

Full Year Financial Statements And Dividend Announcement

The Board of Directors of Venture Corporation Limited wishes to make the following announcement:

Second half and year-to-date financial statements on consolidated results for the period ended December 31, 2020. These figures have not been audited or reviewed.

1.(a)(i) **A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group			Group		
	6 months ended 31.12.2020 S\$'000	6 months ended 31.12.2019 S\$'000	% increase/ (decrease)	12 months ended 31.12.2020 S\$'000	12 months ended 31.12.2019 S\$'000	% increase/ (decrease)
Revenue (Note 1)	1,647,191	1,801,199	(8.6)	3,012,894	3,633,431	(17.1)
Other income	370	337	9.8	3,293	746	n.m.
Changes in finished goods, work in progress and raw materials used (Note 1)	(1,217,451)	(1,346,830)	(9.6)	(2,219,737)	(2,726,672)	(18.6)
Employee benefits expense (Note 2)	(155,588)	(167,577)	(7.2)	(301,254)	(333,151)	(9.6)
Depreciation and amortisation expense (Note 3)	(20,255)	(20,951)	(3.3)	(41,607)	(38,692)	7.5
Research and development expense (Note 4)	(19,860)	(20,387)	(2.6)	(36,044)	(36,572)	(1.4)
Foreign currency exchange (loss) gain	(1,167)	3,220	(136.2)	1,907	4,442	(57.1)
Other operating expenses (Note 5)	(43,606)	(46,118)	(5.4)	(82,350)	(94,026)	(12.4)
Investment revenue	2,336	5,859	(60.1)	6,230	11,005	(43.4)
Finance costs (interest expenses on bank loans and lease liabilities)	(203)	(322)	(37.0)	(470)	(523)	(10.1)
Share of (loss) profit of associates	(32)	-	n.m.	(32)	36	n.m.
Profit before tax	191,735	208,430	(8.0)	342,830	420,024	(18.4)
Income tax expense	(24,924)	(26,797)	(7.0)	(45,426)	(56,643)	(19.8)
Profit for the period	166,811	181,633	(8.2)	297,404	363,381	(18.2)
Other comprehensive (loss) income :						
- Items that will not be reclassified subsequently to profit or loss						
Fair value gain (loss) on other financial assets, through other comprehensive income (FVTOCI)	1,886	(41)	n.m.	9	1,125	n.m.
Other comprehensive income (loss):						
- Items may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(52,427)	(11,568)	n.m.	(7,603)	(23,448)	n.m.
Total comprehensive income for the period	116,270	170,024	(31.6)	289,810	341,058	(15.0)
Profit attributable to:						
Owners of the Company	166,816	181,454	(8.1)	297,325	363,130	(18.1)
Non-controlling interests	(5)	179	(102.8)	79	251	(68.5)
	166,811	181,633	(8.2)	297,404	363,381	(18.2)
Total comprehensive income attributable to:						
Owners of the Company	116,108	169,915	(31.7)	289,526	340,896	(15.1)
Non-controlling interests	162	109	48.6	284	162	75.3
	116,270	170,024	(31.6)	289,810	341,058	(15.0)

Note 1

Revenue for FY2020 was impacted by COVID disruptions to global supply chain and factory lockdown in Malaysia, Spain, US and China in the earlier part of the year. The Group responded swiftly as a provider of essential goods and services and recorded a strong recovery in 2H 2020 notwithstanding challenging conditions. Changes in finished goods, WIP and raw materials used for FY2020 decreased in tandem through careful stewardship of raw materials cost and supply chain management.

Note 2

Employee benefits expense for FY2020 decreased year-on-year driven mainly by reduction in staff costs, improved productivity, lower overtime charges and foreign worker levies.

Note 3

Depreciation and amortisation expense for FY2020 increased year-on-year mainly due to higher depreciation charge for Right-of-Use (ROU) assets totalling S\$11.4 million for FY 2020 (S\$8.5 million ROU depreciation for FY 2019).

Note 4

Research and development (R&D) expense comprise of prototyping, tooling, non-recurring engineering (NRE), materials and related services. R&D manpower costs are separately recorded under Employee benefits expense.

Note 5

Other operating expenses for FY2020 reduced year-on-year from lower utilities, freight, repair and maintenance expenses and manufacturing overheads incurred from careful costs management and continuous drive for operational excellence.

