VENTURE

INTO THE FUTURE

Seizing Opportunities in an Ever Changing World

VENTURE CORPORATION LIMITED
Annual Report 2016

VENTURE

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DEAR SHAREHOLDERS

It gives me great pleasure to report another year of excellent progress across the Group. For FY 2016, the Venture Group has expanded in profit, revenue and market capitalisation; strengthened and broadened its core competencies and knowhow; as well as augmented its solid customer-base. All these including many operational and customers' related accomplishments were achieved notwithstanding challenges in the industry and the wider economy.

The Group registered 8.2% year-on-year increase in revenue to S$2,874.2 million for the financial year ended 31 December 2016. This is the fourth successive year the Group has been able to register year-on-year revenue growth, largely attributable to strong execution on its customers' programmes and projects, including new product introduction by its customers during the year. Revenue growth from customers won in recent years continued to contribute to the improvement in revenue for the year.

Crucial as the Group's growing revenue is, it's critically essential that this growth comes with attendant growth in profitability, anchored on improving operational efficiency, substantial value creation and capture, stronger vendor management performance and better cost control and management. I am pleased to report for the twelve months ended 31 December 2016, the Group recorded profit before tax ("PBT") of S$215.9 million, an increase of 18.8% year-on-year, while profit attributable to owners of the Company rose 17.3% to S$180.7 million for the financial year ended 31 December 2016. This translates to diluted earnings per share of 64.8 cents for FY 2016. This is the fourth year, consecutively, that the Group's profitability improved year-on-year.

The Group ended the year with a much stronger balance sheet with equity attributable to owners of the Company of S$1,960.1 million (FY 2015 : S$1,893.2 million) and net asset value per share of S$7.03 (FY 2015 : S$6.85). During the year, the Group generated cash from operations of S$265.7 million (FY 2015 : S$260.1 million) and recorded cash and bank balances of S$499.7 million (FY 2015 : S$459.3 million). The Group remained net cash positive at S$407.1 million (FY 2015 : S$324.2 million).

PROPOSED DIVIDEND

The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for the financial year ended 31 December 2016.

Subject to the approval of shareholders at the Annual General Meeting to be held on 27 April 2017, the proposed dividend will be paid on 25 May 2017.

As the Group closed a productive year, it is intensely focused on what lies ahead. Both the Board and Management of the Group are keenly aware that the industry will continue to undergo rapid change and transformation in a dynamic, highly competitive and globalised world. This frenzied pace of change is the new "normal".

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FOR FY 2016, THE VENTURE GROUP HAS EXPANDED IN PROFIT, REVENUE AND MARKET CAPITALISATION; STRENGTHENED AND BROADENED ITS CORE COMPETENCIES AND KNOW-HOW; AS WELL AS AUGMENTED ITS SOLID CUSTOMER-BASE.

MESSAGE TO SHAREHOLDERS

The Group has maneuvered through rather tumultuous periods and has demonstrated a strong ability to respond quickly and decisively to market and business conditions. In this constantly changing and evolving environment, the Group has to be even more agile and flexible. I take pride in Venture's spirit of grit and determination that has helped the Group to emerge from each challenging season – much stronger and even more resilient.

Stepping into 2017, Venture remains energised by the exciting possibilities offered by the changes. The Group shall venture into the future, seizing opportunities in an ever changing world!

ENVISIONING A BETTER TOMORROW

As Venture's pioneers articulated a vision for Venture then, the journey taken by the Group over the last three decades has been an inspiring story of strategic intent, purpose and evolution, nothing short of pioneering innovation, as well as operational and engineering excellence.

Today, as the Group set its sight to be a leading global provider of technology services, products and solutions, it has to be even bolder and more creative in its quest forward.

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VENTURE'S ABILITY TO DELIVER DIFFERENTIATING VALUE PROPOSITIONS HAS ALLOWED THE GROUP TO DEEPEN ITS PARTNERSHIPS FOR VALUE CREATION WITH LEADING OEMs AND MANY OTHER TECHNOLOGY LEADERS. IT HAS ALSO POSITIVELY SHAPED THE ORGANISATION'S IDENTITY AND STANDING IN THE INDUSTRY.

The Group is mindful that it has to create compelling differentiation and enduring competitive advantage. It is cognizant it has to leverage across its services, industry verticals and even its customers to create strategic capabilities that are hard to imitate because they rely on a brilliant mix of resources, skills, people, process, technology and even its corporate culture and track record.

This ability to deliver differentiating value propositions has allowed the Group to deepen its partnerships for value creation with leading OEMs (Original Equipment Manufacturers) and many other technology leaders. It has also positively shaped the organisation's identity and standing in the industry.

The Group has thus built a solid, diversified portfolio of customers and partners. As the Group continues to evolve to stay immensely relevant, together with its partners, it shall also be a catalyst of change - to shape, to influence the forces at play for sustainable growth, performance and success for its partners and for Venture.

With insights and lessons from its own transformation over the years, the Group will continue to leverage existing capabilities and know-how to seize opportunities ripe for the taking; to grow and nurture new capabilities and competencies to position itself for emerging and potential opportunities; as well as tap capabilities that exist in the open market through collaborative alliances or partnerships.

Even in the face of change which is accelerating, the Group will sharpen its vision, its goals and its relentless pursuit of excellence. It shall remain steadfast in its unceasing quest for superior outcome in every area of its operations and business.

As the Group envisions a better tomorrow, this visualisation provides a purpose and impetus to its people to move collectively and decisively forward, to seize the day and make the best of every opportunity.

MESSAGE TO SHAREHOLDERS

DRIVING INGENUITY & INNOVATION

Though the Venture Group was formed only in the early eighties, in a short span of 30 years, the body of knowledge, know-how, skills and ingenuities in Venture has reached a very high level. Today, many global technology industry leaders have selected Venture as their strategic partner and as a preferred provider of technology services, products and solutions in domain areas such as life science and healthcare, electronic measurements and instruments, optical communications, power and energy solutions, industrial and environmental devices, enterprise and home technology, as well as in many other fields of interest.

The Group's medtech, healthcare and life science-related business goes back many years and in recent years, have more than doubled in terms of customer-base and product diversity. Working in close collaboration with many tier-1 OEMs, Venture has been instrumental in the development of a broad range of products and systems for application in acute care, test and analysis, imaging and diagnostics.

The Group has also been delivering high value-add content and core technology components, including complete solution development to its partners in life science. Venture continues to expand into new product categories through these partnerships. Since 2012, the Group has worked in close collaboration with a global leader in next-generation sequencing equipment. In late 2015, the Group was once again selected to work alongside this customer on a ground-up development project which has since been launched in early 2017. The introduction of this latest sequencer by the customer is expected to disrupt the current user-base given its superior sequencing architecture, offering unrivalled throughput, ease of use, low per sample costs and unmatched flexibility.

The Group has been designing and manufacturing optical modules, subsystems and systems for its customers in the broadband and specialty fiber optics market. On the quest for better performance, many OEMs have pioneered fiber optic transmission technology and introduced 100G and beyond portfolio of high-speed optical products. Venture is privileged to support many of these OEMs as they build, introduce and deploy their optical connectivity and integrated technology into the global market.

To continue to deepen its partnerships for value creation with leaders in technology domains of interest, Venture must continue to augment its well-regarded engineering and manufacturing capabilities, strengthen its clusters of excellence and forge new and complementary engineering alliances.

The Group must be flexible, adaptable and innovative to keep up with the constantly evolving landscape of the electronics industry. It has to continue to invest in growing its core groups of management, technical and professional talents, as well as nurture a team with forward-thinking mindset who is able to evolve along with the shifting trends and technology. It must be plugged-in and remain at the centre of innovation.

EMBRACING DIVERSITY, SYNERGY & CREATIVITY

The source of the Group's growth and progress remains its 12,000-strong workforce who continues to render their dedicated service to Venture. It reflects the efforts of the Venture Board, executive management team and employees, who bring the Group's core values to life every day.

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TODAY, MANY GLOBAL TECHNOLOGY INDUSTRY LEADERS HAVE SELECTED VENTURE AS THEIR STRATEGIC PARTNER AND AS A PREFERRED PROVIDER OF TECHNOLOGY SERVICES, PRODUCTS AND SOLUTIONS.

MESSAGE TO SHAREHOLDERS

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THE GROUP HAS BEEN ABLE TO DRAW UPON PROFESSIONALS AND TECHNICAL SPECIALISTS FROM VARIED BACKGROUNDS TO PROVIDE A RANGE OF SKILLS AND EXPERIENCE. THIS DIVERSITY HAS ENABLED THE GROUP TO MEET THE NEEDS OF A DIVERSE CUSTOMER-BASE.

While the people of Venture are unified by its mission and its enviable core values and culture, the Group is made up of a diverse workforce. The Group has been able to draw upon professionals and technical specialists from varied backgrounds to provide a range of skills and experience. This diversity has enabled the Group to meet the needs of a diverse customer-base. It also means a greater variety of viewpoints, ideas and solutions the Group can draw from.

The successful management of diversity within the Group has nurtured an attitude of openness and warded off change resistance. This has made the Group more flexible and adaptable, attributes that are critical in an industry that evolves and changes ever so fast to the advent of technology.

Cognizant that diverse abilities and perspectives are critical tenets for success, the Group has to continue to embrace diversity in its workplace and to harness the synergy of its human capital. Leaders of the Group have to recognize the evolving needs of the industry and continue to assemble a dynamic and competent team with relevant competencies and experiences.

At the same time, these employees and talents from diverse backgrounds and experiences must come together as a cohesive corporate body to bring the best of their skillset to the organisation. Each must be guided, as always, by the Group's vision and its value system.

I take pride that Venture's people, with their unmatched skills, dedication, passion and spirit of excellence and teamwork, collectively as Team Venture has differentiating strengths to stand apart from competition, convincingly. Diversity, synergy and creativity will remain key cornerstone of Venture's strategy for innovation, growth and development.

APPRECIATION

The Venture Group has come a long way, yet the same pioneering spirit powers us today to evolve, to adapt and to grow from strength to strength. We have begun the year with solid momentum and I believe that all the initiatives the Group has put in place shall take Venture into the future – stronger and more resilient.

I remain most grateful to our Board of Directors who continues to unstintingly render wise counsel, guidance, support and encouragement. Thank you for your endeavours.

I would also like to express my deepest gratitude to our management and staff around the world for their hard work and commitment. I am confident that our leaders and teams have what it takes to bring greater success and accomplishments to the Venture Group.

MESSAGE TO SHAREHOLDERS

I would also like to extend our appreciation to all our clients and partners. Thank you for giving us the opportunity to serve you. We appreciate your support and the confidence you have placed in us.

To our business associates, bankers and suppliers, thank you for your continuous support. As we step into another year, we look forward to your continued support.

We remain committed to our shareholders and driving superior shareholder value. Thank you for your continued confidence and for staying invested in Venture.

WONG NGIT LIONG
Chairman & CEO

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THE VENTURE GROUP HAS COME A LONG WAY, YET THE SAME PIONEERING SPIRIT POWERS US TODAY TO EVOLVE, TO ADAPT AND TO GROW FROM STRENGTH TO STRENGTH.

FINANCIAL HIGHLIGHTS

Revenue	Profit Before Tax	Profit Attributable to Owners of the Company
$2,874.2M	**$215.9M**	**$180.7M**
+8.2%	+18.8%	+17.3%
2015: $2,656.5M	2015: $181.7M	2015: $154.0M

Cash Generated from Operations	Earnings Per Share	Net Assets
$265.7M	**64.8 cents**	**$1,962.5M**
+2.2%	+16.5%	+3.5%
2015: $260.1M	2015: 55.6 cents	2015: $1,895.8M

BOARD OF DIRECTORS

WONG NGIT LIONG

Chairman & CEO

Mr Wong Ngit Liong is the Chairman and CEO of the Group. He is also a member of the Nominating Committee and chairs the Investment Committee. He was last re-appointed as Director of the Company on 27 April 2016. He sits on the board of the various Group subsidiaries.

Mr Wong was instrumental in the growth of the Venture Group since its inception. From its humble beginnings as a start-up in the EMS Business, Venture is today transformed into a leading global provider of technology services, products and solutions, with strong emphasis on innovative design and engineering, advanced manufacturing and order fulfilment and product marketing, field and sales distribution.

In recognition of his leadership and business acumen, Mr Wong has been accorded numerous accolades including Businessman of the Year in 1998 awarded by DHL Worldwide Express/Business Times, Ernst & Young Entrepreneur of the Year Award (Singapore) in 2002 and Asiamoney's Best CEO Award (Singapore) in 2004. In 2012, Mr Wong was awarded the Meritorious Service Medal at the National Day Awards for his contributions to Singapore in the Education, Trade & Industries and Research, Innovation and Enterprise sectors.

Mr Wong spent the first 12 years of his career with Hewlett-Packard Company (HP) holding various management positions at HP headquarters in Palo Alto, United States. He was actively engaged in the start-up of HP Singapore. He was also the founding Director and General Manager of HP Malaysia.

Mr Wong's past directorships include Singapore Exchange Limited, Royal Philips Electronics, DBS Bank Ltd, SIA Engineering Company Ltd, Economic Development Board of Singapore and International Enterprise Singapore. He was the Chairman of the Board of Trustees at the National University of Singapore. He was also appointed a member of both the Constitutional Commission and the Ministerial Salary Review Committee by the Singapore Government.

Mr Wong holds a 1st Class (Honours) degree in Electrical Engineering from the University of Malaya, and a Master's degree in Electronics Engineering from the University of California, Berkeley in the United States where he was a Fulbright Scholar. He also holds a Master of Business Administration degree with distinction from McGill University under the Canadian Commonwealth Fellowship.

Date of first appointment as a Director: 20 January 1989

Past Principal Directorships in the last three years:
- National University of Singapore Board of Trustees

CECIL VIVIAN RICHARD WONG

Independent
Non-Executive Director

KOH LEE BOON

Independent
Non-Executive Director
Lead Independent Director

Mr Cecil Vivian Richard Wong, who was last re-appointed as Director of the Company on 27 April 2016, is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Mr Wong serves on the Boards of Pan-United Corporation Ltd, Chartered Asset Management Pte Ltd and John K Young Pte Ltd.

Mr Wong had retired as partner of Ernst & Young International after spending more than 30 years there and in its predecessor companies. He continues to be actively involved in social work, serving several non-profit organisations. In recognition of his contributions to Singapore, he was awarded the Public Service Medal and the Public Service Star by the President of Singapore in 1992 and 2000 respectively.

Mr Wong's past directorships include British & Malayan Trustees Ltd, CK Tang Ltd, Bukit Sembawang Estates Limited and other Malaysian and Singapore public companies.

Mr Wong holds a Bachelor of Arts degree from Cambridge University's Fitzwilliam College. He is a member of the Institute of Singapore Chartered Accountants.

Date of first appointment as a Director: 6 May 1992

Mr Koh Lee Boon serves as Chairman of the Remuneration Committee and is also a member of the Audit Committee and the Nominating Committee. He was last re-appointed as Director of the Company on 27 April 2016 and appointed as the Lead Independent Director on 25 April 2014.

Mr Koh has more than 13 years of managerial experience in two companies within the electronics manufacturing industry, where he served as Executive Director. Until 1996, Mr Koh was Senior Vice President and Partner of SEAVI International Fund Management Pte Ltd and up to July 2012, he was a Director of SEAVI International Fund Management Pte Ltd and SEAVI Venture Management Pte Ltd.

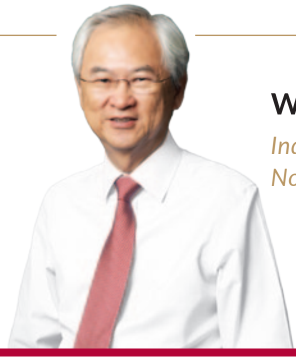
Mr Koh holds a Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Malaya.

Date of first appointment as a Director: 1 August 1996

BOARD OF DIRECTORS

GOON KOK LOON

Independent Non-Executive Director



WONG YEW MENG

Independent Non-Executive Director

Mr Goon Kok Loon serves as Chairman of the Audit Committee and is a member of the Investment Committee and the Remuneration Committee. He was last re-appointed as Director of the Company on 27 April 2016.

Currently, Mr Goon is the Executive Chairman of Global Maritime & Port Services Pte Ltd, a port management and design consultancy company. Mr Goon currently also sits on the Board of various companies which include Regal International Group Ltd, Yongnam Holdings Ltd and IPLaboratories Pte Ltd. Mr Goon has accumulated more than 38 years of experience in senior management with the Port of Singapore Authority and PSA Corporation Limited. For his contributions to the maritime sector, he was awarded the Silver and Gold Public Administration Medals by the Singapore Government in 1976 and 1989 respectively.

Mr Goon previously served on the Boards of Jaya Holdings Ltd, Singapore Petroleum Company Limited and Jurong Port Pte Ltd.

Mr Goon holds a 1st Class (Honours) degree in Electrical Engineering from the University of Liverpool, United Kingdom and attended the Postgraduate Study Programme at the Massachusetts Institute of Technology, United States. He is a Fellow of the Chartered Institute of Logistics & Transport.

Date of first appointment as a Director: 27 February 2004

Past Principal Directorships in the last three years:
- Jaya Holdings Ltd

Mr Wong Yew Meng is a member of the Audit Committee. He has been appointed as a member of the Nominating Committee and Remuneration Committee on 3 January 2017. Previously, he was a member of the Investment Committee. He was last re-elected as Director of the Company on 27 April 2016.

Mr Wong currently serves in various public organisations such as the Land Transport Authority of Singapore, People's Association, Nanyang Technological University, Singapore Deposit Insurance Corporation Limited and the Kidney Dialysis Foundation Ltd. He is also an independent Director of Ascendas Funds Management (S) Ltd.

Mr Wong joined the former Price Waterhouse in 1974 and was admitted as an Audit-Partner in 1985 before retiring from PricewaterhouseCoopers in 2008. He was the audit engagement partner on a number of listed company and unlisted company audits which included major financial institutions and commercial enterprises. He was involved in several large client IPO listing exercises. He played a key role in building up the financial services practice of the accounting firm and had extensive experience auditing companies in a variety of industries such as electronics, manufacturing, trading, petrochemical and service industries. His vast audit experience included acting as reporting accountant for IPOs and the provision of accounting advice for merger exercises. In addition, he was an investigative accountant in several large-scale Singapore corporate investigations.

Mr Wong graduated from the London School of Economics and Political Science with a degree in Economics. Mr Wong is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Singapore Chartered Accountants. He was a former practising Certified Public Accountant of the Institute of Certified Public Accountants of Singapore, as well as the Public Accountants Board of Singapore/Accounting and Corporate Regulatory Authority.

Mr Wong was previously Chairman of the Health Promotion Board, Chairman of the Singapore National Eye Centre, a Director of Singapore Eye Research Institute, and a board member of the Public Utilities Board and Competition Commission of Singapore, amongst other appointments.

Date of first appointment as a Director: 1 September 2009

Past Principal Directorships in the last three years:
- Public Utilities Board
- Competition Commission of Singapore

JONATHAN S. HUBERMAN

Independent Non-Executive Director

Mr Jonathan S. Huberman is a member of the Audit Committee and the Investment Committee. He was last re-elected as Director of the Company on 29 April 2015.

Mr Huberman has extensive technology industry knowledge and global operations expertise, having held positions as President and CEO of NewNet Communication Technologies, CEO of Syncplicity, President and CEO of Tiburon, Inc, Managing Director of Operations at The Gores Group and Chairman of Elo Touch Solutions, Inc. Prior to that, he was the President and CEO of Iomega Corporation (now known as LenovoEMC) and played a key role in driving the organisation towards profitability.

Mr Huberman currently serves on the Board of Aculon, Inc. He previously held directorships on the Boards of International Association of Chiefs of Police Foundation and Breitling Energy Corporation.

Mr Huberman holds a Bachelor of Arts in Computer Science from Princeton University in New Jersey and an MBA majoring in Entrepreneurial Management and Strategic Planning from The Wharton School at the University of Pennsylvania in Philadelphia.

Date of first appointment as a Director: 2 January 2015

Past Principal Directorships in the last three years:
- International Association of Chiefs of Police Foundation
- Breitling Energy Corporation

HAN THONG KWANG

Independent Non-Executive Director

Mr Han Thong Kwang is a member of the Audit Committee and the Investment Committee. He was last re-elected as Director of the Company on 27 April 2016.

Mr Han has a strong background, global experience and depth of knowledge in the technology industry. He has held various senior management roles in Operations and had worldwide product line responsibilities. He was the Vice President of the Business Printing Division of Hewlett-Packard Company for about 14 years. He was involved in the development, execution and management of the worldwide business, and product and solution strategies for the printing business.

Mr Han holds a Bachelor in Mechanical Engineering (Hons) and a Master of Science in Management of Technology from the National University of Singapore.

Date of first appointment as a Director: 1 January 2016

KEY EXECUTIVES

WONG NGIT LIONG*

Chairman & CEO

NG CHEE KWOON

Chief Financial Officer

Mr Ng Chee Kwoon is the Chief Financial Officer of Venture Corporation Limited. As Group CFO, Mr Ng is responsible for the Group's finance and accounting function encompassing financial and statutory reporting, corporate and financial planning, treasury, tax, risk management and investor relations. Mr Ng is also a member of the Group's Investment Committee.

Mr Ng brings with him more than 20 years of finance experience spanning from multinational corporations to SGX-listed companies. Prior to joining Venture, Mr Ng had held senior finance positions in various organisations including WBL Corporation Limited, Popular Holdings Limited, Delphi Automotive Systems, BHP Limited and the Singapore Civil Service.

Mr Ng graduated with a Bachelor's degree in Accountancy from the Nanyang Technological University, Singapore, and completed a management problem solving and decision making programme conducted by Kepner-Tregoe International, Princeton, U.S.A. Mr Ng is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

LEE GHAI KEEN

Executive Vice President
Technology Products & Solutions

Mr Lee Ghai Keen joined the Group in March 1998 and was appointed to his current position in 2012. He provides key leadership to Group-wide R&D efforts and programmes and leads a large group of R&D engineers across the Group's design centres in Singapore, Malaysia, China and the United States. He is also responsible for the Group's Retail Store Solutions & Industrial Products business and operations in Singapore, Malaysia and China.

Mr Lee has amassed considerable experience in research, engineering and design development in the electronics sector. He holds seven US design patents. Prior to 1998, Mr Lee was employed by the Hewlett-Packard Company. He held various R&D positions within the company.

Mr Lee holds a Bachelor of Science degree in Mechanical Engineering from the University of Glasgow, United Kingdom and a Master of Business in IT degree from the Royal Melbourne Institute of Technology, Australia.

*Please refer to page 18

DHARMA NADARAJAH

Executive Vice President
Advanced Manufacturing & Design Solutions

Mr Dharma Nadarajah joined the Group in February 2001. He is responsible for the Group's Advance Manufacturing & Design Solutions businesses across the globe covering a full spectrum of high value-added services including product design and engineering, supply chain and supplier management, advanced manufacturing and test process development, order management and optimisation, product development and manufacturing, new product introduction management, as well as high-precision multi-cavity tool design and fabrication and clean room medical-grade injection moulding.

Prior to joining Venture, he gained extensive experience in the disk drive industry as an Engineering Manager and a Senior Process Engineer at Quantum and Seagate respectively, specialising in Magnetic Heads manufacturing technology and processes.

