

Condensed Consolidated Statement of Profit Or Loss and Other Comprehensive Income
Period ended 30 June 2021

| | Notes to Financial Statements | 6 months ended 30 June 2021 S\$'000 | Group 6 months ended 30 June 2020 S\$'000 | % increase/ (decrease) |
|--|-------------------------------------|---|--|------------------------------|
| Revenue | 5 | 1,432,200 | 1,365,703 | 4.9 |
| Other income (Note A) | | 1,553 | 2,923 | (46.9) |
| Changes in finished goods, work in progress and raw materials used | | (1,054,486) | (1,002,286) | 5.2 |
| Employee benefits expense (Note B) | | (156,942) | (145,666) | 7.7 |
| Depreciation and amortisation expense | | (19,014) | (21,352) | (10.9) |
| Research and development expense (Note C) | | (10,007) | (16,184) | (38.2) |
| Foreign currency exchange gain | | 2,083 | 3,074 | (32.2) |
| Other operating expenses | | (37,351) | (38,744) | (3.6) |
| Investment revenue | | 3,910 | 3,894 | 0.4 |
| Finance costs (interest expenses on lease liabilities) | | (232) | (267) | (13.1) |
| Profit before tax | | 161,714 | 151,095 | 7.0 |
| Income tax expense | | (21,349) | (20,502) | 4.1 |
| Profit for the period | 3 | 140,365 | 130,593 | 7.5 |
| Other comprehensive income (loss): | | | | |
| - Items that will not be reclassified subsequently to profit or loss | | | | |
| Fair value gain (loss) on other financial assets, through other comprehensive income (FVTOCI) | | 1,240 | (1,877) | n.m. |
| Other comprehensive income: | | | | |
| - Items may be reclassified subsequently to profit or loss | | | | |
| Exchange differences on translation of foreign operations | | 8,215 | 44,824 | (81.7) |
| Total comprehensive income for the period | | 149,820 | 173,540 | (13.7) |
| Profit (Loss) attributable to: | | | | |
| Owners of the Company | | 140,396 | 130,509 | 7.6 |
| Non-controlling interests | | (31) | 84 | n.m. |
| | | 140,365 | 130,593 | 7.5 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | | 149,798 | 173,418 | (13.6) |
| Non-controlling interests | | 22 | 122 | (82.0) |
| | | 149,820 | 173,540 | (13.7) |
| | | Cents | Cents | |
| Basic earnings per share | | 48.4 | 45.2 | |
| Fully diluted earnings per share | | 48.1 | 44.9 | |

Note A

Other income for 1H 2021 was lower year-on-year due to higher government grants received in the prior year.

Note B

Employee benefits expense for 1H 2021 was higher in line with the increased level of activities. Staff cost last year was also lower due to foreign worker levy rebates and wage subsidies received in 1H 2020 in relation to Covid-19 pandemic.

Note C

Research and development (R&D) expenses (which comprise prototyping, tooling, non-recurring engineering (NRE), materials and related services) were lower due to customer's requirement. R&D manpower costs are separately recorded under Employee benefits expense.

