

CREATING  
**EXCEPTIONAL**  
VALUE

VENTURE CORPORATION LIMITED  
ANNUAL REPORT 2023

# OUR CORE VALUES

Relentless  
Pursuit  
Of Excellence



Rendering The  
Highest Level Of  
Total Customer  
Satisfaction



Fostering  
Creativity And  
Innovation



Encouraging  
Employees To  
Realise Their Full  
Potential



Building Strong  
Cohesion And  
Teamwork



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## TO BE A LEADING GLOBAL PROVIDER OF TECHNOLOGY SERVICES, PRODUCTS AND SOLUTIONS



## CORPORATE PROFILE

Venture Corporation Limited (“Venture” and together with its subsidiaries, the “Group”) was formed in 1989 as an electronic services provider following the merger of three companies. With over three decades of consistent growth and 12,000-strong today, the Group is a leading provider of technology services, products and solutions, with established capabilities spanning innovation, design and development, product and process engineering, design for manufacturability and supply chain management in diverse technology domains. Headquartered in Singapore, the Group comprises more than 30 companies worldwide with Centres of Excellence in Southeast Asia, Northeast Asia, America and Europe.

The Group is well-known for its deep know-how and expertise in various technology domains. These include life science, genomics, molecular diagnostics, medical devices and equipment, healthcare, luxury lifestyle and wellness technology, test and measurement instrumentation, networking and communications, advanced industrial as well as computing, printing and imaging technology.

Venture will continue to invest in new technologies and enhance its talent pool and their technical capabilities to offer a wide range of differentiated services. It is the preferred partner-of-choice for over 100 global companies, including Fortune 500 corporations, and ranks among the best in managing the value chain for leading electronics companies.



Investing and building our manufacturing, engineering and total business excellence in selected technology domains

# Creating **Exceptional Value** for our Customers



Delivering high volumes of sophisticated products through product design and selective automation

Data Centre building blocks such as Ethernet and Fibre Channel



Hardware Security Module for encrypted content in cloud



A Hyperscale Data Centre

MILPITAS  
USA



JOHOR BAHRU  
Malaysia



PENANG  
Malaysia



Expanding the capacity and capabilities of our Global Clusters of Excellence to address the evolving needs of our customers



# Notable Highlights & Achievements in FY2023

## Creating Value for Stakeholders



FY23 Net Cash Flow  
from Operations

**S\$521 million**  
(+93.8% Year-on-Year)



FY23 Dividend  
per share

**75 cents**  
(Grown 100 times since listing in 1992)

## AWARDS & ACCOLADES



### The Edge Billion Dollar Club Awards

- Highest Returns to Shareholders over Three Years (Technology Equipment and Telecommunications Services)
- Overall Sector Winner (Technology Equipment and Telecommunications Services)



### Making Strides in Sustainability

- Setting Science Based Targets to reduce Scope 1 & 2 Greenhouse Gas Emissions
- Constituent of the FTSE4Good Index Series
- Member of the Responsible Business Alliance
- Achieving MSCI ESG "A" rating



Responsible Business Alliance  
Affiliate Member

# MESSAGE TO SHAREHOLDERS



Our FY2023 performance is anchored by our strong fundamentals, and affirms the resilient business model that we have developed over many years.

Dear Shareholders,

In 2023, the global trade environment remained largely uncertain, with continuing trade and geopolitical tensions. Our proactive measures, differentiated strategy and prudent financial management allowed us to not only navigate the challenges, but also emerge with a stronger balance sheet and financial position. This is a testament to our team's dedication, resilience, and commitment to sustaining excellence even under testing circumstances.

## **STRONGER CASHFLOW AND BALANCE SHEET**

For the financial year ended 31 December 2023 ("FY2023"), Venture reported Group revenue of S\$3.0 billion, lower by 21.7% year-on-year, due to softer demand across its technology domains and customers' inventory destocking. The Group registered net profit of S\$270.0 million for FY2023, and maintained a robust net profit margin of 8.9%. Diluted earnings per share stood at 92.6 cents.



We achieved strong net cash flow from operations of S\$521.4 million, an improvement of 93.8% compared with S\$269.1 million in FY2022, as our working capital position for FY2023 improved from efforts to streamline inventory levels as well as stronger trade receivable collections.

Venture ended the year with a strong balance sheet, comprising a net cash position of over S\$1.0 billion as at 31 December 2023, up 30.0% year-on-year. Equity attributable to owners of the Company was S\$2.8 billion as at 31 December 2023, while net asset value per share was stable at S\$9.76, compared with 31 December 2022.

Our FY2023 performance is anchored by our strong fundamentals, and affirms the resilient business model that we have developed over many years.

Beyond financial performance, we were recognised during the year at The Edge's Billion Dollar Club Awards for "Highest Returns to Shareholders over Three Years" and "Overall Sector Winner" in the Technology Equipment and Telecommunications Services category.

## DIFFERENTIATING FOR THE FUTURE

Over the years, we have successfully gained good traction within specific technology domains and ecosystems, becoming a preferred partner for many global players who are leaders in their respective fields.

Looking ahead, it is important for us to stay agile, adaptable and always remain relevant and impactful in value creation. Our focus on enhancing our differentiating capabilities remains unwavering, with ongoing investments geared towards bolstering competitiveness and opening new pathways for growth.