He had cross-border working exposure in Singapore, Malaysia, the United States, and Indonesia in those companies. Mr Nadarajah was also trained in the United Kingdom as a Field Engineer for Schlumberger Wireline, and was deployed on various offshore oil platforms around the world.

Mr Nadarajah holds a Bachelor of Engineering (Honours) degree in Computer Systems Engineering from the University of Bristol, United Kingdom, which he attended as a Malaysia Public Service Department scholar. He also holds an MBA from the Nanyang Business School, Nanyang Technological University, Singapore, where he was the Institute of Engineers' Gold Medallist.

LIM SITA

Chief Human Resource Officer

Mr Lim Sita joined the Group in September 2014. He is responsible for the Group's human resource (HR) function and provides strategic leadership to drive Group-wide HR policies, practices, systems and processes and build employee engagement.

Mr Lim has more than 20 years of extensive experience in human resource management and industrial relations having worked with multinational corporations in the marine and offshore, advanced semiconductor manufacturing and the pharmaceutical and medical device sectors. Mr Lim has also amassed considerable cross-border experience given his previous regional roles covering Singapore, Malaysia, Indonesia, as well as Australia and the South Asian region.

Mr Lim holds a Bachelor of Arts degree from the National University of Singapore.

LIST OF PROPERTIES




LOCATION	ADDRESSES	SITE AREA (SQ.M.)	TENURE	USAGE
HS(D) 46117 PT 5272, Daerah Seberang Perai Selatan Penang, Malaysia	Plot 318, Batu Kawan Industrial Park Penang, Malaysia	123,706	Leasehold (Expiring 2074)	Industrial
Shanghai, People's Republic of China	69 Huang Yang Road Tower 2, 6/F, Unit D, Xin He Gardens Jin Qiao, Pudong Shanghai 201206 People's Republic of China	156	Leasehold (Expiring 2063)	Residential
HS(D) 8712 PTD 3217, Bayan Lepas Penang, Malaysia	Plot 44, Bayan Lepas Industrial Park IV 11900 Bayan Lepas Penang, Malaysia	39,522	Leasehold (Expiring 2055)	Industrial
Geran 459975 Lot 44895 (formerly known as HS(D) 270912 PTD 68794) Mukim Tebrau Johor Bahru, Johor, Malaysia	2 (PLO 121), Jalan Firma 1/3 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	15,443	Leasehold (Expiring 2054)	Office and Industrial
HS(D) 333450 PTD 97125, Mukim Tebrau Johor Bahru, Johor, Malaysia	1, Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	44,470	Leasehold (Expiring 2052)	Industrial
HS(D) 45801 PTD 8824, Mukim Senai Kulaijaya, Johor, Malaysia	PLO 49, Jalan Perindustrian 4 Kawasan Perindustrian 2 81400 Senai Johor, Malaysia	4,978	Leasehold (Expiring 2052)	Industrial
MK 18, Lot No. 17946 Singapore	5006 Ang Mo Kio Avenue 5 TECHplace II, Singapore 569873	8,219	Leasehold (Expiring 2052)	Office and Industrial
Lot 12368 Mukim 12, Daerah Barat Daya Penang, Malaysia	Plot 26, Hilir Sungai Kluang 3 Phase 4 11900 Bayan Lepas Penang, Malaysia	8,981	Leasehold (Expiring 2051)	Office and Industrial
Shanghai, People's Republic of China	668 Li Shi Zhen Road Zhangjiang Hi-Tech Park Pudong Shanghai 201203 People's Republic of China	20,000	Leasehold (Expiring 2050)	Office and Industrial
HS(D) 445334 PTD 100821, Mukim Senai-Kulai Johor Bahru, Johor, Malaysia	PLO 34 & 35, Fasa 2 Kawasan Perindustrian Senai 81400 Senai Johor, Malaysia	24,581	Leasehold (Expiring 2049)	Office and Industrial

LOCATION	ADDRESSES	SITE AREA (SQ.M.)	TENURE	USAGE
HS(D) 270914 PTD 68796, Mukim Tebrau Johor Bahru, Johor, Malaysia	4 & 4a (PLO 117), Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	16,187	Leasehold (Expiring 2025)	Office and Industrial
MK 13, Lot No. 2361 Singapore	28 Marsiling Lane Singapore 739152	10,550	Leasehold (Expiring 2021)	Office and Industrial
HS(D) 237904-237908 PTD 67770-67774, Mukim Tebrau Johor Bahru, Johor, Malaysia	2, 4, 6 & 8 Jalan Kempas 5/2 Tampoi 81200 Johor Bahru Johor, Malaysia	29,029	Freehold	Industrial
HS(D) 218290 PTD 64850, Mukim Tebrau Johor Bahru, Johor, Malaysia	5 (PLO 5), Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	18,763	Freehold	Industrial
HS(D) 468918 PTD 152116, Mukim Tebrau Johor Bahru, Johor, Malaysia	47 Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	4,730	Freehold	Industrial
HS(D) 6220 LOT 4020 Mukim Tebrau Johor Bahru, Johor, Malaysia	49 Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,476	Freehold	Industrial
HS(D) 6221 LOT 4021 Mukim Tebrau Johor Bahru, Johor, Malaysia	51 Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,195	Freehold	Industrial
HS(D) 6222 LOT 4022 Mukim Tebrau Johor Bahru, Johor, Malaysia	53 Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,111	Freehold	Industrial
HS(D) 6223 LOT 4023 Mukim Tebrau Johor Bahru, Johor, Malaysia	55 Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,093	Freehold	Industrial

GROUP OF COMPANIES

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INVESTOR RELATIONS CALENDAR

24 February 2017	Announcement of Full Year 2016 Results
27 February 2017	Non-Deal Road Show in Singapore Post Full Year 2016 Results
5 April 2017	Dispatch of 2016 Annual Report to Shareholders
27 April 2017	Annual General Meeting
28 April 2017	Announcement of First Quarter 2017 Results
2 May 2017	Non-Deal Road Show in Singapore Post First Quarter 2017 Results
5:00 p.m. 17 May 2017	Book Closure Date in Relation to Full Year 2016 Final Dividend
25 May 2017	Dividend Payment Date
4 August 2017	Announcement of Second Quarter 2017 Results
7 August 2017	Non-Deal Road Show in Singapore Post Second Quarter 2017 Results
3 November 2017	Announcement of Third Quarter 2017 Results
6 November 2017	Non-Deal Road Show in Singapore Post Third Quarter 2017 Results
31 December 2017	Financial Year-End

Note: Future dates and events are indicative and subject to change.

CORPORATE GOVERNANCE REPORT

Venture Corporation Limited (the "Company") and its subsidiaries (together, the "Group") firmly believe that its growth and success is anchored firmly on a framework of sound corporate governance principles, practices and processes. It believes that its drive towards good corporate governance and ethical corporate conduct will translate to sound business decisions, underpinning its operational and financial performance and delivering value to all stakeholders.

Towards this end, the Group upholds a high standard of corporate conduct in conformance with the principles of the Code of Corporate Governance. In addition, the Group's Social Code of Conduct (the "Code of Conduct") is modelled on and applies the language of the Electronic Industry Citizenship Coalition Code of Conduct. This Code of Conduct builds on the Group's commitment to good employment practices and workplace related human rights, among other desirable corporate practices. It sets out a common approach for corporate wide development of policies and practices. The Code of Conduct applies to each Group employee around the world without exception.

The Group believes that corporate governance is not simply a matter of compliance with the Code of Conduct, policies and regulatory standards, it is embedding the right corporate mindset in its people. Acknowledging that its people are the key upholders of such standards, the Group has conscientiously nurtured a strong corporate governance culture amongst its Board of Directors, Management and its employees. In addition, the Group engages its supply chain partners and business associates actively in the development and implementation of codes similar to its corporate standards and practices.

In addition, the Company has adopted corporate governance principles and practices in line with the recommendations of the revised Code of Corporate Governance 2012 ("Code") issued on 2 May 2012. It is cognizant that corporate governance is not merely about compliance to baseline regulations. It embraces the spirit of the Code, anchored on key principles of corporate integrity, transparency, responsibility and accountability. This is demonstrated through the adoption of internal guidelines, standards and policies which go beyond recommended best practices and regulations. From a wider perspective, good corporate governance is embodied in the integrity of Management who adhere to sound governance practices and processes that serve to promote and safeguard the Group's interests and assets and the interests of all stakeholders, collectively.

In recognition of its commitment to sound corporate governance practices, the Company has been consistently nominated for the "Most Transparent Company Award" by the Securities Investors Association (Singapore) ("SIAS"). The Company has won the award on many occasions and most recently in 2016 under the Information Technology category. Since 2011, the Company has taken the Corporate Governance Pledge, an initiative of SIAS, as a commitment to pursue high standards of corporate governance.

This Corporate Governance Report ("report") describes the Company's corporate governance practices with specific reference to the Code. Unless otherwise stated in the report below, the Company has complied with the principles and guidelines of the Code. There are other sections in this Annual Report that are relevant to the discussion of corporate governance, hence this report should be read together with those sections.

PRINCIPLE 1
BOARD'S CONDUCT OF ITS AFFAIRS

The Board's corporate objective is to achieve sustained value creation for all stakeholders. It strives to accomplish this through overseeing the proper conduct of the Group's business and affairs, ensuring that the Group maintains a sound system of risk management and internal controls, as well as approving the Group's strategic operational initiatives, major investments and capital structure. The Board also guides the Group in setting values and ethical standards and reviews the Group's financial performance regularly.

The Board has adopted internal guidelines setting out approval limits for capital expenditure, bank facilities and transactions, and matters requiring its approval, such as investment proposals and major transactions. The matters requiring the Board's review and approval include, *inter alia*:

a. release of any financial results and disclosures of material information;

b. recommendation of any amendment to the Company's Constitution ("Constitution") for shareholders' approval;

c. appointment of Corporate Representative to subsidiaries for representing the Company in various matters;

d. opening or closing of bank accounts, change of bank authorised signatories, mode of operation and dealing mandates with the Company's banks and acceptance of offers of banking facilities, any borrowings, or financial commitment related to grant of guarantees, securities and collateral guarantees by the Company;

e. acquisition or disposition of any material interest in any land or real property or assets other than in the ordinary course of business;

f. establishment, acquisition or incorporation of any subsidiary or winding up, dissolution or placement of any subsidiary under receivership or judicial management; and

g. creation of any mortgage, pledge, bond, charge, lien or any other encumbrance on the Company's assets, in whole or in part.

The Board is supported by Board Committees which include the Audit Committee, Nominating Committee, Remuneration Committee and Investment Committee, each of which has clearly written Terms of Reference that set out their duties and responsibilities in line with the Code.

The Company held four formal Board meetings in 2016 and various Board Committee meetings. The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, are as follows:

Meetings held for FY2016	Board	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
Wong Ngit Liong	4 of 4	–	2 of 2	–	2 of 2
Cecil Vivian Richard Wong	4 of 4	4 of 4	2 of 2	2 of 2	–
Koh Lee Boon	4 of 4	4 of 4	2 of 2	2 of 2	–
Goon Kok Loon	4 of 4	4 of 4	–	2 of 2	2 of 2
Wong Yew Meng[1]	4 of 4	4 of 4	–	–	2 of 2
Jonathan S. Huberman	3 of 4	3 of 4	–	–	2 of 2
Han Thong Kwang	4 of 4	4 of 4	–	–	2 of 2

Note:

(1) Mr Wong Yew Meng was appointed to the Nominating Committee and Remuneration Committee on 3 January 2017, and had stepped down from the Investment Committee on the same day.

The Directors have also held several informal discussions when needed by specific circumstances, and as deemed appropriate by the Board members.

The Company organises briefing programmes for Directors as appropriate to ensure they are kept abreast of developments within the Group and the industry, as well as of new corporate laws and regulations. Orientation programmes are also organised for new Directors to ensure that they are familiar with the Group's business and governance policies. In order for the Directors to keep abreast of recent changes in the Financial Reporting Standards, external consultants may be invited to brief the Board on any such changes. Site visits are organised as appropriate for Directors to have an intimate understanding of the Group's key business operations and to familiarise and interact with the executives of the Group.

PRINCIPLES 2, 3 & 4
BOARD COMPOSITION, BALANCE AND MEMBERSHIP

Board Composition

The Board comprises seven members of whom six are Independent Non-Executive Directors. They are Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon, Mr Goon Kok Loon, Mr Wong Yew Meng, Mr Jonathan S. Huberman and Mr Han Thong Kwang. Each independent director is required to complete a declaration of independence which is in accordance with the guidelines set out in the Code and submit the same to the Nominating Committee for assessment and consideration on an annual basis. Accordingly, the Nominating Committee has reviewed and ascertained that Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon, Mr Goon Kok Loon, Mr Wong Yew Meng, Mr Jonathan S. Huberman and Mr Han Thong Kwang are independent.

Mr Wong Ngit Liong is the Chief Executive Officer ("CEO") of the Company and Chairman of the Board. As CEO, Mr Wong is responsible for leading the Management of the Company and presides over the implementation of strategic objectives of the Company. In his role as Chairman, he is responsible for board proceedings and *inter alia*, managing the communication and information dissemination process and exchanges between the Company and its stakeholders. There is a clear division of responsibilities between the role of CEO and Chairman. By performing both roles, Mr Wong has been able to consistently ensure that strategic objectives are implemented seamlessly in the Company's interest. Independent Non-Executive Directors form the majority on the Board and that also promotes an appropriate balance of power and authority in keeping with the spirit of good corporate governance. The Audit Committee, Nominating Committee and Remuneration Committee are also chaired by Independent Non-Executive Directors. This ensures adequate accountability, safeguards and internal controls are in place to facilitate independent decision-making.

Mr Koh Lee Boon, the Chairman of the Remuneration Committee and a member of the Nominating Committee and the Audit Committee, was appointed as the Lead Independent Director of the Company on 25 April 2014. As Lead Independent Director, he may be contacted if shareholders have concerns, when contact through the normal channels of the Chairman and CEO or Chief Financial Officer ("CFO") has failed to resolve or is inappropriate. The Lead Independent Director may also lead meetings with Independent Non-Executive Directors without the presence of the Executive Director(s) and provide feedback to the Executive Director(s) after such meetings.

Key information regarding the Directors is given on pages 18 to 21 of this Annual Report.

The Board endeavours to ensure that the Board and its Board Committees comprise experienced members who as a group provide an appropriate balance and diversity of skills, experience, and knowledge of the Company. They possess core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge and are able to make positive contributions to the Company. The Board also recognises that gender diversity is important for a Board to perform effectively and has this in mind when identifying potential board members, and will continue to seek suitable candidates.

CORPORATE GOVERNANCE REPORT

The Nominating Committee has a formal and transparent selection process for new Directors. The Nominating Committee assesses the appropriate mix of expertise and experience needed for an effective Board and recommends the qualities and profile of candidates most suitable, taking into consideration factors such as experience, expertise, diversity and current board composition. It considers prospective candidates from an extensive network of contacts, evaluates and shortlists candidates with the relevant experience and expertise in some or all of the following areas of general management, finance, accounting and governance aspects, and knowledge of the Group's industry, business and markets. Suitable candidates are then recommended to the Board for consideration.

On appointment, a new Director is advised of his duties and obligations. Lines of communication, including direct access to the Chairman, Company Secretary and Management are immediately established. This provides a new Director with the opportunity to establish exchanges and to exercise his statutory duties.

Pursuant to the Code, the Board is required to determine the maximum number of listed company board representations which a Director may hold. The Board has concurred with the Nominating Committee's recommendation that the maximum number of listed company board representations which a Director may have should not exceed six, taking into consideration, *inter alia*, market capitalisation of the other listed companies, financial year end, schedule of meetings, time commitment required, intensity of participation, whether the Director has executive responsibilities in other organisations or other principal commitments, as well as the individual Director's ability.

Nominating Committee

The Nominating Committee, which is chaired by Mr Cecil Vivian Richard Wong, comprises three Independent Non-Executive Directors and one Executive Director. The other members are Mr Koh Lee Boon, Mr Wong Yew Meng and Mr Wong Ngit Liong. The Nominating Committee met twice in 2016 and had informal discussions on several occasions.

The Nominating Committee's main responsibilities are, *inter alia*, as follows:

a. to ensure that the Board comprises members with the appropriate balance of skills and expertise in order to meet the Company's operational and business requirements;

b. to establish a formal and transparent process for the appointment of new Directors;

c. to nominate Directors retiring by rotation for re-election at every Annual General Meeting ("AGM") pursuant to Articles 74, 92 and 93 of the Constitution;

d. to assess the Directors' independence and provide its views to the Board for the Board's consideration;

e. where a Director has multiple board representations, to determine if the Director is able to carry out and/or has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments and provide its views to the Board for the Board's consideration;

f. to assess the independence of a Director who has served on the Board beyond nine years from the date of his first appointment annually and provide its views to the Board for the Board's consideration; and

g. to evaluate the Board and Board Committees' performance and effectiveness, and propose recommendations for improvement, if any.

The Nominating Committee regularly reviews the composition of the Board and Board Committees and had recommended to the Board to refresh the composition of the Nominating Committee, Remuneration Committee and Investment Committee to which the Board had concurred, and these committees were reconstituted on 3 January 2017.

All Directors subject themselves for re-nomination and re-election at least once every three years, pursuant to the Constitution. Directors appointed by the Board during the financial year shall only hold office until the next AGM, and thereafter, be eligible for re-election at the AGM. Mr Jonathan S. Huberman and Mr Han Thong Kwang will submit themselves for re-election pursuant to Article 92 of the Constitution. Both Directors had each abstained from the discussion and taking a decision in respect of their own nomination.

The Nominating Committee took into account the contributions of the Directors with reference to their attendance and participation at meetings of the Board and Board Committees, as well as the proficiency with which they have discharged their responsibilities, in recommending the Directors for re-election.

The Board has accepted the Nominating Committee's recommendations to seek approval from shareholders at the forthcoming AGM to re-elect Directors retiring under Article 92 of the Constitution.

INDEPENDENCE OF DIRECTORS

The Nominating Committee performs an annual review of Directors' interests in which all potential or perceived conflicts, including time commitments, length of service and other issues relevant to their independence, are considered. Where a Director has served on the Board for more than nine years, the Board has further reviewed whether such a Director should be considered independent.

The following were some of the factors considered in reviewing the independence of Directors who have served beyond nine years:

a. whether the Director is free from any dealings, relationships or circumstances that could affect or appear to affect their independent judgement, particularly with regards to whether the Director has indicated or demonstrated an alignment or habitual support for any specific group of stakeholders e.g. specific shareholders, instead of representing the interests of all stakeholders;

b. whether the length of service has had any adverse impact on the Director's objectivity and judgement and whether during the tenure there has been any impairment to his ability to discharge his duties and responsibilities in the overall interest of the Group, taking into consideration the interests of all stakeholders; and

c. whether the Director continues to exhibit a firm commitment to his role and continues to actively contribute with the knowledge and experience of the Group's business built up over the years.

Based on these considerations, the Board considered and concurred with the Nominating Committee's views that the three Directors who have served beyond nine years on the Board, namely, Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon and Mr Goon Kok Loon are considered independent.

Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon and Mr Goon Kok Loon had each abstained from the discussion and taking a decision in respect of their own independence.

PRINCIPLE 5
BOARD PERFORMANCE

A Board performance evaluation exercise is carried out annually to evaluate the performance of the Board and its Board Committees in discharging their roles. The evaluation is based on performance criteria which have been benchmarked against the performance criteria adopted by other listed companies with similar market capitalisation and in similar industry as well as the Board performance evaluation form set out in the Nominating Committee Guide published by the Singapore Institute of Directors. The evaluation process includes distributing evaluation questionnaires to the Directors, collating the feedback of the individual Directors for the Nominating Committee to review and thereafter presenting to the Board for a collective discussion. The objective of the annual Board and Board Committees performance evaluation exercise is to assess, *inter alia*, the Board processes, Director development programmes, the contribution and effectiveness of the Board and Board Committees as a whole and the quality of interaction between the Management and the Board. In the review of effectiveness of the Board and Board Committees, the contributions by each Director in their respective roles and individual performance are taken into account and considered.

The evaluation conducted for FY 2016 concluded that:

a. the quality of information disseminated to members of the Board and Board Committees was adequate to make informed decisions;

b. the Board and Management enjoyed a cordial relationship that encouraged communication and participation;

c. the Board demonstrated responsiveness and pro-activeness;

d. there was a high standard of conduct amongst members of the Board;

e. the Board meetings were well-conducted and the decision-making processes of the Board were satisfactory;

f. the Board comprised competent Directors with varied and relevant experience and expertise; and

g. the Board and Board Committees had allocated sufficient time to consider all matters.

PRINCIPLE 6
ACCESS TO INFORMATION

The Directors have direct and independent access to the Management and Company Secretary. The agenda for the meetings of the Board and Board Committees, together with the appropriate supporting documents, are circulated to the Board and Board Committees prior to the meetings.

In addition, to ensure that the Board is able to fulfil its responsibilities and to make informed decisions in a timely manner, the Management provides an annual financial plan, monthly management accounts and reports, including other relevant information or documents regularly to the Board. The Management is also invited to attend Board meetings to provide updates on the Group's operations and business, to furnish additional information on various corporate matters and/or to discuss issues which the Directors may raise.

Analysts' reports on the Company have been forwarded to the Directors on an on-going basis for information.

The Company Secretary, who is present at all Board and Board Committees meetings, ensures that Board procedures and applicable rules and regulations are followed and complied with, and advises and provides guidance on corporate governance, legal and regulatory compliance matters. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flow within the Board and Board Committees and between Management and Non-Executive Directors. The Company Secretary also facilitates orientation and training of new Directors as well as updates Directors on new developments in corporate governance, legal and regulatory matters. In accordance with the Constitution, the appointment and removal of the Company Secretary is subject to the approval of the Board.

The Directors, individually or collectively, may in furtherance of their duties, seek and obtain independent professional advice as and when the need arises, at the expense of the Company.

PRINCIPLES 7, 8 & 9
REMUNERATION MATTERS

Remuneration Committee

The Remuneration Committee comprises four Independent Non-Executive Directors, Mr Koh Lee Boon, Mr Cecil Vivian Richard Wong, Mr Goon Kok Loon and Mr Wong Yew Meng. The Remuneration Committee which is chaired by Mr Koh Lee Boon met twice in 2016.

The Remuneration Committee's principal functions are:

a. to review and recommend to the Board the remuneration framework for Directors, key Management personnel and the CEO;

b. to administer the Company's employee share schemes, which had been approved by shareholders of the Company;

c. to review whether Executive Directors and key Management personnel should be eligible for benefits under long-term incentive schemes and carefully evaluate the cost and benefits of such schemes; and

d. to review the Company's obligations arising in the event of termination of the Executive Directors' and key Management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses, if any.

Directors' Fees for Non-Executive Directors

Non-Executive Directors' fees take into account a Director's contributions, additional responsibilities on Board Committees, experience, qualifications and time committed and require shareholders' approval at the Company's AGM. Executive Directors do not receive Directors' fees.

