysia Income Tax Act**”).

Capital Gains Tax

There is no capital gains tax in Malaysia except for real property gains tax (“**RPGT**”) which is charged upon gains arising from the disposal of real property in Malaysia or shares in a real property company incorporated in Malaysia. As such, any gains from the subsequent sale of the shares in a Malaysian company not being a real property company would not be subject to RPGT in Malaysia. However, any gains from the subsequent sales of shares in a Malaysian company by a person who deals in shares may be regarded as income and is subject to income tax under the Malaysia Income Tax Act.

Single Tier System

Prior to 1 January 2008, Malaysia adopted the imputation system which required the imposition of tax on the profit at corporate level and again at shareholders level. The principle behind the imputation system is to overcome the double taxation of income. Under the imputation system, Malaysia Resident Companies are required to deduct tax at source at the prevailing corporate tax rate on dividends paid to their shareholders. The same income would be taxed twice if the credit is not imputed to the shareholders.

The single-tier tax system was introduced to replace the imputation system with effect from year of assessment 2008. Under this system, corporate income is taxed at corporate level and this is a final tax. Dividends distributed to the shareholders are tax-exempted in their hands.

Transitional provisions for Malaysia Resident Companies are in place to take into account the following:

- (a) Company with no Section 108 credit balances as at 31 December 2007

On 1 January 2008, companies with no Section 108 credit balances will automatically move to the single-tier tax system

APPENDIX F – TAXATION

- (b) Companies with Section 108 credit balances as at 31 December 2007
- (i) Companies with Section 108 credit balances as at 31 December 2007 will be given a six-year transitional period from 1 January 2008 to 31 December 2013 to fully utilise credit balances
 - (ii) These companies will automatically move to the single-tier tax system on 1 January 2014 although they may still have unutilised credit balances
 - (iii) These companies will be given an option to make an irrevocable election to move to the single-tier tax system
 - (iv) These companies which have fully utilised the credit balances at any time during the transitional period will automatically move to the single-tier tax system
 - (v) These companies will only be allowed to adjust its Section 108 credit balances downwards for any tax discharged, remitted or refunded in respect of taxes which have earlier been accounted for
 - (vi) The tax on dividends paid to shareholders by small and medium companies is to be deducted from the Section 108 credit balance based on the highest current tax rate.

As GVT Malaysia has elected to move to the single-tier tax system, the imputation system is no longer applicable to us.

PRC TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law (中华人民共和国企业所得税法) (the “EIT Law”), which was promulgated by the National People’s Congress of the PRC (全国人民代表大会) on 16 March 2007 and came into effect on 1 January 2008, and amended on 24 February 2017, and the Implementation Regulations on the EIT Law (企业所得税法实施条例), which were promulgated by the State Council of the PRC (中华人民共和国国务院) (“State Council”) on 6 December 2007 and came into effect on 1 January 2008, a uniform income tax rate of 25.0% will be applied to domestic enterprises, foreign invested enterprise (外商投资企业) and foreign enterprises that have established production and operation facilities in the PRC. These enterprises are classified as either resident enterprises or non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-resident enterprises refer to enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but who (whether or not through the establishment of institutions in the PRC) derive income from the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25.0% is applicable. However, if non-resident enterprises have not established institutions in the PRC, or if they have established institutions in the PRC but there is no actual relationship between the relevant income derived in the PRC and the institutions set up by them, enterprise income tax is set at the rate of 10.0%.

While the enterprise income tax rate is usually 25.0% of taxable income, GVT Suzhou qualifies for a lower rate of 10.0% as it is considered a “small low-profit enterprise” (as defined under the Notice of the Ministry of Finance and the State Administration of Taxation on Further Expanding the Scope of Preferential Income Tax Policies Regarding Small Low-Profit Enterprises (2018) (财政部、税务总局关于进一步扩大小型微利企业所得税优惠政策范围的通知(2018)).

Under the aforementioned notice, a “small low-profit enterprise” refers to an enterprise that is engaged in any industry not restricted or prohibited by the state and meets the following conditions: (1) if it is in the industrial sector, its annual taxable income is not greater than RMB 1,000,000, its number of employees is not greater than 100, and its total assets do not exceed RMB 30,000,000; and (2) if it is in any other sector, its annual taxable income is not greater than RMB 1,000,000, its number of

APPENDIX F – TAXATION

employees is not greater than 80, and its total assets do not exceed RMB 10,000,000. The aforementioned notice provides that from 1 January 2018, to 31 December 2020, a “small low-profit enterprise” will be taxed at 50% of the applicable enterprise income tax rate (being 20.0%, and not 25.0%, for GVT Suzhou).

According to the applicable EIT Law, income such as dividends and profit distribution from the PRC derived from a foreign enterprise which has no establishment in the PRC is subject to a 10.0% withholding tax, subject to reduction as provided by any applicable double taxation treaty, unless the relevant income is specifically exempted from tax under the applicable EIT Law. Pursuant to a tax treaty between the PRC and the Republic of Singapore which became effective on 1 January 2008, a company incorporated in Singapore will be subject to a withholding tax at the rate of no more than 5.0% of the gross amount of the dividends it receives from a company incorporated in the PRC if it holds directly a 25.0% or more interest in the PRC company, or no more than 10.0% of the gross amount of the dividends if it holds less than a 25.0% direct interest in the PRC company. However, under applicable PRC tax regulations, an approval from the local tax authority is required in order to benefit from the reduced treaty rate and such lower rate may be denied if the recipient company is a “conduit” or a company with no business substance.

According to the Announcement on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (关于非居民企业间接转让财产企业所得税若干问题的公告), which was promulgated by the State Administration of Taxation (国家税务总局) (“SAT”) on 3 February 2015, where a non-resident enterprise indirectly transfers equities and other assets of a Chinese-resident enterprise to avoid its enterprise income tax payment obligation by making an arrangement not for any reasonable business purpose, such indirect transfer shall be redefined in nature and recognized as the direct transfer of equities and other assets of the Chinese resident enterprise in accordance with the provisions of Article 47 of the EIT Law.

