



## Grand Venture Technology Limited

(Company Registration Number 201222831E)

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### NEWS RELEASE

## GRAND VENTURE TECHNOLOGY RECORDS 12.8% RISE IN FY22 REVENUE TO S\$131.1M

- ✓ Robust performance from Life Sciences and the Electronics, Aerospace, Medical and Other business segments
  - ✓ Proposes final dividend of 0.3 cent per share
- ✓ Investing ahead to gear up facilities for late FY23/FY24 business from front-end semiconductor equipment customers

**Singapore, 20 February 2023** – Mainboard-listed **Grand Venture Technology Limited** (杰纬特科技有限公司, “GVT”, or the “Group”), a homegrown precision manufacturing solutions provider, has recorded a 12.8% increase in revenue to \$131.1 million for the full year ended 31 December 2022 (“FY22”), from \$116.3 million in the preceding financial year (“FY21”). The Group’s earnings before interest, tax, depreciation and amortisation (“EBITDA”) amounted to \$29.9 million, compared to \$31.4 million in FY21, while net profit was \$13.3 million, versus \$17.6 million a year ago. The Group had recorded approximately S\$1.4 million of non-recurring expenses around its merger and acquisition, foreign exchange loss and other expenses. Adjusting against this, EBITDA would have maintained at S\$31.4 million for FY22.

GVT is proposing a final dividend of 0.3 cent per share. Together with the interim dividend of 0.3 cent per share paid out in September 2022, the total dividend per share for FY22 will work out to 0.6 cent per share.

Commenting on the Group’s performance, Executive Deputy Chairman Ricky Lee (李添南) said, “FY22 began on an optimistic note, but the positive sentiments were gradually eroded by the war in Ukraine, US-China tensions and inflationary concerns. Demand from the back-end semiconductor sector was affected. Thankfully, our expansion into the Life Sciences and the Electronics, Aerospace and Medical industries allowed us to ride the tailwinds arising from these markets and mitigate the impact of a relatively subdued semiconductor sector.

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In spite of slower business in GVT's Semiconductor business segment, the Group enjoyed higher level business activities in its Life Sciences, and Electronics, Aerospace, Medical and Others segments.

Revenue from the Group's Semiconductor segment fell 12.2% to S\$72.6 million, from \$82.7 million a year ago. The Group had progressively planned for the commencement of front-end semiconductor services in 2022, where such plans are expected to gain traction in 2023.

The Group remains positive in the mid to long term fundamentals and outlook of the semiconductor segment. With the onboarding of new front-end semiconductor business, capacity utilisation improvements are expected to follow in the later part of this year.

The Life Sciences segment delivered a robust performance year-on-year, with a 14.0% growth in revenue to \$20.9 million, compared to \$18.4 million in FY21. In addition to wallet share expansion from customers in this market, the Group secured increased orders for the production of mass spectrometers and its bolt-on product from its existing customers. It has also successfully converted more first article inspections to mass production.

The Group's Electronics, Aerospace, Medical and Others segment more than doubled its revenue to \$37.5 million, from \$15.2 million in the preceding financial year. The revenue increase was driven by strong demand from all its key customers in this segment, as well as full-year contribution from the Group's recently acquired subsidiaries, including \$8.9 million from the aerospace business.

Gross margin narrowed to 27.3%, from 32.4% in FY21, in view of expenses incurred in preparation of the onboarding of new customers, softer semiconductor during the year, along with one-off fair value adjustments made in relation to inventories added following the acquisition of new subsidiaries, J-Dragon Tech (Suzhou) Co., Ltd and Formach Asia Sdn Bhd in March 2022.

As at 31 December 2022, the Group held net assets of \$118.1 million, compared \$104.6 million as at 31 December 2021, taking into account an increase in fixed assets, including those from J-Dragon and Formach, that were added to support capacity expansion.

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## Outlook

The macro industry environment is expected to remain challenging, amid geopolitical tensions and economic risks. Nevertheless, global trends in digitalisation and innovation in technologies like electric vehicle, AI and 5G should drive semiconductor demand in the medium to long term, with a gradual recovery in market conditions expected from the later part of 2023.

Having commenced its front-end semiconductor business, the Group will focus on onboarding several new customers in this segment. With its dedicated capacities in Singapore, Johor Bahru and Penang all operational, the Group is looking forward to meaningful contribution from this business segment in 2023. Meanwhile, it continues to see stable interest from its back-end semiconductor customers, and expects to onboard new customers in the course of 2023.

The Group is also reinforcing its long-term sustainability and resilience by supporting its customers in the life sciences and medical and sectors with higher-level assembly services. In addition, the lifting of pandemic travel restrictions is also expected to bode well for the aerospace industry, and J-Dragon's recent relocation to a larger facility in March 2022 should enable it to meet any increase in demand for its services and expand the Group's presence in the aerospace sector.

Finally, the Group remains committed to identifying suitable opportunities to acquire capabilities in advanced materials that will complement and enhance its service offerings and value-add to its customers.

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## About Grand Venture Technology Limited ("GVT")

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

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

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