The Directors' fee structure of the Board and Board Committees for FY 2016 is as follows:

	S$	
Annual Fees for Board Members	**Chairman**	**Member**
Board	Not applicable	50,000
Annual Fees for Board Committee Members	**Chairman**	**Member**
Audit Committee	35,000	25,000
Nominating Committee	25,000	15,000
Remuneration Committee	25,000	15,000
Investment Committee	Not applicable	15,000

The Remuneration Committee has recommended the payment of S$615,000 as Directors' fees for FY 2016, subject to approval by shareholders at the Company's forthcoming AGM. Directors' fees are paid upon approval of the shareholders at the Company's AGM. There is no scheme or arrangement for payment of equity. There has been no change to the Directors' fee structure since the last revision for FY 2015. The increase in Directors' fees for FY 2016 is due to the addition of a member to the Board.

A breakdown showing the proposed Directors' fees of each Non-Executive Director for FY 2016 is as follows:

Name of Director	Director's Fees S$	Director's Fees %	Fixed Remuneration %	Variable Bonus, Variable Salary & Benefits-in-kind %	Total %
Cecil Vivian Richard Wong	115,000	100	–	–	100
Koh Lee Boon	115,000	100	–	–	100
Goon Kok Loon	115,000	100	–	–	100
Wong Yew Meng	90,000	100	–	–	100
Jonathan S. Huberman	90,000	100	–	–	100
Han Thong Kwang	90,000	100	–	–	100

CEO's Remuneration

As Chairman of the Board and Executive Director, CEO Mr Wong Ngit Liong does not receive Director's fees. As a member of Management, his remuneration is reviewed by the Remuneration Committee and it comprises both cash-based and share-based components. Information on the CEO's remuneration including options granted pursuant to the Venture Corporation Executives' Share Option Scheme 2015 ("2015 Scheme") and awards granted pursuant to the Venture Corporation Restricted Share Plan ("RSP") adopted by the Company in 2011 is set out below:

CEO and Chairman	Remuneration (Cash-based)				2015 Scheme[(1)] Number of share options granted in FY 2016	RSP[(1)] Number of RSP shares awarded in FY 2016
	Total S$	Total Fixed %	Variable Bonus, Variable Salary & Benefits-in-kind %	Total %		
Wong Ngit Liong	5,498,941	23	77	100	70,000	40,000

Note:
(1) The fair value of share options granted under the 2015 Scheme and the fair value of awards granted under the RSP can be found in Note 23 to the financial statements.

Key Management Personnel's Remuneration

In FY 2016, the key Management personnel (who are not directors or CEO) are Mr Lee Ghai Keen, Mr Dharma Nadarajah, Mr Ng Chee Kwoon and Mr Lim Sita. The aggregate cash-based remuneration of these key Management personnel in FY 2016 is S$3,379,138. The percentage breakdown of the fixed and variable components, as well as options granted pursuant to the 2015 Scheme and awards granted pursuant to the RSP, for each individual is as set out on page 37 of this Annual Report. In making available the cash-based remuneration of the key Management personnel in bands, the Company provides a macro perspective without compromising the Group's business interests and minimises competitive pressures which would arise from more detailed disclosures.

Remuneration Bands (Cash-based) / Key Management Personnel	Remuneration (Cash-based) Total Fixed %	Variable Bonus, Variable Salary & Benefits-in-kind %	Total %	2015 Scheme[1] Number of share options granted in FY 2016	RSP[1] Number of RSP shares awarded in FY 2016
Between S$1,000,000 - S$1,249,999					
1	47	53	100	60,000	30,000
1	48	52	100	60,000	30,000
Between S$500,000 - S$749,999					
1	59	41	100	60,000	30,000
Between S$250,000 - S$499,999					
1	74	26	100	40,000	20,000

Note:
(1) The fair value of share options granted under the 2015 Scheme and the fair value of awards granted under the RSP can be found in Note 23 to the financial statements.

There are no termination, retirement and post-employment benefits (other than CPF contributions) granted to Directors, the CEO or the key Management personnel.

Venture believes in attracting, motivating and retaining talents to achieve its business goals and to create long-term sustainable value for its stakeholders. Total remuneration comprises fixed and variable elements with appropriate rewards and recognition policies and some of the factors determining the total remuneration include contribution to achievement of organisation and business objectives. Employees are encouraged to be innovative, entrepreneurial and impactful to transform and differentiate the Group to further its competitiveness.

Venture has existing employee share schemes which are the 2015 Scheme which was approved and adopted by the Company at an Extraordinary General Meeting ("EGM") held on 25 April 2014 and the RSP adopted by the Company in 2011 which complement each other in the Company's continuing efforts to reward, retain and motivate employees to achieve outstanding performance. The Venture Corporation Executives' Share Option Scheme 2004 ("2004 Scheme") had expired on 30 April 2014. Notwithstanding the expiry of the 2004 Scheme, any outstanding and unexercised options held by option holders prior to such expiry will continue to remain valid. Details of the 2004 Scheme, 2015 Scheme and RSP are set out on pages 59 to 64 of the Directors' Statement and Note 23 to the financial statements.

There are no immediate family members of a Director or the CEO in a managerial role in the Company.

PRINCIPLES 10, 11, 12 & 13
ACCOUNTABILITY, RISK MANAGEMENT & INTERNAL CONTROLS, AUDIT COMMITTEE & INTERNAL AUDIT

Accountability

The Board presents a balanced and fair assessment of the Group's performance, position and prospects to the public via the release of its quarterly and full year financial results. The Board reviews and approves the financial results before its dissemination as well as any media release of its financial results. Since the SGX-ST's introduction of the requirement for Directors to issue a Negative Assurance Statement to accompany its quarterly financial results announcement, a process has been introduced to support Management's representations to the Board of the integrity of the Group's financial statements before the Negative Assurance Statement is given by the Board.

Audit Committee

The Audit Committee comprises six Independent Non-Executive Directors. They are Mr Goon Kok Loon, Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon, Mr Wong Yew Meng, Mr Jonathan S. Huberman and Mr Han Thong Kwang. Mr Goon Kok Loon is the Chairman of the Audit Committee. The Audit Committee met four times in 2016.

The functions of the Audit Committee are:

a. to recommend to the Board on the proposals to the shareholders for the appointment, re-appointment and removal of external auditors;

b. to approve the remuneration and terms of engagement of external auditors;

c. to review the scope and result of the audit and its cost effectiveness;

d. to inquire of other Board Committees, the Management, internal auditors and external auditors on significant risks and exposures that exist, and assess the measures Management has taken to minimise such risks to the Company;

e. to review with the CFO and external auditors:

   i. the Company's unaudited quarterly, interim and annual financial statements and related footnotes, including accounting principles;

   ii. the external auditors' audit of the annual financial statements and reports thereto;

   iii. the adequacy of the Group's system of accounting controls;

   iv. the assistance given by Management to the external auditors;

   v. any related significant findings and recommendations of the external auditors and internal auditors together with Management's response thereto; and

   vi. any significant changes required in the external auditors' plan, serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and any other matters relating to the conduct of the audit;

f. to consider and review with Management and the internal auditors:

   i. significant findings during the year and Management's response thereto;

   ii. the adequacy and effectiveness of the Group's internal controls over management, business and service systems and practices;

   iii. changes required in the planned scope of the audit plan and difficulties encountered in the course of the internal audit, including any restrictions on the scope of their work or access to required information; and

   iv. the Internal Audit department budget and staffing;

g. to review legal and regulatory matters that may have a material impact on the financial statements, relevant compliance policies, and programmes and reports from regulators;

h. to meet with internal auditors, the external auditors and Management in separate executive sessions to discuss issues that these groups believe should be discussed privately with the Audit Committee;

i. to report actions and minutes of the Audit Committee to the Board with such recommendations as the Audit Committee deems appropriate;

j. to review and report to the Board on the adequacy and effectiveness of internal controls; and

k. to review the independence of the external auditors annually.

The Audit Committee has full access to and the co-operation of Management. The external auditors and internal auditors have unrestricted access to the Audit Committee and meet with the Audit Committee without the presence of Management, at least once a year.

The Audit Committee, with the assistance of internal auditors, reviews and reports to the Board on the adequacy and effectiveness of the Group's system of controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by Management. In assessing the effectiveness of the Group's internal controls, the Audit Committee ensures primarily that key objectives are met, material assets are properly safeguarded, there are adequate measures to detect and prevent fraud or errors in the accounting records, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The Audit Committee has reviewed all non-audit services provided by the external auditors during the year and is of the opinion that the provision of such services will not affect the independence of the external auditors.

The Audit Committee has more than two members, including the Audit Committee Chairman, who have recent and relevant accounting or related financial management expertise or experience. The Audit Committee also takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with briefings provided by professionals or external consultants as necessary.

In line with the advisory notice issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and SGX-ST, the Audit Committee is to provide its own commentary on the key audit matters ("KAMs") highlighted by the external auditors. During the audit of the financial statements for FY 2016, two KAMs were highlighted by the external auditors and are set out on pages 67 and 68 of this Annual Report. The Audit Committee's commentaries on the reported KAMs are set out below.

KAMs	Audit Committee's Comments
Impairment review of investments in associates	The carrying value of investments in associates is a significant item within the Group's balance sheet. Impairment assessments, performed annually, require judgements in relation to discount rates and long-term growth rate to generate discounted cash flow forecasts for the recoverable amount. The Audit Committee has reviewed the methodology and key assumptions used as part of the value-in-use computations including latest market information and report from external valuation specialist in conducting the impairment review. After due consideration, the Audit Committee is satisfied that there is no indication of impairment.
Impairment review of goodwill	The carrying value of goodwill is a significant item within the Group's balance sheet. Impairment assessments, performed annually, require judgements in relation to discount rates and long-term growth rate to generate discounted cash flow forecasts for the recoverable amount. The Audit Committee has reviewed the methodology and key assumptions used as part of the value-in-use computations and report from external valuation specialist in conducting the impairment review. After due consideration, the Audit Committee is satisfied that there is no indication of impairment.

Risk Management & Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls. The Group has in place an Enterprise Risk Management Integrated Framework ("ERM Framework"). This ERM Framework sets out the formal, systematic and comprehensive guidelines and rules to identify and manage significant risks that might affect the Group's achievement of its business objectives. The risk management process has been integrated throughout the Group and is an essential part of its business planning and monitoring process. Policy and methodology have been introduced detailing procedures, methodologies and evaluation criteria to ensure clarity and consistency in the application of the risk management process across the Group. Key risks, control measures and management actions are continually identified and monitored by the operational units and reviewed by Management.

In addition, the Group has in place a Control Self-Assessment ("CSA") programme which provides a tangible control framework that establishes control ownership amongst functional managers and staff in their respective areas of responsibilities. The self-assessments performed by such functional managers provide the assurance that key controls to address the financial, operational, compliance and information technology risks identified to be relevant and important to the Company's operations are adequate and effective.

Leveraging on the results of the ERM and CSA, the CFO and the CEO would in turn provide an annual attestation to the Audit Committee relating to adequacy and effectiveness of the Group's risk management and internal control systems.

The Board has together with the Audit Committee reviewed the Group's risk assessment programmes and internal control processes. The Board has received assurance from the CFO and the CEO as well, that for FY 2016, the Group's internal controls including financial, operational, compliance and information technology were adequate and effective; the Group's risk management and internal control systems to address financial, operational and compliance risks were adequate and effective; the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and various Board Committees, and the assurance from the CFO and the CEO, the Board in concurrence with the Audit Committee, is of the opinion that the Group's internal controls:

- including financial, operational, compliance and information technology were adequate and effective as at 31 December 2016; and
- were adequate to address financial, operational and compliance risks, which the Group had considered relevant and material to its operations as at 31 December 2016.

The Board, however, notes that the system of internal controls provides reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

In addition, the Company has adopted a Whistle-Blowing Policy for the Group to provide a channel for employees of the Group and third parties to report and to raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters. The objective of the Whistle-Blowing Policy is to facilitate independent investigations of such matters and for appropriate follow-up action(s).

Internal Audit

The Internal Audit department is an independent function that reports directly to the Chairman of the Audit Committee on audit matters and administratively to the CEO. The Internal Audit department has unrestricted access to all of the Group's documents and records, and to the Audit Committee. The Audit Committee approves the hiring, removal, evaluation and compensation of the head of the Internal Audit department.

The Internal Audit Charter empowers the internal auditors to provide independent and objective assessments and consulting services which are designed to evaluate the adequacy and effectiveness of the Group's system of internal controls. A risk-based approach is used to develop the annual audit plan to ensure that all high risk areas are monitored for proper coverage and audit frequency.

The Audit Committee reviews and approves the audit plans and resources to ensure that the internal auditors have the necessary resources to adequately and effectively perform their duties. The Internal Audit team employs suitably qualified and experienced personnel to provide audit and consulting services. They either possess a recognised degree in accountancy or an equivalent professional qualification. A training and development programme is in place to ensure that the internal auditors are equipped with technical knowledge and skill sets that are appropriate and relevant.

The Internal Audit department is guided by and has met standards for the professional practice of internal audit promulgated by the Institute of Internal Auditors ("IIA"). An external assessment of the Internal Audit department in 2015 affirmed that its activities conform on the whole to the standards set by IIA.

Investment Committee

The Investment Committee comprises three Independent Non-Executive Directors, an Executive Director and the CFO. They are Mr Wong Ngit Liong, Mr Goon Kok Loon, Mr Jonathan S. Huberman, Mr Han Thong Kwang, as well as Mr Ng Chee Kwoon. The role of the Investment Committee is to set broad overall investment guidelines for the Company and to assess and review investments, opportunities and performance. The Investment Committee is chaired by Mr Wong Ngit Liong and met twice in 2016.

PRINCIPLES 14, 15 & 16
COMMUNICATION WITH SHAREHOLDERS

Prompt and Fair Disclosure

The Company is committed to promoting effective communication with all shareholders. It has put in place established policies and procedures, ensuring all shareholders are provided with equal and timely access to material information concerning the Company. Prompt and relevant information with regard to the Company's corporate developments and financial performance is disseminated in compliance with its continuous disclosure obligations in line with the Code and the Listing Manual of the SGX-ST.

The Company's communication framework and practices provide open and fair, as well as meaningful and timely shareholders' communication and interaction.

In recent years, the Company was twice presented with the Certificate of Excellence in Investor Relations at the IR Magazine South East Asia Awards. This is a testament to the Company's continuing efforts to provide the investment community with prompt, effective and meaningful communication.

CORPORATE GOVERNANCE REPORT

Every quarter, the Company holds a briefing session after the release of its quarterly financial results. Key Management of the Group presides over the briefing session and offers a comprehensive review of the Company's performance. The financial and investment community and the media have access to the briefing sessions. An information package comprising the financial statements, press announcement and a set of presentation slides are shared with all participants. The same information package is disseminated through the SGX-ST SGXNet System at the time of the briefing and simultaneously made available on the Company's corporate website for ease of access and download.

Immediately following its results announcement each quarter, the Company establishes shareholder communication via a series of local non-deal road shows, global video conferences, conference calls, one-on-one meetings and group meetings. The various channels of shareholder communication enable Management and the Corporate Communications team to share the same information across a wider group of investors.

Management takes an active role in participating in investor relations activities, meeting regularly with local and foreign shareholders and the investment community. During the year, the Company conducted more than 200 investor communication engagements covering non-deal road shows, corporate access forums and conferences, one-on-one and group meetings and conference calls.

The Corporate Communications team handles queries by analysts, investors and shareholders in the form of letters, electronic mail, web portal mails and telephone calls. The Company endeavours to respond to all queries expeditiously. In addition, explanations and clarifications are provided to all interested parties on an equal-opportunity basis. This practice by the Company is in line with its commitment towards fair disclosure and SGX-ST rules.

The Company continues to receive support from over 20 equity sales and research institutions that regularly provide reports and updates on the Company to the investment community. To ensure accuracy of the coverage, the Company initiates direct and regular communications with the financial analysts and equity sales teams of these institutions.

The Company's Report to Shareholders is filed on an annual basis. The Report, together with the Notice of AGM, Letter to Shareholders and Circular, if applicable, are delivered by post to all shareholders, including overseas shareholders, within the mandatory period, providing shareholders with adequate time to review the documents thoroughly.

The Company also publishes the Notice of AGM and Notice of EGM, if applicable, in a major local news publication and on its corporate website. Full copies of the Notices are also lodged with the SGX-ST.

Shareholder Interaction

Shareholders are encouraged to attend the Company's general meetings. However if they are not able to, the Constitution allows each shareholder to appoint up to two proxies to attend, speak and vote on his/her behalf at the Company's general meetings. Nonetheless, pursuant to the Companies (Amendment) Act 2014 ("Act"), shareholders who are relevant intermediaries (as defined in the Act), are allowed to appoint more than two proxies to attend, speak and vote at the Company's general meetings. The Constitution does not provide for shareholders to vote at the Company's general meetings in absentia such as via mail, electronic mail or facsimile transmission. The Company will consider implementing the relevant amendment to its Constitution if the Board is of the view that there is demand for the same, and after the Company has evaluated and put in place the necessary security measures to facilitate absentia voting and safeguards to protect against errors, fraud and other irregularities.

The Company's general meetings are attended by all the Directors, external auditors, the Company Secretary and Management. Prior to the commencement of the AGM, the Company makes a presentation, highlighting key business developments and its full year financial performance. Shareholders are given the opportunity to share their views and put their questions to the meeting(s). The Company engages in active discussion and interaction with shareholders during the meeting(s).

The Company will continue to engage its investors and shareholders through various channels of communication with the intent of providing accurate, consistent and timely information at all times.

The Company has implemented poll voting for all resolutions tabled at the Company's general meetings. Independent scrutineers are appointed to ensure that satisfactory procedures of the voting process are in place before the general meetings, and direct and supervise the poll counting process. The results of each resolution are reported at the meeting(s) and announced through the SGX-ST SGXNet System after the meeting(s). In line with the provisions of the Act, minutes of the general meetings are available to shareholders upon request.

Dividend

The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for the financial year ended 31 December 2016. When considering dividend payments, the Board reviews a wide range of factors including the Company's profitability, cash flow, future earnings, working capital, capital expenditure requirements, investment plans, as well as other corporate considerations. Dividends have been declared on an annual basis.

Subject to the approval of shareholders at the AGM to be held on 27 April 2017, the proposed dividend will be paid on 25 May 2017. The Share Transfer Books and Register of Members of Venture Corporation Limited will be closed from 5.00 p.m. on 17 May 2017 to 18 May 2017 (both dates inclusive) for the preparation of dividend warrants.

ENGAGEMENT OF EXTERNAL AUDITORS

The Company has considered the adequacy of the resources and experience of the audit firm, the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit and is satisfied that the re-appointment of the external auditors, Deloitte & Touche LLP, would be in compliance with Rule 712 of the Listing Manual of the SGX-ST. The Board and the Audit Committee have also reviewed and are accordingly satisfied that the appointment of different audit firms for a small number of the Company's subsidiaries and associates (as set out on pages 111 to 118 of this Annual Report) would not compromise the standard and effectiveness of the audit of the Company and the Group. None of the Company's subsidiaries are listed on a stock exchange. The Company's associate, Fischer Tech Ltd, is listed on the SGX-ST. During the year, DMX Technologies Group Limited has ceased to be an associate of the Company. The subsidiaries which have significant contributions in terms of revenue and net assets are all audited by member firms of Deloitte Touche Tohmatsu Limited ("DTTL"). The subsidiaries and associates which are audited by non-DTTL member firms are insignificant and do not have material revenue contribution or net assets. In this regard, the Company has complied with Rule 716 of the Listing Manual of the SGX-ST.

The aggregate amount of fees paid to the external auditors for audit and non-audit services are set out in Note 28 to the financial statements.

INTERNAL CODE ON DEALINGS WITH SECURITIES

An internal code, which complies with Rule 1207(19) of the Listing Manual of the SGX-ST, with respect to dealings in securities of the Company, has been issued to Directors and officers. The Company, its Directors and officers are not allowed to deal in the Company's shares within two weeks before the announcement of its results for the first three quarters of the year. The Company, its Directors and officers are not allowed to deal in the Company's shares one month before the announcement of its full year results.

The Company, its Directors and officers are not expected to deal in the Company's securities on considerations of a short-term nature.

The Company, its Directors and officers are required to observe insider trading provisions under the Securities and Futures Act (Cap 289) at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

There were no transactions conducted with interested persons in 2016.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEO, Directors, controlling shareholders or key Management, which were either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	(a) The Company has adopted corporate governance principles and practices in line with the recommendations of the revised Code of Corporate Governance 2012 ("Code") issued on 2 May 2012. (b) Not applicable.
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	The Board has adopted internal guidelines setting out approval limits for capital expenditure, bank facilities and transactions, and matters requiring its approval, such as investment proposals and major transactions. The matters requiring the Board's review and approval include, *inter alia*: a. release of any financial results and disclosures of material information; b. recommendation of any amendment to the Company's Constitution ("Constitution'') for shareholders' approval; c. appointment of Corporate Representative to subsidiaries for representing the Company in various matters; d. opening or closing of bank accounts, change of bank authorised signatories, mode of operation and dealing mandates with the Company's banks and acceptance of offers of banking facilities, any borrowings, or financial commitment related to grant of guarantees, securities and collateral guarantees by the Company; e. acquisition or disposition of any material interest in any land or real property or assets other than in the ordinary course of business;

Guideline	Questions	How has the Company complied?
		f. establishment, acquisition or incorporation of any subsidiary or winding up, dissolution or placement of any subsidiary under receivership or judicial management; and g. creation of any mortgage, pledge, bond, charge, lien or any other encumbrance on the Company's assets, in whole or in part.
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees? (b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate. (c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	(a) The Board endeavours to ensure that the Board and its Board Committees comprise experienced members who as a group provide an appropriate balance and diversity of skills, experience, and knowledge of the Company. They possess core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge and are able to make positive contributions to the Company. The Board also recognises that gender diversity is important for a Board to perform effectively and has this in mind when identifying potential board members, and will continue to seek suitable candidates. (b) Other than gender, the Board has a diversity of skills and experience. The profile of the Board of Directors can be found on Pages 18 to 21 of the Company's Annual Report FY 2016. (c) It considers prospective candidates from an extensive network of contacts, evaluates and shortlists candidates with the relevant experience and expertise in some or all of the following areas of general management, finance, accounting and governance aspects, and knowledge of the Group's industry, business and markets. Suitable candidates are then recommended to the Board for consideration.

Guideline	Questions	How has the Company complied?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	The Nominating Committee has a formal and transparent selection process for new Directors. The Nominating Committee assesses the appropriate mix of expertise and experience needed for an effective Board and recommends the qualities and profile of candidates most suitable, taking into consideration factors such as experience, expertise, diversity and current board composition. All Directors subject themselves for re-nomination and re-election at least once every three years, pursuant to the Constitution. Directors appointed by the Board during the financial year shall only hold office until the next AGM, and thereafter, be eligible for re-election at the AGM. The Nominating Committee took into account the contributions of the Directors with reference to their attendance and participation at meetings of the Board and Board Committees, as well as the proficiency with which they have discharged their responsibilities, in recommending the Directors for re-election. The Board has accepted the Nominating Committee's recommendations to seek approval from shareholders at the forthcoming AGM to re-elect Directors retiring under Article 92 of the Constitution. The directors who are being considered for re-election each abstained from the discussion and taking a decision in respect of their own nomination.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why. (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	On appointment, a new Director is advised of his duties and obligations. Lines of communication, including direct access to the Chairman, Company Secretary and Management are immediately established. This provides a new Director with the opportunity to establish exchanges and to exercise his statutory duties. The Company Secretary also facilitates orientation and training of new Directors as well as updates Directors on new developments in corporate governance, legal and regulatory matters.