1.(a)(ii) The profit after income tax includes the following (charges)/credits:

	Group			Group		
	6 months ended 31.12.2020 S\$'000	6 months ended 31.12.2019 S\$'000	% increase/ (decrease)	12 months ended 31.12.2020 S\$'000	12 months ended 31.12.2019 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	2,194	2,433	n.m.	1,179	3,739	n.m.
Net re-measurement of expected credit loss (allowance) reversal	(569)	182	n.m.	(522)	387	n.m.
Doubtful debts recovery	69	-	n.m.	69	1,077	n.m.
Loss on disposal of property, plant and equipment and right-of-use assets, net	(1,765)	(30)	n.m.	(1,912)	(109)	n.m.
Provision of allowance for inventories	(3,887)	(989)	n.m.	(2,009)	(976)	n.m.

Note:
n.m. - not meaningful

1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	928,740	714,467	299,279	303,794
Trade receivables	702,681	898,910	15,141	15,866
Other receivables and prepayments	18,696	17,327	1,826	2,468
Contract assets	16,759	8,478	-	-
Inventories	656,453	706,150	53,506	59,358
Trade receivables due from subsidiaries	-	-	62,595	50,581
Other receivables due from subsidiaries	-	-	11,130	18,041
Income tax recoverable	1	4	-	-
Total current assets	2,323,330	2,345,336	443,477	450,108
Non-current assets:				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	729	761	-	-
Other financial assets	25,050	25,229	7,111	7,440
Other receivables	-	138	-	-
Property, plant and equipment	226,704	231,739	36,590	38,560
Right-of-use assets	20,127	27,472	9,493	15,637
Intangible assets	312	172	-	-
Goodwill	639,708	639,708	-	-
Deferred tax assets	3,607	3,690	-	-
Total non-current assets	916,237	928,909	1,281,043	1,289,486
Total assets	3,239,567	3,274,245	1,724,520	1,739,594
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	-	1,058	-	-
Trade payables	397,544	490,329	41,523	32,963
Other payables and accrued expenses	158,240	169,652	31,723	28,155
Contract liabilities	36,152	49,380	1,082	1,209
Lease liabilities	10,105	10,601	5,837	5,732
Trade payables due to subsidiaries	-	-	2,056	2,286
Other payables due to subsidiaries	-	-	20,388	20,567
Income tax payable	34,187	34,274	4,932	4,144
Total current liabilities	636,228	755,294	107,541	95,056
Non-current liabilities:				
Lease liabilities	10,845	17,318	4,321	10,158
Deferred tax liabilities	3,365	3,040	-	-
Total non-current liabilities	14,210	20,358	4,321	10,158
Capital and reserves:				
Share capital	826,980	811,082	826,980	811,082
Treasury shares	(16,674)	(19,993)	(16,674)	(19,993)
Share-based awards reserve	5,137	4,559	5,137	4,559
Investments revaluation reserve	1,799	1,790	1,329	1,658
Translation reserve	(86,211)	(78,403)	-	-
Other reserves	1,016	2,577	(3,886)	(1,697)
Accumulated profits	1,854,403	1,774,586	799,772	838,771
Equity attributable to owners of the Company	2,586,450	2,496,198	1,612,658	1,634,380
Non-controlling interests	2,679	2,395	-	-
Total equity	2,589,129	2,498,593	1,612,658	1,634,380
Total liabilities and equity	3,239,567	3,274,245	1,724,520	1,739,594

1.(b)(ii) Aggregate amount of group's borrowings and debt securities

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

	Group				Company			
	As at 31.12.2020		As at 31.12.2019		As at 31.12.2020		As at 31.12.2019	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	-	-	-	1,058	-	-	-	-
Lease liabilities	10,105	-	10,601	-	5,837	-	5,732	-
Total	10,105	-	10,601	1,058	5,837	-	5,732	-

(b) Amount repayable after one year

	Group				Company			
	As at 31.12.2020		As at 31.12.2019		As at 31.12.2020		As at 31.12.2019	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	10,845	-	17,318	-	4,321	-	10,158	-

(c) Details of any collateral
Not applicable.