Value-added Tax

The Temporary Regulations on Value-added Tax (增值税暂行条例), which were promulgated by the State Council on 13 December 1993, came into effect on 1 January 1994, and amended on 10 November 2008, 6 February 2016 and 19 November 2017, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax (增值税暂行条例实施细则), which were promulgated by the PRC’s Ministry of Finance (财政部) (“MOF”) and became effective on 25 December 1993, and were amended on 15 December 2008 and 28 October 2011, set out that all taxpayers selling goods or providing processing, repairing or replacement services and importing goods in the PRC shall pay a value-added tax. A tax rate of 17.0% shall be levied on general taxpayers selling or importing various goods and on taxpayers providing processing, repairing or replacement service; the applicable rate for the export of goods by taxpayers shall be nil, unless otherwise stipulated.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (营业税改增值税试点方案), which were promulgated by MOF and SAT, the government launched gradual taxation reforms starting from 1 January 2012, whereby it collected value-added tax in lieu of business tax on a trial basis in regions and industries showing strong economic performance, such as transportation and certain modern service industries. According to the Implementation Rules of the Pilot for Conversion to Value-added Tax from Business Tax (营业税改征增值税试点实施办法), which was jointly promulgated by MOF and the SAT on 24 March 2016, business tax in connection with the service industry was converted to value-added tax, effective on 1 May 2016.

RULES OF THE GVT EMPLOYEE SHARE OPTION SCHEME

1. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

- “Act” : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
- “associate” : Shall have the meaning assigned to it in the Catalist Rules
- “associated company” : A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the company or the Group and over which the Company has Control
- “Auditors” : The auditors of the Company for the time being
- “Board” : The board of Directors of the Company for the time being
- “Catalist Rules” : The SGX-ST’s Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
- “CDP” : The Central Depository (Pte) Limited
- “Committee” : The Remuneration Committee of the Company
- “Company” : Grand Venture Technology Limited
- “Control” : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
- “Controlling Shareholder” : A shareholder who:
- (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or
 - (b) in fact exercises Control over the Company
- “Date of Grant” : The date on which an Option is granted to a Participant pursuant to Rule 7
- “Director” : A person holding office as a director for the time being of the Company
- “EGM” : Extraordinary General Meeting
- “Executive Director” : A director who is an employee of the Company and/or any of its subsidiaries and/or any of its associated companies, as the case may be, who performs an executive function
- “Exercise Price” : The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
- “Financial Year” : Each period of twelve (12) months or more or less than twelve (12) months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company

APPENDIX G – RULES OF THE GVT ESOS

<i>“Grantee”</i>	:	The person to whom an offer of an Option is made
<i>“Group”</i>	:	The Company, its subsidiaries and associated companies (as they may exist from time to time)
<i>“Group Employee”</i>	:	Any confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities
<i>“Market Price”</i>	:	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
<i>“Non-executive Director”</i>	:	A director of the Company and/or its subsidiaries, other than one who performs an executive function
<i>“Offer Date”</i>	:	The date on which an offer to grant an Option is made pursuant to the Scheme
<i>“Options”</i>	:	The right to acquire Shares granted or to be granted to a Group Employee or a Non-executive Director pursuant to the Scheme and for the time being subsisting
<i>“Option Period”</i>	:	Subject as provided in Rules 11 and 15, the period for the exercise of an Option being: <ul style="list-style-type: none">(a) in the case of an Option granted with the Exercise Price set at Market Price, a period beginning one (1) year from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may be determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time; and(b) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period beginning two (2) years from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may be determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time
<i>“Participant”</i>	:	The holder of an Option
<i>“Record Date”</i>	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions

APPENDIX G – RULES OF THE GVT ESOS

“Scheme”	:	The GVT Employee Share Option Scheme
“S\$”	:	Singapore dollars
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Sponsor”	:	CIMB Bank Berhad, Singapore Branch, or such other sponsor of the Company, for the time being
“subsidiary”	:	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act

The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender. References to persons shall include corporations.

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the same meaning assigned to it under the Act. Any reference in this Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

2. NAME OF THE SCHEME

The Scheme shall be called the “GVT Employee Share Option Scheme”.

3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group and Non-executive Directors and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Employees and Non-executive Directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-executive Directors. At the same time, it will give such Group Employees and Non-executive Directors an opportunity to have a direct interest in the Company at no direct cost to its profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of the Group;

APPENDIX G – RULES OF THE GVT ESOS

- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

4. ELIGIBILITY

4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine; and
- (b) Non-executive Directors who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors.

Directors and employees of the Company's parent company and its subsidiaries (other than the Company and the Company's subsidiaries) are not entitled to participate in the Scheme.

Save as prescribed by the Catalist Rules, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

4.2 Controlling Shareholders and their associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Plan provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares and terms of any Awards to be granted to them, have been approved by independent Shareholders at a general meeting in separate resolutions for each of (i) his participation, and (ii) the actual or maximum number of Shares and terms of any Options to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders for the participation in the Plan of a Controlling Shareholder of his associate who is, at the relevant time, already a Participant.

4.3 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in this Scheme may be amended from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee.

6. LIMITATION ON THE SIZE OF THE SCHEME

6.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Scheme and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the Offer Date of the Option.

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6.2 The aggregate number of Shares which may be issued or transferred pursuant to Options under the Scheme to Participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the Shares available under the Scheme.

6.3 The number of Shares which may be issued or transferred pursuant to Options under the Scheme to each Participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the Scheme.

7. OFFER DATE

7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.

7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Annex 2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.

8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.

8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.

8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.

8.6 In the event that a grant of an Option results in a contravention of any applicable laws or regulations, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.

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- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or (being an Executive Director) ceases to be a director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at:
- (a) the Market Price; or
 - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Price in respect of that Option.
- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company, its subsidiaries and associated companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service and individual performance of the eligible Group Employee;
 - (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
 - (d) the prevailing market conditions.
- 9.3 In the event that the Company is no longer listed on the SGX-ST or any other relevant stock exchange or trading in the Shares on the SGX-ST or such stock exchange is suspended for any reason for fourteen (14) days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:
- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or

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- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one (1) Financial Year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one (1) Financial Year.