Guideline	Questions	How has the Company complied?
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? (b) If a maximum number has not been determined, what are the reasons? (c) What are the specific considerations in deciding on the capacity of directors?	The maximum number of listed company board representations which a Director may have should not exceed six, taking into consideration, *inter alia*, market capitalisation of the other listed companies, financial year end, schedule of meetings, time commitment required, intensity of participation, whether the Director has executive responsibilities in other organisations or other principal commitments, as well as the individual Director's ability.
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year? (b) Has the Board met its performance objectives?	(a) A Board performance evaluation exercise is carried out annually to evaluate the performance of the Board and its Board Committees in discharging their roles. The evaluation is based on performance criteria which have been benchmarked against the performance criteria adopted by other listed companies with similar market capitalisation and in similar industry as well as the Board performance evaluation form set out in the Nominating Committee Guide published by the Singapore Institute of Directors. The evaluation process includes distributing evaluation questionnaires to the Directors, collating the feedback of the individual Directors for the Nominating Committee to review and thereafter presenting to the Board for a collective discussion. The objective of the annual Board and Board Committees performance evaluation exercise is to assess, *inter alia*, the Board processes, Director development programmes, the contribution and effectiveness of the Board and Board Committees as a whole and the quality of interaction between the Management and the Board. (b) The Board had met its objectives by: a. providing oversight and guidance to the leadership team, reviewing strategic objectives, and confirming that the Company has the financial and human resources to meet its objectives;

Guideline	Questions	How has the Company complied?
		b. reviewing management performance; c. setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; d. considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; e. establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of stakeholders' interests and the Company's assets which includes: (i) determining the Company's levels of risk tolerance and risk policies, and overseeing Management in the design, implementation and monitoring of risk management and internal control systems and (ii) at least once annually, reviewing the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance, and information technology controls; and f. ensuring that there is regular dialogue by the Company with shareholders, to gather views, and address shareholders' concerns.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Six out of seven of the Board members are independent directors.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	The following were some of the factors considered in reviewing the independence of Directors who have served beyond nine years: a. whether the Director is free from any dealings, relationships or circumstances that could affect or appear to affect their independent judgement, particularly with regards to whether the Director has indicated or demonstrated an alignment or habitual support for any specific group of stakeholders e.g. specific shareholders, instead of representing the interests of all stakeholders; b. whether the length of service has had any adverse impact on the Director's objectivity and judgement and whether during the tenure there has been any impairment to his ability to discharge his duties and responsibilities in the overall interest of the Group, taking into consideration the interests of all stakeholders; and c. whether the Director continues to exhibit a firm commitment to his role and continues to actively contribute with the knowledge and experience of the Group's business built up over the years.

Guideline	Questions	How has the Company complied?
		Based on these considerations, the Board considered and concurred with the Nominating Committee's views that the three Directors who have served beyond nine years on the Board, namely, Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon and Mr Goon Kok Loon are considered independent.
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The Directors' fee structure of the Board and Board Committees for FY 2016 can be found on Page 35 of the Company's Annual Report FY 2016. The Remuneration Committee has recommended the payment of S$615,000 as Directors' fees for FY 2016, subject to approval by shareholders at the Company's forthcoming AGM. As Chairman of the Board and Executive Director, CEO Mr Wong Ngit Liong does not receive Director's fees. As a member of Management, his remuneration is reviewed by the Remuneration Committee and it comprises both cash-based and share-based components. Information on the CEO's remuneration including options granted pursuant to the Venture Corporation Executives' Share Option Scheme 2015 ("2015 Scheme") and awards granted pursuant to the Venture Corporation Restricted Share Plan ("RSP") adopted by the Company in 2011 is set out on Page 36 of the Company's Annual Report FY 2016.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	In FY 2016, the key Management personnel (who are not directors or CEO) are Mr Lee Ghai Keen, Mr Dharma Nadarajah, Mr Ng Chee Kwoon and Mr Lim Sita. The aggregate cash-based remuneration of these key Management personnel in FY 2016 is S$3,379,138. The percentage breakdown of the fixed and variable components, as well as options granted pursuant to the 2015 Scheme and awards granted pursuant to the RSP, for each individual is as set out on Page 37 of the Company's Annual Report FY 2016.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	There are no immediate family members of a Director or the CEO in a managerial role in the Company.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria. (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes? (c) Were all of these performance conditions met? If not, what were the reasons?	Venture believes in attracting, motivating and retaining talents to achieve its business goals and to create long-term sustainable value for its stakeholders. Total remuneration comprises fixed and variable elements with appropriate rewards and recognition policies and some of the factors determining the total remuneration include contribution to achievement of organisation and business objectives. Employees are encouraged to be innovative, entrepreneurial and impactful to transform and differentiate the Group to further its competitiveness. Overall, the Executive Director and key Management personnel had worked towards achieving the Company's business objectives through their respective contributions although the results of some initiatives are expected to manifest over time.
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	The agenda for the meetings of the Board and Board Committees, together with the appropriate supporting documents, are circulated to the Board and Board Committees prior to the meetings. In addition, to ensure that the Board is able to fulfil its responsibilities and to make informed decisions in a timely manner, the Management provides an annual financial plan, monthly management accounts and reports, including other relevant information or documents regularly to the Board. The Management is also invited to attend Board meetings to provide updates on the Group's operations and business, to furnish additional information on various corporate matters and/or to discuss issues which the Directors may raise.

Guideline	Questions	How has the Company complied?
		Analysts' reports on the Company have been forwarded to the Directors on an on-going basis for information. The Company Secretary, who is present at all Board and Board Committees meetings, ensures that Board procedures and applicable rules and regulations are followed and complied with, and advises and provides guidance on corporate governance, legal and regulatory compliance matters. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flow within the Board and Board Committees and between Management and Non-Executive Directors. The Company Secretary also facilitates orientation and training of new Directors as well as updates Directors on new developments in corporate governance, legal and regulatory matters.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes, the Internal Audit department is an independent function that reports directly to the Chairman of the Audit Committee on audit matters and administratively to the CEO.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems. (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	The Group has an Enterprise Risk Management Integrated Framework ("ERM Framework") in place, as well as risk management process where key risks, control measures and management actions are continually identified and monitored by the operational units and reviewed by Management. In addition, the Group has in place a Control Self-Assessment ("CSA") programme which provides a tangible control framework that establishes control ownership amongst functional managers and staff in their respective areas of responsibilities. The self-assessments performed by such functional managers provide the assurance that key controls to address the financial, operational, compliance and information technology risks identified to be relevant and important to the Company's operations are adequate and effective.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?
		Based on the results of the ERM and CSA, the CFO and CEO provide an annual attestation to the Audit Committee on the adequacy and effectiveness of the Group's internal controls and risk management systems. The Audit Committee, with the assistance of internal auditors, reviews and reports to the Board on the adequacy and effectiveness of the Group's system of controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by Management. In assessing the effectiveness of the Group's internal controls, the Audit Committee ensures primarily that key objectives are met, material assets are properly safeguarded, there are adequate measures to detect and prevent fraud or errors in the accounting records, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations. The Board has together with the Audit Committee reviewed the Group's risk assessment programmes and internal control processes. The Board has received assurance from the CFO and the CEO as well, that for FY 2016, the Group's internal controls including financial, operational, compliance and information technology were adequate and effective; the Group's risk management and internal control systems to address financial, operational and compliance risks were adequate and effective; the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and various Board Committees, and the assurance from the CFO and the CEO, the Board in concurrence with the Audit Committee, is of the opinion that the Group's internal controls:

Guideline	Questions	How has the Company complied?
		• including financial, operational, compliance and information technology were adequate and effective as at 31 December 2016; and • were adequate to address financial, operational and compliance risks, which the Group had considered relevant and material to its operations as at 31 December 2016.
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year. (b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	(a) Please refer to Note 28 to the financial statements on Page 133 of the Company's Annual Report FY 2016. (b) The Audit Committee has reviewed all non-audit services provided by the external auditors during the year and is of the opinion that the provision of such services will not affect the independence of the external auditors.
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors? (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role? (c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	(a) Every quarter, the Company holds a briefing session after the release of its quarterly financial results. Key Management of the Group presides over the briefing session and offers a comprehensive review of the Company's performance. The financial and investment community and the media have access to the briefing sessions. An information package comprising the financial statements, press announcement and a set of presentation slides are shared with all participants. The same information package is disseminated through the SGX-ST SGXNet System at the time of the briefing and simultaneously made available on the Company's corporate website for ease of access and download. Immediately following its results announcement each quarter, the Company establishes shareholder communication via a series of local non-deal road shows, global video conferences, conference calls, one-on-one meetings and group meetings. The various channels of shareholder communication enable Management and the Corporate Communications team to share the same information across a wider group of investors.

Guideline	Questions	How has the Company complied?
		(b) The Corporate Communications team handles queries by analysts, investors and shareholders in the form of letters, electronic mail, web portal mails and telephone calls. (c) Management takes an active role in participating in investor relations activities, meeting regularly with local and foreign shareholders and the investment community. During the year, the Company conducted more than 200 investor communication engagements covering non-deal road shows, corporate access forums and conferences, one-on-one and group meetings and conference calls. The Company continues to receive support from over 20 equity sales and research institutions that regularly provide reports and updates on the Company to the investment community. To ensure accuracy of the coverage, the Company initiates direct and regular communications with the financial analysts and equity sales teams of these institutions.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable, as the Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for the financial year ended 31 December 2016, subject to the approval of shareholders at the AGM to be held on 27 April 2017.

STATUTORY ACCOUNTS & INFORMATION FOR SHAREHOLDERS

DIRECTORS' STATEMENT

The Directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2016.

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 71 to 140 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The Directors of the Company in office at the date of this statement are:

Wong Ngit Liong
Cecil Vivian Richard Wong
Koh Lee Boon
Goon Kok Loon
Wong Yew Meng
Jonathan S. Huberman
Han Thong Kwang (Appointed on 1 January 2016)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options and awards mentioned in paragraphs 3 to 5 of the Directors' statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of Directors in which interest are held	Shareholdings registered in names of Directors or nominees		Shareholdings in which Directors are deemed to have an interest	
	At 1 January 2016	At 31 December 2016	At 1 January 2016	At 31 December 2016
	Ordinary shares of the Company			
Wong Ngit Liong	19,166,619	19,226,619	–	–
Koh Lee Boon	3,000	3,000	–	–
Goon Kok Loon	–	–	5,000	5,000
	Share options to subscribe for shares of the Company			
Wong Ngit Liong	330,000	340,000	–	–
	Restricted Shares of the Company			
Wong Ngit Liong	90,000	130,000	–	–

The Directors' interests as at 21 January 2017 are the same as those as at 31 December 2016.

4 SHARE OPTIONS

(a) The Venture Corporation Executives' Share Option Scheme ("the 2004 Scheme")

(i) The 2004 Scheme in respect of unissued ordinary shares in the Company was approved by the shareholders of the Company in an Extraordinary General Meeting on 30 April 2004 and had expired on 30 April 2014. Notwithstanding the expiry of the 2004 Scheme, any outstanding and unexercised options held by option holders prior to such expiry will continue to remain valid.

(ii) Under the 2004 Scheme, an option entitles the option holder to subscribe for a specified number of new ordinary shares in the share capital of the Company, at the subscription price determined with reference to the market price of the shares at the time of the grant of the option and adjusted for certain premium depending on when the options are exercised, and may be exercised during the exercise period applicable to those options and in accordance with a vesting schedule to be determined by the Remuneration Committee on the date of the grant. No options have been granted at a discount.

(iii) Details of the unissued shares under options granted pursuant to the 2004 Scheme, options granted, exercised and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2016 were as follows:

	Number of options to subscribe for ordinary shares of the Company						
Date of grant	Outstanding at 1 January 2016	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2016	Subscription price per share	Exercisable period
16 September 2011	720,000	–	(688,000)	(32,000)	–	$8.880 (a) $7.814 (b) $7.459 (c) $7.104 (d)	16 September 2012 to 15 September 2016
14 September 2012	2,402,000	–	(1,050,000)	(121,000)	1,231,000	$9.895 (e) $8.708 (f) $8.312 (g) $7.916 (h)	14 September 2013 to 13 September 2017
16 September 2013	2,848,000	–	(502,000)	(212,000)	2,134,000	$9.500 (i) $8.360 (j) $7.980 (k) $7.600 (l)	16 September 2014 to 15 September 2018
3 April 2014	2,630,000	–	(102,000)	(144,000)	2,384,000	$9.315 (m) $8.570 (n) $7.452 (o)	3 April 2015 to 2 April 2019
	8,600,000	–	(2,342,000)	(509,000)	5,749,000		

(a) If exercised between 16 September 2012 and 15 September 2013
(b) If exercised between 16 September 2013 and 15 September 2014
(c) If exercised between 16 September 2014 and 15 September 2015
(d) If exercised between 16 September 2015 and 15 September 2016
(e) If exercised between 14 September 2013 and 13 September 2014
(f) If exercised between 14 September 2014 and 13 September 2015
(g) If exercised between 14 September 2015 and 13 September 2016
(h) If exercised between 14 September 2016 and 13 September 2017
(i) If exercised between 16 September 2014 and 15 September 2015
(j) If exercised between 16 September 2015 and 15 September 2016
(k) If exercised between 16 September 2016 and 15 September 2017
(l) If exercised between 16 September 2017 and 15 September 2018
(m) If exercised between 3 April 2015 and 2 April 2016
(n) If exercised between 3 April 2016 and 2 April 2017
(o) If exercised between 3 April 2017 and 2 April 2019

(iv) The following are details of options granted to the Directors and employees of the Group under the 2004 Scheme:

Name of participant	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of the financial year	Aggregate options exercised since commencement of Scheme to end of the financial year	Aggregate options cancelled/lapsed since commencement of Scheme to end of the financial year	Aggregate options outstanding as at end of the financial year
	Number of options to subscribe for ordinary shares of the Company				
i) Director of the Company:					
Wong Ngit Liong	–	576,000	(60,000)	(316,000)	200,000
ii) Other Employees	–	29,104,000	(4,885,000)	(18,670,000)	5,549,000
	–	29,680,000	(4,945,000)	(18,986,000)	5,749,000

(b) The Venture Corporation Executives' Share Option Scheme ("the 2015 Scheme")

(i) The 2015 Scheme in respect of unissued ordinary shares in the Company was approved by the shareholders of the Company in an Extraordinary General Meeting on 25 April 2014 and commenced on 1 January 2015.

(ii) Under the 2015 Scheme, an option entitles the option holder to subscribe for a specified number of new ordinary shares in the share capital of the Company, at the subscription price determined with reference to the market price of the shares at the time of the grant of the option and adjusted for certain premium depending on when the options are exercised, and may be exercised during the exercise period applicable to those options and in accordance with a vesting schedule to be determined by the Remuneration Committee on the date of the grant. No options had been granted at a discount.

(iii) Details of the unissued shares under options granted pursuant to the 2015 Scheme, options granted and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2016 were as follows:

Date of grant	Outstanding at 1 January 2016	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2016	Subscription price per share	Exercisable period
	Number of options to subscribe for ordinary shares of the Company						
16 June 2015	2,527,000	–	(4,000)	(148,000)	2,375,000	$9.663 (a) $8.890 (b) $7.730 (c)	16 June 2016 to 15 June 2020
16 June 2016	–	2,461,000	–	(54,000)	2,407,000	$10.51 (d) $9.670 (e) $8.410 (f)	16 June 2017 to 15 June 2021
	2,527,000	2,461,000	(4,000)	(202,000)	4,782,000		

(a) If exercised between 16 June 2016 and 15 June 2017
(b) If exercised between 16 June 2017 and 15 June 2018
(c) If exercised between 16 June 2018 and 15 June 2020
(d) If exercised between 16 June 2017 and 15 June 2018
(e) If exercised between 16 June 2018 and 15 June 2019
(f) If exercised between 16 June 2019 and 15 June 2021

(iv) The following are details of options granted to the Directors and employees of the Group under the 2015 Scheme:

	Number of options to subscribe for ordinary shares of the Company				
Name of participant	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of the financial year	Aggregate options exercised since commencement of Scheme to end of the financial year	Aggregate options cancelled/lapsed since commencement of Scheme to end of the financial year	Aggregate options outstanding as at end of the financial year
i) Director of the Company:					
Wong Ngit Liong	70,000	140,000	–	–	140,000
ii) Other Employees	2,391,000	4,919,000	(4,000)	(273,000)	4,642,000
	2,461,000	5,059,000	(4,000)	(273,000)	4,782,000

The 2004 Scheme and 2015 Scheme are administered by the Remuneration Committee whose members are:

Koh Lee Boon (Chairman)
Cecil Vivian Richard Wong
Goon Kok Loon
Wong Yew Meng (Appointed on 3 January 2017)

No employee of the Company or employee of related corporations has received 5% or more of the total options available under this scheme.

There are no options granted to any of the Company's controlling shareholders or their associates as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited.

There are no other unissued shares of the Company or its subsidiaries under option at the end of the financial year except as disclosed above.

5 RESTRICTED SHARES

The Venture Corporation Restricted Share Plan ("RSP") was approved at the Extraordinary General Meeting held on 28 April 2011.

The RSP is to encourage sustained commitment from key leaders to grow shareholder value over a long period of time through a sense of ownership in the Company. The RSP will also align the interests of key leaders as stakeholders of the Company.

The RSP is administered by the Remuneration Committee whose members are all Independent Non-Executive Directors.

Managers in senior positions in the Group or leadership positions in management, technology or possess other domain expertise and competencies and who are in a position to contribute or have significantly contributed to the performance, growth and profitability of the Group, as may be designated by the Remuneration Committee, shall be eligible to participate in the RSP. Such managers must have been employed in the Company and/or its subsidiaries for a minimum period as determined by the Remuneration Committee.

The mode of settlement of the awards under the RSP may be by way of:

(i) allotment and issue of new shares; and/or

(ii) the delivery of existing shares; and/or

(iii) payment of the equivalent value in cash (after deduction of any applicable taxes and Central Provident Fund and/or other statutory contributions); and/or

(iv) a combination of above (i), (ii) and (iii).

Size of RSP

If new shares are issued to participants, the number of new shares issued:

(i) when added to the number of new shares issued and issuable and existing shares delivered and deliverable in respect of all awards granted under the RSP, shall not exceed 3% of the total number of issued shares (excluding shares held in treasury) from time to time;

(ii) when added to the number of new shares issued and issuable and existing shares delivered and deliverable in respect of (a) all awards granted under the RSP; and (b) all options granted and outstanding under the 2004 Scheme, shall not exceed 15% of the total number of issued shares (excluding shares held in treasury) on the day preceding the relevant date of grant, where the relevant date of grant falls on or prior to 30 April 2014; and

(iii) when added to the number of new shares issued and issuable and existing shares delivered and deliverable in respect of (a) all awards granted under the RSP; and (b) all options granted and outstanding under the 2015 Scheme, shall not exceed 10% of the total number of issued shares (excluding shares held in treasury) on the day preceding the relevant date of grant, where the relevant date of grant falls after 30 April 2014.

Movements in the awards by the Company during the respective financial years were as follows:

	2016	2015
At 1 January	610,000	390,000
Granted	280,000	270,000
Lapsed	(40,000)	(50,000)
At 31 December	850,000	610,000

6 AUDIT COMMITTEE

The Audit Committee comprises six members, all of whom are Independent Non-Executive Directors. The members of the Audit Committee are:

Goon Kok Loon (Chairman)
Cecil Vivian Richard Wong
Koh Lee Boon
Wong Yew Meng
Jonathan S. Huberman
Han Thong Kwang

The Audit Committee held four meetings since the date of the last Directors' report.

The Audit Committee performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited which include, *inter alia*, the review of the following:

(i) quarterly, interim and annual financial statements;

(ii) audit plans and reports of the external and internal auditors;

(iii) adequacy and effectiveness of the Group's system of controls, including financial, operational, compliance and information technology controls and risk management policies and systems; and

(iv) the assistance given by management to the external and internal auditors.

Further details of the functions and activities of the Audit Committee are as set out in the Corporate Governance Report.

The Audit Committee has full access to and the co-operation of management. The external auditors and internal auditors have unrestricted access to the Audit Committee and meet with the Audit Committee without the presence of management at least once a year.

The Audit Committee has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Wong Ngit Liong
Chairman of the Board

Goon Kok Loon
Director

21 March 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VENTURE CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Venture Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 71 to 140.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Impairment review of investments in associates

The Group exercises significant influence over certain entities assessed to be associates. The carrying amount of the investment in an associate using the equity method is tested for impairment by comparing its recoverable amount (higher of value-in-use or fair value less costs to sell) with its carrying amount, whenever there are indicators that the investment may be impaired.

As part of the impairment assessment of Fischer Tech Ltd (Note 11), management has assessed the market value and extent to which the market value is below the carrying amount, the financial position, long-term business outlook and recoverable amount of the investment.

Consequently, this assessment is subjective in nature and requires the exercise of significant judgement over various assumptions incorporated in the impairment review.

Management has assessed that there is no impairment to the investment in Fischer Tech Ltd as the recoverable amount is higher than the carrying value of $19.0 million as at 31 December 2016.

How the matter was addressed in the audit

Our audit procedures focused on evaluating and challenging the key assumptions used by management as part of the value-in-use computations in conducting the impairment review.

These procedures included:

- using our internal valuation specialists to evaluate the reasonableness of the expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate and long-term growth rate by comparing the expectations to those used by management and its external valuation specialist;
- challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations, including retrospective reviews to prior year's forecasts against actual results; and
- stress testing key assumptions, assessing the impact on the recoverable amount based on sensitivity analysis, and understanding the degree to which assumptions would need to move before impairment would be triggered.

Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations.

We have also assessed and reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VENTURE CORPORATION LIMITED

Key Audit Matters	How the matter was addressed in the audit

Impairment review of goodwill

The Group is required to annually test goodwill for impairment. This assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates, particularly those affecting the business of Retail Store Solution & Industrial, Components Technology and Electronics Services Provider. The aggregated goodwill of $639.7 million constituted 23.2% of the Group's total assets at 31 December 2016.

The key assumptions to the impairment test are disclosed in Note 16 to the financial statements.

Management has assessed that there is no impairment of goodwill as the recoverable amount is higher than the carrying value as at 31 December 2016.

Our audit procedures focused on evaluating and challenging the key assumptions used by management as part of the value-in-use computations in conducting the impairment review.

These procedures included:

- using our internal valuation specialists to evaluate the reasonableness of the expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rates and long-term growth rates by comparing the expectations to those used by management and its external valuation specialist;
- challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations, including retrospective reviews to prior year's forecasts against actual results; and
- stress testing key assumptions, assessing the impact on the recoverable amounts based on sensitivity analysis, and understanding the degree to which assumptions would need to move before impairment would be triggered.

Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations.

We have also assessed and reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, 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 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.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) 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 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.