1.(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Profit before taxation	191,735	208,430	342,830	420,024
Adjustments for:				
Share of loss (profit) of associates	32	-	32	(36)
Provision of allowance for inventories	3,887	989	2,009	976
Depreciation expense	20,190	20,880	41,455	38,499
Net re-measurement of expected credit loss allowance (reversal)	569	(182)	522	(1,464)
Amortisation of intangible assets	65	71	152	193
Interest income	(2,336)	(5,859)	(6,230)	(11,005)
Dividend income	(360)	(418)	(811)	(901)
Interest expense	203	322	470	523
Share-based payments expense	1,078	1,008	2,072	1,610
Fair value gain on derivative instrument	(645)	-	(645)	-
Loss on disposal of plant and equipment, net	1,765	30	1,912	109
Operating profit before working capital changes	216,183	225,271	383,768	448,528
Trade receivables	(110,353)	(213,433)	191,450	(175,659)
Other receivables, prepayments and contract assets	2,674	43,982	(10,703)	23,486
Inventories	119,666	36,989	49,521	89,283
Trade payables	(2,444)	14,229	(91,857)	(35,432)
Other payables, accrued expenses and contract liabilities	1,631	(50,942)	(23,539)	(58,473)
Cash generated from operations	227,357	56,096	498,640	291,733
Interest paid	(203)	(322)	(470)	(523)
Income tax paid	(26,072)	(31,139)	(45,020)	(61,509)
Net cash generated from operating activities	201,082	24,635	453,150	229,701
Investing activities:				
Interest received	2,363	5,407	7,178	10,578
Dividend received from other equity investments	360	418	811	901
Purchase of property, plant and equipment	(22,170)	(19,662)	(27,768)	(35,071)
Proceeds on disposal of plant and equipment	159	324	169	348
Addition of intangible assets	(90)	-	(278)	(120)
Purchase of other financial assets	-	(1,378)	-	(1,378)
Net cash used in investing activities	(19,378)	(14,891)	(19,888)	(24,742)
Financing activities:				
Dividend paid	(72,454)	(57,673)	(216,900)	(201,694)
Repayment of bank loans (Note 6)	(1,120)	(823)	(1,120)	(2,358)
Proceeds from new bank loans (Note 6)	-	325	-	1,663
Proceeds from issue of shares	9,220	3,353	15,554	7,698
Purchase of treasury shares	-	(597)	-	(2,178)
Lease payment (Note 6)	(6,375)	(5,242)	(11,786)	(8,117)
Net cash used in financing activities	(70,729)	(60,657)	(214,252)	(204,986)
Net increase (decrease) in cash and cash equivalents	110,975	(50,913)	219,010	(27)
Cash and cash equivalents at beginning of period	834,075	761,780	714,467	712,826
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(16,310)	3,600	(4,737)	1,668
Cash and cash equivalents at end of period	928,740	714,467	928,740	714,467
Cash and cash equivalents comprise:				
Cash	538,611	460,361	538,611	460,361
Fixed deposits	390,129	254,106	390,129	254,106
Cash and cash equivalents on the consolidated cash flow statement	928,740	714,467	928,740	714,467

Note 6: Reconciliation of liabilities arising from financing activities between cash and non-cash changes

	31.12.2020	Financing Cash Flows	Non-cash changes		31.12.2019
			Net lease liabilities additions	Foreign exchange movement	
			S\$'000	S\$'000	
Bank loans	-	(1,120)	-	62	1,058
Lease Liabilities	20,950	(11,786)	4,259	558	27,919