11. OPTION PERIOD

- 11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or

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- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If a Participant ceases to be employed by the Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age; or
- (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.5 If a Participant ceases to be employed by a subsidiary:

- (a) by reason of the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director or a Non-executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

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12.2 Subject to the Act and the Catalist Rules, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:

- (a) an issue and allotment of new Shares; and/or
- (b) subject to applicable laws, the transfer of existing Shares, including any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.

In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to):

- (i) the prevailing Market Price of the Shares;
- (ii) the prevailing Market Price of the Shares relative to the financial performance of the Company;
- (iii) the cash position of the Company;
- (iv) the projected cash needs of the Company;
- (v) the dilution impact (if any);
- (vi) the cost to the Company of either issuing either new Shares or purchasing existing Shares; and
- (vii) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact upon the Market Price of the Shares.

12.3 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the rules of the Scheme and the Constitution of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.4 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

12.5 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.

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- 12.6 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Constitution and the Constitution of the Company and shall rank pari passu in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.7 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

- 13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST) or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST)) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

- 14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders in the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING-UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

(a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or

(b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

15.2 If, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the tenth anniversary of the Offer Date.

15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, subject to Rule 15.5, be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.

15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.

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15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.

16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

16.5 As a safeguard against abuse, pursuant to the Catalist Rules, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to or held by Executive Directors, all members of the Board (and not just members of the Committee) who are not Executive Directors will be involved in deliberation on the same.

17. NOTICES

17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The Scheme or any Option shall not form part of any contract of employment between the Company, any subsidiary or associated company (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any subsidiary and/or associated company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any subsidiary or associated company.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

20. COSTS AND EXPENSES OF THE SCHEME

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's security account with CDP or the Participant's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

22. DISPUTES

Any disputes or differences of any nature in connection with the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any Shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular Shareholders who are eligible to participate in the Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Scheme; (b) the maximum discount which may be given in respect of any Option, and (c) participation by and grant of Options to Controlling Shareholders and their associates.

24. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

25. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

26. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

- (a) the names of the members of the Committee;

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- (b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
- (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive 5.0% or more of the total number of Options available under the Scheme;

Name of Participant	Options granted during Financial Year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of Financial Year under review	Aggregate Options exercised since commencement of the Scheme to end of Financial Year under review	Aggregate Options outstanding as at end of Financial Year under review

- (c) The number and proportion of Options granted at the following discounts to the Market Price in the Financial Year under review:
- (i) Options granted at up to 10.0% discount; and
 - (ii) Options granted at between 10.0% but not more than 20.0% discount; and
- (d) such other information as may be required under the Catalist Rules or the Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

GVT EMPLOYEE SHARE OPTION SCHEME LETTER OF OFFER

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: [Name] [Designation] [Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of Grand Venture Technology Limited (the “**Company**”) to participate in the GVT Employee Share Option Scheme (the “**Scheme**”). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1, to acquire ordinary shares in the capital of the Company at the price of S\$____ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1 not later than a.m./p.m. on the day of failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
Grand Venture Technology Limited

Name:
Designation:

GVT EMPLOYEE SHARE OPTION SCHEME ACCEPTANCE FORM

Serial No.: _____

To: The Remuneration Committee
GVT Employee Share Option Scheme c/o The Company Secretary
Grand Venture Technology Limited
2 Changi North Street 1
GVT Building
Singapore 498828

Closing Time and Date for Acceptance of Option: _____

No. of Shares in respect of which Option is offered: _____

Exercise Price per Share: S\$ _____

Total Amount Payable on Acceptance of Option: S\$ _____
(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated (the "Offer Date") and agree to be bound by the terms thereof and of the GVT Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable laws or regulations in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire ordinary shares in the capital of Grand Venture Technology Limited (the "Shares") at S\$ per Share and enclose cash/banker's draft/cashier's order/postal order no. for S\$1 being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares in CDP's name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the "**CDP charges**").

I confirm that as at the date hereof:

- (a) I am not less than twenty-one (21) years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the rules of the Scheme.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

APPENDIX G – RULES OF THE GVT ESOS

PLEASE PRINT IN BLOCK LETTERS

Name in full: _____

Designation: _____

Address: _____

Nationality: _____

*NRIC/Passport No.: _____

Signature: _____

Date: _____

*Delete as appropriate

Notes:

- (1) Option must be accepted in full or in multiples of 100 Shares.
- (2) The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- (3) The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

GVT EMPLOYEE SHARE OPTION SCHEME EXERCISE NOTICE

Serial No.: _____

To: The Remuneration Committee
 GVT Employee Share Option Scheme c/o The Company Secretary
 Grand Venture Technology Limited
 2 Changi North Street 1
 GVT Building
 Singapore 498828

Total Number of ordinary shares (the “**Shares**”) at S\$_____ per Share under an option granted on _____ (the “**Offer Date**”): _____

Number of Shares previously allotted and issued or transferred thereunder: _____

Outstanding balance of Shares which may be allotted and issued or transferred thereunder: _____

Number of Shares now to be acquired (in multiples of 100): _____

1. Pursuant to your Letter of Offer dated _____ (the “**Offer Date**”) and my acceptance thereof, I hereby exercise the Option to acquire Shares in Grand Venture Technology Limited (the “**Company**”) at S\$_____ per Share.

2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties in respect thereof:

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of Depository Agent : _____

3. I enclose a cheque/cashier’s order/bank draft/postal order no. _____ for S\$_____ in payment for the Exercise Price of S\$_____ for the total number of the said Shares and the CDP charges of S\$_____.

4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the GVT Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

APPENDIX G – RULES OF THE GVT ESOS

PLEASE PRINT IN BLOCK LETTERS

Name in full: _____

Designation: _____

Address: _____

Nationality: _____

*NRIC/Passport No.: _____

Signature: _____

Date: _____

*Delete as appropriate

Notes:

- (1) An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
- (2) The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

RULES OF THE GVT PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

This performance share plan shall be called the “GVT Performance Share Plan”.