Venture is strategically investing and building our manufacturing, engineering and total business excellence, particularly in the Life Science, Test & Measurement Instrumentation, Hyperscale Data Centres, Semiconductor Equipment, Advanced Industrial, Networking & Communications and Luxury Lifestyle & Wellness technology domains.

Furthermore, we are expanding our engagement with customers by extending our services across the design, sourcing, manufacturing, and supply chain management processes. We are also developing advanced modules to enhance product performance, complementing our core EMS++ business. Additionally, we are actively exploring opportunities to mitigate geopolitical risks for both current and potential customers through innovative redesigns and augmented supply chain solutions.

Venture has recently completed the construction of our new 442,000 square-foot manufacturing facility in Batu Kawan Industrial Park, Penang, Malaysia, further expanding our presence in a region where we have operated for over three decades. This addition to our Global Clusters of Excellence, spanning the United States, Europe, China, and Southeast Asia, underscores our commitment to future capacity and capabilities to address the evolving needs of our customers.

## BUILDING A STRONG LEADERSHIP TEAM

In 2023, we announced new appointments and the strengthening of our top leadership team to ready the Group for the future. Venture's participation in its key, carefully selected technology domains have deepened and expanded in scope and scale under the combined leadership of the dual CEOs working symbiotically to bring their deep and diverse competencies and perspectives to the job.

The CEO (TPS<sup>1</sup>) strategically leverages our research and development expertise to create innovative products, modules and solutions, with a primary emphasis on the Life Science domain. He also spearheads the expansion of our Precision Engineering portfolio, overseeing initiatives in tool design, fabrication, and polymers molding. These endeavors cultivate great synergies with our EMS++ operations, where the CEO (AMDS<sup>2</sup>) directs his focus on the design and manufacture of a wide range of sophisticated electronic products. He also guides the roadmap for the modernisation and transformation of our manufacturing operations towards establishing a global network of excellence.

<sup>1</sup> Technology, Products & Solutions

<sup>2</sup> Advanced Manufacturing & Design Solutions

# MESSAGE TO SHAREHOLDERS

These collaborative efforts foster a harmonious synergy and ensures that the various facets of our business complement each other effectively, contributing to a unified and thriving Venture.

The Board appointed a new Group CFO effective June 2023. Having been an integral part of Venture since 2014, the CFO possesses a clear understanding of the Group's strategic direction and has also exhibited strong leadership within the senior management as well as the Finance teams.

Together, the Executive Chairman, CEOs and CFO provides cohesive and strong leadership to steer our business forward.

Additionally, we are strategically developing the next tier of leadership as part of our succession planning. With a robust bench strength, our emerging generation of managers actively supports and learns from senior leaders, positioning Venture for success in the future.

## COMMITTED TO SUSTAINABILITY

Venture remains committed to the sustainability journey in reducing our emissions, building climate resilience, and maintaining robust ESG data management and reporting.

In 2023, we made significant strides ahead in our sustainability journey, setting a target for a 42% absolute reduction in Scope 1 and 2 greenhouse gas ("GHG") emissions by 2030. This emissions reduction goal provides a clear goalpost for our decarbonisation efforts, aligning with our objective of achieving net-zero emissions by the year 2050.

In December 2023, Venture's commitment to sustainability was acknowledged as it became a constituent of the FTSE4Good Index Series, standing as one of 20 companies in Singapore included in the index series. This recognition underscores the company's strategic focus and balanced management of ESG issues.

For more information on the Group's ESG performance, please refer to our Sustainability Report herein which is prepared in accordance with Global Reporting Initiative ("GRI") standards and principles.

## DELIVERING LONG-TERM VALUE FOR ALL STAKEHOLDERS

Venture is committed to creating long-term sustainable value for all stakeholders, which encompasses total shareholder return.

Supported by the Group's strong financial position, the Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for FY2023. Including the interim dividend of 25 cents per share, this translates to a total dividend of 75 cents per share for FY2023, same as last year. Subject to the approval of shareholders at the upcoming Annual General Meeting, the proposed final dividend will be paid on 21 May 2024.

Venture has consistently paid dividends since its listing in 1992, and endeavours to pay equal, if not higher, dividends each year. The dividend per share has grown 100 times from 0.75 cent per share for FY1992 to 75 cents per share for FY2023. Cumulatively, the Group has paid out over S\$3.1 billion in dividends from 1992 to 2023, and we have delivered an impressive annualised total shareholder return of 18.8%<sup>1</sup> since listing.

On 29 November 2023, the Board of Directors authorised the establishment of a share buyback plan to purchase up to 10 million ordinary shares of Venture. Purchases of shares would be made in circumstances where it is considered to be in the best interests of Venture, including improving total shareholder return.

## APPRECIATION AND ACKNOWLEDGEMENTS

In 2023, Mr Jonathan S. Huberman retired from the Board, while Ms Yeo Siew Eng will not be seeking re-election at the upcoming Annual General Meeting. On behalf of the Board and management, we extend our sincere appreciation for their invaluable insights and contributions over the years.