Condensed Statement Of Financial Position
As at 30 June 2021

| | Notes to Financial Statements | Group | | Company | |
|---|-------------------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
| | | 30 June 2021 S\$'000 | 31 December 2020 S\$'000 | 30 June 2021 S\$'000 | 31 December 2020 S\$'000 |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and bank balances | | 922,169 | 928,740 | 417,001 | 299,279 |
| Trade receivables | | 677,264 | 702,681 | 14,782 | 15,141 |
| Other receivables and prepayments | | 31,689 | 18,696 | 4,326 | 1,826 |
| Contract assets | | 19,622 | 16,759 | - | - |
| Inventories | | 766,611 | 656,453 | 67,930 | 53,506 |
| Trade receivables due from subsidiaries | | - | - | 52,721 | 62,595 |
| Other receivables due from subsidiaries | | - | - | 1,075 | 11,130 |
| Income tax recoverable | | - | 1 | - | - |
| Total current assets | | 2,417,355 | 2,323,330 | 557,835 | 443,477 |
| Non-current assets: | | | | | |
| Investments in subsidiaries | | - | - | 1,227,849 | 1,227,849 |
| Investments in associates | | 729 | 729 | - | - |
| Other financial assets | 4 | 25,002 | 25,050 | 8,326 | 7,111 |
| Property, plant and equipment | | 218,441 | 226,704 | 35,384 | 36,590 |
| Right-of-use assets | | 17,418 | 20,127 | 6,547 | 9,493 |
| Intangible assets | | 248 | 312 | - | - |
| Goodwill | | 639,708 | 639,708 | - | - |
| Deferred tax assets | | 3,634 | 3,607 | - | - |
| Total non-current assets | | 905,180 | 916,237 | 1,278,106 | 1,281,043 |
| Total assets | | 3,322,535 | 3,239,567 | 1,835,941 | 1,724,520 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities: | | | | | |
| Trade payables | | 486,309 | 397,544 | 43,132 | 41,523 |
| Other payables and accrued expenses | | 145,467 | 158,240 | 19,878 | 31,723 |
| Contract liabilities | | 44,073 | 36,152 | 5,191 | 1,082 |
| Lease liabilities | 6 | 10,359 | 10,105 | 5,855 | 5,837 |
| Trade payables due to subsidiaries | | - | - | 1,615 | 2,056 |
| Other payables due to subsidiaries | | - | - | 20,411 | 20,388 |
| Income tax payable | | 28,203 | 34,187 | 5,162 | 4,932 |
| Total current liabilities | | 714,411 | 636,228 | 101,244 | 107,541 |
| Non-current liabilities: | | | | | |
| Deferred tax liabilities | | 3,374 | 3,365 | - | - |
| Lease liabilities | 6 | 8,172 | 10,845 | 1,497 | 4,321 |
| Total non-current liabilities | | 11,546 | 14,210 | 1,497 | 4,321 |
| Capital and reserves: | | | | | |
| Share capital | 7 | 831,023 | 826,980 | 831,023 | 826,980 |
| Treasury shares | 7 | (15,574) | (16,674) | (15,574) | (16,674) |
| Share-based awards reserve | | 4,801 | 5,137 | 4,801 | 5,137 |
| Investments revaluation reserve | | 3,039 | 1,799 | 2,544 | 1,329 |
| Foreign exchange translation reserve | | (78,049) | (86,211) | - | - |
| Other reserves | | (303) | 1,016 | (6,021) | (3,886) |
| Accumulated profits | | 1,848,940 | 1,854,403 | 916,427 | 799,772 |
| Equity attributable to owners of the Company | | 2,593,877 | 2,586,450 | 1,733,200 | 1,612,658 |
| Non-controlling interests | | 2,701 | 2,679 | - | - |
| Total equity | | 2,596,578 | 2,589,129 | 1,733,200 | 1,612,658 |
| Total liabilities and equity | | 3,322,535 | 3,239,567 | 1,835,941 | 1,724,520 |

Condensed Consolidated Statement of Cash Flow
Period ended 30 June 2021

| | 6 months ended 30 June 2021 S\$'000 | 6 months ended 30 June 2020 S\$'000 |
|---|---|---|
| Operating activities: | | |
| Profit before income tax | 161,714 | 151,095 |
| Adjustments for: | | |
| Reversal of inventory provisions | (708) | (1,878) |
| Depreciation of property, plant and equipment | 13,557 | 15,473 |
| Depreciation of right-of-use assets | 5,395 | 5,792 |
| Amortisation of intangible assets | 62 | 87 |
| Net re-measurement of expected credit loss allowance | 14 | (47) |
| Interest income | (3,910) | (3,894) |
| Dividend income | (363) | (451) |
| Interest expense | 232 | 267 |
| Share-based payments expense | 1,251 | 994 |
| Fair value adjustment on derivative instrument | 410 | - |
| (Gain) Loss on disposal of plant and equipment, net | (95) | 147 |
| Gain on disposal of other financial assets | (1,326) | - |
| Operating profit before working capital changes | 176,233 | 167,585 |
| Trade receivables | 28,794 | 301,803 |
| Other receivables, prepayments and contract assets | (15,621) | (13,377) |
| Inventories | (103,006) | (70,145) |
| Trade payables | 84,982 | (89,413) |
| Other payables, accrued expenses and contract liabilities | (6,037) | (25,170) |
| Cash generated from operating activities | 165,345 | 271,283 |
| Interest paid | (232) | (267) |
| Income tax paid | (27,409) | (18,948) |
| Net cash generated from operating activities | 137,704 | 252,068 |
| Investing activities: | | |
| Interest received | 3,735 | 4,815 |
| Dividend received from other equity investments | 363 | 451 |
| Purchase of property, plant and equipment | (4,246) | (5,598) |
| Proceeds on disposal of plant and equipment | 102 | 10 |
| Addition of intangible assets | - | (188) |
| Proceeds from disposal of other financial assets | 2,651 | - |
| Net cash generated from (used in) investing activities | 2,605 | (510) |
| Financing activities: | | |
| Dividends paid | (145,182) | (144,446) |
| Proceeds from issue of shares | 3,957 | 6,334 |
| Purchase of treasury shares | (2,397) | - |
| Repayments of lease liabilities (Note D) | (5,317) | (5,411) |
| Net cash used in financing activities | (148,939) | (143,523) |
| Net (decrease) increase in cash and cash equivalents | (8,630) | 108,035 |
| Cash and cash equivalents at beginning of period | 928,740 | 714,467 |
| Effect of foreign exchange rate changes on the balance of cash held in foreign currencies | 2,059 | 11,573 |
| Cash and cash equivalents at end of period | 922,169 | 834,075 |
| Cash and cash equivalents comprises: | | |
| Cash | 526,786 | 636,037 |
| Fixed deposits | 395,383 | 198,038 |
| Cash and cash equivalents on the condensed consolidated cash flow statement | 922,169 | 834,075 |