2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“Adoption Date”	:	The date on which the Plan is adopted by the Company in a general meeting
“associate”	:	Shall have the meaning assigned to it in the Catalist Rules
“associated company”	:	A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the company or the Group and over which the Company has Control
“Auditors”	:	The auditors of the Company for the time being
“Award”	:	A contingent award of Shares under Rule 5
“Award Date”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
“Award Letter”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
“Catalist Rules”	:	The SGX-ST’s Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	The Remuneration Committee of the Company
“Company”	:	Grand Venture Technology Limited
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A shareholder who: (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or (b) in fact exercises Control over the Company
“Director”	:	A person holding office as a director for the time being of the Company
“Executive Director”	:	A director who is an employee of the Company and/or any of its subsidiaries and/or any of its associated companies, as the case may be, who performs an executive function

APPENDIX H – RULES OF THE GVT PSP

<i>“Group”</i>	:	The Company and its subsidiaries and associated companies (as they may exist from time to time)
<i>“Group Employee”</i>	:	Any confirmed employee of the Group (including any Executive Director) selected by the Committee to participate in the Plan in accordance with Rule 4
<i>“Market Price”</i>	:	In relation to a Share, on any day: (a) the average price of a Share on the SGX-ST over the five (5) immediately preceding Trading Days; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
<i>“Non-executive Director”</i>	:	A director of the Company and/or its subsidiaries, other than one who performs an executive function
<i>“Participant”</i>	:	A person who has been granted an Award pursuant to the Plan
<i>“Performance Condition”</i>	:	In relation to an Award, the condition specified on the Award Date in relation to that Award.
<i>“Performance Period”</i>	:	The period, as may be determined by the Committee at its discretion, during which the Performance Condition is to be satisfied
<i>“Plan”</i>	:	The GVT Performance Share Plan, as the same may be modified from time to time
<i>“Release”</i>	:	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
<i>“Release Schedule”</i>	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
<i>“Released Award”</i>	:	An Award which has been released in accordance with Rule 7
<i>“Retention Period”</i>	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
<i>“SGX-ST”</i>	:	The Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register

APPENDIX H – RULES OF THE GVT PSP

“Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	CIMB Bank Berhad, Singapore Branch, or such other sponsor of the Company, for the time being
“subsidiary”	:	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act
“Trading Day”	:	A day on which the Shares are traded on the SGX-ST
“GVT ESOS”	:	The GVT Employee Share Option Scheme
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7
“Vesting Period”	:	The period during which an Award may Vest, if any

2.2 The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be. Any reference to a time of a day in the Plan is a reference to Singapore time.

3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Group Employees and Non-executive Directors with the interests of shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company’s ambition to become a world class company.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1 (a) Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least twelve (12) months (or in the case of any Executive Director, such shorter period as the Committee may determine); and

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- (b) Non-executive Directors, who shall be eligible to participate in the Plan at the absolute discretion of the Committee.
- 4.2 Controlling Shareholders and their associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Plan provided that:
- (a) their participation; and
 - (b) the actual or maximum number of Shares and terms of any Awards to be granted to them, have been approved by independent Shareholders at a general meeting in separate resolutions for each of (i) his participation, and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders for the participation in the Plan of a Controlling Shareholder of his associate who is, at the relevant time, already a Participant.
- 4.3 Save as prescribed by the Catalist Rules, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme, implemented or to be implemented by any company within our Group. Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Employees and Non-executive Directors as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period.
- 5.3 The Committee shall decide in relation to an Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the Performance Period;
 - (d) the number of Shares which are the subject of the Award;
 - (e) the Performance Condition;
 - (f) the Release Schedule; and
 - (g) any other condition which the Committee may determine in relation to that Award.
- 5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or

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- (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.
- 5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
 - (b) the Performance Period;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the Performance Condition;
 - (e) the Release Schedule; and
 - (f) any other condition which the Committee may determine in relation to that Award.
- 5.6 Participants are not required to pay for the grant of Awards.
- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.
- 5.8 For the avoidance of doubt, the Company has the flexibility to grant Awards under the Plan as well as options under the GVT ESOS to the same Participant simultaneously. No minimum Vesting Periods are prescribed under the Plan and the length of Vesting Period in respect of each Award shall be determined on a case-by-case basis. The Committee may also make an Award at any time where in its opinion, a Participant's performance and/or contribution justified such an Award.

6. EVENTS PRIOR TO THE VESTING DATE

- 6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or
 - (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 6.2 In any of the following events, namely:
- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;

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- (b) where the Participant ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee;
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vi) (where applicable) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

7.1 Review of Performance Condition

7.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Employee or a Non-executive Director from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee or a Non-executive Director from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

7.1.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

7.2 Release of Award

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

Subject to the Act and the Catalist Rules, the Company shall have the flexibility to deliver Shares to Participants upon the Release of their Awards by way of (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance, and/or (b) the transfer of existing Shares to the Participant, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.

In determining whether to allot and issue new Shares or to purchase existing Shares for delivery existing to the Participants upon the Release of their Awards, the Committee will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing Shares.

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

For the purposes of this Rule 7.3, “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding that date.
- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the Shares available under the Plan.
- 8.3 The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the Plan.
- 8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

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- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Awards to be granted to him.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be

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delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of dispatch.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
 - (b) the definitions of “**associated company**”, “**Group Employee**”, “**Executive Director**”, “**Non-executive Director**”, “**Participant**”, “**Performance Period**” and “**Release Schedule**” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company’s shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST) and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Sponsor (acting as agent and on behalf of the SGX-ST)) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TAKE-OVER AND WINDING-UP OF THE COMPANY

- 13.1 Subject to Rule 13.5, in the event of a take-over offer being made for the Company, a Participant shall be entitled to the Shares under the Awards if he has met the Performance Condition for the corresponding Performance Period. For the avoidance of doubt, the vesting of such Awards shall not be affected by the take-over offer.