1.(d)(i) Statement of changes in equity for the period ended December 31, 2019

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation reserve S\$'000	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 January 1, 2019	803,220	(19,081)	3,774	665	(55,044)	3,079	1,613,253	2,349,866	2,233	2,352,099
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	181,676	181,676	72	181,748
Other comprehensive income (loss) for the period	-	-	-	1,166	(11,861)	-	-	(10,695)	(19)	(10,714)
Total	-	-	-	1,166	(11,861)	-	181,676	170,981	53	171,034
Transactions with owners, recognised directly in equity										
Issue of shares	4,432	-	(87)	-	-	-	-	4,345	-	4,345
Treasury shares reissued pursuant to equity compensation plans	-	1,266	(384)	-	-	(882)	-	-	-	-
Purchase of treasury shares	-	(1,581)	-	-	-	-	-	(1,581)	-	(1,581)
Appropriation to reserve fund	-	-	-	-	-	380	(380)	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(144,021)	(144,021)	-	(144,021)
RSP/Share options lapsed	-	-	(168)	-	-	-	168	-	-	-
Recognition of share-based payments	-	-	602	-	-	-	-	602	-	602
Total	4,432	(315)	(37)	-	-	(502)	(144,233)	(140,655)	-	(140,655)
Balance at June 30, 2019	<u>807,652</u>	<u>(19,396)</u>	<u>3,737</u>	<u>1,831</u>	<u>(66,905)</u>	<u>2,577</u>	<u>1,650,696</u>	<u>2,380,192</u>	<u>2,286</u>	<u>2,382,478</u>
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	181,454	181,454	179	181,633
Other comprehensive income (loss) for the period	-	-	-	(41)	(11,498)	-	-	(11,539)	(70)	(11,609)
Total	-	-	-	(41)	(11,498)	-	181,454	169,915	109	170,024
Transactions with owners, recognised directly in equity										
Issue of shares	3,430	-	(77)	-	-	-	-	3,353	-	3,353
Purchase of treasury shares	-	(597)	-	-	-	-	-	(597)	-	(597)
Interim tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(57,673)	(57,673)	-	(57,673)
RSP/Share options lapsed	-	-	(109)	-	-	-	109	-	-	-
Recognition of share-based payments	-	-	1,008	-	-	-	-	1,008	-	1,008
Total	3,430	(597)	822	-	-	-	(57,564)	(53,909)	-	(53,909)
Balance at December 31, 2019	<u>811,082</u>	<u>(19,993)</u>	<u>4,559</u>	<u>1,790</u>	<u>(78,403)</u>	<u>2,577</u>	<u>1,774,586</u>	<u>2,496,198</u>	<u>2,395</u>	<u>2,498,593</u>

1.(d)(i) Statement of changes in equity for the period ended December 31, 2020

The Group	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation reserve S\$'000	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
Balance at January 1, 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	6,480	-	(146)	-	-	-	-	6,334	-	6,334
Appropriation to reserve fund	-	-	-	-	-	628	(628)	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	3,319	(1,130)	-	-	(2,189)	-	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(144,446)	(144,446)	-	(144,446)
RSP/Share options lapsed	-	-	(7)	-	-	-	7	-	-	-
Recognition of share-based payments	-	-	994	-	-	-	-	994	-	994
Total	6,480	3,319	(289)	-	-	(1,561)	(145,067)	(137,118)	-	(137,118)
Balance at June 30, 2020	817,562	(16,674)	4,270	(87)	(33,617)	1,016	1,760,028	2,532,498	2,517	2,535,015
Total comprehensive (loss) income for the period										
Profit for the period	-	-	-	-	-	-	166,816	166,816	(5)	166,811
Other comprehensive (loss) income for the period	-	-	-	1,886	(52,594)	-	-	(50,708)	167	(50,541)
Total	-	-	-	1,886	(52,594)	-	166,816	116,108	162	116,270
Transactions with owners, recognised directly in equity										
Issue of shares	9,418	-	(198)	-	-	-	-	9,220	-	9,220
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	-	(72,454)	(72,454)	-	(72,454)
RSP/Share options lapsed	-	-	(13)	-	-	-	13	-	-	-
Recognition of share-based payments	-	-	1,078	-	-	-	-	1,078	-	1,078
Total	9,418	-	867	-	-	-	(72,441)	(62,156)	-	(62,156)
Balance at December 31, 2020	826,980	(16,674)	5,137	1,799	(86,211)	1,016	1,854,403	2,586,450	2,679	2,589,129

1.(d)(i) Statement of changes in equity for the period ended December 31, 2019

	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 January 1, 2019	803,220	(19,081)	3,774	1,194	(815)	787,256	1,575,548
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	94,940	94,940
Other comprehensive income for the period	-	-	-	585	-	-	585
Total	-	-	-	585	-	94,940	95,525
Transactions with owners, recognised directly in equity							
Purchase of treasury shares	-	(1,581)	-	-	-	-	(1,581)
Issue of shares	4,432	-	(87)	-	-	-	4,345
Treasury shares reissued pursuant to equity compensation plans	-	1,266	(384)	-	(882)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(144,021)	(144,021)
RSP/Share options lapsed	-	-	(168)	-	-	168	-
Recognition of share-based payments	-	-	602	-	-	-	602
Total	4,432	(315)	(37)	-	(882)	(143,853)	(140,655)
Balance at June 30, 2019	807,652	(19,396)	3,737	1,779	(1,697)	738,343	1,530,418
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	157,992	157,992
Other comprehensive income for the period	-	-	-	(121)	-	-	(121)
Total	-	-	-	(121)	-	157,992	157,871
Transactions with owners, recognised directly in equity							
Purchase of treasury shares	-	(597)	-	-	-	-	(597)
Issue of shares	3,430	-	(77)	-	-	-	3,353
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	(57,673)	(57,673)
RSP/Share options lapsed	-	-	(109)	-	-	109	-
Recognition of share-based payments	-	-	1,008	-	-	-	1,008
Total	3,430	(597)	822	-	-	(57,564)	(53,909)
Balance at December 31, 2019	811,082	(19,993)	4,559	1,658	(1,697)	838,771	1,634,380