I would also like to thank Venture's management and employees for their diligence and dedication. Our people's contributions are critical to Venture's continued progress. This year, over 1,100 employees were recipients of the Group's long service awards as we came together to recognise and applaud the dedication of colleagues who have been with Venture from 5 years all the way up to an amazing 40 years.

My appreciation also goes to our global network of suppliers, vendors, and other business partners. Their support empowered us to continue delivering on our commitment to our customers and other stakeholders over the years.

I am confident that we will be able to embrace new opportunities and continue on our journey of pursuing excellence, even stronger than before.

**Wong Ngit Liang**  
Executive Chairman

<sup>1</sup> Source: Bloomberg, includes dividends reinvested, as at 31 December 2023.

# FIVE-YEAR FINANCIAL HIGHLIGHTS



**S\$3.03B**

Revenue



**S\$3.55B**

Total Assets



**75¢**

Dividend Per Share  
(Singapore cents)

S\$ million, unless otherwise stated

2019

2020

2021

2022

2023

## Comprehensive Income

Revenue	3,633.4	3,012.9	3,107.5	3,863.7	3,025.0
Profit Before Tax	420.0	342.8	359.6	448.9	330.8
Profit Attributable to Owners of the Company	363.1	297.3	312.1	369.6	270.0

## Balance Sheet

Total Assets	3,274.2	3,239.6	3,635.3	3,751.4	3,554.8
Total Liabilities	775.7	650.4	915.8	908.5	716.9
Equity attributable to Owners of the Company	2,496.2	2,586.5	2,716.4	2,839.7	2,834.1
Cash & Bank Balances	714.5	928.7	807.9	812.6	1,056.3
Net Cash Position	713.4	928.7	807.9	812.6	1,056.3

## Key Ratios and Per Share Metrics

Earnings Per Share (Singapore cents) <sup>1</sup>	125.3	102.2	107.0	126.8	92.6
Net Asset Value Per Share (Singapore cents)	865.4	891.8	934.8	975.8	975.8
Dividend Per Share (Singapore cents)	70.0	75.0	75.0	75.0	75.0
ROE (%) <sup>2</sup>	15.0	11.7	11.8	13.3	9.5

<sup>1</sup> On a fully diluted basis.

<sup>2</sup> Return on Equity ("ROE") is calculated using Profit Attributable to Owners of the Company/average Shareholders' Equity.

# CORPORATE DIRECTORY

## REGISTERED OFFICE

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](mailto:contact-us@venture.com.sg)  
Website: [www.venture.com.sg](http://www.venture.com.sg)

## SHARE REGISTRAR

### BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
T: +65 6536 5355  
F: +65 6438 8710

## COMPANY SECRETARY

Email: [company-secretary@venture.com.sg](mailto:company-secretary@venture.com.sg)

## 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

### JAMES XU JUN

(Appointed with effect from the financial year  
ended 31 December 2020)

## INVESTOR RELATIONS

Email: [investor.relations@venture.com.sg](mailto:investor.relations@venture.com.sg)

# BOARD OF DIRECTORS

*Standing (from left):*

**CHUA KEE LOCK**  
*Independent Non-Executive Director*

**WONG YEW MENG**  
*Non-Independent Non-Executive Director*

**YEO SIEW ENG**  
*Independent Non-Executive Director*

**HAN THONG KWANG**  
*Independent Non-Executive Director*

*Seated (from left):*

**TAN SEOK HOONG @MRS AUDREY LIOW**  
*Lead Independent Director*

**WONG NGIT LIONG**  
*Executive Chairman*

**KUOK OON KWONG**  
*Independent Non-Executive Director*



## WONG NGIT LIONG

*Executive Chairman*

Mr Wong Ngit Liong is the Executive Chairman of Venture Corporation Limited.

He led the Venture Group as Managing Director from 1989, and then as CEO, a position he relinquished at the close of 2021, taking on a defined executive role to focus on the Group's multi-pronged and multi-tiered growth strategy. Under Mr Wong's visionary guidance, the Venture Group has transformed from an electronics manufacturing services start-up into today's leading global provider of technology services, products and solutions.

Mr Wong started his career with Hewlett-Packard Company (HP). He held management positions at its North American headquarters and supported the startup of HP Singapore and HP Malaysia. His past directorships include public-listed companies and local statutory bodies such as Singapore Exchange Limited, DBS Bank Ltd, the Economic Development Board of Singapore and Enterprise Singapore. Mr Wong was the Chairman of the Board of Trustees at the National University of Singapore (NUS) from 2004 to 2016. He was also appointed a member of both the Constitutional Commission (2016) and the Ministerial Salary Review Committee (2011).

In recognition of his leadership and business acumen, Mr Wong was awarded the Businessman of the Year in 1998 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. He was conferred the Meritorious Service Medal at the National Day Awards 2012 and the Distinguished Service Order at the National Day Awards 2018 for his contributions to the nation in various sectors. In 2017, Mr Wong received the NUS Eminent Alumni Award as an acknowledgement of exceptional and sustained contributions and achievements nationally or globally in public and community service.

Mr Wong graduated with 1st Class (Honours) in Electrical Engineering from the University of Malaya where he was an Eastern Mining & Metal Company (EMMCO) Scholar. He also holds a Master of Science in Electronics Engineering from the University of California, Berkeley where he

studied as a Fulbright Scholar and a Master of Business Administration with distinction from McGill University under the Canadian Commonwealth Fellowship.