Note D: Reconciliation of liabilities arising from financing activities between cash and non-cash changes

| | 30 June 2021 | Financing Cash Flows | Non-cash changes | | 31 December 2020 |
|--------------------------|--------------|-------------------------|------------------------------------|------------------------------|------------------|
| | | | Net lease liabilities additions | Foreign exchange movement | |
| | | | S\$'000 | S\$'000 | |
| Lease Liabilities | 18,531 | (5,317) | 2,522 | 376 | 20,950 |

Condensed Statement Of Changes In Equity For The Period Ended 30 June 2020

| | Notes to Financial Statements | Share capital S\$'000 | Treasury shares S\$'000 | Share-based awards reserve S\$'000 | Investments revaluation reserve S\$'000 | Foreign exchange translation reserve S\$'000 | Other reserves S\$'000 | Accumulated profits S\$'000 | Equity attributable to owners of the Company S\$'000 | Non-controlling interests S\$'000 | Total equity S\$'000 |
|--|-------------------------------|-----------------------|-------------------------|------------------------------------|---|--|------------------------|-----------------------------|--|-----------------------------------|----------------------|
| The Group | | | | | | | | | | | |
| Balance at 1 January 2020 | | 811,082 | (19,993) | 4,559 | 1,790 | (78,403) | 2,577 | 1,774,586 | 2,496,198 | 2,395 | 2,498,593 |
| Total comprehensive (loss) income for the period | | | | | | | | | | | |
| Profit for the period | | - | - | - | - | - | - | 130,509 | 130,509 | 84 | 130,593 |
| Other comprehensive (loss) income for the period | | - | - | - | (1,877) | 44,786 | - | - | 42,909 | 38 | 42,947 |
| Total | | - | - | - | (1,877) | 44,786 | - | 130,509 | 173,418 | 122 | 173,540 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | | |
| Issue of shares | 7 | 6,480 | - | (146) | - | - | - | - | 6,334 | - | 6,334 |
| Appropriation to reserve fund | | - | - | - | - | - | 628 | (628) | - | - | - |
| Treasury shares reissued pursuant to equity compensation plans | 7 | - | 3,319 | (1,130) | - | - | (2,189) | - | - | - | - |
| Final tax exempt dividend paid in respect of the previous financial year | 8 | - | - | - | - | - | - | (144,446) | (144,446) | - | (144,446) |
| RSP/Share options lapsed | 7 | - | - | (7) | - | - | - | 7 | - | - | - |
| Recognition of share-based payments | 7 | - | - | 994 | - | - | - | - | 994 | - | 994 |
| Total | | 6,480 | 3,319 | (289) | - | - | (1,561) | (145,067) | (137,118) | - | (137,118) |
| Balance at 30 June 2020 | | <u>817,562</u> | <u>(16,674)</u> | <u>4,270</u> | <u>(87)</u> | <u>(33,617)</u> | <u>1,016</u> | <u>1,760,028</u> | <u>2,532,498</u> | <u>2,517</u> | <u>2,535,015</u> |

