Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Grand Venture Technology Limited

Stock code: JLB

Meeting details:
Date: 28 April 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Company Description

Established in Singapore in 2012, Grand Venture Technology Limited (GVT) is a manufacturing solutions and services provider for the semiconductor, analytical life sciences, electronics and other industries. 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.
(Source: https://www.sgx.com/securities/equities/JLB)

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Q1. For the financial year ended 31 December 2019, the group reported a steady revenue of $40.1 million. While revenue from the semiconductor segment came in weaker by 22.2%, revenue contribution from the Life Sciences, Electronics and Others grew by 57.2% (page 6 of the annual report).

(i) **Would management help shareholders understand the products/classes of products it manufactures for the semiconductor industry?**

(ii) **What is the profile of the group's major customers in the semiconductor segment?**

Q2. As noted in the "Review of operations" (page 9), the group's operations in China relocated to a new 59,000 sq-ft facility in Suzhou which is more than triple the land area of the previous facility. The group is also in the midst of acquiring an addition industrial property of land area of approximately 69,950 sq-ft in Penang for its expansion.

In Note 24 (page 79 – Capital commitments), the group has disclosed its capital commitments in respect of property, plant and equipment of $10.7 million as at 31 December 2019. This is a sharp increase from $2.8 million as at 31 December 2018.

(i) **What was the total capital expenditure to set up the Suzhou facility?**

(ii) **Is it Suzhou site fully operational and utilising the entire larger space? What is the Annual Machine Hours capacity?**

(iii) **In addition, what is the projected capital expenditure for the new site in Penang?**

(iv) **How is the group going to fund its expansion plans?**

Q3. For the financial year, profit after tax slipped from $4.688 million to $3.097 million in FY2019. The remuneration of directors and key management increased from $1.279 million to $1.531 million (page 22). For instance, the variable bonus of the executive chairman, CEO and COO all increased in the financial year.

The company has stated that variable performance incentives are tied to the performance of the group or business unit and the individual's performance (page 21).

(i) **Could the remuneration committee help shareholders understand the key performance indicators (financial and non-financial) and how these are measured?**

In addition, the company showed the remuneration bands of its directors and key management personnel in bands of $250,000 "due to the confidentiality and sensitivities of remuneration matters".

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On page 159 of the company's offer document dated 15 January 2019, the basic salaries of the executives (including the directors) are shown.

(ii) **Would the board, especially the remuneration committee, consider reviewing its practices on the disclosure on remuneration so that the company can better comply with the Code of Corporate Governance 2018?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)