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- 13.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant who has fulfilled his Performance Condition shall be entitled, notwithstanding the provisions under this Rule 13 but subject to Rule 13.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.
- 13.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that Shares may not have been released to the Participants, shall be deemed null and void.
- 13.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Condition prior to the date on which the members' voluntary winding-up is deemed to have commenced or is effective in law.
- 13.5 If in connection with the making of a general offer referred to in Rule 13.1 or the scheme referred to in Rule 13.2 or the winding-up referred to in Rule 13.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no Release of Shares under the Award shall be made in such circumstances.

14. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

15. DURATION OF THE PLAN

- 15.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 15.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 15.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

16. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

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17. COSTS AND EXPENSES OF THE PLAN

- 17.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.
- 17.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

18. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1.3.

19. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below for the following Participants of the Plan:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the Plan,

Name of Participant	Aggregate number of Shares comprised in Awards under the GVT PSP during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards vested to such Participant since commencement of the GVT PSP to end of financial year under review	Aggregate number of Shares comprised in Awards issued since commencement of the GVT PSP to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of financial year under review

- (c) such other information as may be required under the Catalist Rules or the Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

20. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

21. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan are to abstain from voting on any Shareholders' resolution relating to the Plan and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Plan; and (b) participation by and grant of Awards to Controlling Shareholders and their associates.

22. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B)

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore.

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You are invited to apply and subscribe for the Invitation Shares at the Invitation Price for each Invitation Share subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF SUBJECT TO A MINIMUM OF 1,000 SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of printed **WHITE** Offer Shares Application Forms or by way of Electronic Applications through ATMs belonging to the Participating Banks ("**ATM Electronic Applications**") or through Internet Banking ("**IB**") websites of the relevant Participating Banks ("**Internet Electronic Applications**", which together with ATM Electronic Applications, shall be referred to as "**Electronic Applications**"). Your application for the Placement Shares may only be made by way of printed **BLUE** Placement Shares Application Forms or other such forms of application as the Sponsor and Issue Manager and the Underwriter and Placement Agent may deem appropriate.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.

3. You are allowed to submit only one (1) application in your own name for the Offer Shares. If you submit an application for Offer Shares by way of a **WHITE** Offer Shares Application Form, you **MAY NOT** submit another application for Offer Shares by way of an Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.

If you submit an application for Offer Shares by way of an ATM Electronic Application, you **MAY NOT** submit another application for Offer Shares by way of an Internet Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

If you, being other than an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of a **WHITE** Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

You are allowed to submit only one (1) application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

If you have made an application for Placement Shares, and you have also made a separate application for the Offer Shares, either by way of a **WHITE** Offer Shares Application Form or by way of an Electronic Application and vice versa, our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent shall have the discretion to either (a) reject both of such separate applications; or (b) accept any one or both of such separate applications.

Conversely, if you have made an application for Offer Shares either by way of an Electronic Application or by way of a **WHITE** Offer Shares Application Form, and you have also made a separate application for Placement Shares, our Company, the Sponsor and Issue Manager and

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the Underwriter and Placement Agent shall have the discretion to either (a) reject both of such separate applications; or (b) accept any one or both of such separate applications.

Joint applications shall be rejected. Multiple applications for the Invitation Shares shall be liable to be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent. If you submit or procure submissions of multiple share applications (whether for Offer Shares, Placement Shares or both Offer Shares and Placement Shares), you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of application by approved nominee companies where such application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

4. We will not accept applications from any person under the age of eighteen (18) years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.
6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, CDP Securities Account number, nationality and permanent residence status provided in your Application Form or in the case of an Electronic Application, contained in records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
9. **Our Company, in consultation with the Sponsor and Issue Manager and the Underwriter and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or**

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which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

10. Our Company, in consultation with the Sponsor and Issue Manager and the Underwriter and Placement Agent, reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company with regards hereto will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, which shall be at our discretion, due consideration will be given to the desirability of allotting the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
11. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within fifteen (15) Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the Invitation Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.
12. In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Invitation shall be kept open for at least fourteen (14) days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this offer document to subscribe for the Invitation Shares, as the case may be, and:

- (a) where the Invitation Shares have not been issued to the applicants, our Company shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or a share of

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revenue or other benefit arising therefrom and at the applicants' own risk, and the applicants shall not have any claim whatsoever against our Company, the Sponsor and Issue Manager or the Underwriter and Placement Agent; or

- (b) where the Invitation Shares have been issued to the applicants but trading has not commenced, our Company shall either:
- (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to our Company those Invitation Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company the Invitation Shares, which they do not wish to retain title in; or
 - (iii) treat the issue of the Invitation Shares as void, in which case the issue shall be deemed void and our Company shall, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom at the applicants' own risk and the applicants shall not have any claims whatsoever against our Company, the Sponsor and Issue Manager or the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph 12(a)(i) and (ii) above to withdraw his application shall, within fourteen (14) days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon our Company shall, within seven (7) days from the receipt of such notification, pay to him all monies paid by him on account of his application for those Shares without interest or any share of revenue or other benefit arising therefrom at the applicant's own risk, and the applicant will not have any claim against our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

An applicant who wishes to exercise his option under paragraph 12(b)(i) and (ii) above to return the Invitation Shares issued and/or sold to him shall, within fourteen (14) days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares, to our Company, whereupon our Company shall, subject to compliance with applicable laws and our Constitution, within seven (7) days from the receipt of such notification and documents, if any, repurchase the Shares and pay to the applicant all monies paid by him for those Shares at the applicant's own risk without interest or any share of revenue or other benefit arising therefrom, and the issue of the Invitation Shares shall be deemed to be void and the applicant will not have any claim whatsoever against our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent.

13. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List. In the event of an undersubscription for Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

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In the event of an over-subscription for Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List or otherwise are insufficient to satisfy the over-subscription for the Offer Shares, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Company, in consultation with the Sponsor and Issue Manager and the Underwriter and Placement Agent, and approved by the SGX-ST (if required).

In all the above instances, the basis of allotment of the Invitation Shares as may be decided by us in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, through a SGXNET announcement to be posted on the internet at the SGX-ST's website at <http://www.sgx.com> and through a paid advertisement in a local English newspaper.