Condensed Statement Of Changes In Equity For The Period Ended 30 June 2021

| | Notes to Financial Statements | Share capital S\$'000 | Treasury shares S\$'000 | Share-based awards reserve S\$'000 | Investments revaluation reserve S\$'000 | Foreign exchange translation reserve S\$'000 | Other reserves S\$'000 | Accumulated profits S\$'000 | Equity attributable to owners of the Company S\$'000 | Non-controlling interests S\$'000 | Total equity S\$'000 |
|--|-------------------------------|-----------------------|-------------------------|------------------------------------|---|--|------------------------|-----------------------------|--|-----------------------------------|----------------------|
| The Group | | | | | | | | | | | |
| Balance at 1 January 2021 | | 826,980 | (16,674) | 5,137 | 1,799 | (86,211) | 1,016 | 1,854,403 | 2,586,450 | 2,679 | 2,589,129 |
| Total comprehensive (loss) income for the period | | | | | | | | | | | |
| Profit for the period | | - | - | - | - | - | - | 140,396 | 140,396 | (31) | 140,365 |
| Other comprehensive income for the period | | - | - | - | 1,240 | 8,162 | - | - | 9,402 | 53 | 9,455 |
| Total | | - | - | - | 1,240 | 8,162 | - | 140,396 | 149,798 | 22 | 149,820 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | | |
| Issue of shares | 7 | 4,043 | - | (86) | - | - | - | - | 3,957 | - | 3,957 |
| Appropriation to reserve fund | | - | - | - | - | - | 816 | (816) | - | - | - |
| Treasury shares reissued pursuant to equity compensation plans | 7 | - | 3,497 | (1,362) | - | - | (2,135) | - | - | - | - |
| Purchase of treasury shares | 7 | - | (2,397) | - | - | - | - | - | (2,397) | - | (2,397) |
| Final tax exempt dividend paid in respect of the previous financial year | 8 | - | - | - | - | - | - | (145,182) | (145,182) | - | (145,182) |
| RSP/Share options lapsed | 7 | - | - | (139) | - | - | - | 139 | - | - | - |
| Recognition of share-based payments | 7 | - | - | 1,251 | - | - | - | - | 1,251 | - | 1,251 |
| Total | | 4,043 | 1,100 | (336) | - | - | (1,319) | (145,859) | (142,371) | - | (142,371) |
| Balance at 30 June 2021 | | <u>831,023</u> | <u>(15,574)</u> | <u>4,801</u> | <u>3,039</u> | <u>(78,049)</u> | <u>(303)</u> | <u>1,848,940</u> | <u>2,593,877</u> | <u>2,701</u> | <u>2,596,578</u> |

Condensed Statement Of Changes In Equity For The Period Ended 30 June 2020

| | Notes to Financial Statements | Share capital S\$'000 | Treasury shares S\$'000 | Share- based awards reserve S\$'000 | Investments revaluation reserve S\$'000 | Other reserves S\$'000 | Accumulated profits S\$'000 | Total equity S\$'000 |
|--|--|-----------------------------|-------------------------------|---|--|------------------------------|-----------------------------------|----------------------------|
| The Company | | | | | | | | |
| Balance at 1 January 2020 | | 811,082 | (19,993) | 4,559 | 1,658 | (1,697) | 838,771 | 1,634,380 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | | - | - | - | - | - | 144,107 | 144,107 |
| Other comprehensive loss for the period | | - | - | - | (1,407) | - | - | (1,407) |
| Total | | - | - | - | (1,407) | - | 144,107 | 142,700 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Issue of shares | 7 | 6,480 | - | (146) | - | - | - | 6,334 |
| Treasury shares reissued pursuant to equity compensation plans | 7 | - | 3,319 | (1,130) | - | (2,189) | - | - |
| Final tax exempt dividend paid in respect of the previous financial year | 8 | - | - | - | - | - | (144,446) | (144,446) |
| RSP/Share options lapsed | 7 | - | - | (7) | - | - | 7 | - |
| Recognition of share-based payments | 7 | - | - | 994 | - | - | - | 994 |
| Total | | 6,480 | 3,319 | (289) | - | (2,189) | (144,439) | (137,118) |
| Balance at 30 June 2020 | | 817,562 | (16,674) | 4,270 | 251 | (3,886) | 838,439 | 1,639,962 |