1.(d)(i) Statement of changes in equity for the period ended December 31, 2020

	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 January 1, 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	6,480	-	(146)	-	-	-	6,334
Treasury shares reissued pursuant to equity compensation plans	-	3,319	(1,130)	-	(2,189)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(144,446)	(144,446)
RSP/Share options lapsed	-	-	(7)	-	-	7	-
Recognition of share-based payments	-	-	994	-	-	-	994
Total	6,480	3,319	(289)	-	(2,189)	(144,439)	(137,118)
Balance at June 30, 2020	817,562	(16,674)	4,270	251	(3,886)	838,439	1,639,962
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	33,774	33,774
Other comprehensive loss for the period	-	-	-	1,078	-	-	1,078
Total	-	-	-	1,078	-	33,774	34,852
Transactions with owners, recognised directly in equity							
Issue of shares	9,418	-	(198)	-	-	-	9,220
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	(72,454)	(72,454)
RSP/Share options lapsed	-	-	(13)	-	-	13	-
Recognition of share-based payments	-	-	1,078	-	-	-	1,078
Total	9,418	-	867	-	-	(72,441)	(62,156)
Balance at December 31, 2020	826,980	(16,674)	5,137	1,329	(3,886)	799,772	1,612,658

1.(d)(ii) **Share capital and treasury shares**

As at December 31, 2020, the total number of ordinary shares in issue was 291,087,577 (December 31, 2019: 289,725,577), of which 1,055,000 were treasury shares (December 31, 2019: 1,265,000).

The Company did not purchase any ordinary shares during 2H 2020 (2H 2019: 40,000).

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 January 1, 2020	289,725,577	811,082
Add: No. of share options exercised in 1H 2020	594,000	6,480
As at June 30, 2020	290,319,577	817,562
Add: No. of share options exercised in 2H 2020	768,000	9,418
As at December 31, 2020	<u>291,087,577</u>	<u>826,980</u>

	No. of treasury shares	S\$'000
As at January 1, 2020	1,265,000	19,993
Less: Treasury shares utilised in 1H 2020	(210,000)	(3,319)
As at June 30, 2020 and December 31, 2020	<u>1,055,000</u>	<u>16,674</u>

	As at 31.12.2020	As at 31.12.2019
% of treasury shares against the total ordinary shares in issue	<u>0.4%</u>	<u>0.4%</u>

	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2020	<u>288,460,577</u>	<u>791,089</u>
Issued shares excluding treasury shares as at June 30, 2020	<u>289,264,577</u>	<u>800,888</u>
Issued shares excluding treasury shares as at December 31, 2020	<u>290,032,577</u>	<u>810,307</u>

1.(d)(iii) **Share-based awards**

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

Since the end of June 30, 2020, 768,000 options (2H 2019: 324,000) were exercised and 26,000 options (2H 2019: 27,000) have lapsed.

As at December 31, 2020, there were 2,652,500 unissued shares of the Company under options in the 2015 Scheme. (December 31, 2019: 3,197,000).

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 December 31, 2020 the number of RSP shares stood at 832,000 (December 31, 2019: 910,000).