14. You (i) consent to the collection, use and disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), share application amount, share application details and other personal data ("**Personal Data**") by the Share Registrar and share transfer agent, SCCS, SGX-ST, CDP, the Participating Banks, our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent and/or other authorised operators (the "**Relevant Persons**") for the purpose of facilitating your application for the Invitation Shares; (ii) consent that the Relevant Persons may disclose or share Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transactions, and consultants and professional advisers; (iii) consent that the Relevant Persons may transfer your personal data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Invitation Shares; (iv) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the consent of the beneficial owners to paragraphs (i), (ii) and (iii) and that any disclosure of Personal Data to our Company is in compliance with applicable laws; and (v) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties (collectively, "**Personal Data Privacy Terms**"). Where any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that in Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted to you pursuant to your application, to us, the Sponsor and Issue Manager, the Underwriter and Placement Agent and any other parties so authorised by the forgoing persons. None of our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent, Participating Bank or CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or transmission or delivery of data relating to Electronic Applications.
15. Any reference to "you" or the "Applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of a **WHITE** Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares by way of a **BLUE** Placement Shares Application Form or such other forms of application as the Sponsor and Issue Manager and the Underwriter and Placement Agent deem appropriate.
16. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking "Submit" or "Continue" or "Yes" or "Confirm" or any

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other relevant button on the IB website screen of the relevant Participating Banks (as the case may be) in accordance with the provisions of this Offer Document, you:

- (a) irrevocably offer, agree and undertake to subscribe for the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price for each Invitation Share and agree that you will accept such Invitation Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company for application;
 - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and those set out in the IB websites or ATMs of the relevant Participating Banks, the terms and conditions set out in this Offer Document shall prevail;
 - (c) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to the Company upon application;
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any Invitation Shares to you; and
 - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application.
17. Our acceptance of applications will be conditional upon, amongst others, our Company being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares and the Invitation Shares on a “when-issued” basis on Catalist;
 - (b) the Sponsorship and Management Agreement and the Underwriting and Placement Agreement referred to in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (c) the SGX-ST, acting as an agent on behalf of the Authority, has not served a stop order (“**Stop Order**”).
18. In the event that a Stop Order in respect of the Invitation Shares is served by the SGX-ST, acting as an agent on behalf of the Authority, then:
- (a) where the Invitation Shares have not been issued, all applications shall be deemed to have been withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application of the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom) to you within fourteen (14) days of the date of the Stop Order; or
 - (b) where the Invitation Shares have already been issued, the issue of the Invitation Shares shall be deemed to be void and our Company shall, within fourteen (14) days from the date of the Stop Order, refund (at your own risk) all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom).

This shall not apply where only an interim Stop Order has been served.

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19. In the event that an interim Stop Order in respect of the Invitation Shares is served by the SGX-ST, acting as an agent on behalf of the Authority, or other competent authority, no Invitation Shares shall be issued to you during the time when the interim Stop Order is in force.
20. The SGX-ST, acting as an agent on behalf of the Authority, is not able to serve a Stop Order in respect of the Invitation Shares if the Invitation Shares have been issued, listed for quotation on a securities exchange and trading in the Invitation Shares has commenced.
21. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> and through a paid advertisement in a local English newspaper.
22. We will not hold any application in reserve.
23. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST.
24. Additional terms and conditions for applications by way of Application Forms are set out on pages I-7 to I-10 of this Offer Document.
25. Additional terms and conditions for applications by way of Electronic Applications are set out on pages I-11 to I-16 of this Offer Document.
26. CDP shall not be liable for any delays failures or inaccuracies in the recording storage or in the transmission or delivery of data relating to Electronic Applications.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out under the section entitled “Terms, Conditions and Procedures for Application” of this Offer Document, as well as the Constitution of our Company.

1. Your application must be made using the **WHITE** Application Forms and **WHITE** official envelopes “A” and “B” for Offer Shares, or the **BLUE** Application Forms for the Placement shares, accompanying and forming part of this Offer Document. We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance.**
2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as it appears in your identity cards (if you have such an identification document) or in your passports and, in the case of a corporation, in your full name as registered with a competent authority. If you are a non-individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents of the corporation. If you

APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.
- (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
- (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or anybody corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0 per cent. (50%) of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. (50%) of the issued share capital of or interests in such corporation.

6. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**GVT SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company, the Sponsor and Issue Manager or the Underwriter and Placement Agent for applications and application monies received.
7. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within twenty-four (24) hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen (14) days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Sponsorship and Management Agreement and the Underwriting and Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within five Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by the SGX-ST, acting as an agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen (14) days from the date of the Stop Order.
8. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
9. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor and Issue

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Manager, the Underwriter and Placement Agent and/or any other party involved in the Invitation, and if, in any such event, our Company, the Sponsor and Issue Manager or the Underwriter and Placement Agent does not receive your Application Form, you shall have no claim whatsoever against our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent and/or any other party involved in the Invitation for the Invitation Shares applied for or for any compensation, loss or damage.

10. By completing and delivering the Application Form, you agree that:
- (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 21 January 2019** or such other time or date as our Company may, in consultation with the Sponsor and Issue Manager and the Underwriter and Placement Agent, decide:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) neither our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent nor any other party involved in the Invitation shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (c) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (d) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
 - (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - (h) you irrevocably agree and undertake to subscribe for the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot and/or allocate a smaller number of Invitation Shares or not to allot and/or allocate any Invitation Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes "A" and "B". **ONLY ONE APPLICATION** should be enclosed in each envelope.