Condensed Statement Of Changes In Equity For The Period Ended 30 June 2021

| | Notes to Financial Statements | Share capital S\$'000 | Treasury shares S\$'000 | Share- based awards reserve S\$'000 | Investments revaluation reserve S\$'000 | Other reserves S\$'000 | Accumulated profits S\$'000 | Total equity S\$'000 |
|--|--|-----------------------------|-------------------------------|---|--|------------------------------|-----------------------------------|----------------------------|
| The Company | | | | | | | | |
| Balance at 1 January 2021 | | 826,980 | (16,674) | 5,137 | 1,329 | (3,886) | 799,772 | 1,612,658 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | | - | - | - | - | - | 261,698 | 261,698 |
| Other comprehensive income for the period | | - | - | - | 1,215 | - | - | 1,215 |
| Total | | - | - | - | 1,215 | - | 261,698 | 262,913 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Issue of shares | 7 | 4,043 | - | (86) | - | - | - | 3,957 |
| Treasury shares reissued pursuant to equity compensation plans | 7 | - | 3,497 | (1,362) | - | (2,135) | - | - |
| Purchase of treasury shares | 7 | - | (2,397) | - | - | - | - | (2,397) |
| Final tax exempt dividend paid in respect of the previous financial year | 8 | - | - | - | - | - | (145,182) | (145,182) |
| RSP/Share options lapsed | 7 | - | - | (139) | - | - | 139 | - |
| Recognition of share-based payments | 7 | - | - | 1,251 | - | - | - | 1,251 |
| Total | | 4,043 | 1,100 | (336) | - | (2,135) | (145,043) | (142,371) |
| Balance at 30 June 2021 | | 831,023 | (15,574) | 4,801 | 2,544 | (6,021) | 916,427 | 1,733,200 |

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Venture Corporation Limited (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"). These condensed consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The Company is a leading global provider of technology solutions, products and services.

The principal activities of the Group can be found in Note 11 to annual financial statements for the year ended 31 December 2020.

2. Basis of Preparation

The condensed financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The condensed financial statements are presented in Singapore dollar which is the Company's functional currency.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. Standards issued but not effective can be found in Note 35 to annual financial statements for the year ended 31 December 2020.

The condensed financial statements for the six months ended 30 June 2021 has not been audited or reviewed.

2.1 Use of Judgements and Estimates

In preparing the condensed financial statements in conformity with SFRS(I)1-34 *Interim Financial Reporting*, the management is required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In applying the Group's accounting policies, the judgements and the key sources of estimation uncertainty made were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020. Details can be found in Note 3 to annual financial statements for the year ended 31 December 2020.

3. Profit after Income Tax

The profit after income tax includes the following (charges)/credits:

| | Group | |
|---|--|--|
| | 6 months ended 30 June 2021 S\$'000 | 6 months ended 30 June 2020 S\$'000 |
| Underprovision of tax in respect of prior years | (70) | (1,015) |
| Net re-measurement of expected credit loss allowance | (14) | 47 |
| Gain/(Loss) on disposal of property, plant and equipment, net | 95 | (147) |
| Gain on disposal of other financial assets | 1,326 | - |
| Reversal of inventory provisions | 708 | 1,878 |

4. Financial Assets measured at Fair Value

4.1 Fair Value Measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

Fair value of financial assets and financial liabilities

Other than the fair values of derivative financial instruments and other financial assets, the carrying amounts of cash and bank balances, trade and other receivables, and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

| Financial Assets/ Financial Liabilities | Fair Value as at | | | | Fair Value Hierarchy | Valuation Technique(s) and Key Input(s) |
|---|-----------------------------------|--|--|---|-------------------------|--|
| | 30 June 2021 Assets S\$'000 | 30 June 2021 Liabilities S\$'000 | 31 December 2020 Assets S\$'000 | 31 December 2020 Liabilities S\$'000 | | |

Derivative Financial Instruments

The Group

| | | | | | | |
|--------------------------------------|-----|---|-----|---|---------|--|
| Foreign exchange forward contract | 235 | - | 645 | - | Level 2 | Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date discounted at a rate that reflects credit risk of counterparties |
|--------------------------------------|-----|---|-----|---|---------|--|

Other Financial Assets

The Group

| | | | | | | |
|---------------------------|--------|---|--------|---|---------|--|
| Quoted equity shares | 22,155 | - | 20,852 | - | Level 1 | Quoted bid prices in an active market |
| Unquoted equity shares | 2,847 | - | 4,198 | - | Level 2 | Net tangible asset of the underlying investment / most recent transacted prices which approximate fair value |

The Company

| | | | | | | |
|-------------------------|-------|---|-------|---|---------|---------------------------------------|
| Quoted equity shares | 8,326 | - | 7,111 | - | 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.