### **Date of first appointment as a Director:**

20 January 1989

### **Date of last re-election as a Director:**

28 April 2022

### **Committee memberships:**

- Member, Nominating Committee
- Chairman, Investment Committee
- Chairman, Science, Technology & Engineering Committee

**Number of directorship in listed company as at 31 December 2023 (including Venture): 1**

## TAN SEOK HOONG @MRS AUDREY LIOW

*Independent Non-Executive Director*

*Lead Independent Director*

Ms Tan Seok Hoong @Mrs Audrey Liow has strong experience and background in consumer marketing, general management, R&D and operations in the food, nutrition, health and wellness industry. She retired in May 2018 as the Market Head, Chairman and CEO of Nestlé Indochina Region, after 30 years of dedicated service with the Nestlé Group. During her prolific tenure with Nestlé, she held various commercial and leadership roles in Singapore, China, Switzerland, and across the South East Asian Region.

Mrs Liow previously served as a Director on the Board of Nestlé ROH (Thailand) Ltd and on the Tanjong Katong Girls' School Advisory Committee. She is currently a Director of Hyphens Pharma International Limited and Heliconia Capital Management Pte Ltd.

Mrs Liow holds a Bachelor of Science degree from the National University of Singapore (NUS). In 2014, she was awarded the Outstanding Science Alumni Award by NUS in recognition of her accomplishments and contributions.

# BOARD OF DIRECTORS

She has also attended the Leadership Program at London Business School and the Berkeley-Nanyang Advanced Management Program at Nanyang Technological University.

**Date of first appointment as a Director:**

1 November 2018

**Date of last re-election as a Director:**

28 April 2022

**Committee memberships:**

- Chairperson, Audit & Risk Committee
- Member, Remuneration Committee

**Number of directorships in listed companies as at 31 December 2023 (including Venture): 2**

**Major appointments (present):**

- Director, Hyphens Pharma International Limited
- Director, Heliconia Capital Management Pte Ltd

**Major appointments (including directorships) in the last three years:**

Director, C-Quest Capital SGT Asia Stoves Pte Ltd (till July 2023)

## KUOK OON KWONG

*Independent Non-Executive Director*

Ms Kuok Oon Kwong is a Director of Shangri-La Hotel Limited (Singapore). She also sits on the Boards of Kuok (Singapore) Limited and its various subsidiaries. Ms Kuok was previously the Executive Chairman of Allgreen Properties Limited, the Managing Director of Shangri-La Hotels (Malaysia) Berhad and a Director of Kuok Brothers Sdn Bhd.

Ms Kuok is currently the Chairman of the Yale-NUS College Governing Board. She has made notable contributions to education, tourism, healthcare, the arts and the environment, serving and also having chaired and served on several other educational and community service organisations, industry groups and government bodies, including Singapore Business Federation, The Council for Board Diversity, SymAsia Singapore Fund, Singapore Hotels Association, National Healthcare Group Pte Ltd, MOH Holdings Pte Ltd, Singapore Tourism Board, NUS Board of Trustees, National Arts Council, South West CDC, Singapore Environment Council, National Environment Agency, The Courage Fund Limited, Resilience Collective Limited and Northlight School.

Ms Kuok has received the Distinguished Service Order, Meritorious Service Medal, the Public Service Star (BBM) and the Public Service Medal (PSM) from the President of Singapore in 2023, 2015, 2005 and 1998 respectively. The Singapore Tourism Board honoured her with its Inaugural Award for Lifetime Achievement for Outstanding Contribution to Tourism in 2009 and its Special Recognition Award in 2004.

Ms Kuok is an Advocate and Solicitor (Barrister-at-Law) from Gray's Inn, London.

**Date of first appointment as a Director:**

1 January 2018

**Date of last re-election as a Director:**

29 April 2021

**Committee memberships:**

- Chairperson, Nominating Committee
- Chairperson, Remuneration Committee

**Number of directorship in listed company as at 31 December 2023 (including Venture): 1**

**Major appointments (present):**

- Chairman, Yale-NUS College Governing Board
- Board Member, Singapore Hotels Association
- Board of Trustees, Singapore Business Federation
- Council Member, The Council for Board Diversity
- Director, First Property Holdings Pte Ltd
- Director, Kuok (Singapore) Limited
- Director, Kuok Foundation Bhd
- Director, Orange Grove Holdings Pte Ltd
- Director, Resilience Collective Ltd.
- Director, Sentosa Beach Resort Pte Ltd
- Director, Shangri-La Hotel Limited (Singapore)

**Major appointments (including directorships) in the last three years:**

- Chairman, National Healthcare Group Pte Ltd (till April 2021)
- Board Member, MOH Holdings Pte Ltd (till April 2021)
- Director, Shangri-La Hotels Public Company Limited (Thailand) (till August 2021)
- Managing Director, Shangri-La Hotels (Malaysia) Bhd (till June 2022)
- Vice-Chair, VIVA Foundation for Children with Cancer (till June 2023)
- Chairman, The Courage Fund Limited (till September 2023)
- Executive Chairman, Allgreen Properties Limited (till October 2023)
- Chairman, TTSH Community Fund (till February 2024)



## WONG YEW MENG

*Non-Independent Non-Executive Director*

Mr Wong Yew Meng serves on the board of the Singapore Deposit Insurance Corporation Limited.