Auditor's Responsibility for the Audit of the Financial Statements (cont'd)

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr John Tan Hon Chye.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

21 March 2017

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2016

	Note	The Group		The Company	
		2016 $'000	2015 $'000	2016 $'000	2015 $'000
ASSETS					
Current assets					
Cash and bank balances	6	499,736	459,254	212,760	160,403
Trade receivables	7	712,994	570,407	227,389	111,496
Other receivables and prepayments	8	38,270	33,326	12,532	5,931
Inventories	9	622,988	556,471	47,726	52,753
Trade receivables due from subsidiaries	10	–	–	15,962	12,159
Other receivables due from subsidiaries	10	–	–	17,959	7,075
Income tax recoverable		5	60	–	–
Total current assets		1,873,993	1,619,518	534,328	349,817
Non-current assets					
Other receivables	8	4,231	20,234	–	–
Investments in subsidiaries	10	–	–	1,227,849	1,227,849
Investments in associates	11	20,253	19,412	–	–
Investment in a joint venture	12	–	–	–	–
Available-for-sale investments	13	8,088	13,757	5,241	4,985
Property, plant and equipment	14	203,152	186,481	39,170	39,885
Intangible assets	15	1,283	21,510	913	2,218
Goodwill	16	639,708	639,708	–	–
Deferred tax assets	17	7,814	7,697	–	–
Total non-current assets		884,529	908,799	1,273,173	1,274,937
Total assets		2,758,522	2,528,317	1,807,501	1,624,754

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2016

	Note	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	18	92,641	108,542	77,139	70,705
Trade payables	19	490,936	353,329	53,060	46,535
Other payables and accrued expenses	20	192,376	125,964	63,045	34,199
Trade payables due to subsidiaries		–	–	126,109	11,228
Other payables due to subsidiaries		–	–	21,223	21,306
Income tax payable		18,234	15,058	3,520	2,034
Total current liabilities		794,187	602,893	344,096	186,007
Non-current liabilities					
Bank loan	18	–	26,475	–	26,475
Deferred tax liabilities	17	1,801	3,140	–	–
Total non-current liabilities		1,801	29,615	–	26,475
Capital and reserves					
Share capital	21	713,686	693,333	713,686	693,333
Treasury shares	21	(2,569)	(2,081)	(2,569)	(2,081)
Share-based awards reserve	21	5,063	6,375	4,379	5,691
Investments revaluation and hedging reserve	21	21	(135)	21	(135)
Translation reserve	22	(144,382)	(149,897)	–	–
Reserve fund	21	3,066	2,398	–	–
Capital reserve		–	17	–	–
Accumulated profits		1,385,230	1,343,215	747,888	715,464
Equity attributable to owners of the Company		1,960,115	1,893,225	1,463,405	1,412,272
Non-controlling interests		2,419	2,584	–	–
Total equity		1,962,534	1,895,809	1,463,405	1,412,272
Total liabilities and equity		2,758,522	2,528,317	1,807,501	1,624,754

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2016

	Note	The Group 2016 $'000	2015 $'000
Revenue	24	2,874,219	2,656,502
Changes in finished goods and work in progress, and raw materials used		(2,172,305)	(2,040,683)
Employee benefits expense		(285,001)	(261,863)
Depreciation and amortisation expense		(45,111)	(43,147)
Research and development expense		(36,912)	(42,469)
Foreign currency exchange gain		6,108	7,236
Other operating expenses		(133,147)	(98,981)
Other income	25	2,886	1,074
Investment revenue	26	3,059	2,989
Finance cost (interest expense on bank loans)		(895)	(977)
Share of profit of associates	11	2,962	2,028
Profit before tax		215,863	181,709
Income tax expense	27	(35,173)	(27,635)
Profit for the year	28	180,690	154,074
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Fair value gain (loss) on available-for-sale investments	21	183	(322)
Fair value (loss) gain on cash flow hedges	8	(27)	40
Exchange differences on translation of foreign operations	22	7,446	65,108
Translation gain reclassified to profit or loss on loss of significant influence on an associate		(2,108)	–
Other comprehensive income for the year, net of tax		5,494	64,826
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		186,184	218,900
Profit attributable to:			
Owners of the Company		180,678	153,988
Non-controlling interest		12	86
		180,690	154,074
Total comprehensive income attributable to:			
Owners of the Company		186,349	218,782
Non-controlling interest		(165)	118
		186,184	218,900
		Cents	Cents
Basic earnings per share	29	65.2	55.8
Fully diluted earnings per share	29	64.8	55.6

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2016

The Group	Note	Share capital $'000	Treasury shares $'000	Share-based awards reserve $'000	Investments revaluation and hedging reserve $'000	Translation reserve $'000	Reserve fund $'000	Capital reserve $'000	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2015		678,579	(2,081)	42,336	147	(214,973)	1,916	17	1,292,607	1,798,548	2,466	1,801,014
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	153,988	153,988	86	154,074
Other comprehensive (loss) income		–	–	–	(282)	65,076	–	–	–	64,794	32	64,826
Total		–	–	–	(282)	65,076	–	–	153,988	218,782	118	218,900
Transactions with owners, recognised directly in equity												
Issue of shares	21	14,754	–	(1,813)	–	–	–	–	–	12,941	–	12,941
Share options lapsed		–	–	(35,107)	–	–	–	–	35,107	–	–	–
Recognition of share-based payments	23	–	–	942	–	–	–	–	–	942	–	942
First and final tax-exempt dividend paid in respect of the previous financial year	34	–	–	–	–	–	–	–	(138,009)	(138,009)	–	(138,009)
Appropriation to reserve fund		–	–	–	–	–	482	–	(482)	–	–	–
Refund of unclaimed dividends		–	–	–	–	–	–	–	4	4	–	4
Share of an associate's share options reserve		–	–	17	–	–	–	–	–	17	–	17
Total		14,754	–	(35,961)	–	–	482	–	(103,380)	(124,105)	–	(124,105)
Balance at 31 December 2015		693,333	(2,081)	6,375	(135)	(149,897)	2,398	17	1,343,215	1,893,225	2,584	1,895,809
Balance at 1 January 2016		693,333	(2,081)	6,375	(135)	(149,897)	2,398	17	1,343,215	1,893,225	2,584	1,895,809
Total comprehensive loss for the year												
Profit for the year		–	–	–	–	–	–	–	180,678	180,678	12	180,690
Other comprehensive income (loss)		–	–	–	156	5,515	–	–	–	5,671	(177)	5,494
Total		–	–	–	156	5,515	–	–	180,678	186,349	(165)	186,184
Transactions with owners, recognised directly in equity												
Issue of shares	21	20,353	–	(2,182)	–	–	–	–	–	18,171	–	18,171
Purchase of treasury shares	21	–	(488)	–	–	–	–	–	–	(488)	–	(488)
Share options lapsed		–	–	(365)	–	–	–	–	365	–	–	–
Recognition of share-based payments	23	–	–	1,235	–	–	–	–	–	1,235	–	1,235
First and final tax-exempt dividend paid in respect of the previous financial year	34	–	–	–	–	–	–	–	(138,403)	(138,403)	–	(138,403)
Appropriation to reserve fund		–	–	–	–	–	668	–	(668)	–	–	–
Refund of unclaimed dividends		–	–	–	–	–	–	–	26	26	–	26
Share of an associate's reserve		–	–	–	–	–	–	(17)	17	–	–	–
Total		20,353	(488)	(1,312)	–	–	668	(17)	(138,663)	(119,459)	–	(119,459)
Balance at 31 December 2016		713,686	(2,569)	5,063	21	(144,382)	3,066	–	1,385,230	1,960,115	2,419	1,962,534

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2016

The Company	Note	Share capital $'000	Treasury shares $'000	Share–based awards reserve $'000	Investments revaluation and hedging reserve $'000	Accumulated profits $'000	Total $'000
Balance at 1 January 2015		678,579	(2,081)	41,669	147	709,469	1,427,783
Total comprehensive income for the year							
Profit for the year		–	–	–	–	108,893	108,893
Other comprehensive loss for the year		–	–	–	(282)	–	(282)
Total		–	–	–	(282)	108,893	108,611
Transactions with owners, recognised directly in equity							
Issue of shares	21	14,754	–	(1,813)	–	–	12,941
Share options lapsed		–	–	(35,107)	–	35,107	–
Recognition of share–based payments	23	–	–	942	–	–	942
First and final tax–exempt dividend paid in respect of the previous financial year	34	–	–	–	–	(138,009)	(138,009)
Refund of unclaimed dividends		–	–	–	–	4	4
Total		14,754	–	(35,978)	–	(102,898)	(124,122)
Balance at 31 December 2015		693,333	(2,081)	5,691	(135)	715,464	1,412,272
Total comprehensive loss for the year							
Profit for the year		–	–	–	–	170,462	170,462
Other comprehensive income for the year		–	–	–	156	–	156
Total		–	–	–	156	170,462	170,618
Transactions with owners, recognised directly in equity							
Issue of shares	21	20,353	–	(2,182)	–	–	18,171
Purchase of treasury shares	21	–	(488)	–	–	–	(488)
Share options lapsed		–	–	(365)	–	365	–
Recognition of share–based payments	23	–	–	1,235	–	–	1,235
First and final tax–exempt dividend paid in respect of the previous financial year	34	–	–	–	–	(138,403)	(138,403)
Total		20,353	(488)	(1,312)	–	(138,038)	(119,485)
Balance at 31 December 2016		713,686	(2,569)	4,379	21	747,888	1,463,405

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	The Group	
	2016	2015
	$'000	$'000
Operating activities		
Profit before tax	215,863	181,709
Adjustments for:		
Share of profit of associates	(2,962)	(2,028)
Inventories written off	4,190	3,473
Depreciation expense	26,223	25,519
Allowance for doubtful debts and bad debt written off	7,315	2,663
Amortisation of intangible assets	20,183	20,532
Interest income	(3,059)	(2,989)
Dividend income	(233)	(112)
Interest expense	895	977
Share-based payments expense	1,235	942
Loss on disposal of plant and equipment, net	384	405
Impairment loss on available-for-sale investments	5,910	380
Translation gain reclassified to profit or loss on loss of significant influence on an associate	(2,108)	–
Operating profit before working capital changes	273,836	231,471
Trade receivables	(141,208)	21,274
Other receivables and prepayments (Note A)	1,518	5,212
Inventories	(62,184)	30,610
Trade payables	130,014	(55,209)
Other payables and accrued expenses	63,699	26,774
Cash generated from operations	265,675	260,132
Interest paid	(895)	(977)
Income tax paid	(33,468)	(25,278)
Net cash from operating activities	231,312	233,877

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	The Group	
	2016	2015
	$'000	$'000
Investing activities		
Interest income received	1,799	3,195
Dividends received from associates	1,047	913
Dividends received from other equity investments	160	112
Purchase of property, plant and equipment (Note A)	(33,506)	(14,607)
Proceeds on disposal of plant and equipment	101	130
Addition of intangible assets	–	(380)
Proceeds on disposal of available-for-sale investments	–	104
Purchase of available-for-sale investments	–	(3,190)
Net cash used in investing activities	(30,399)	(13,723)
Financing activities		
Dividends paid	(138,403)	(138,009)
Refund of unclaimed dividends (net of charges)	26	4
Proceeds from new bank loans	6,512	29,452
Repayment of bank loans	(48,485)	(75,897)
Purchase of treasury shares	(488)	–
Proceeds from issuance of shares	18,171	12,941
Bank balances pledged as securities for bank facilities	–	(26,100)
Net cash used in financing activities	(162,667)	(197,609)
Net increase in cash and cash equivalents	38,246	22,545
Cash and cash equivalents at beginning of year	433,154	393,256
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	3,328	17,353
Cash and cash equivalents at end of year (Note 6)	474,728	433,154

Note A

During the year, the Group completed the acquisition of a leasehold property, amounting to $13,371,000 which was capitalised as property, plant and equipment of which $7,294,000 was paid and recorded as other receivables in prior years.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2016

1 GENERAL

The Company (Registration No. 198402886H) is incorporated in the Republic of Singapore with its principal place of business and registered office at 5006 Ang Mo Kio Avenue 5, #05-01/12 TECHplace II, Singapore 569873. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are expressed in Singapore dollars.

The Company is a leading global provider of technology services, products and solutions. The principal activities of the Company are to provide manufacturing, product design and development, engineering and supply-chain management services.

The principal activities of the subsidiaries, associates and joint venture are disclosed in Notes 10, 11 and 12 respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2016 were authorised for issue by the Board of Directors on 21 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2016, the Group and the Company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRSs that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*[2]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*[2]
- FRS 116 *Leases*[3]
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*[1]

[1] Applies prospectively to annual periods beginning on or after 1 January 2017, with early application permitted.
[2] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.
[3] Applies to annual periods beginning on or after 1 January 2019, with early application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

<u>FRS 109 *Financial Instruments*</u>

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets. The key requirements of FRS 109 are summarised below.

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt instruments and equity investments are measured at fair value through profit or loss ("FVTPL") at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management anticipates that the initial adoption of FRS 109 will result in changes to the accounting policies relating to impairment provisions of financial assets. This preliminary assessment may be subject to change arising from the detailed analysis.

<u>FRS 115 *Revenue from Contracts with Customers*</u>

In November 2014, FRS 115 was issued and established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contracts with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in FRS 115 to deal with specific scenarios. In addition, extensive disclosures are required by FRS 115.

In June 2016, amendments to FRS 115 was issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also include two additional transition reliefs on contract modifications and completed contracts.

Management has engaged external consultants to assist with the review of the accounting implications of FRS 115. The new standard will supersede all existing revenue guidance affecting the Group under FRSs and may result in changes in revenue and cost recognition model on contracts across the Group. Management is currently assessing the full impact of the application of FRS 115 on the Group's financial statements and it is therefore not practicable to provide a reasonable financial estimate of the effect until the detailed review is completed. Management do not intend to early adopt the standard and intend to use the full retrospective method upon adoption.

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

At as 31 December 2016, the Group has non-cancellable operating commitments of $43,749,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under FRS 116, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of FRS 116. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amount recognised in the Group's consolidated financial statements and management is currently assessing its potential impact. It is not practicable to provide a reasonable financial estimate of the effect until the detailed review is completed.

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

Management anticipates that the initial adoption of FRS 7 may result in changes to the disclosure policies relating to the statement of cash flows. Additional disclosures will also be made with respect to changes in liabilities arising from financing activities. It is currently impracticable to disclose any further information on the known or reasonably estimate impact to the Group and the Company's financial statements in the period of initial application as the management has yet to complete the detailed assessment. Management does not plan to early adopt the new disclosure initiative.

Other than the above, management has considered and is of the view that the adoption of the new/revised FRS and amendments/improvements to FRS that are issued at the date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

c) BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) BASIS OF CONSOLIDATION (cont'd)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement*, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries, associates and joint venture are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

d) BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition-date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) BUSINESS COMBINATIONS (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

e) FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group or the Company becomes a party to the contractual provisions of the instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in the investments revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Unquoted equity shares are measured at cost less accumulated impairment losses as the fair value cannot be measured reliably.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include (i) significant financial difficulty of the issuer or counterparty; or (ii) default or delinquency in interest or principal payments; or (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as disclosed in Note 7, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, 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 through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

Derivative financial instrument and hedge accounting

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives, as cash flow hedges to manage its exposure to interest rate risk.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 8 contains details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in other comprehensive income are also detailed in the statement of changes in equity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other gains and losses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group and the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

f) LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

g) INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

h) PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

Factory buildings	-	25 to 60 years
Leasehold land and buildings	-	25 to 60 years (term of lease)
Machinery and equipment	-	2 to 10 years
Leasehold improvements and renovations	-	2 to 10 years
Office equipment, furniture and fittings	-	2 to 10 years
Computer hardware	-	3 years
Motor vehicles	-	2 to 10 years

Fully depreciated assets still in use are retained in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) PROPERTY, PLANT AND EQUIPMENT (cont'd)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceed and the carrying amount of the asset and is recognised in profit or loss.

i) GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

j) INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets acquired separately, such as computer software and intellectual property, are recorded at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives of 3 to 5 years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) INTANGIBLE ASSETS (cont'd)

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. The Group has capitalised development expenditure as intangible assets and these are amortised using the straight-line method over its estimated useful life, which normally does not exceed three years.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination

Customer relationships acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, customer relationships acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Customer relationships are amortised on a straight-line basis over their useful lives of 10 years.

k) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL (cont'd)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

l) ASSOCIATES AND JOINT VENTURE - An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105 *Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) ASSOCIATES AND JOINT VENTURE (cont'd)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m) PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

n) SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments (comprising of share options and restricted shares) to qualifying employees. Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. The fair values determined at the grant date of the equity-settled share-based payments are expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based awards reserve.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the equity instruments are exercised. When the equity instruments are exercised, the carrying value of such instrument is transferred from the share-based awards reserve to share capital. When the vested equity instruments lapsed or are cancelled, the carrying value of such instrument is transferred from the share-based awards reserve to accumulated profits. In the previous year, a reclassification from share-based awards reserve to accumulated profits of $35,107,000 pertaining to the carrying value of share options that had lapsed was made to enhance the presentation of equity components in the statements of changes in equity.

Details regarding the determination of the fair value of equity-settled share-based payments are disclosed in Note 23.

o) GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

p) REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from manufacturing services is recognised when the service is completed and when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the manufactured goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the manufactured goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the rendering of services of a short duration is recognised when the services are completed.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

q) BORROWING COSTS - Borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. No interest expense has been capitalised during the year.

r) RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund ("CPF"), are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

s) EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

t) INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

u) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

u) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (cont'd)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

v) CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimates (see below), that management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

(i) Income tax

Management has assessed the achievability of the qualifying terms and conditions of the tax incentives awarded to the Company and some of its subsidiaries in the current and previous financial years, and is of the view that the Company and its subsidiaries will be able to satisfy all qualifying terms and conditions. Accordingly, tax provisions for the Group are adequate as at the end of the reporting period.

(ii) Investment in an associate

Management has assessed and is of the view that the Group continues to exercise significant influence over its associate, Fischer Tech Ltd, as disclosed in Note 11, notwithstanding that the Group holds less than 20% voting power in the associate. The Group is deemed to exercise significant influence by virtue of its board representation and through participation in decision making process.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Impairment of investments in associates

Management follows the guidance in FRS 39 *Financial Instruments: Recognition and Measurement* to assess whether there are any indications that the investments in associates are impaired. Under FRS 28 *Investment in Associates*, management is required to test the carrying amounts of the investments in associates for impairment in accordance with FRS 36 *Impairment of Assets* by comparing its carrying amount with the recoverable amount (higher of value in use and fair value less costs to sell) whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

Management has considered, among other factors, the duration and extent to which the market value of the associates had fallen short of its carrying amounts as an indication of impairment. Management has considered the financial position and long-term business outlook of the associates, including factors such as changes in technology, overall industry and sector performance and related market risks as well as prospective financial information.

This assessment is highly subjective in nature. Accordingly, actual outcome may be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material.

Management is of the view that the carrying amount of the investments in associates as disclosed in Note 11, do not exceed their respective recoverable amounts.

(ii) Impairment of goodwill and investments in subsidiaries

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. As the exercise is based on both prospective financial and non-financial information, it is highly subjective in nature. Accordingly, actual outcome is likely to be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material.

The carrying amounts of goodwill of the Group and investments in subsidiaries of the Company are disclosed in Notes 16 and 10 respectively.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) *Key sources of estimation uncertainty (cont'd)*

(iii) Allowances for inventories

In determining the net realisable value of the Group's inventories, an estimation of the recoverable amount of inventories on hand is performed based on the most reliable evidence available at the time the estimates are made. This represents the value of the inventories which are expected to realise as estimated by management. These estimates take into consideration the fluctuations of selling prices or cost, or any inventories on hand that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

The carrying amount of inventories is disclosed in Note 9.

(iv) Allowances for doubtful debts

The policy for allowance for doubtful debts of the Group is based on management's evaluation of collectibility and aging analysis of accounts. A considerable amount of estimate is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of trade and other receivables are disclosed in Notes 7 and 8 respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Financial assets				
Cash and bank balances	499,736	459,254	212,760	160,403
Trade receivables	712,994	570,407	227,389	111,496
Trade receivables due from subsidiaries	–	–	15,962	12,159
Other receivables	17,785	35,821	707	2,574
Other receivables due from subsidiaries	–	–	17,959	7,075
Loans and receivables at amortised cost	1,230,515	1,065,482	474,777	293,707
Derivative financial instrument	13	40	13	40
Available-for-sale investments	8,088	13,757	5,241	4,985
Total	1,238,616	1,079,279	480,031	298,732
Financial liabilities				
Amortised cost:				
Bank loans	92,641	135,017	77,139	97,180
Trade payables	490,936	353,329	53,060	46,535
Trade payables due to subsidiaries	–	–	126,109	11,228
Other payables	190,512	124,225	62,226	33,620
Other payables due to subsidiaries	–	–	21,223	21,306
Total	774,089	612,571	339,757	209,869

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The Group does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) *Financial risk management policies and objectives*

The Group has financial risk management programmes which set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. These programmes cover specific areas, such as market risk (including foreign exchange risk and interest risk), credit risk, and liquidity risk and are reviewed regularly by the Board of Directors to ensure that they remain pertinent to the Group's operations.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(c) *Financial risk management policies and objectives (cont'd)*

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign exchange risk management

The Group operates internationally, giving rise to market risk from changes in foreign exchange rates. The Group manages its foreign exchange exposure mainly by matching revenue and costs in the relevant currencies to create a natural hedge.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. As at end of the reporting period, the carrying amounts of significant monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	The Group*				The Company			
	Assets		Liabilities		Assets		Liabilities	
	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Singapore dollar	28,617	20,070	46,839	24,961	–	–	–	–
United States dollar	345,482	279,996	291,014	195,604	300,663	235,538	267,236	171,798
Euro	8,667	9,317	12,166	9,374	1,537	2,141	2,396	2,051
Japanese yen	38	287	1,938	822	–	–	121	103
Chinese renminbi	14,554	24,666	16,575	15,221	–	–	1	2
Malaysian ringgit	31,122	31,058	41,984	38,946	–	–	1	–

* Figures include intercompany monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies.

Foreign currency sensitivity

The following table details the sensitivity to a 5% change in the following foreign currencies against the functional currencies of each group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans within the Group where the denomination of the loan is in a currency other than the functional currency of the borrower.

If the relevant foreign currency strengthens by 5% against the functional currency of each group entity as at the year end, profit for the year would increase (decrease) by the following amounts, mainly due to year-end exposures on significant net monetary balances denominated in the respective foreign currencies.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(c) *Financial risk management policies and objectives (cont'd)*

(i) Foreign exchange risk management (cont'd)

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Singapore dollar impact	(911)	(245)	–	–
United States dollar impact	2,723	4,220	1,671	3,187
Euro impact	(175)	(3)	(43)	5
Japanese yen impact	(95)	(27)	(6)	(5)
Chinese renminbi impact	(101)	472	–	–
Malaysian ringgit impact	(543)	(394)	–	–

If the relevant foreign currency weakens by 5% against the functional currency of each group entity as at the year end, impact on profit for the year would be vice versa.

(ii) Interest rate risk management

Summary quantitative data of the Group's interest-bearing financial instruments can be found in section (iv) of this Note. The Group's policy is to maintain cash equivalents and borrowings, as disclosed in Notes 6 and 18 respectively, with reputable international financial institutions. As part of the mechanism to manage interest rate risk, the Group may enter into interest rate swaps as cash flow hedge against future increase in interest rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Further details of the interest rate swaps can be found in Note 8.