5. Segment and Revenue 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 are as follows:

- (i) Advanced Manufacturing & Design Solutions ("AMDS").
- (ii) Technology Products & Design Solutions ("TPS").

Accordingly, the above are the Group's reportable segments under SFRS(I) 8 *Operating Segments*.

a) By Reportable Segments

| | Advanced Manufacturing & Design Solutions S\$'000 | Technology Products & Design Solutions S\$'000 | Eliminations S\$'000 | Group S\$'000 |
|---------------------------------|--|---|---------------------------------|--------------------------|
| 1H 2021 | | | | |
| Revenue: | | | | |
| External Sales | 713,049 | 719,151 | - | 1,432,200 |
| Inter-segment Sales | 7,476 | 6,017 | (13,493) | - |
| Total revenue | 720,525 | 725,168 | (13,493) | 1,432,200 |
| Results: | | | | |
| Segment results | 71,209 | 84,744 | - | 155,953 |
| Foreign currency exchange gain | | | | 2,083 |
| Investment revenue | | | | 3,910 |
| Finance costs | | | | (232) |
| Profit before income tax | | | | 161,714 |
| Income tax | | | | (21,349) |
| Profit for the year | | | | 140,365 |
| 1H 2020 | | | | |
| Revenue: | | | | |
| External Sales | 747,881 | 617,822 | - | 1,365,703 |
| Inter-segment Sales | 4,779 | 4,679 | (9,458) | - |
| Total revenue | 752,660 | 622,501 | (9,458) | 1,365,703 |
| Results: | | | | |
| Segment results | 81,404 | 62,990 | - | 144,394 |
| Foreign currency exchange gain | | | | 3,074 |
| Investment revenue | | | | 3,894 |
| Finance costs | | | | (267) |
| Profit before income tax | | | | 151,095 |
| Income tax | | | | (20,502) |
| Profit for the year | | | | 130,593 |

Reclassifications have been made between reportable segments arising from business reorganisation. Comparative figures have been adjusted for better comparability.

b) By Technology Domains Segments

| | 1H 2021 S\$'000 | 1H 2020 S\$'000 |
|-------------|--------------------|--------------------|
| Revenue | | |
| Portfolio A | 564,521 | 545,073 |
| Portfolio B | 867,679 | 820,630 |
| | 1,432,200 | 1,365,703 |

Portfolio A comprised Life Science, Genomics, Molecular Diagnostics and Related Materials Technology, Medical Devices and Equipment, Healthcare & Wellness Technology, Lifestyle Consumer Tech, Health Improvement Products and Others.

Portfolio B comprised Instrumentation, Test & Measurement Technology, Networking & Communications, Security & Safety, Building Automation, Industrial IOT, Fintech & Advanced Payment Systems, Computing & Productivity Systems, Advanced Industrial Technology, Printing & Imaging, Related Components Technology and Others.

The majority of the revenue is recognised at a point in time, with revenue recognised over time contributing less than 10% of the total revenue.

c) By Geographical Segments

The Group operates in the following principal geographical areas:

| | 1H 2021 S\$'000 | 1H 2020 S\$'000 |
|------------------------------------|--------------------|--------------------|
| Revenue | | |
| Singapore | 335,791 | 297,616 |
| Asia-Pacific (excluding Singapore) | 1,010,737 | 987,874 |
| Others | 85,672 | 80,213 |
| | 1,432,200 | 1,365,703 |

6. Aggregate Amount of Group's Borrowings and Debt Securities

(a) Amount repayable in one year or less, or on demand

| | Group | | | | Company | | | |
|-------------------|--------------------|----------------------|------------------------|----------------------|--------------------|----------------------|------------------------|----------------------|
| | As at 30 June 2021 | | As at 31 December 2020 | | As at 30 June 2021 | | As at 31 December 2020 | |
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Lease liabilities | 10,359 | - | 10,105 | - | 5,855 | - | 5,837 | - |

(b) Amount repayable after one year

| | Group | | | | Company | | | |
|-------------------|--------------------|----------------------|------------------------|----------------------|--------------------|----------------------|------------------------|----------------------|
| | As at 30 June 2021 | | As at 31 December 2020 | | As at 30 June 2021 | | As at 31 December 2020 | |
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Lease liabilities | 8,172 | - | 10,845 | - | 1,497 | - | 4,321 | - |

(c) Details of any collateral

Not applicable.