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2. You must:
 - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** official envelope “A” provided;
 - (b) in the appropriate spaces on **WHITE** official envelope “A”:
 - (i) write your name and address;
 - (ii) state the number of Offer Shares applied for;
 - (iii) tick the relevant box to indicate the form of payment; and
 - (iv) affix adequate Singapore postage;
 - (c) Seal the **WHITE** official envelope “A”;
 - (d) write, in the special box provided on the larger **WHITE** official envelope “B” addressed to **GRAND VENTURE TECHNOLOGY LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES**, 80 Robinson Road, #11-02, Singapore 068898, the number of Offer Shares for which the application is made; and
 - (e) insert **WHITE** official envelope “A” into **WHITE** official envelope “B”, seal **WHITE** official envelope “B”, affix adequate Singapore postage on **WHITE** official envelope “B” (if despatched by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND**, the documents at your own risk to **GRAND VENTURE TECHNOLOGY LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES**, 80 Robinson Road, #11-02, Singapore 068898, to arrive by **12.00 noon on 21 January 2019 or such other time as our Company may, in consultation with the Sponsor and Issue Manager and the Underwriter and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **GRAND VENTURE TECHNOLOGY LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES**, 80 Robinson Road, #11-02, Singapore 068898, to arrive by **12.00 noon on 21 January 2019 or such other time as our Company may, in consultation with the Sponsor and Issue Manager and the Underwriter and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of UOB are set out respectively in the “Steps for an ATM Electronic Application through ATMs of UOB” and the “Steps for an Internet Electronic Application through the IB website of UOB” (collectively, the “Steps”) appearing on pages I-16 to I-20 of this Offer Document.

The Steps set out the actions that you must take at an ATM or the IB website of UOB to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

Applicants applying for the Offer Shares by way of Electronic Applications may incur an administrative fee and/or such related charges as stipulated by the respective Participating Banks from time to time.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with an IB User Identification (“**User ID**”) and a Personal Identification Number/Password (“**PIN**”) given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of UOB to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or if you do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that:

- (a) you are currently in Singapore at the time of making such application;
- (b) your mailing address for IB with the relevant Participating Bank is in Singapore;
- (c) you are not a US person⁽¹⁾ (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended from time to time),

and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected.

Note:

- (1) For details, please refer to the definition of “US person” on the IB websites.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below and those set out under the section entitled “Terms, Conditions and Procedures for Application” of this Offer Document as well as the Constitution of our Company.

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1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:
 - (a) **that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;**
 - (b) **that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residence status, share application amount, CPF Investment Account number (if applicable) and CDP Securities Account number and application details (the “Relevant Particulars”) with the relevant Participating Bank to the CDP, CPF, SCCS, SGX-ST, Share Registrar, our Company, the Sponsor and Issue Manager, and the Underwriter and Placement Agent or other authorised operators (the “Relevant Parties”); and**
 - (c) **that this is your only application for Offer Shares and it is made in your own name and at your own risk.**

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, such confirmation, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by the relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS THE BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES, WHETHER AT THE ATMS OR THE IB WEBSITES (IF ANY) OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or the IB website of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB website of the relevant Participating Bank for the Offer Shares using only cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

4. You irrevocably agree and undertake to subscribe for and/or to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic

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Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Constitution of our Company. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Offer Shares that may be allotted and/or allocated to you.

- 5. We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within twenty-four (24) hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within fourteen (14) days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading the Offer Shares on Catalist. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment via an announcement through the SGX-ST and by advertisement in a generally circulating daily press). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, the Sponsor and Issue Manager nor the Underwriter and Placement Agent assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

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6. If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks.

If you make Electronic Applications through the ATMs or the IB websites of the following Participating Banks, you may check the provisional results of your Electronic Applications as follows:

Bank	Telephone	Available at ATM/Internet	Operating Hours	Service Expected From
United Overseas Bank Limited (“ UOB ”)	1 800 222 2121	ATM (Other Transactions – “IPO Results Enquiry”) / IB / Phone Banking http://www.uobgroup.com ⁽¹⁾	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited (“ OCBC Bank ”)	1 800 363 3333	ATM / IB / Phone Banking http://www.ocbc.com ⁽²⁾	24 hours a day	Evening of the balloting day
DBS Bank Ltd. (including POSB) (“ DBS Bank ”)	1 800 339 6666 (for POSB account holders) 1 800 111 1111 (for DBS account holders)	IB http://www.dbs.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) Applicants who have made Electronic Applications through the ATMs or the IB website of UOB may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.
- (2) Applicants who have made Electronic Applications through the ATMs or the IB website of OCBC Bank may check the results of their applications through OCBC Bank Personal Internet Banking, ATMs of OCBC Bank or OCBC Bank Phone Banking services.
- (3) Applicants who have made Internet Electronic Applications through the IB website of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to Electronic Applications made at the ATMs of DBS Bank.
7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, the Sponsor and Issue Manager and the Underwriter and Placement Agent and if, in any such event, our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, our Directors, the Sponsor and Issue Manager, the Underwriter and Placement Agent and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage. CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to the electronic application.
8. Electronic Applications shall close at **12.00 noon on 21 January 2019** or such other time as our Company may, in consultation with the Sponsor and Issue Manager and the Underwriter and

APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

Placement Agent, decide. Subject to the paragraph above, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank.

9. You are deemed to have irrevocably requested and authorised our Company to:
 - (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;
 - (b) send the relevant Share certificate(s) to CDP;
 - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) of the application monies in Singapore currency, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within twenty-four (24) hours of the balloting of applications; and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies in Singapore currency, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within fourteen (14) days after the close of the Application List.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your relevant Participating Bank.
12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and other correspondence from the CDP will be sent to your address last registered with CDP.
13. By making and completing an Electronic Application, you are deemed to have agreed that:
 - (a) in consideration of our Company making available the Electronic Application facility, through the Participating Banks as the agents of our Company, at the ATMs and IB websites (if any):
 - (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (b) neither our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent, the Participating Banks nor CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond our respective controls;
 - (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted

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- by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
- (d) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application;
 - (e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor and Issue Manager, the Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
 - (f) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - (g) you irrevocably agree and undertake to subscribe for the number of Invitation Shares applied for as stated in your Electronic Application or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

Steps for Electronic Applications through the ATMs and the IB website of UOB

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through ATMs or through the IB website of UOB are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB) may differ from that represented below.