Interest rate sensitivity analysis has not been presented as management does not expect any reasonable changes in interest rates to have a material impact on the Group's and Company's profit or loss.

(iii) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management annually.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(c) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management (cont'd)

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has concentration of credit risk with its largest customers as disclosed in Note 33.

The carrying amount of financial assets as recorded in the financial statements, grossed up for any allowances for impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade receivables are disclosed in Note 7.

(iv) Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities.

Liquidity risk is managed by matching the payment and receipt cycle. The Group has sufficient cash from operations and credit lines from financial institutions (Note 18) to fund its capital investments and working capital requirements.

Liquidity and interest risk analysis

Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(c) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analysis (cont'd)

Non-derivative financial assets (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
The Group						
2016						
Non-interest bearing	–	1,038,666	5,718	2,847	–	1,047,231
Fixed interest rate instruments	2.36	189,386	3,998	–	(2,012)	191,372
		1,228,052	9,716	2,847	(2,012)	1,238,603
2015						
Non-interest bearing	–	899,819	19,795	8,772	–	928,386
Fixed interest rate instruments	2.23	119,881	33,892	–	(2,920)	150,853
		1,019,700	53,687	8,772	(2,920)	1,079,239
The Company						
2016						
Non-interest bearing	–	318,063	5,241	–	–	323,304
Fixed interest rate instruments	1.35	157,241	–	–	(527)	156,714
		475,304	5,241	–	(527)	480,018
2015						
Non-interest bearing	–	180,258	4,985	–	–	185,243
Fixed interest rate instruments	1.10	113,761	–	–	(312)	113,449
		294,019	4,985	–	(312)	298,692

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(c) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analysis (cont'd)

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
The Group						
2016						
Non-interest bearing	–	681,448	–	–	–	681,448
Variable interest rate instruments	0.96	92,716	–	–	(75)	92,641
		774,164	–	–	(75)	774,089
2015						
Non-interest bearing	–	477,554	–	–	–	477,554
Variable interest rate instruments	0.77	108,603	26,803	–	(389)	135,017
		586,157	26,803	–	(389)	612,571
The Company						
2016						
Non-interest bearing	–	262,618	–	–	–	262,618
Variable interest rate instruments	0.99	77,203	–	–	(64)	77,139
		339,821	–	–	(64)	339,757
2015						
Non-interest bearing	–	112,689	–	–	–	112,689
Variable interest rate instruments	0.65	70,742	26,803	–	(365)	97,180
		183,431	26,803	–	(365)	209,869

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(c) Financial risk management policies and objectives (cont'd)

(v) Fair value of financial assets and financial liabilities

Other than the fair values of long-term receivables and available-for-sale investments which are disclosed in Notes 8 and 13 respectively, the carrying amounts of cash and bank balances, trade and other receivables, bank loans, and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group and the Company

Financial assets/ financial liabilities	Fair value as at 2016 Assets $'000	Fair value as at 2016 Liabilities $'000	Fair value as at 2015 Assets $'000	Fair value as at 2015 Liabilities $'000	Fair Value hierarchy	Valuation technique(s) and key input(s)
Derivatives financial instruments (see Note 8)						
Interest rate swap	13	–	40	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates and contract interest rates
Available-for-sale investments (see Note 13)						
Quoted equity shares	5,241	–	4,985	–	Level 1	Quoted bid prices in an active market

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 18, and equity attributable to owners of the Company, comprising issued capital, reserves and accumulated profits as presented in the statements of changes in equity. Some of the subsidiaries of the Group operating in the People's Republic of China are required to set aside a part of profit after tax in a separate reserve called "Reserve Fund" as disclosed in Note 21.

The Board of Directors reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group's overall strategy remains unchanged from the previous year.

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, Group entities entered into the following trading transactions with related parties:

	The Group	
	2016	2015
	$'000	$'000
Purchase of goods from associate	51	35
Sale of goods to associate	20	35
Dividends received from associates	1,047	913

Compensation of Directors and key management personnel

The remuneration of 7 (2015 : 7) directors and 4 (2015 : 5) other key management personnel during the year were as follows:

	The Group	
	2016	2015
	$'000	$'000
Short-term benefits	8,809	7,795
CPF contributions	69	69
Share-based payments	455	349
	9,333	8,213
Directors' fees	615	528
	9,948	8,741

The remuneration of Directors and other key management personnel is determined by the Remuneration Committee having regard to various factors including the individual's contribution to the achievement of the organisation and business objectives.

6 CASH AND BANK BALANCES

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Cash	312,118	313,825	56,046	46,954
Fixed deposits	187,618	145,429	156,714	113,449
	499,736	459,254	212,760	160,403
Less: Restricted cash balances	(25,008)	(26,100)	–	–
Cash and cash equivalents in the statement of cash flows	474,728	433,154	212,760	160,403

6 CASH AND BANK BALANCES (cont'd)

As at 31 December 2016, the Group has fixed deposits amounting to $187,618,000 (2015 : $145,429,000) of which $25,008,000 (2015 : $26,100,000) is pledged for a credit facility (Note 18).

The fixed deposits' interest rates for the Group and the Company range from 0.81% to 3.30% (2015 : 0.50% to 3.20%) per annum with an original maturity of three months or less, except for restricted cash balances. The restricted cash balances bear interest rate of 3.90% (2015 : 3.90%) per annum.

7 TRADE RECEIVABLES

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Outside parties	712,994	570,407	227,389	111,496

The average trade credit period on sales of goods is 81 days (2015 : 77 days). No interest is charged on the trade receivables.

Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customer. Majority of the Group's trade receivables that are neither past due nor impaired are counterparties with good track record of credit history.

Management is of the view that majority of the Group's and the Company's trade receivables are within their expected cash collection cycle. There are certain trade receivables which are less than 1% (2015 : 5%) of the total trade receivables as at the end of the reporting period that are outstanding for periods longer than the contracted credit terms as agreed with the customers. The average age of these receivables is 68 days (2015 : 90 days). Other than as reflected in the movement in the allowance for doubtful debts, no allowance has been made on these receivables by management as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Movement in the allowance for doubtful debts:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Balance at beginning of the year	2,885	196	–	–
Allowance for the year	3,934	2,663	1,450	–
Written off	(247)	–	–	–
Exchange differences	137	26	–	–
Balance at end of the year	6,709	2,885	1,450	–

The above allowance for doubtful debts has been determined by reference to past default experience. The Group and the Company do not hold any collateral over these balances.

8 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Other receivables	25,909	28,145	11,841	5,535
Deposits	3,010	10,637	–	–
Derivative financial instrument (i)	13	40	13	40
Prepayments	13,569	14,738	678	356
	42,501	53,560	12,532	5,931
Less: Amounts receivable within 12 months	(38,270)	(33,326)	(12,532)	(5,931)
Amounts receivable after 12 months	4,231	20,234	–	–

(i) *Derivative financial instrument*

The Group and the Company use interest rate swap to manage its exposure to interest rate movements on one of its bank borrowings by swapping a proportion of the borrowings from floating rates to fixed rate. Contract with nominal values of $26,883,000 (2015 : $26,475,000) has fixed interest payments at interest rate of 0.86% (2015 : 0.86%) per annum for the periods up until 2017 and has floating interest receipts at USD 1-month LIBOR rate which approximates to an average of 0.50% (2015 : 0.32%) per annum. The interest rate swap is settled on a net basis.

The Group's interest rate swap is designated and effective as cash flow hedges and the fair value of this interest rate swap amounting to $27,000 (2015 : $40,000) has been recognised in other comprehensive income during the year. An amount of $126,000 (2015 : $7,000) has been offset against hedged interest payments made in the year.

The interest rate swap is settled on a monthly basis. The floating rate on the interest rate swap is the USD 1-month LIBOR rate. The Group will settle the difference between the fixed and floating interest rates on a net basis.

The interest rate swap contract exchanging floating rates interest for fixed rate interest is designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on the borrowing. The settlement of interest on the interest rate swap and on the loan occur simultaneously and the amount recognised in other comprehensive income is reflected as hedging reserve in shareholders' equity over the loan period. The interest rate swap will mature in 2017.

9 INVENTORIES

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Raw materials	354,216	298,335	24,219	23,741
Work in progress	96,172	81,494	12,856	14,828
Finished goods	172,600	176,642	10,651	14,184
	622,988	556,471	47,726	52,753

In 2016, the Group's cost of inventories recognised as an expense included $3,670,000 (2015 : $3,146,000) in respect of write-down of inventory to net realisable value. Inventories amounting to $520,000 (2015 : $327,000) have been written off.

10 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2016	2015
	$'000	$'000
Unquoted equity shares, at cost	1,148,474	1,148,474
Less: Impairment loss	(3,203)	(3,203)
Net carrying amount	1,145,271	1,145,271
Advances to subsidiaries [1]	112,840	112,840
Less: Impairment in advances to subsidiaries	(30,262)	(30,262)
	1,227,849	1,227,849

(1) Advances to subsidiaries are an extension of the Company's investment and hence are capital in nature.

Trade receivables from subsidiaries of $15,962,000 (2015 : $12,159,000) are stated at net of allowance for doubtful debts of $5,000,000 (2015 : $5,000,000).

Amounts due to and from subsidiaries are unsecured, interest-free and payable within 12 months other than advances to subsidiaries as mentioned above.

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the Company's significant subsidiaries as at the end of the reporting period are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held 2016 %	2015 %	Principal activities
Advanced Products Corporation Pte Ltd	Singapore	100	100	Trading and manufacturing of electronics products and provision of electronics services
Cebelian Holdings Pte Ltd	Singapore	100	100	Investment holding
Venture Electronics (Europe) B.V. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (6)	Netherlands	100	100	Investment holding
Venture Hungary Electronics Manufacturing Limited Liability Company (95% owned by Venture Electronics (Europe) B.V. and 5% owned by Cebelian Holdings Pte Ltd) (3)	Hungary	100	100	Design, manufacture, assemble and distribute electronic products
Venture Electronics Spain S.L. (wholly-owned subsidiary of Venture Electronics (Europe) B.V.) (1)	Spain	100	100	Manufacture, design, engineering, customisation and logistic services
Venture Electronics (Shanghai) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (1)	People's Republic of China	100	100	Trading and manufacturing of electronic and computer-related products
Venture Electronics (Shenzhen) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (5)	People's Republic of China	100	100	Manufacture and sale of terminal units

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held 2016 %	2015 %	Principal activities
VM Services, Inc. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (6)	United States of America	100	100	Trading and manufacturing of electronic and computer-related products
Venture Electronics International, Inc. (wholly-owned subsidiary of VM Services, Inc.) (6)	United States of America	100	100	Manufacture, design, engineering, customisation engineering, and logistic services
Venture Design Services, Inc. (wholly-owned subsidiary of VM Services, Inc.) (6)	United States of America	100	100	Trading and manufacturing of electronics and computer-related products, provision of engineering, customisation, logistics and repair services
VIPColor Technologies Pte Ltd (a subsidiary of Cebelian Holdings Pte Ltd) (7)	Singapore	93.8	93.8	Develop and market colour imaging products for label printing
V*Comms Pte Ltd (a subsidiary of Cebelian Holdings Pte Ltd)	Singapore	100	100	Design, integrate and trading of electronic security system and electronic products
Venture International Pte Ltd (f.k.a. VS Electronics Pte Ltd)	Singapore	100	100	Import & export of electronic parts, components, equipment, devices & instruments
VIPColor Technologies USA, Inc. (wholly-owned subsidiary of VIPColor Technologies Pte Ltd) (6) (7)	United States of America	93.8	93.8	Develop and market colour imaging products for label printing
Innovative Trek Technology Pte Ltd	Singapore	100	100	Information system development and support
Multitech Systems Pte Ltd	Singapore	100	100	Trading and manufacturing of electronic and computer-related products
Scinetic Engineering Pte Ltd (60% owned by the Company and 40% owned by GES Investment Pte Ltd)	Singapore	100	100	Design, trading and manufacturing of electronic and mechanical products

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2016	2015	
		%	%	
Technocom Systems Sdn Bhd [(1)]	Malaysia	100	100	Manufacturing and assembly of electronic and other computer products and peripherals
Pintarmas Sdn Bhd (wholly-owned subsidiary of Technocom Systems Sdn Bhd) [(1)]	Malaysia	100	100	Manufacturing and assembly of electronic and other computer products and peripherals
V-Design Services (M) Sdn Bhd (wholly-owned subsidiary of Technocom Systems Sdn Bhd) [(1)]	Malaysia	100	100	Design and development of electronic products and services
Venture Electronics Services (Malaysia) Sdn Bhd [(1)]	Malaysia	100	100	Manufacturing and assembly of electronic and other computer products and peripherals
Venture Electronics Solutions Pte Ltd	Singapore	100	100	Manufacture, design, engineering and logistics services to electronics equipment manufacturers
Ventech Investments Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) [(6)]	British Virgin Islands	100	100	Investment holding
Univac Precision Engineering Pte Ltd	Singapore	100	100	Manufacture, design, fabrication, stamping and injection, metal punching and spraying of industrial metal parts, tools and dies

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2016	2015	
		%	%	
Munivac Sdn. Bhd. (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd) (1)	Malaysia	100	100	Manufacture of electronic and mechanic components
Univac Precision, Inc. (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd) (6)	United States of America	100	100	Design, customisation and marketing of tool-making and precision engineering solutions
Univac Design & Engineering Pte Ltd (a subsidiary of Univac Precision Engineering Pte Ltd) (2) (7)	Singapore	81.6	81.6	Investment holding
Univac Precision Plastics (Shanghai) Co., Ltd (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd) (4) (7)	People's Republic of China	81.6	81.6	Manufacture of plastic injection moulds and mouldings with secondary processes and sub-assembly
Univac Precision Plastics (Suzhou) Co., Ltd (f.k.a. Univac Precision Plastics (SIP) Co., Ltd) (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd) (4) (7)	People's Republic of China	81.6	81.6	Manufacture of plastic injection moulds and mouldings with secondary processes and sub-assembly
GES International Limited	Singapore	100	100	Investment holding and provision of management services
GES (Singapore) Pte Ltd (wholly-owned subsidiary of GES International Limited)	Singapore	100	100	Provision of manufacturing services for original design and manufacture and electronic manufacturing services

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2016	2015	
		%	%	
GES Investment Pte Ltd (wholly-owned subsidiary of GES International Limited)	Singapore	100	100	Investment holding and provision of administrative and technical services to a subsidiary
Shanghai GES Information Technology Co., Ltd (wholly-owned subsidiary of GES (Singapore) Pte Ltd) (1)	People's Republic of China	100	100	Provision of manufacturing services for original design and manufacture and electronic manufacturing services
GES Manufacturing Services (M) Sdn Bhd (wholly-owned subsidiary of GES Investment Pte Ltd) (1)	Malaysia	100	100	Provision of manufacturing services to electronics equipment manufacturers

All the companies are audited by Deloitte & Touche LLP, Singapore except for the subsidiaries that are indicated as follows:

(1) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(2) Audited by another firm of auditors, BSL Public Accounting Corporation.

(3) Audited by another firm of auditors, Moore Stephens Hezicomp Kft.

(4) Audited by another firm of auditors, Shanghai Huashen Certified Public Accountants Co., Ltd.

(5) Audited by another firm of auditors, BDO China Li Xin Da Hua Certified Public Accountants Co., Ltd.

(6) Not required by law to be audited in its country of incorporation and not material to the results of the Group.

(7) The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of these non-wholly owned subsidiaries are individually insignificant to the Group.

The net assets of the subsidiaries referred to in Notes (2), (3), (4), (5) and (6) above are less than 20% of the net assets of the Group as at the financial year end.

The Company has provided a commitment for financial support of $35,005,000 (2015 : $26,809,000) to certain subsidiaries for a period of twelve months from the end of the reporting period so as to enable the subsidiaries to continue to operate as going concerns and meet its contractual obligations when they fall due.

11 INVESTMENTS IN ASSOCIATES

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Quoted equity shares, at cost	11,492	62,792	–	51,300
Unquoted equity shares, at cost	60	60	–	–
	11,552	62,852	–	51,300
Share of post-acquisition profits, net of dividend received	8,465	19,038	–	–
Loss on dilution of an investment in an associate	(835)	(769)	–	–
Impairment loss	–	(63,791)	–	(51,300)
Share of associate's reserve	34	34	–	–
Currency realignment on translation of foreign associates	1,584	2,595	–	–
Other adjustments	(547)	(547)	–	–
Net	20,253	19,412	–	–
Market value of quoted equity shares [4]	14,967	9,472	–	–

Details of the Group's significant associates as at the end of the reporting period are as follows:

Name of associates	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2016 %	2015 %	
Fischer Tech Ltd [1]	Singapore	18.8 [3]	19.2 [3]	Manufacturing of plastic precision and engineering products
DMX Technologies Group Limited [2]	Bermuda/ Hong Kong SAR	N.A.*	12.3 [3]	Provision of broadband network infrastructure, digital video and advanced mobile solutions

* During the year, management had assessed and is of the view that significant influence over this associate was lost. Accordingly, the carrying amount of the investment in associate was reclassified to available-for-sale investments (Note 13) on the date when significant influence was lost.

(1) Auditors are Ernst & Young LLP, Singapore. The financial year end date of Fischer Tech Ltd is 31 March. For the purposes of applying the equity method of accounting, the financial statements of Fischer Tech Ltd for the financial period from 1 October 2015 to 30 September 2016 have been used. No adjustments have been made for the effects between 30 September 2016 and 31 December 2016 as management does not expect the effects to be significant.

(2) Auditors are PricewaterhouseCoopers LLP, Singapore. The shares of DMX Technologies Group Limited ("DMX") have been suspended from trading on the Singapore Exchange Securities Trading Limited ("SGX-ST") since 25 March 2015 and the investment was fully impaired in FY2014.

(3) The results of these associates were equity accounted for in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its board representation and through participation in decision making process.

(4) The market value of quoted equity shares excludes DMX.

11 INVESTMENTS IN ASSOCIATES (cont'd)

Summarised financial information in respect of the Group's associates is set out below:

	2016 $'000	2015 $'000
Total assets	150,433	149,982
Total liabilities	(43,379)	(49,233)
Revenue	194,350	181,044
Profit for the year	14,454	9,860
Other comprehensive (loss) income for the year	(5,287)	3,885
Total comprehensive income for the year	9,167	13,745
Net assets of the associates	107,054	100,749
Group's share of associates' net assets	20,253	19,412
Dividends received from associates during the year	1,047	913

12 INVESTMENT IN A JOINT VENTURE

	The Group	
	2016 $'000	2015 $'000
Unquoted equity shares, at cost	–	–

Details of the Group's joint venture as at the end of the reporting period are as follows:

Name of joint venture	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2016 %	2015 %	
SME Investment Pte Ltd (1)	Singapore	50	50	Investment holding

(1) Audited by Deloitte & Touche LLP, Singapore.

13 AVAILABLE-FOR-SALE INVESTMENTS

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Quoted equity shares [(a)]	5,241	4,985	5,241	4,985
Unquoted equity shares [(b)]	2,847	8,772	–	–
	8,088	13,757	5,241	4,985

(a) The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year. Investments in quoted equity securities offer the Group and the Company the opportunity for returns through dividend income and fair value gains. Quoted equity shares have no fixed maturity or coupon rate.

The investment in associate (Note 11), DMX, was reclassified to available-for-sale investments following the loss of significant influence over the associate.

(b) The investments in unquoted equity shares include investments in venture capital funds and other investee companies. These have been stated at cost less accumulated impairment losses as the fair value cannot be measured reliably.

14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Factory buildings $'000	Leasehold land and buildings $'000	Machinery and equipment $'000	Leasehold improvements and renovations $'000	Office equipment, furniture and fittings $'000	Computer hardware $'000	Motor vehicles $'000	Total $'000
The Group									
Cost:									
At 1 January 2015	8,475	64,915	99,875	304,428	36,965	41,810	4,951	2,140	563,559
Exchange differences	662	5,073	4,718	17,649	2,180	2,145	–	122	32,549
Additions	–	–	–	9,812	2,413	2,040	–	342	14,607
Disposals	–	–	–	(17,184)	(1,115)	(2,540)	(1,129)	(25)	(21,993)
At 31 December 2015	9,137	69,988	104,593	314,705	40,443	43,455	3,822	2,579	588,722
Exchange differences	141	1,079	1,658	2,112	78	390	–	9	5,467
Additions	–	–	13,371	19,908	3,109	3,794	280	338	40,800
Disposals	–	–	–	(25,332)	(1,388)	(2,555)	(25)	(400)	(29,700)
At 31 December 2016	9,278	71,067	119,622	311,393	42,242	45,084	4,077	2,526	605,289
Accumulated depreciation:									
At 1 January 2015	–	25,383	24,264	258,581	24,306	36,778	4,422	1,847	375,581
Exchange differences	–	2,062	1,892	14,931	1,512	1,827	–	88	22,312
Depreciation	–	2,025	2,915	14,203	3,685	2,253	306	132	25,519
Disposals	–	–	–	(16,675)	(1,091)	(2,538)	(1,129)	(25)	(21,458)
At 31 December 2015	–	29,470	29,071	271,040	28,412	38,320	3,599	2,042	401,954
Exchange differences	–	544	478	1,976	(468)	334	–	24	2,888
Depreciation	–	2,044	3,100	14,727	3,538	2,554	105	155	26,223
Disposals	–	–	–	(24,907)	(1,356)	(2,529)	(25)	(398)	(29,215)
At 31 December 2016	–	32,058	32,649	262,836	30,126	38,679	3,679	1,823	401,850
Impairment:									
At 1 January 2015, 31 December 2015 and 31 December 2016	–	–	–	18	36	190	–	43	287
Carrying amount:									
At 31 December 2016	9,278	39,009	86,973	48,539	12,080	6,215	398	660	203,152
At 31 December 2015	9,137	40,518	75,522	43,647	11,995	4,945	223	494	186,481

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold land and building $'000	Machinery and equipment $'000	Leasehold improvements and renovations $'000	Office equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company						
Cost:						
At 1 January 2015	39,166	46,498	3,437	8,616	773	98,490
Additions	–	683	487	302	266	1,738
Disposals	–	(1,523)	(164)	(118)	–	(1,805)
At 31 December 2015	39,166	45,658	3,760	8,800	1,039	98,423
Additions	–	626	288	507	12	1,433
Disposals	–	(532)	(841)	(1,076)	(19)	(2,468)
At 31 December 2016	39,166	45,752	3,207	8,231	1,032	97,388
Accumulated depreciation:						
At 1 January 2015	773	45,853	2,844	8,130	698	58,298
Depreciation	1,031	451	248	288	27	2,045
Disposals	–	(1,523)	(164)	(118)	–	(1,805)
At 31 December 2015	1,804	44,781	2,928	8,300	725	58,538
Depreciation	1,031	405	314	330	65	2,145
Disposals	–	(532)	(841)	(1,075)	(17)	(2,465)
At 31 December 2016	2,835	44,654	2,401	7,555	773	58,218
Carrying amount:						
At 31 December 2016	36,331	1,098	806	676	259	39,170
At 31 December 2015	37,362	877	832	500	314	39,885

15 INTANGIBLE ASSETS

	Customer relationships $'000	Development expenditure $'000	Computer software $'000	Intellectual property $'000	Total $'000
The Group					
Cost:					
At 1 January 2015	168,483	59,744	25,589	1,785	255,601
Additions	–	380	–	–	380
Exchange differences	–	2,601	–	139	2,740
At 31 December 2015	168,483	62,725	25,589	1,924	258,721
Exchange differences	–	224	–	(75)	149
At 31 December 2016	168,483	62,949	25,589	1,849	258,870
Accumulated amortisation:					
At 1 January 2015	136,190	51,092	25,588	1,339	214,209
Amortisation	16,848	3,312	–	372	20,532
Exchange differences	–	2,354	–	116	2,470
At 31 December 2015	153,038	56,758	25,588	1,827	237,211
Amortisation	15,445	4,642	–	96	20,183
Exchange differences	–	266	1	(74)	193
At 31 December 2016	168,483	61,666	25,589	1,849	257,587
Carrying amount:					
At 31 December 2016	–	1,283	–	–	1,283
At 31 December 2015	15,445	5,967	1	97	21,510

15 INTANGIBLE ASSETS (cont'd)

	Development expenditure $'000	Computer software $'000	Total $'000
The Company			
Cost:			
At 1 January 2015, 31 December 2015 and 31 December 2016	32,533	1,467	34,000
Accumulated amortisation:			
At 1 January 2015	27,417	1,467	28,884
Amortisation	2,898	–	2,898
At 31 December 2015	30,315	1,467	31,782
Amortisation	1,305	–	1,305
At 31 December 2016	31,620	1,467	33,087
Carrying amount:			
At 31 December 2016	913	–	913
At 31 December 2015	2,218	–	2,218

The amortisation period for development expenditure and computer software is three years which approximates the useful lives of the intangible assets. Intellectual property relates to licensing rights for manufacture of equipment and is amortised over its estimated useful life of five years.