7. Share Capital and Treasury Shares

As at 30 June 2021, the total number of ordinary shares in issue was 291,425,577 (30 June 2020: 290,319,577), of which 964,200 were treasury shares (30 June 2020: 1,055,000).

The Company purchased 129,200 ordinary shares during 1H 2021 (1H 2020: Nil). Ordinary shares purchased by the Company are held as treasury shares which can, in accordance with the Companies Act, be sold for cash, transferred for the purposes of or pursuant to an employee's share-based scheme; transferred as consideration for the acquisition of shares in or assets of another company or assets of a person; or cancelled. Except as disclosed below, there were no other sales, transfers, cancellation and/or use of treasury shares during the period.

| | No. of ordinary shares in issue | S\$'000 |
|---|--|-------------------------------|
| As at 1 January 2021 | 291,087,577 | 826,980 |
| Add: No. of share options exercised in 1H 2021 | 338,000 | 4,043 |
| As at 30 June 2021 | <u>291,425,577</u> | <u>831,023</u> |
| | No. of treasury shares | S\$'000 |
| As at 1 January 2021 | 1,055,000 | 16,674 |
| Less: Treasury shares utilised in 1H 2021 | (220,000) | (3,497) |
| Add: Treasury shares repurchased in 1H 2021 | 129,200 | 2,397 |
| As at 30 June 2021 | <u>964,200</u> | <u>15,574</u> |
| | As at 30 June 2021 | As at 30 June 2020 |
| % of treasury shares against the total ordinary shares in issue | <u>0.3%</u> | <u>0.4%</u> |
| | No. of shares | S\$'000 |
| Issued shares excluding treasury shares as at 1 January 2021 | 290,032,577 | 810,306 |
| Issued shares excluding treasury shares as at 30 June 2021 | <u>290,461,377</u> | <u>815,449</u> |

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

Since 31 December 2020, 338,000 options (1H 2020: 594,000) were exercised and 70,000 options (1H 2020: 23,000) have lapsed. As at 30 June 2021, there were 2,244,500 unissued shares of the Company under options in the 2015 Scheme. (30 June 2020: 3,446,500).

Venture Corporation Restricted Share Plan ("RSP")

The RSP has a 5-year vesting period and is subject to the rules of the RSP. As at 30 June 2021, the number of RSP shares stood at 736,000 (30 June 2020: 832,000).

8. Dividend

(a) Current Financial Period Reported On

| | |
|--------------------------------------|-----------------------------|
| Name of Dividend | Interim |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 25 cents per ordinary share |
| Tax Rate | Exempt |

(b) Corresponding Period of the Immediately Preceding Financial Year

| | |
|--------------------------------------|-----------------------------|
| Name of Dividend | Interim |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 25 cents per ordinary share |
| Tax Rate | Exempt |

(c) Date Payable

17 September 2021

(d) Books Closure Date

5pm on 6 September 2021

9. Net Asset Value

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period reported on (cents)

| Group | | Company | |
|--------------|--------------|--------------|--------------|
| 30 June 2021 | 30 June 2020 | 30 June 2021 | 30 June 2020 |
| 893.0 | 875.5 | 596.7 | 566.9 |

OTHER INFORMATION

1. Subsidiary Holdings

There were no holdings in Venture Corporation Limited by any subsidiary as at the end of the current financial period reported on.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

PERFORMANCE REVIEW

For the six months ended 30 June 2021 (1H 2021), the Group generated revenue of S\$1,432.2 million (+4.9% YoY). For the three months ended 30 June 2021 (2Q 2021), the Group registered revenue of S\$745.5 million (+8.6% QoQ). Revenue recorded steady growth on the back of strong customers' orders. Venture's provident strategy to set up working taskforces in collaboration with a strong supportive network of global partners, business associations and government authorities had positioned the Group well to mitigate most challenges precipitated by Covid-19 pandemic to deliver on our commitment to customers.

The Group posted profit before tax (PBT) of S\$86.7 million for 2Q 2021 and S\$161.7 million (+7.0% YoY) for 1H 2021. PBT for 2Q 2021 registered healthy sequential growth at +15.7% over 1Q 2021. In line with the PBT, the Group reported income tax expense of S\$21.3 million for 1H 2021. Net profit (profit attributable to owners of the Company) was S\$75.1 million for 2Q 2021 (+14.9% QoQ) and S\$140.4 million for 1H 2021 (+7.6% YoY). This translated to a net margin of 10.1% for 2Q 2021 and 9.8% for 1H 2021 (2Q 2020: 10.1%, 1H 2020: 9.6%). The Group continues to deliver strong sequential progress reflecting Venture's differentiating business models and value propositions that are continuously transformed and enhanced in this dynamic operating environment.