	No. of RSP shares awarded	Lapsed shares	No. of RSP shares net of lapsed shares
June 2016 Award	280,000	(40,000)	240,000
June 2017 Award	290,000	-	290,000
June 2019 Award	170,000	-	170,000
June 2020 Award	132,000	-	132,000
	<u>872,000</u>	<u>(40,000)</u>	<u>832,000</u>

1.(d)(iv) **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. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

These figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Not applicable.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	6 months ended 31.12.2020	6 months ended 31.12.2019	12 months ended 31.12.2020	12 months ended 31.12.2019
(a) Based on the weighted average number of ordinary shares on issue (cents)	57.6	62.9	102.8	126.0
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	57.3	62.4	102.2	125.3

7. **Net asset value per ordinary share**

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	
31.12.2020	31.12.2019	31.12.2020	31.12.2019
891.8	865.4	556.0	566.6

8. **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 financial year ended 31 December 2020, the Group registered revenue of S\$3,012.9 million. The Group's results reflected the steady recovery from the various disruptions caused by the global Covid-19 pandemic. Revenue for 2H 2020 registered a +20.6% recovery against 1H 2020 to S\$1,647.2 million as a demonstration of Venture's resilience, competency and resourcefulness.

The Group recorded profit before tax (PBT) of S\$342.8 million for the twelve months ended 31 December 2020, and S\$191.7 million for 2H 2020. In line with the PBT, income tax expense recorded S\$45.4 million for the full year of 2020 and S\$24.9 million for 2H 2020. The Group recorded net profit (profit attributable to owners of the Company) of S\$297.3 million for FY 2020 and S\$166.8 million for 2H 2020. This translates to net margin of 9.9% for FY 2020 (FY 2019: 10.0%) and 10.1% for 2H 2020 (2H 2019: 10.1%). The Group's diversified customers' portfolio, differentiating capabilities to capture growth and relentless focus on operational excellence continue to generate significant value for our partners.

Diluted Earnings Per Share was 102.2 cents for FY 2020 (FY 2019: 125.3 cents) and 57.3 cents for 2H 2020 (2H 2019: 62.4 cents).

FINANCIAL POSITION AND CASHFLOW

For the financial year ended 31 December 2020, the Group generated operating cash flow of S\$383.8 million before working capital changes (FY 2019: S\$448.5 million). The Group registered improvement in working capital position through focused efforts to streamline inventory levels while ensuring assurance of supply. For the year ended 31 December 2020, the Group generated healthy cash flow from operations at S\$498.6 million (FY 2019: S\$291.7 million).

As at 31 December 2020, the Group balance sheet remained robust with S\$928.7 million of cash and bank balances (31 Dec 2019: S\$714.5 million). On 18 September 2020, the Group paid an interim tax-exempt dividend of 25 cents per ordinary share amounting to S\$72.5 million (2H 2019: S\$57.7 million). Notwithstanding the higher dividend payment, net cash as at 31 December 2020 remained strong at S\$928.7 million (S\$713.4 million as at 31 Dec 2019).

As at 31 December 2020, Equity attributable to owners of the Company grew 3.6% to S\$2,586.5 million (31 Dec 2019: S\$2,496.2 million) and Net Asset Value per share grew 3.1% to S\$8.92 (31 Dec 2019: S\$8.65).

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

Not applicable.

10. **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**

On the back of a robust 3Q 2020 recovery, Venture posted another quarter of sequential improvement in 4Q 2020. Overall, the Company delivered a stronger 2H 2020 compared to 1H 2020.

Venture continues to work on a variety of products, solutions, and new opportunities in diverse technology domains. Expected demand for Genomics-related Products and Solutions and Advanced Equipment for Analysis/Diagnostic Use in Biological Systems will drive our growth in the Life Science Technologies domain. The ongoing pandemic presents opportunities in the development of pandemic-related testing and diagnostic products and solutions.

Harnessing the synergies of the core skills and expertise within Venture's R&D Lab, we are integrating our value proposition to develop cutting-edge devices and solutions in the key domains of Life Science Technologies, Medical Devices/Equipment and Lifestyle and Wellness Consumer products.

Venture will widen its participation in the Robotics, Automation and Artificial Intelligence; and Advanced Semiconductor-related Equipment domains, to tap into the growth opportunities in these market segments. The wide-ranging advances and growing applications of Photonics and Networking and Communications technologies will drive the demand for our expertise in these domains. Leveraging on the Group's extensive knowhow across diverse domains, we are optimistic about the opportunities to create and capture value in new adjacent domains, such as the Battery Electric Vehicle (BEV) industry.