The fair value of the customer relationships which arose from the acquisition of GES (Note 16) on 29 November 2006 has been amortised over its useful life of ten years and the amortisation charge for the year of $15,445,000 (2015 : $16,848,000) has been recorded in profit or loss.

16 GOODWILL

	The Group $'000
Cost:	
At 1 January 2015, 31 December 2015 and 31 December 2016	640,593
Impairment:	
At 1 January 2015, 31 December 2015 and 31 December 2016	885
Carrying amount:	
At 1 January 2015, 31 December 2015 and 31 December 2016	639,708

16 GOODWILL (cont'd)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

		2016 $'000	2015 $'000
	Retail Store Solutions & Industrial		
(a)	GES International Limited and its subsidiaries (single CGU)	573,568	573,568
	Components Technology		
(b)	Univac Precision Engineering Pte Ltd and its subsidiaries (single CGU)	55,160	55,160
	Electronics Services Provider		
(c)	Venture Electronics Solutions Pte Ltd (single CGU)	10,635	10,635
(d)	Others	345	345
	Total	639,708	639,708

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

In accordance with the requirements of FRS 36, the value in use calculations applied a discounted cash flow model using management approved cash flow projections.

The key assumptions used in determining the recoverable amount of the CGUs are those regarding discount rates, revenue growth rates, profitability margins, capital expenditures, working capital cycles and non-operating cash balances, as at the assessment date.

The discount rates applied to the cash flows projections are derived from the weighted average cost of capital plus a reasonable risk premium applicable to the CGUs at the date of assessment of the recoverable amounts. The growth rate used to extrapolate the cash flows of the respective CGUs beyond the forecast period is 2% (2015 : 2%), which does not exceed the long-term growth rate for the relevant markets. The implied pre-tax rates used to discount the cash flow projections of the respective CGUs are as follows:

(a) The rate used to discount the cash flows from GES International Limited and its subsidiaries is 11.0% (2015 : 11.0%).

(b) The rate used to discount the cash flows from Univac Precision Engineering Pte Ltd and its subsidiaries is 11.5% (2015 : 11.5%).

(c) The rate used to discount the cash flows from Venture Electronics Solutions Pte Ltd is 13.0% (2015 : 13.0%).

The values assigned to other key assumptions are based on past performances and expected future market development.

As at the end of the respective reporting periods, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amount of the CGUs.

17 DEFERRED TAX ASSETS (LIABILITIES)

	The Group	
	2016 $'000	2015 $'000
Deferred tax assets:		
Balance at beginning of year	7,697	7,401
Charge to profit or loss for the year (Note 27)	–	(272)
Exchange differences	117	568
Balance at end of year	7,814	7,697

The deferred tax assets mainly comprise the tax effect of temporary differences associated with tax credits for certain overseas research and development activities and accelerated accounting depreciation.

	The Group	
	2016 $'000	2015 $'000
Deferred tax liabilities:		
Balance at beginning of year	3,140	6,237
Underprovision in prior years	–	212
Credit to profit or loss for the year (Note 27)	(1,369)	(3,306)
Exchange differences	30	(3)
Balance at end of year	1,801	3,140

	Accelerated tax depreciation $'000	Fair value of assets acquired on acquisition of subsidiaries $'000	Total $'000
Components of deferred tax liabilities:			
Balance at 1 January 2015	379	5,858	6,237
Credit to profit or loss for the year	(158)	–	(158)
Underprovision in prior years	212	–	212
Released upon the amortisation of customer relationships (1)	–	(3,148)	(3,148)
Exchange differences	(3)	–	(3)
Balance at 31 December 2015	430	2,710	3,140
Charge to profit or loss for the year	1,517	–	1,517
Released upon the amortisation of customer relationships (1)	–	(2,886)	(2,886)
Exchange differences	30	–	30
Balance at 31 December 2016	1,977	(176)	1,801

(1) The deferred tax liabilities in 2016 and 2015 mainly comprise the tax effect of fair valuation of net assets acquired from GES in 2006 and these were released upon the amortisation of customer relationships (Note 15).

18 BANK LOANS

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Bank loans (unsecured)	65,758	108,542	50,256	70,705
Bank loans (secured)	26,883	26,475	26,883	26,475
Total bank loans	92,641	135,017	77,139	97,180
Less: Due for settlement within 12 months (shown under current liabilities)	(92,641)	(108,542)	(77,139)	(70,705)
Due for settlement after 12 months	–	26,475	–	26,475

The bank loans comprise:

1) Bank borrowing of $50,256,000 (2015 : $70,705,000) which is a revolving credit facility drawn down by the Company. The loan bears effective interest rate of 0.97% (2015 : 0.62%) per annum.

2) Bank borrowings of $4,015,000 (2015 : $3,899,000) which are revolving credit facilities drawn down by a subsidiary. The loans bear effective interest rate of 0.31% (2015 : 0.51% to 0.84%) per annum.

3) Bank borrowing of $11,487,000 (2015 : $16,969,000) which is a revolving credit facility drawn down by a subsidiary. The loan bears effective interest rate of 1.07% (2015 : 0.78% to 1.02%) per annum.

4) Bank borrowing of $26,883,000 (2015 : $26,475,000) is secured by a fixed deposit placed with HSBC Bank (China) Company Limited amounting to $25,008,000 (2015 : $26,100,000) (Note 6). The loan was drawn down in 2015 with final maturity date in 2017. The loan bears effective interest rate of 1.01% (2015 : 0.67%) per annum.

5) Bank borrowings of $16,969,000 which were revolving credit facilities drawn down by subsidiaries in 2015. The loans bore effective interest rates of 0.78% per annum and were fully repaid during the year.

19 TRADE PAYABLES

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Outside parties	490,936	353,329	53,060	46,535

The average credit period on purchases of goods is 71 days (2015 : 66 days). No interest is charged by suppliers on trade payables. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

20 OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Other payables	13,713	15,098	–	1,819
Salary related accruals	50,554	39,928	18,797	17,285
Accrued expenses	128,109	70,938	44,248	15,095
	192,376	125,964	63,045	34,199

Salary related accruals for both the Group and the Company include $4,232,000 (2015 : $3,190,000) due to Directors. The amount due to Directors is unsecured, interest-free and payable within 12 months.

21 SHARE CAPITAL, TREASURY SHARES AND RESERVES

SHARE CAPITAL

	The Group and the Company			
	2016	2015	2016	2015
	Number of ordinary shares			
	'000	'000	$'000	$'000
Issued and paid up:				
At the beginning of the year	276,773	275,039	693,333	678,579
Issuance of shares	2,347	1,734	20,353	14,754
At the end of the year	279,120	276,773	713,686	693,333

Fully paid ordinary shares which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

TREASURY SHARES

	The Group and the Company			
	2016	2015	2016	2015
	Number of ordinary shares			
	'000	'000	$'000	$'000
At the beginning of the year	275	275	2,081	2,081
Repurchased during the year	60	–	488	–
At the end of the year	335	275	2,569	2,081

SHARE-BASED AWARDS RESERVE

This arises on the grant of share options to employees under the employee share option schemes and restricted share plan. Further information about share-based payments to employees is set out in Note 23.

21 SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

INVESTMENTS REVALUATION RESERVE

This arises on revaluation of available-for-sale investments (Note 13). Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset is effectively realised and recognised in profit or loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit or loss.

This reserve is not available for distribution to the Company's shareholders.

HEDGING RESERVE

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges in other comprehensive income.

RESERVE FUND

This represents a part of the profit after tax of a subsidiary operating in the People's Republic of China ("PRC") transferred to the reserve fund in accordance with local requirements. This legal reserve cannot be distributed or reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off accumulated losses or increasing capital.

22 TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserve.

23 SHARE-BASED PAYMENTS

Equity-settled share option schemes

The Company has a share option scheme for qualifying employees of the Group and the Company which was approved on 25 April 2014 and commenced on 1 January 2015 ("2015 Scheme"). There was an earlier share option scheme which was approved on 30 April 2004 and expired on 30 April 2014 ("2004 Scheme"). Notwithstanding the expiry of the 2004 Scheme, any outstanding and unexercised options held by option holders prior to such expiry will continue to remain valid. The schemes are administered by the Remuneration Committee. Options are exercisable at a price determined with reference to market price of shares at the time of grant of the options. The vesting period is one year. If the options remain unexercised after a period of five years from the date of grant, the options would lapse. Options are cancelled if the employee leaves the Group.

23 SHARE-BASED PAYMENTS (cont'd)

Equity-settled share option schemes (cont'd)

Details of the share options outstanding during the year under the 2004 Scheme are as follows:

	The Group and the Company			
		2016		2015
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at beginning of the year	8,600,000	8.53	14,892,000	8.77
Cancelled during the year	(485,000)	8.32	(606,000)	8.91
Exercised during the year	(2,342,000)	7.74	(1,734,000)	7.46
Lapsed during the year	(24,000)	7.10	(3,952,000)	8.65
Outstanding at end of the year	5,749,000	8.21	8,600,000	8.53
Exercisable at end of the year	5,749,000	8.21	8,600,000	8.53

The weighted average share price at the date of exercise for share options exercised during the year was $9.22 (2015 : $8.44). The options outstanding at the end of the year have a weighted average remaining contractual life of 1.8 years (2015 : 2.5 years).

Details of the share options outstanding during the year under the 2015 Scheme are as follows:

	The Group and the Company			
		2016		2015
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at beginning of the year	2,527,000	9.66	–	–
Granted during the year	2,461,000	10.51	2,598,000	9.66
Cancelled during the year	(202,000)	9.89	(71,000)	9.66
Exercised during the year	(4,000)	9.66	–	–
Outstanding at end of the year	4,782,000	10.09	2,527,000	9.66
Exercisable at end of the year	2,375,000	9.66	–	–

The weighted average share price at the date of exercise for share options exercised during the year was $9.95 (2015 : N/A). The options outstanding at the end of the year have a weighted average remaining contractual life of 4.0 years (2015 : 4.5 years).

The Group recognised total expenses of $511,000 (2015 : $390,000) relating to the share options transactions during the year.

23 SHARE-BASED PAYMENTS (cont'd)

Options Granted

The fair values under the respective grants were calculated using the trinomial model with the following inputs:

	Options granted on 16 June 2016 under the 2015 Scheme	Options granted on 16 June 2015 under the 2015 Scheme
Estimated fair value of options granted on above dates	$0.24 per option	$0.18 per option
Share price at valuation date	$8.93	$7.92
Exercise price	$10.510 [1]	$9.663 [2]
	$9.670 [3]	$8.890 [4]
	$8.410 [5]	$7.730 [6]
Expected volatility	17% [7]	17% [7]
Exercise multiple (times)	1.03	1.03
Risk free rate	1.32%	1.91%
Expected dividend yield	5.45%	6.12%

(1) If exercised between 16 June 2017 and 15 June 2018

(2) If exercised between 16 June 2016 and 15 June 2017

(3) If exercised between 16 June 2018 and 15 June 2019

(4) If exercised between 16 June 2017 and 15 June 2018

(5) If exercised between 16 June 2019 and 15 June 2021

(6) If exercised between 16 June 2018 and 15 June 2020

(7) Expected volatility was determined by considering the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Restricted Share Plan (RSP)

The Venture Corporation Restricted Share Plan ("RSP") was approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 28 April 2011. The RSP is administered by the Remuneration Committee ("Committee").

Managers in senior positions in the Group or leadership positions in management, technology or possess other domain expertise and competencies and who are in a position to contribute or have significantly contributed to the performance, growth and profitability of the Group, as may be designated by the Committee, shall be eligible to participate in the RSP. Such managers must have been employed in the Company and/or its subsidiaries for a minimum period as determined by the Committee.

23 SHARE-BASED PAYMENTS (cont'd)

Restricted Share Plan (RSP) (cont'd)

Movement in the awards by the Company during the year was as follows:

	The Group and the Company	
	2016	2015
At 1 January	610,000	390,000
Granted	280,000	270,000
Lapsed	(40,000)	(50,000)
At 31 December	850,000	610,000

The Group recognised total expenses of $724,000 (2015 : $552,000) relating to RSP transactions during the year.

RSP Granted

	2016	2015
Vest on	21 June 2021	5 June 2020
Risk-free interest rate	1.59%	1.98%
Share price at valuation date	$8.57	$7.74
Expected dividend yield	5.83%	6.46%
Fair value of the contingent award of shares at grant date using the above inputs (per share)	$6.19	$5.38

The awards have a 5-year vesting period and are subject to the rules of the RSP.

The mode of settlement of the awards under the RSP may be by way of:

(i) allotment and issue of new shares; and/or

(ii) the delivery of existing shares; and/or

(iii) payment of the equivalent value in cash (after deduction of any applicable taxes and Central Provident Fund and/or other statutory contributions); and/or

(iv) a combination of above (i), (ii) and (iii).

24 REVENUE

	The Group	
	2016	2015
	$'000	$'000
Electronic manufacturing, engineering, design and fulfilment services revenue	2,873,986	2,656,390
Dividend income	233	112
Total	2,874,219	2,656,502

25 OTHER INCOME

	The Group	
	2016	2015
	$'000	$'000
Government grants	1,111	69
Other income	1,775	1,005
Total	2,886	1,074

26 INVESTMENT REVENUE

	The Group	
	2016	2015
	$'000	$'000
Interest income on bank deposits	3,059	2,989

27 INCOME TAX

	The Group	
	2016	2015
	$'000	$'000
Income tax on profit for the year:		
Current year	36,626	30,366
(Overprovision) Underprovision in prior years	(84)	91
Deferred income tax (Note 17):		
Current year	(1,369)	(3,034)
Underprovision in prior years	–	212
Total	35,173	27,635

Domestic income tax of the Company is calculated at 17% (2015 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

27 INCOME TAX (cont'd)

The total income tax expense for the year can be reconciled to the accounting profit as follows:

	The Group	
	2016 $'000	2015 $'000
Profit before tax	215,863	181,709
Income tax expense at statutory tax rate	36,697	30,891
Non-allowable items	4,184	5,509
(Overprovision) Underprovision of income tax in prior years, net	(84)	303
Deferred tax benefits not recognised	1,661	565
Effect of different tax rates of overseas operations	11,907	9,030
Tax-exempt income	(19,410)	(17,939)
Utilisation of deferred tax benefits previously not recognised	(10)	(2)
Other items	228	(722)
Total income tax	35,173	27,635

The income tax for the Group differs from the amount determined by applying the statutory tax rates primarily due to pioneer status and other tax incentives granted to the Company and its subsidiaries.

Management has assessed the achievability of the qualifying terms and conditions of the tax incentives awarded to the Company and some of its subsidiaries in the current and previous financial years, and management is of the view that the Company and its subsidiaries will be able to satisfy all qualifying terms and conditions. Accordingly, tax provisions for the Group are adequate as at the end of the reporting period.

Subject to agreement with the relevant tax authorities, the Group has the following available for offsetting against future taxable income:

	Tax losses carryforward $'000	Capital allowance carryforward $'000	Total $'000
Balance at 1 January 2015	6,955	4,035	10,990
Amount in current year	3,323	–	3,323
Amount utilised in current year	(11)	–	(11)
Balance at 31 December 2015	10,267	4,035	14,302
Amount in current year	8,991	782	9,773
Amount utilised in current year	(62)	–	(62)
Balance at 31 December 2016	19,196	4,817	24,013
Deferred tax benefit on above not recorded:			
At 31 December 2016	3,263	819	4,082
At 31 December 2015	1,745	686	2,431

At the end of the reporting period, the aggregate amount of deferred tax liabilities in respect of temporary differences associated with undistributed earnings of subsidiaries that have not been recognised is $17,306,000 (2015 : $15,705,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

28 PROFIT FOR THE YEAR

Other than as disclosed elsewhere in the financial statements, profit for the year has been arrived at after charging:

	The Group	
	2016 $'000	2015 $'000
Cost of inventories recognised as expense	2,172,305	2,040,683
Loss on disposal of plant and equipment	384	405
Accrual for legal settlement cost	26,308	–

A non-recurring accrual was made in relation to a settlement arising from dispute with a customer. Both parties have reached agreement to a full and final settlement on a confidential basis and release and discharge of all claims which the parties have against each other without any admissions or concessions of liability.

Directors' remuneration:		
- Directors of the Company	5,638	4,337
- Directors of the subsidiaries and joint venture	6,869	7,098
- Directors' fees payable to Directors of the Company	615	528
Total Directors' remuneration	13,122	11,963
Employee benefits expense (including Directors' remuneration):		
- Equity settled share-based payments	1,235	942
- Defined contribution plans	26,895	25,111
- Salaries	256,871	235,810
Total employee benefits expense	285,001	261,863
Impairment loss on financial assets:		
- Allowance for doubtful debts	3,934	2,663
- Bad debt written off	3,381	–
- Impairment loss on available-for-sale investments	5,910	380
Audit fees:		
- Paid to auditors of the Company	423	406
- Paid to other auditors	177	174
Total audit fees	600	580
Non-audit fees:		
- Non-audit fees paid to auditors of the Company	10	26
- Non-audit fees paid to other auditors	7	11
Total non-audit fees	17	37
Aggregate amount of fees paid to auditors	617	617

29 EARNINGS PER SHARE

	The Group			
	2016		2015	
	Basic $'000	Diluted $'000	Basic $'000	Diluted $'000
Profit for the year attributable to owners of the Company	180,678	180,678	153,988	153,988
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares used to compute earnings per share	277,279	278,641	275,877	276,726
Earnings per share (cents)	65.2	64.8	55.8	55.6

30 OPERATING LEASE ARRANGEMENTS

	The Group	
	2016 $'000	2015 $'000
Minimum lease payments under operating leases and recognised as an expense during the year	15,932	15,433

At the end of the reporting period, the Group and the Company have outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Within one year	15,164	14,039	8,192	7,634
In the second to fifth year inclusive	28,340	35,144	12,985	19,652
After the fifth year	245	507	–	–
Total	43,749	49,690	21,177	27,286

Operating lease payments represent rentals payable by the Group for factory spaces and office premises. Leases are negotiated for an average term of three to seven years and rentals are fixed for an average of three to seven years.

31 CAPITAL EXPENDITURE COMMITMENTS

	The Group	
	2016 $'000	2015 $'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	749	10,357

In 2013, Venture Electronics Services (Malaysia) Sdn Bhd, a subsidiary, entered into sale and purchase agreements to acquire a plot of land in Penang, Malaysia.

This acquisition has been completed and capitalised as property, plant and equipment during the year. The plot of land costs $13,371,000 of which $7,294,000 had been paid in previous years and included as other receivables in Note 8.

32 COMMITMENTS AND CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Letters of guarantee issued by bankers	15,977	12,085	5,705	5,661

33 SEGMENT INFORMATION

The Group operates predominantly as a provider of manufacturing, engineering, design and fulfilment services to the electronics industry. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is as follows:

(i) Electronics Services Provider

(ii) Retail Store Solutions and Industrial

(iii) Components Technology

Accordingly, the above are the Group's reportable segments under FRS 108.

33 SEGMENT INFORMATION (cont'd)

Segment revenue and results

	Electronics services provider $'000	Retail store solutions and industrial $'000	Components technology $'000	Eliminations $'000	Group $'000
2016					
Revenue:					
External sales	2,041,056	719,425	113,738	–	2,874,219
Inter-segment sales	22,240	2,824	64,713	(89,777)	–
Total revenue	2,063,296	722,249	178,451	(89,777)	2,874,219
Results:					
Segment profit	148,713	45,389	16,635	–	210,737
Investment revenue					3,059
Interest expense					(895)
Share of profit of associates					2,962
Profit before tax					215,863
Income tax expense					(35,173)
Profit for the year					180,690
2015					
Revenue:					
External sales	1,806,646	746,088	103,768	–	2,656,502
Inter-segment sales	18,879	1,384	25,011	(45,274)	–
Total revenue	1,825,525	747,472	128,779	(45,274)	2,656,502
Results:					
Segment profit	114,948	54,272	8,449	–	177,669
Investment revenue					2,989
Interest expense					(977)
Share of profit of associates					2,028
Profit before tax					181,709
Income tax expense					(27,635)
Profit for the year					154,074

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of impairment loss on associate, investment revenue, finance cost, share of profit of associates and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

33 SEGMENT INFORMATION (cont'd)

Segment assets

	Electronics services provider $'000	Retail store solutions and industrial $'000	Components technology $'000	Group $'000
2016				
Segment assets	1,445,621	1,117,536	159,205	2,722,362
Investments in associates				20,253
Available-for-sale investments				8,088
Income tax recoverable/deferred tax assets				7,819
Consolidated total assets				2,758,522
2015				
Segment assets	1,240,713	1,092,356	154,322	2,487,391
Investments in associates				19,412
Available-for-sale investments				13,757
Income tax recoverable/deferred tax assets				7,757
Consolidated total assets				2,528,317

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment.

All assets are allocated to reportable segments other than investments in associates (Note 11), available-for-sale investments (Note 13) and income tax assets. Goodwill has been allocated to reportable segments as described in Note 16.