Mr Wong YM 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 and unlisted company audits, including major financial institutions and commercial enterprises, and was involved in several large client Initial Public Offer (IPO) listings. 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 services. His vast audit experience included acting as reporting accountant for IPOs and the provision of accounting advice for mergers. In addition, he was the investigative accountant in several large-scale Singapore corporate investigations.

Mr Wong YM was previously Chairman of the Health Promotion Board, Chairman of the Singapore National Eye Centre, a Director of the Singapore Eye Research Institute, Kidney Dialysis Foundation Ltd and Ascendas Funds Management (S) Ltd, and a board member of the People's Association, Public Utilities Board, the Land Transport Authority of Singapore and the Competition Commission of Singapore (now known as the Competition and Consumer Commission of Singapore), amongst other appointments. Mr Wong YM was also a former member of Board of Trustees of Nanyang Technological University.

Mr Wong YM has received the Public Service Medal (PBM) and the Public Service Star (BBM) from the President of Singapore in 2007 and 2013 respectively.

Mr Wong YM graduated from the London School of Economics and Political Science with a degree in Economics. Mr Wong YM is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Institute of Singapore Chartered Accountants (ISCA). He was a former practicing Certified Public Accountant of the Institute of Certified Public Accountants of Singapore (now known as ISCA), as well as the Accounting and Corporate Regulatory Authority.

### **Date of first appointment as a Director:**

1 September 2009

### **Date of last re-election as a Director:**

29 April 2021

### **Committee memberships:**

- Member, Remuneration Committee
- Member, Investment Committee

### **Number of directorship in listed company as at 31 December 2023 (including Venture): 1**

### **Major appointments (present):**

Board member, Singapore Deposit Insurance Corporation Limited

### **Major appointments (including directorships) in the last three years:**

- Board of Trustees, Nanyang Technological University (till March 2022)
- Board member, Kidney Dialysis Foundation Ltd (till August 2023)

# BOARD OF DIRECTORS

## HAN THONG KWANG

*Independent Non-Executive Director*

Mr Han Thong Kwang has a strong background, global experience and in-depth knowledge in the technology industry. With nearly 30 years of experience, Mr Han held various senior management roles in operations, R&D, and product-line responsibilities globally. He was the Vice President of the Business Printing Division of Hewlett-Packard Company for 14 years and was responsible for developing and launching of the division's products and solutions, and driving its businesses worldwide. Mr Han was also responsible for the setting up and running of printing R&D centres in Singapore, China and India for 3 years.

Mr Han holds a Bachelor in Mechanical Engineering (Honours) 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

### Date of last re-election as a Director:

27 April 2023

### Committee memberships:

- Member, Audit & Risk Committee (appointed 1 January 2024)
- Member, Nominating Committee
- Member, Science, Technology & Engineering Committee

**Number of directorship in listed company as at 31 December 2023 (including Venture): 1**

## YEO SIEW ENG

*Independent Non-Executive Director*

Ms Yeo Siew Eng was a partner of Deloitte & Touche LLP until her retirement in 2018 and headed its Real Estate practice. As Partner-in-charge of external audit services for publicly listed groups, private enterprises, regional headquarters and multinational corporations, her experience over the years included manufacturing, infrastructure contract work, real estate development and investment, hospitality, marine sector, financial sector, oil and derivative trading. Her audit experience in manufacturing includes the electronic sector, OEM, contract manufacturing, design services and associated logistics.

She had been the General Manager - Finance and Corporate Services of a listed group responsible for treasury operations, financial reporting, regulatory compliance and investor relations.

Ms Yeo is currently an Independent Non-Executive Director of Transit Link Pte Ltd and Keppel DC REIT Management Pte Ltd, the corporate manager of Keppel DC REIT, and a Board member of Maritime and Port Authority of Singapore. She was previously an Independent Non-Executive Director of Nam Lee Pressed Metal Industries Limited.

Ms Yeo graduated from the National University of Singapore with a Bachelor of Accountancy degree. She is a Fellow of the Institute of Singapore Chartered Accountants and a member of Singapore Institute of Directors.

### Date of first appointment as a Director:

16 October 2020

### Date of last re-election as a Director:

29 April 2021

### Committee memberships:

- Member, Audit & Risk Committee
- Member, Remuneration Committee

**Number of directorship in listed company as at 31 December 2023 (including Venture): 1**

**Number of directorship in entity managing a listed trust as at 31 December 2023: 1**

### Major appointments (present):

- Independent Non-Executive Director, Transit Link Pte Ltd
- Independent Non-Executive Director, Keppel DC REIT Management Pte Ltd (corporate manager of listed Keppel DC REIT)
- Board Member, Maritime and Port Authority of Singapore

### Major appointments (including directorships) in the last three years:

Nam Lee Pressed Metal Industries Limited (retired 16 January 2023)

## CHUA KEE LOCK

*Independent Non-Executive Director*

Mr Chua Kee Lock is currently the Group President & CEO of Vertex Venture Holdings Ltd (VH), a Singapore-headquartered venture capital investment holding company and a wholly-owned subsidiary of Temasek Holdings. Vertex Group is a global venture capital network comprising 4 early-stage technology focused funds, an early-stage healthcare-focused fund and a growth stage fund. Each of these funds is managed by independent and separate general partnerships and investment teams, with VH providing anchor funding alongside significant third party capital commitments. Mr Chua is concurrently Managing Partner of Vertex Ventures SE Asia & India as well as Chairman of Vertex Growth Fund.