Venture's well thought out multi-year strategy will continue to strengthen its Clusters of Excellence to improve productivity, enhance its supply chain management, deliver high-value products, and develop innovative solutions. As a growing contributor in several dynamic ecosystems, we will forge successful multilateral partnerships that will drive multiplier effect and synergistic outcomes.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend	Interim (Paid)	Final (Proposed)
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	25 cents per ordinary share	50 cents per ordinary share*
Tax Rate	Exempt	Exempt

*subject to shareholders' approval at the forthcoming AGM

During the financial year, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.25 per ordinary share totalling \$72,454,000 in respect of the financial year ended 31 December 2020.

In addition, 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 in respect of the financial year ended 31 December 2020. Subject to the approval by the shareholders at the forthcoming Annual General Meeting, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$145,016,000.

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	20 cents per ordinary share	50 cents per ordinary share
Tax Rate	Exempt	Exempt

(c) Date payable

25 May 2021

(d) Books closure date

5pm on 11 May 2021

12. **If no dividend has been declared (recommended), a statement to that effect.**

Not applicable

13. **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.

14. **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 undertakings from all its directors and executive officers.

15. **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Segmental Results

a) By Reportable Segments

	Advanced Manufacturing & Design Solutions S\$'000	Technology Products & Design Solutions S\$'000	Eliminations S\$'000	Group S\$'000
2020				
Revenue:				
External Sales	2,151,030	861,864	-	3,012,894
Inter-segment Sales	30,595	2,667	(33,262)	-
Total revenue	2,181,625	864,531	(33,262)	3,012,894
Results:				
Segment results	244,768	92,334	-	337,102
Investment revenue				6,230
Finance costs				(470)
Share of profit of associates				(32)
Profit before income tax				342,830
Income tax				(45,426)
Profit for the year				297,404

	Advanced Manufacturing & Design Solutions S\$'000	Technology Products & Design Solutions S\$'000	Eliminations S\$'000	Group S\$'000
2019				
Revenue:				
External Sales	2,775,323	858,108	-	3,633,431
Inter-segment Sales	22,958	3,503	(26,461)	-
Total revenue	2,798,281	861,611	(26,461)	3,633,431
Results:				
Segment results	325,244	84,262	-	409,506
Investment revenue				11,005
Finance costs				(523)
Share of profit of associates				36
Profit before income tax				420,024
Income tax				(56,643)
Profit for the year				363,381

b) By Technology Domains Segments

	2020 S\$'000	2019 S\$'000
<u>Revenue</u>		
Portfolio A	1,253,891	1,713,428
Portfolio B	1,759,003	1,920,003
	<u>3,012,894</u>	<u>3,633,431</u>

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.

c) By Geographical Segments

The Group operates in the following principal geographical areas:

	2020	2019
	S\$'000	S\$'000
<u>Revenue</u>		
Singapore	623,006	688,117
Asia-Pacific (excluding Singapore)	2,225,959	2,764,664
Others	<u>163,929</u>	<u>180,650</u>
	<u>3,012,894</u>	<u>3,633,431</u>

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business and geographical segments

Please refer to item 8

17. A breakdown of sales as follows:-

		Group		
		Year Ended	Year Ended	%
		31.12.2020	31.12.2019	Increase
		S\$'000	S\$'000	
(a)	Revenue reported for first half year	1,365,703	1,832,232	-25.5%
(b)	Operating profit after income tax before deducting non-controlling interests reported for first half year	130,593	181,748	-28.1%
(c)	Revenue reported for second half year	1,647,191	1,801,199	-8.6%
(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	166,811	181,633	-8.2%

18. A breakdown of the annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest	Previous
	Full Year	Full Year
	S\$'000	S\$'000
Ordinary dividend for 2019 (Paid)	-	144,446
Interim ordinary dividend (Paid)	72,454	57,673
Proposed final ordinary dividend for 2020*	<u>145,016</u>	-
	<u>217,470</u>	<u>202,119</u>

*Based on 290,032,577 issued shares excluding treasury shares as at December 31, 2020.

During the financial year, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.25 per ordinary share totalling \$72,454,000 in respect of the financial year ended 31 December 2020.

In addition, 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 in respect of the financial year ended 31 December 2020. Subject to the approval by the shareholders at the forthcoming Annual General Meeting, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$145,016,000.

In respect of the previous financial year ended 31 December 2019, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.20 per ordinary share totalling \$57,673,000 and a final one-tier tax-exempt dividend of \$0.50 per ordinary share totalling \$144,446,000.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Devika Rani Davan
Company Secretary
February 26, 2021