33 SEGMENT INFORMATION (cont'd)

Other segment information

	Electronics services provider $'000	Retail store solutions and industrial $'000	Components technology $'000	Group $'000
2016				
Additions to non-current assets [(1)]	22,586	6,313	4,607	33,506
Depreciation and amortisation	19,307	22,417	4,682	46,406
Inventories written off	3,306	413	471	4,190
Allowance for doubtful debts	3,894	–	40	3,934
Bad debt written off	3,276	105	–	3,381
Loss on disposal of plant and equipment, net	266	5	113	384
Foreign currency exchange (gain) loss	(7,075)	1,864	(897)	(6,108)
2015				
Additions to non-current assets [(1)]	9,491	2,459	3,037	14,987
Depreciation and amortisation	16,696	24,406	4,949	46,051
Inventories written off (written back)	2,892	(38)	619	3,473
Allowance for doubtful debts	2,608	-	55	2,663
Loss (Gain) on disposal of plant and equipment, net	400	(24)	29	405
Foreign currency exchange (gain) loss	(7,346)	490	(380)	(7,236)

[(1)] Non-current assets other than financial instruments and deferred tax assets.

Major components of the Group's revenue

	2016 $'000	2015 $'000
Printing & Imaging	180,033	255,101
Networking & Communications	533,331	472,852
Retail Store Solutions & Industrial Products	719,782	746,088
Computer Peripherals & Data Storage	197,126	276,642
Test & Measurement/Medical & Life Science/Others	1,243,947	905,819
Consolidated revenue (excluding investment revenue)	2,874,219	2,656,502

33 SEGMENT INFORMATION (cont'd)

Geographical information

The Group operates in two principal geographical areas - Singapore (country of domicile) and Asia-Pacific (excluding Singapore).

The Group's revenue from external customers and information about its segment assets (non-current assets excluding investments in associates, deferred tax assets and financial assets) by geographical locations are detailed below:

	Revenue from external customers		Non-current assets [1]	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Singapore	1,003,426	736,560	687,727	704,551
Asia-Pacific (excluding Singapore)	1,696,057	1,821,236	154,256	138,969
Others	174,736	98,706	2,160	4,179
	2,874,219	2,656,502	844,143	847,699

[1] Non-current assets other than financial instruments and deferred tax assets.

Information about major customers

The total revenue for the Electronics Services Provider segment includes revenue from one customer (2015 : one customer) which individually makes up more than 10% of the Group's total revenue.

34 DIVIDENDS

In the financial year ended 31 December 2015, the Company declared and paid a final one-tier tax-exempt dividend of $0.50 per ordinary share on the ordinary shares of the Company totalling $138,009,000 in respect of the financial year ended 31 December 2014.

In the financial year ended 31 December 2016, the Company declared and paid a final one-tier tax-exempt dividend of $0.50 per ordinary share on the ordinary shares of the Company totalling $138,403,000 in respect of the financial year ended 31 December 2015.

In respect of the financial year ended 31 December 2016, the Directors of the Company propose that a final one-tier tax-exempt dividend of $0.50 per ordinary share be paid to all shareholders. Subject to the approval by the shareholders at the Annual General Meeting to be held on 27 April 2017, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $139,392,000.

35 IFRS CONVERGENCE IN 2018

Singapore-incorporated companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018. The Group will be adopting the new framework for the first time for financial year ending 31 December 2018, with retrospective application to the comparative financial year ending 31 December 2017 and the opening statement of financial position as at 1 January 2017 (date of transition).

Based on a preliminary assessment of the potential impact arising from IFRS 1 *First-time adoption of IFRS*, management does not expect any significant changes to the Group's current accounting policies or material adjustments on transition to the new framework, other than those that may arise from implementing new/revised IFRSs, and the election of certain transition options available under IFRS 1.

Management expects the potential impact arising from new/revised IFRSs will be consistent with those described in Note 2 (b) for the corresponding new/revised FRSs.

Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1. Particularly, management is evaluating the option to reset the translation reserve to zero as at date of transition which, if elected, may result in material adjustments on transition to the new framework.

The preliminary assessment above may be subject to change arising from the detailed analysis.

ANALYSIS OF SHAREHOLDINGS

AS AT 7 MARCH 2017

Number of shares	:	279,565,577
Number of treasury shares	:	335,000
Number of shares (excluding treasury shares)	:	279,230,577
Class of shares	:	Ordinary
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	25	0.30	343	0.00
100 - 1,000	3,225	38.99	3,022,368	1.08
1,001 - 10,000	4,381	52.97	16,045,851	5.75
10,001 - 1,000,000	630	7.62	27,061,949	9.69
1,000,001 and above	10	0.12	233,100,066	83.48
	8,271	100.00	279,230,577	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares held	%[1]
1	CITIBANK NOMINEES SINGAPORE PTE LTD	77,959,736	27.92
2	DBS NOMINEES PTE LTD	65,743,746	23.54
3	DBSN SERVICES PTE LTD	27,423,245	9.82
4	HSBC (SINGAPORE) NOMINEES PTE LTD	19,581,542	7.01
5	BNP PARIBAS SECURITIES SERVICES	14,130,375	5.06
6	RAFFLES NOMINEES (PTE) LTD	12,053,650	4.32
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	9,785,115	3.50
8	MORGAN STANLEY ASIA (S) SECURITIES PTE LTD	3,006,143	1.08
9	MERRILL LYNCH (SINGAPORE) PTE LTD	1,866,242	0.67
10	DB NOMINEES (SINGAPORE) PTE LTD	1,550,272	0.56
11	YONG YING-I	950,000	0.34
12	YONG WEI-WOO NEE CHEANG WEI-WOO	800,000	0.29
13	CHOO PIANG WONG	650,000	0.23
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	634,722	0.23
15	WONG NGIT LIONG	634,619	0.23
16	SOO ENG HIONG	584,518	0.21
17	LEONG KHUEN NYEAN	517,400	0.18
18	WONG KONG CHOO	514,800	0.18
19	SHAMSHER HASSANALI MOTI KANJI	430,000	0.15
20	GOODPACK HOLDINGS PTE LTD	406,000	0.15
		239,222,125	85.67

Note:

[1] Based on 279,230,577 Shares in issue at the Latest Practicable Date (being 279,565,577 Shares in issue and disregarding 335,000 Shares held in treasury).

ANALYSIS OF SHAREHOLDINGS

AS AT 7 MARCH 2017

Name	Direct Interest	%[1]	Deemed Interest[2]	%[1]
Aberdeen Asset Management PLC[3]	–	–	19,423,000	6.96
Aberdeen Asset Management Asia Limited[4]	–	–	17,621,100	6.31
Sprucegrove Investment Management Ltd	–	–	16,629,002	5.96
The PNC Financial Services Group, Inc.[5]	–	–	13,969,448	5.00
BlackRock, Inc.[6]	–	–	13,969,448	5.00
Wong Ngit Liong	19,226,619	6.89	–	–

Notes:

(1) Based on 279,230,577 Shares in issue at the Latest Practicable Date (being 279,565,577 Shares in issue and disregarding 335,000 Shares held in treasury).

(2) Deemed interest refer to interests determined pursuant to Section 7 of the Companies Act.

(3) The deemed interest of Aberdeen Asset Management PLC ("AAMPLC") relates to Shares held by various accounts managed or advised by AAMPLC.

(4) The deemed interest of Aberdeen Asset Management Asia Limited ("AAMAL") relates to Shares held by various accounts managed or advised by AAMAL.

(5) The PNC Financial Services Group, Inc. through its ownership of more than 20% of BlackRock, Inc. is deemed to have an interest in 13,969,448 Shares of the Company held by the subsidiaries of BlackRock, Inc.

(6) BlackRock, Inc. is deemed to have an interest in 13,969,448 Shares of the Company held by its subsidiaries.

SHARES HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 7 March 2017, approximately 75.20%[1] of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

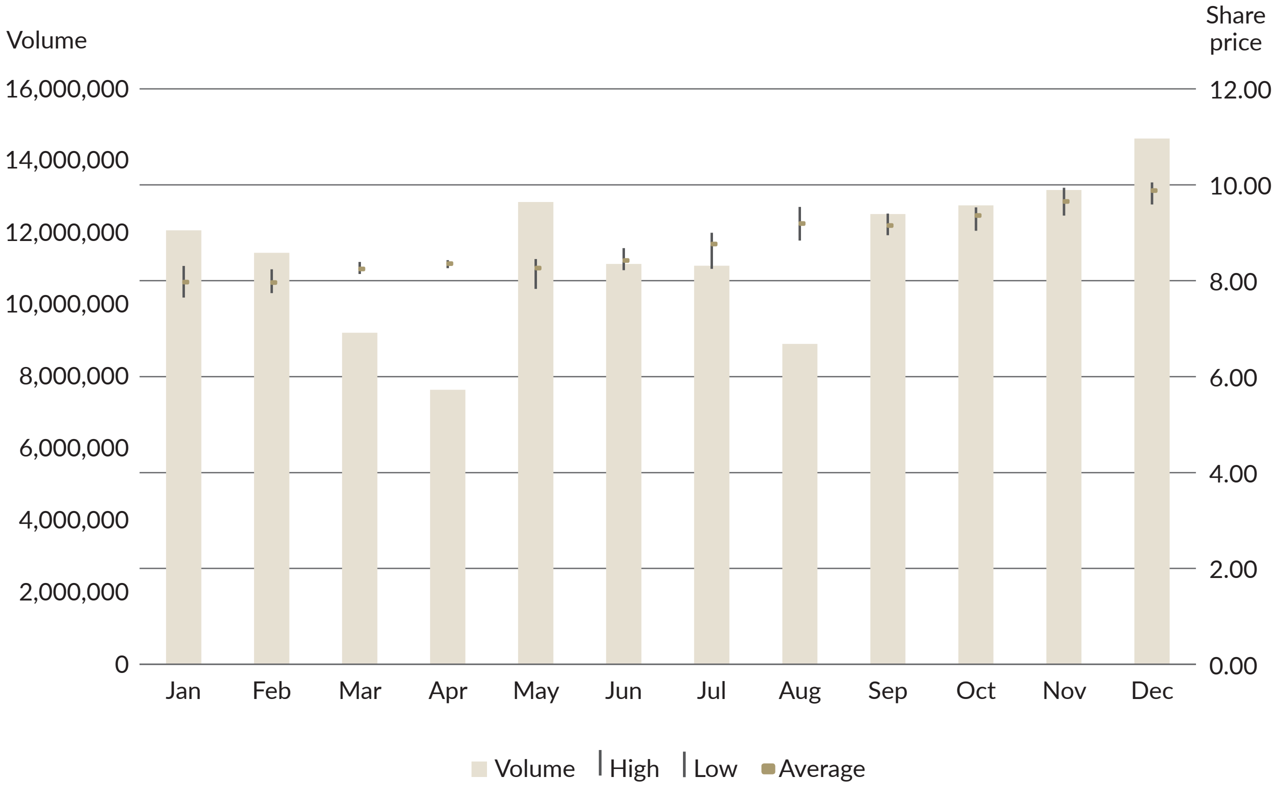
Note:

(1) Percentage is calculated based on the total number of 279,230,577 shares, excluding treasury shares.

SHARE PERFORMANCE

YEAR ENDED 31 DECEMBER 2016

Share Prices	2016 (S$)
Last Transacted	9.88
High	10.05
Low	7.65
Average	8.78
Total Volume for 2016	137,438,169



NOTICE OF ANNUAL GENERAL MEETING

Informal Briefing on Venture Corporation Limited FY 2016 Results

Chief Financial Officer Ng Chee Kwoon will take questions on Venture Corporation Limited FY 2016 Results and contents of the 2016 Annual Report from 9.30 a.m. to 10.00 a.m.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of VENTURE CORPORATION LIMITED ("the Company") will be held at The Boardroom, 5006 Ang Mo Kio Avenue 5, #05-01/12 TECHplace II, Singapore 569873, on 27 April 2017 at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Accounts of the Company for the financial year ended 31 December 2016 ("FY 2016") together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax-exempt dividend of 50 cents per ordinary share for FY 2016 (2015: final one-tier tax-exempt dividend of 50 cents per ordinary share). **(Resolution 2)**

3. To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 92 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   Mr Jonathan S. Huberman **(Resolution 3a)**
   Mr Han Thong Kwang **(Resolution 3b)**

4. To approve the payment of Directors' fees of S$615,000 for FY 2016 (2015: S$527,708). **(Resolution 4)**

5. To re-appoint Messrs Deloitte & Touche LLP as the Company's Auditor and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

7. Authority to allot and issue shares

That, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

(A) (i) issue shares of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, awards, agreements, options or convertible securities (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,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 30% of the total number of issued Shares excluding treasury shares (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 10% of the total number of issued Shares excluding treasury shares (as calculated in accordance with sub-paragraph (b) below);

(b) subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of issued Shares shall be based on the total number of issued Shares excluding treasury shares at the time this Resolution is passed, after adjusting for:

 (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

 (ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which such Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 6)**

8. **Authority to allot and issue shares pursuant to the Venture Corporation Executives' Share Option Schemes and the Venture Corporation Restricted Share Plan**

That, pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to:

(a) offer and grant options from time to time in accordance with the provisions of the Venture Corporation Executives' Share Option Scheme 2015 which commenced on 1 January 2015 (the "2015 Scheme") and allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the 2015 Scheme;

(b) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options granted under the Venture Corporation Executives' Share Option Scheme adopted in 2004 (the "2004 Scheme") and notwithstanding that the authority under this Resolution may have ceased to be in force, allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options granted under the 2004 Scheme while the authority was in force;

(c) grant awards from time to time in accordance with the provisions of the Venture Corporation Restricted Share Plan which commenced on 28 April 2011 (the "RSP"), and allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the RSP; and

(d) do all such acts and things as may be necessary or expedient to carry the same into effect,

provided that the aggregate number of Shares to be issued pursuant to the 2004 Scheme, 2015 Scheme and RSP shall be in accordance with the limit(s) as prescribed in the 2004 Scheme, 2015 Scheme, RSP and by the SGX-ST. **(Resolution 7)**

9. Renewal of the Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"Average Closing Price" means the average of the closing market prices of a Share for the five (5) consecutive Market Days (as defined in the Letter to Shareholders) on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the Listing Manual of the SGX-ST for any corporate action which occurs after the relevant five-day period;

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"Maximum Limit" means that number of issued Shares representing 10% of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. **(Resolution 8)**

By Order of the Board

Angeline Khoo Cheng Nee
Company Secretary

Singapore
5 April 2017

Explanatory Notes:

Resolution 3a — For Ordinary Resolution 3a, Mr Jonathan S. Huberman will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Investment Committee. Mr Huberman is considered an Independent Director.

Mr Jonathan S. Huberman was last re-elected as Director of the Company on 29 April 2015. The profile and experience of Mr Huberman can be found on page 21 of the Company's Annual Report 2016.

Resolution 3b — For Ordinary Resolution 3b, Mr Han Thong Kwang will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Investment Committee. Mr Han is considered an Independent Director.

Mr Han Thong Kwang was last re-elected as Director of the Company on 27 April 2016. The profile and experience of Mr Han can be found on page 21 of the Company's Annual Report 2016.

Resolution 4 — Ordinary Resolution 4 is to approve the payment of Directors' fees of S$615,000 (2015: S$527,708) for FY 2016, for services rendered by the Non-Executive Directors on the Board as well as the Board Committees, which are the Audit Committee, Nominating Committee, Remuneration Committee ("RC") and Investment Committee. The RC has recommended the payment of S$615,000 as Directors' fees for FY 2016, subject to approval by shareholders at the Company's forthcoming Annual General Meeting. Directors' fees are paid upon approval of the shareholders at the Company's Annual General Meeting. There is no scheme or arrangement for payment of equity. There has been no change to the Directors' fee structure since the last revision for FY 2015. The increase in Directors' fees for FY 2016 is due to the addition of a member to the Board.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 6

Ordinary Resolution 6 proposed in Item 7 above, if passed, will authorise the Directors from the date of the above Annual General Meeting until the date of the next Annual General Meeting or the date by which such Annual General Meeting of the Company is required by law to be held, whichever is the earlier (unless varied or revoked by the Company in general meeting), to allot and issue Shares and/or make or grant offers, awards, agreements, options or convertible securities in the Company that might or would require Shares to be issued up to an aggregate of not more than 30% of the total number of issued Shares (excluding treasury shares) ("30% Limit"), of which up to 10% may be issued other than on a *pro rata* basis to shareholders.

The aggregate number of Shares which may be issued shall be based on the total number of issued Shares (excluding treasury shares) at the time that Ordinary Resolution 6 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or the vesting of share awards which are outstanding or subsisting at the time Ordinary Resolution 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of Shares.

Although the Listing Manual of the SGX-ST enables the Company to seek a general mandate to permit its Directors to issue Shares up to an aggregate of not more than 50% of the total number of issued Shares (excluding treasury shares) if made on a *pro rata* basis to shareholders, the Company is only seeking the mandate to issue up to the 30% Limit. The Company is also only seeking the general mandate for a sub-limit of 10% for the issue of Shares other than on a *pro rata* basis to shareholders instead of the 20% permitted under the Listing Manual of the SGX-ST. The Company believes that the lower limit sought for the issue of Shares made other than on a *pro rata* basis to shareholders is adequate for the time being and will review this limit annually.

Resolution 7

Ordinary Resolution 7 proposed in Item 8 above, if passed, will authorise the Directors from the date of the above Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to:

i. grant options under the 2015 Scheme, and allot and issue Shares pursuant to the exercise of options granted under the 2004 Scheme and 2015 Scheme; and

ii. grant awards from time to time in accordance with the provisions of the RSP, and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the RSP,

provided that the aggregate number of Shares to be issued under the 2004 Scheme, 2015 Scheme and RSP be in accordance with the limit(s) as prescribed in the 2004 Scheme, 2015 Scheme, RSP and by the SGX-ST.

The 10% limit under the 2015 Scheme is lower than the 15% limit set out in the Listing Manual of the SGX-ST and also lower than the 15% limit under the 2004 Scheme.

The 2015 Scheme prescribes that in any financial year, the aggregate number of Shares over which options may be granted pursuant to the 2015 Scheme on any date when added to the aggregate number of Shares which may be issued and existing Shares which may be delivered (whether such existing Shares are acquired, pursuant to a share purchase mandate or (to the extent permitted by law) held as treasury shares, or otherwise) pursuant to awards granted under the RSP in that financial year, shall not exceed 3% of the total number of issued Shares (excluding treasury shares), from time to time.

Resolution 8

The Company may use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are cancelled or held in treasury.

Based on the existing issued Shares as at 7 March 2017 ("Latest Practicable Date") (and disregarding 335,000 treasury shares as at the Latest Practicable Date), the purchase by the Company of 10% of its issued Shares (excluding the 335,000 treasury shares) will result in the purchase or acquisition of 27,923,057 Shares.

Purely for illustrative purposes only, in the case of market purchases by the Company and assuming that the Company purchases or acquires 27,923,057 Shares at the Maximum Price of S$11.41 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares), the maximum amount of funds required for the purchase or acquisition of the 27,923,057 Shares is S$318,602,080.37.

Purely for illustrative purposes only, in the case of off-market purchases by the Company and assuming that the Company purchases or acquires 27,923,057 Shares at the Maximum Price of S$11.96 for one Share (being the price equivalent to 110% of the Average Closing Price of the Shares), the maximum amount of funds required for the purchase or acquisition of 27,923,057 Shares is S$333,959,761.72.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate are based on the audited financial statements of the Group (as defined in the Letter to the Shareholders) for FY 2016 and the assumptions set out in paragraph 2.7 of the Letter to the Shareholders which is appended to this Notice of Annual General Meeting.

Notes:

1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act: "(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation".

2 A proxy need not be a member of the Company.

3 The instrument appointing a proxy or proxies (a form is enclosed) must be deposited at the registered office of the Company at 5006 Ang Mo Kio Avenue 5, #05-01/12 TECHplace II, Singapore 569873 not less than forty-eight (48) hours before the time appointed for the Annual General Meeting.

4 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of an attorney or duly authorised officer.

5 Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument, failing which the instrument may be treated as invalid.

6 A corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representatives or representative to attend, speak and vote at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act.

7 The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies.

8 In the case of a member whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company shall be entitled to reject an instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by the CDP to the Company.

9 Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOK CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Venture Corporation Limited ("the Company") will be closed from 5.00 p.m. on 17 to 18 May 2017 (both dates inclusive) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902 up to 5.00 p.m. on 17 May 2017 will be registered to determine shareholders' entitlements to the said dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the capital of the Company on or before 5.00 p.m. on 17 May 2017 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the shareholders at the Annual General Meeting to be held on 27 April 2017, will be made on 25 May 2017.

By Order of the Board

Angeline Khoo Cheng Nee
Company Secretary

Singapore
5 April 2017

VENTURE CORPORATION LIMITED
(Incorporated In Singapore)
(Co. Reg. No: 198402886H)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy Venture Corporation Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2017.

*I/We, ________________________ (Name) ________________ (NRIC/Passport/Co Reg Number)

of ____ (Address)
being *a member/members of Venture Corporation Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/them, the Chairman of the Meeting or such person as may be designated by the Chairman, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Thursday, 27 April 2017 at 10.30 a.m. at The Boardroom, 5006 Ang Mo Kio Avenue 5, #05-01/12 TECHplace II, Singapore 569873, and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Resolutions relating to:	No. of Votes For#	No. of Votes Against#
1	Directors' Statement and Audited Accounts for the year ended 31 December 2016 and the Auditors' Report thereon		
2	Payment of proposed final one-tier tax-exempt dividend		
3a	Re-election of Mr Jonathan S. Huberman as a Director		
3b	Re-election of Mr Han Thong Kwang as a Director		
4	Approval of Directors' fees amounting to S$615,000		
5	Re-appointment of Deloitte & Touche LLP as Auditor		
6	Authority to allot and issue new shares		
7	Authority to allot and issue shares pursuant to the Venture Corporation Executives' Share Option Schemes and the Venture Corporation Restricted Share Plan		
8	Renewal of the Share Purchase Mandate		

* *Delete where inapplicable*

\# *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.*

Dated this __________ day of ________________ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature/Common Seal of Shareholder(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. A member of the Company should insert the total number of shares held. If such member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited ("CDP")), he should insert that number of shares. If such member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If such member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this form of proxy shall be deemed to relate to all the Shares held by such member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore (the "Act"): "(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation".

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Please affix postage stamp

VENTURE CORPORATION LIMITED

5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873

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3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 5006 Ang Mo Kio Avenue 5, #05-01/12 TECHplace II, Singapore 569873 not less than forty-eight (48) hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of an attorney or duly authorised officer.
6. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representatives or representative to attend, speak and vote at the Meeting, in accordance with its Constitution and Section 179 of the Act.
8. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies.
10. In the case of a member whose shares are deposited with the CDP, the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the CDP to the Company.
11. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

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CORPORATE DIRECTORY

REGISTERED OFFICE

Venture Corporation Limited
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
T : +65 6482 1755
F : +65 6482 0122
Email : contact-us@venture.com.sg

COMPANY SECRETARY

Angeline Khoo Cheng Nee

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902
T : +65 6227 6660
F : +65 6225 1452

AUDITORS

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
T : +65 6224 8288
F : +65 6538 6166

Partner-in-charge
John Tan Hon Chye
(Appointed with effect from the
financial year ended 31 December 2015)

BANKERS

Citibank N.A.
DBS Bank Ltd
JPMorgan Chase Bank
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
RHB Bank Bhd
CIMB Bank Bhd
Malayan Banking Berhad
The Hongkong and Shanghai Banking Corporation

VENTURE CORPORATION LIMITED

Company Registration No.: 198402886H
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873

www.venture.com.sg