Prior to this, Mr Chua held senior positions in Biosensors International Group, Ltd., a developer/manufacturer of medical devices; Walden International, a US-headquartered venture capital firm; NatSteel Ltd., a Singapore industrial products company; and Intraco Ltd., a Singapore-listed trading/distribution company. Mr Chua also co-founded MediaRing, a voice-over internet provider, which later listed on the Singapore Stock Exchange.

Mr Chua is currently an Independent Director of Credit Bureau Asia Limited (listed on the Singapore Stock Exchange). Mr Chua also previously served on the boards of Shenzhen Chipscreen Biosciences (listed on Shanghai STAR Board), Logitech International (listed on the Swiss Exchange and NASDAQ), Yongmao Holdings Limited (listed on the Singapore Stock Exchange) and chairman of Vertex Technology Acquisition Corporation Ltd, a Singapore special-purpose acquisition company.

Mr Chua is Singapore's Non-Resident Ambassador to the Republic of Cuba and the Republic of Panama. He is also a Member of the Keppel Technology Advisory Panel.

Mr Chua Kee Lock holds a Bachelor of Science in Mechanical Engineering, University of Wisconsin and a Master of Science in Engineering, Stanford University. He is also a Member of the Singapore Institute of Directors.

### **Date of first appointment as a Director:**

1 October 2021

### **Date of last re-election as a Director:**

28 April 2022

### **Committee memberships:**

- Member, Audit & Risk Committee
- Member, Investment Committee

### **Number of directorships in listed companies as at 31 December 2023 (including Venture): 2**

### **Major appointments (present):**

Singapore's Non-Resident Ambassador to the Republic of Cuba and the Republic of Panama

### **Major appointments (including directorships) in the last three years:**

- Non-Executive Director, Binance Asia Services Pte. Ltd. (till December 2021)
- Director, Sunday Ins Holdings Pte. Ltd. (till November 2021)
- Director, Shenzhen Chipscreen Biosciences Limited (till March 2021)
- Non-Executive and Lead Independent Director, Yongmao Holdings Limited (till July 2023)
- Director, Vertex Technology Acquisition Corporation Ltd (till December 2023)

## KEY MANAGEMENT EXECUTIVES



**WONG NGIT LIONG<sup>1</sup>**  
Executive Chairman



**LEE GHAI KEEN**  
Chief Executive Officer  
Technology Products and Solutions

Mr Lee Ghai Keen is Chief Executive Officer (Technology Products & Solutions) of Venture Corporation Limited.

Mr Lee joined the Venture Group in March 1998 and has served as the Chief Executive Officer (Technology Products & Solutions) since 2022, overseeing operations across the Venture Group's business sectors as well as Venture's Research and Development Labs.

Prior to his current role, Mr Lee was the Chief Operating Officer from 2021 to 2022, and an Executive Vice President of Technology Products & Solutions from 2012 to 2021. He provided key leadership to Group-wide R&D efforts and programmes and led a large group of R&D engineers across the Group's design centres in Singapore, Malaysia, China and the USA. He was 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. Before joining the Venture Group, Mr Lee was employed by the Hewlett-Packard Company and 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 from the Royal Melbourne Institute of Technology, Australia.

<sup>1</sup> Please refer to page 13 for Mr Wong's profile.



### **WONG CHEE KHEONG**

*Chief Executive Officer  
Advanced Manufacturing and Design Solutions*

Mr Wong Chee Kheong is Chief Executive Officer (Advanced Manufacturing & Design Solutions) of Venture Corporation Limited.

Mr Wong joined the Venture Group in 2003 and has served as the Chief Executive Officer (Advanced Manufacturing & Design Solutions) since 2023, overseeing diverse business sectors and functions, from product development and manufacturing to strategic procurement and IT. He also served as the Chief Operating Officer from 2022 to 2023, and was responsible for the Group's Healthcare and Wellness Business, Global Supply Base Management and IT operations before that.

Before joining the Venture Group, Mr Wong held management positions in Agilent Technologies, Hewlett Packard, and other roles in Unisys Corporation and Chartered Industries Singapore.

Mr Wong graduated with a First Class Honours in Electrical Engineering from the National University of Singapore.



### **ANTHEA NG**

*Chief Financial Officer*

Ms Anthea Ng is the Chief Financial Officer of Venture Corporation Limited. She joined the Venture Group in 2014 and is responsible for the Venture Group's accounting, financial reporting, budgeting, treasury, business control, credit management, tax, investment, risk management and investor relations functions.