Diluted Earnings Per Share was 48.1 cents for the first half of 2021 (1H 2020: 44.9 cents).

FINANCIAL POSITION AND CASH FLOW

The Group generated operating cash flow of S\$176.2 million before working capital changes for 1H 2021 (1H 2020: S\$167.6 million). The Group registered an improvement in working capital position mainly due to lower net receivables and payables position offset by higher inventories to ensure assurance of supply. For the six months ended 30 June 2021, the Group achieved strong cash flow from operations at S\$165.3 million (1H 2020: S\$271.3 million).

As at 30 June 2021, the Group recorded cash and bank balance and net cash position of S\$922.2 million (S\$928.7 million as at 31 Dec 2020). On 25 May 2021, the Group paid a final tax-exempt dividend of 50 cents per ordinary share amounting to S\$145.2 million (1H 2020: S\$144.4 million). Notwithstanding the dividend payment, net cash as at 30 June 2021 remained healthy.

As at 30 June 2021, equity attributable to owners of the Company was S\$2,593.9 million (S\$2,586.5 million as at 31 Dec 2020) and Net Asset Value per share was S\$8.93 (S\$8.92 as at 31 Dec 2020).

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on customers' feedback, demand outlook for Venture over the next 12 months appears ebullient. In the fast-growing Life Science Technology and Genomics domain, where Venture has gained good traction over the years, the Group sees sustained expanding demand for innovative products and services. In particular, there are new emerging trends in next-generation sequencing and diagnostics. Venture's R&D Labs and Operations are deeply involved in developing/manufacturing breakthrough technology products for our customers. An example is for an emerging life science technology group that has established an industry-leading position in single cell analysis and continues to expand its expertise to new adjacent domains through M&As. Venture remains a key partner to its customers whose products are still highly sought after in the fight against COVID-19 and other diseases. The Group is also developing strategic modules as well as co-development of solutions with other erstwhile partners, to expand its participation in these domains.

In the Lifestyle Consumer Electronics Cluster, Venture continues to render strong development/manufacturing services, including supporting the launch of a new platform of next-generation devices. The launch of these new platform products is expected to commence in the second half of 2021.

Another new area of growth for Venture is in Liquid Chromatography and Mass Spectrometry. Other domains showing positive trends include Test & Measurement Instrumentation, Networking & Communications, Advanced Industrials, and Semiconductor-related Equipment.

Although customers' orders/forecasts indicate sustained strong end-market demand, full fulfilment is contingent on the availability of parts and components. Venture has put in place multiple strategies to improve its access to raw materials and enhance its assurance of supply. Some of these strategies include redesigning parts and components to overcome shortages. All our operating groups are securing customers' confirmed orders for advance inventory procurement, as well as reaffirming suppliers' delivery commitment by rallying support from our customers and partners.

Despite the Extended Movement Control Order (EMCO) in Malaysia, Venture continues to operate as an essential economic sector. Although certain restrictions from the EMCO remain in place, the Group has been improving its operational efficiencies through tactical strategies to support order fulfilment. Vaccination programmes have commenced at our Malaysia sites. Venture aims to have more than 80% of its Malaysia-based employees receive their first vaccination dose by the third quarter of 2021, which will enhance the well-being of our people while allowing our sites to operate safely.

Based on good traction in selected technology domains, Venture will continue to invest strongly in developing new capabilities and growing its science & technology sector with a larger talent pool. High-calibre professionals are also being recruited to foster new differentiating pathways, which will further strengthen our globally linked Clusters of Excellence.

These steps are taken to accelerate the continuous transformation of the Group's business goals and strategic direction, to stay relevant and impactful in its marketplace always.

5. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not sought a general mandate from shareholders for Interested Person Transactions.

6. Please disclose a confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Group has procured undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.



VENTURE CORPORATION LIMITED
Company Registration Number 198402886H

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed financial statements for the half year ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)
Wong Ngjit Liong
Director

6 August 2021

(signed)
Tan Seok Hoong @ Mrs Audrey Liow
Director