Steps for an ATM Electronic Application through ATMs of UOB

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:

"&"	:	and
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	THE CENTRAL PROVIDENT FUND
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSSPT"	:	NRIC or PASSPORT NUMBER
"NO" or "NO."	:	NUMBER
"PERSONAL NO"	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"TRANS"	:	TRANSACTION

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- “YR” : YOUR
- Step 1 : Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.
- 2 : Select “Cashcard/Other Transactions”.
- 3 : Select “Securities/Retail Bond Application”.
- 4 : Select the share counter which you wish to apply for.
- 5 : Read and understand the following statements which will appear on the screen:
- This offer of securities (or units of securities) will be made in, or accompanied by, a copy of the prospectus / offer information statement / product highlights sheet / simplified disclosure document / profile statement / relevant document. Anyone wishing to acquire these securities (or units of securities) will need to make an application in the manner set out in the prospectus / offer information statement / product highlights sheet / simplified disclosure document / profile statement / relevant document.
 - You agree that this transaction is entered into totally on your own accord and the availability of this application service shall not be construed as a recommendation or advice from UOB to enter into this transaction. You may wish to seek prior advice from a qualified adviser as to the transaction suitability.
- (Press “ENTER” to continue)
- Please call 1800 222 2121 if you would like to find out where you can obtain a copy of the prospectus / offer information statement / product highlights sheet / simplified disclosure document / profile statement / relevant document. Where applicable, a copy of the prospectus / offer information statement / product highlights sheet / simplified disclosure document / profile statement / relevant document has been lodged with and / or registered by the Monetary Authority of Singapore and / or SGX who assumes no responsibility for the contents of the prospectus / offer information statement / product highlights sheet / simplified disclosure document / profile statement / relevant document.
- (Press “ENTER” to continue)
- 6 : Read and understand the following terms which will appear on the screen:
- You have read, understood and agreed to all terms of the prospectus / offer information statement / product highlights sheet / simplified disclosure document / profile statement / relevant document and this electronic application.
- (Press “ENTER” to continue)
- You consent to disclose your Name, IC / Passport, Nationality, Address, Application Amount, CPF Investment Account Number and CDP Account Number from your Accounts to CDP, CPF, SCCS, Share Registrars, SGX-ST and Issuer / Vendor(s).
 - This is your only Fixed Price Application and is in your name and at your risk.
- (Press “ENTER” to confirm)

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- 7 : Screen will display:
NRIC/Passport No. XXXXXXXXXXXXX
IF YOUR NRIC NO. / PASSPORT NO. IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.
(Press “CANCEL” or “CONFIRM”)
- 8 : Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e., “CURRENT ACCOUNT / I-ACCOUNT”, “CAMPUS ACCOUNT” OR “SAVINGS ACCOUNT / TX ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
- 9 : After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change (this screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB’s ATM to apply for Shares, your CDP Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Securities Account number.
- 10 : Read and understand the following terms which will appear on the screen:
- You are required to enter your CDP account number for your first IPO / securities application. This account number would be displayed for future applications.
 - Do not apply for joint account holder or third parties.
 - Please enter your own CDP account number (12 digits) & press ENTER.
 - If you wish to terminate the transaction, please press CANCEL.
- 11 : Key in your CDP Securities Account number (12 digits) and press the “ENTER” key.
- 12 : Select your nationality status.
- 13 : Key in the number of Shares you wish to apply for and press the “ENTER” key.
- 14 : Check the details of your Electronic Application on the screen and press “ENTER” key to confirm your Electronic Application.
- 15 : Select “NO” if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only.

Steps for an Internet Electronic Application through the IB website of UOB

Owing to space constraints on UOB’s IB website screens, the following terms will appear in abbreviated form:

- “CDP” : The Central Depository (Pte) Limited
“CPF” : The Central Provident Fund

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- “NRIC” or “I/C” : National Registration Identity Card
- “PR” : Permanent Resident
- “SGD” or “\$” : Singapore Dollars
- “SCCS” : Securities Clearing & Computer Services (Pte) Ltd
- “SGX” : Singapore Exchange Securities Trading Limited
- Step 1 : Connect to UOB’s website at <http://www.uobgroup.com>.
- 2 : Locate the UOB Online Services Login icon on the top right hand side”.
- 3 : Click on UOB Online Services Login and at drop list select “UOB Personal Internet Banking”.
- 4 : Enter your Username and Password and click “Login”.
- 5 : You will have to verify your login either via UOB Mighty or one-time password.
- 6 : Click on “Investment”, followed by “Securities” followed by “Securities Application”.
- 7 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions.
- 8 : Click “Continue”.
- 9 : Select your country of residence (you must be residing in Singapore to apply), and click “Continue”.
- 10 : Select the “Securities Counter” from the drop list (if there are concurrent IPOs) and click “Submit”.
- 11 : Check the “Securities Counter”, select the mode of payment and account number to debit and click on “Submit”.
- 12 : Read the important instructions and click on “Continue” to confirm that:
- 1. You have read, understood and agreed to all the terms of this application and the Prospectus/Offer Document or Supplementary Document.**
 - 2. You consent to disclose your name, NRIC or passport number, CDP Securities Account Number and application details to the registrar of securities of the issuer, issue manager(s), underwriter(s), placement agent(s), SGX, SCCS, CDP and issuer/ vendor(s).**
 - 3. This application is made in your own name, for your own account and at your own risk.**
 - 4. For FIXED/MAX price shares application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**
 - 5. For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S\$, based on the Bank’s**

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exchange profit or loss, or application monies may be debited and refunds credited in S\$ at the same exchange rate.

6. For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.

- 13 : Check your personal details, details of the share counter you wish to apply for and account to debit.
- Select (a) Nationality;
- Enter (b) your CDP Securities Account number; and
- (c) the number of shares applied for.
- Click "Submit".
- 14 : Check the details of your application, your NRIC/Passport number, CDP Securities Account Number and the number of shares applied for, share counter, payment mode and account to debit.
- 15 : Click "Confirm", "Edit" or "Home" as applicable.
- 16 : Print the Confirmation Screen (optional) for your own reference and retention only.



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