Ms Ng has more than 25 years of finance expertise covering auditing, accounting and financial reporting as well as corporate governance in SGX-listed companies. From 2014 to 2023, Ms Ng served as the Group Financial Controller, leading key functions including corporate finance, finance controllership, planning and budgeting, treasury and group tax management.

Prior to joining the Venture Group, Ms Ng spent 14 years in a SGX-listed manufacturing company in corporate finance positions and also assumed the position of Company Secretary, managing board compliance and corporate governance matters.

She is a Chartered Accountant with the Institute of Singapore Chartered Accountants and the Association of Certified Chartered Accountants.

# LIST OF PROPERTIES

No.	Location	Address	Site area (Sq.m.)	Tenure	Usage
<b>Singapore</b>					
1	MK 18, Lot No. 17946P Singapore	5006 Ang Mo Kio Avenue 5 TECHplace II Singapore 569873	8,219	Leasehold (Expiring 2052)	Office and Industrial
2	MK 13, Lot No. 2361 Singapore	28 Marsiling Lane Singapore 739152	10,550	Leasehold (Expiring 2052)	Office and Industrial
<b>Malaysia</b>					
3	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
4	Geran 592508 Lot 44897 (formerly known as HS(D) 270913 PTD 68795) Mukim Tebrau, Johor Bahru Johor, Malaysia	6 (PLO 120), Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	16,046	Leasehold (Expiring 2054)	Industrial
5	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
6	HS(D) 45801 PTD 8824, Mukim Senai Kulai, Johor Bahru Johor, Malaysia	PLO 49, Jalan Perindustrian 4 Kawasan Perindustrian 2 81400 Senai Johor, Malaysia	4,978	Leasehold (Expiring 2052)	Industrial
7	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
8	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
9	HS(D) 237904-237908 PTD 67770-67774 Mukim Tebrau, Johor Bahru Johor, Malaysia	2, 4, 6 & 8 Jalan Kempas 5/2 Tampoi Industrial Area 81200 Johor Bahru Johor, Malaysia	29,029	Freehold	Industrial

**ANG MO KIO**  
Singapore



**MARSILING**  
Singapore



**JOHOR BAHRU**  
Malaysia



**JOHOR BAHRU**  
Malaysia

No.	Location	Address	Site area (Sq.m.)	Tenure	Usage
10	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
11	HS(D) 624261 PTD 209650, Mukim Tebrau Johor Bahru Johor, Malaysia	51 Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	11,401	Freehold	Industrial
12	HS(D) 623714 PTD 209448 Mukim Tebrau Johor Bahru Johor, Malaysia	53, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	6,204	Freehold	Industrial
13	HS(D) 46117 PT 5272, Seberang Perai Selatan Penang, Malaysia	Plot 318, Batu Kawan Industrial Park Seberang Perai Penang, Malaysia	123,706	Leasehold (Expiring 2074)	Industrial
14	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
15	Lot 12368 Mukim 12, Barat Daya Penang, Malaysia	Plot 26, Hilir Sungai Kluang 3 Bayan Lepas Free Industrial Zone Phase 4 11900 Bayan Lepas Penang, Malaysia	8,981	Leasehold (Expiring 2051)	Office and Industrial
<b>China</b>					
16	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	156.48	Leasehold (Expiring 2063)	Residential
17	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
<b>USA</b>					
18	Assessor's Parcel Number (APN): 083-31-023 Milpitas, California United States of America	1621 Barber Lane (also known as 481 Cottonwood Drive) Milpitas, CA 95035 United States of America	39,012	Freehold	Office and Industrial

**SENAI**  
Malaysia



**PENANG**  
Malaysia



**SHANGHAI**  
China



**MILPITAS**  
USA





# SUSTAINABILITY REPORT

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# ABOUT THIS REPORT



We are pleased to present our annual sustainability report, published on 4 April 2024, for the financial year ended 31 December 2023.

## REPORTING GUIDELINES

This report has been prepared in accordance with Global Reporting Initiative ("GRI") Standards and the Singapore Exchange Securities Trading Limited ("SGX") Listing Rules, ensuring alignment with regulatory requirements and international best practice.

All data reported are as at or for the financial year ended 31 December 2023, unless otherwise indicated.

## SCOPE OF REPORT

For this year's report, we are pleased to have significantly expanded our reporting scope to include the operational sites of Jurong in Singapore, Taman Gembira in Malaysia, Jin Qiao and Zhangjiang in China, as well as Milpitas in the United States. These join previously included sites at Woodlands, Ang Mo Kio and Marsiling in Singapore, and Penang, Senai and Johor Bahru in Malaysia. Together, these 11 sites represent the majority of Venture's revenue.

Venture's operations in Barcelona, Spain and Suzhou, China remain outside the purview of this report due to their relatively small manufacturing footprint. There were no notable changes to the ownership structure compared to the previous year.

## ASSURANCE

Our Internal Audit Department has reviewed a selection of data presented in this report and internal data collection processes in accordance with SGX requirements. We intend to seek external assurance progressively going forward.

## UNITS OF MEASUREMENT

This report utilises standard units of measurement. We explain any required conversion factors in their corresponding sections.

## CONTACT

We value all feedback in our sustainability reporting journey. To connect with us, please contact us at [sustainability@venture.com.sg](mailto:sustainability@venture.com.sg).

# LETTER FROM THE BOARD

## Dear Stakeholders,

Venture remains committed to the sustainability journey in reducing our greenhouse gas ("GHG") emissions, building climate resilience, and maintaining robust ESG data management and reporting. We are pleased to share our progress made this year in this sustainability report for the year ended 31 December 2023.

## DECARBONISATION COMMITMENT

In 2023, we made significant strides ahead in our sustainability journey, setting a target for a 42% absolute reduction in Scope 1 and 2 emissions by 2030, from a 2022 baseline. This SBTi-aligned GHG emissions reduction target provides a clear direction to guide our decarbonisation efforts towards our long-term goal of reaching net zero by 2050. As part of the target-setting exercise, we conducted a comprehensive review of our operations to identify emission reduction opportunities across our business. Key operational and business representatives from our sites contributed to the analysis, providing critical insights into the most impactful areas we can address to effectively decarbonise. While these targets mark important progress, we recognise that concerted efforts across the Group are required to fully deliver on our net zero ambition. Looking into the future, we will review the expansion of our GHG emissions inventory to include Scope 3 emissions.

## SUSTAINABLE SUPPLY CHAIN

We also advanced our efforts in supply chain management by joining the Responsible Business Alliance ("RBA"), the world's largest industry coalition dedicated to improving social, environmental, and ethical conditions in the global supply chain. As an affiliate member of the RBA, we abide by their Code of Conduct and will progressively align our operations with the standards set forth while encouraging our suppliers to do the same. Leveraging the best practices from RBA's members and the wide range of RBA training, we seek to capitalise on these to inform our own improvements.

## RECOGNITION FOR SUSTAINABILITY EFFORTS

As a testament to our commitment to good sustainability practices, we are pleased to have been made a constituent of the FTSE4Good Index Series in December 2023. We are one of 20 companies in Singapore that have been included in the index series, validating our strategic focus and balanced management of ESG issues. We understand that sustainable business practices support our value creation, and we will continue to strive to improve all aspects of our ESG performance.

## BREAKING NEW GROUND



**Venture commits to decarbonising by setting a Scope 1 and 2 GHG emissions reduction target of 42% by 2030, from a 2022 baseline, and a long-term target of net zero emissions by 2050**

Aligned with the Science-Based Target Initiative.



**Inaugural participation in the MSCI ESG rating exercise, achieving an "A" rating**

MSCI ESG Ratings uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.



**Venture commits to improving working and environmental conditions as an Affiliate Member of the Responsible Business Alliance**

Committed to fully supporting the vision and goals of the RBA by improving working and environmental conditions and business performance through leading standards and practices.



**Added as a constituent of the FTSE4Good Index Series**

- Created by the global index and data provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating specific ESG practices.
- Businesses included in the FTSE4Good Index Series meet a variety of ESG criteria.

# OUR COMMITMENT TO SUSTAINABILITY

## OUR SUSTAINABILITY GOVERNANCE STRUCTURE



Venture embeds sustainability at all levels to strategically grow our business in a responsible and sustainable way, creating long-term value for our stakeholders.

Our Board of Directors has overall responsibility for sustainability matters, including setting the Company's strategy and targets, evaluating risks, and monitoring performance. Through regular updates from the management team, the Board stays informed on material issues.

Our Board of Directors received sustainability-related training as mandated by the SGX Listing Rules for board directors of listed equity issuers. Ms Tan Seok Hoong @ Mrs Audrey Liow, Mr Wong Yew Meng, Mr Han Thong Kwang, Ms Yeo Siew Eng, and Mr Chua Kee Lock attended sustainability courses conducted by SGX-authorized providers. Mr Wong Ngit Liong and Ms Kuok Oon Kwong

were assessed by the Nominating Committee to be sufficiently experienced in sustainability matters to be exempted from the training.

At the management level, the Sustainability Steering Committee, comprising the CEO (TPS), the CEO (AMDS) and the CFO, drives and executes the Company's strategy, ensuring continuous improvement and performance against our sustainability targets.

We also have a Sustainability Task Force and cross-functional site representatives who manage and implement Venture's sustainability initiatives at an operational level. This includes data collection, performance tracking and the day-to-day implementation of sustainability efforts. The Sustainability Task Force reports to the Sustainability Steering Committee.



## Our Values and Strategy

### VENTURE'S CORE VALUES

**01**

Relentless pursuit of excellence

**02**

Rendering the highest level of total customer satisfaction

**03**

Encouraging employees to realise their full potential

**04**

Building strong cohesion and teamwork

**05**

Fostering creativity and innovation



Our five core values form the foundation of our corporate culture, to guide our business strategy and deliver on our commitment to long-term stakeholder value creation.



## Stakeholder Engagement

Venture continuously engages in constructive dialogue with different stakeholders to understand their views and expectations. We gain invaluable insights from such ongoing dialogue that help us create shared values with our stakeholders and improve our sustainability performance overall.

The key concerns of our primary stakeholder groups, as well as engagement platforms, for the year are set out below.

	Employees	Shareholders	Business Partners	
			Customers	Suppliers
 <p><b>Issues and Concerns</b></p>	<ul style="list-style-type: none"> <li>• Corporate direction and strategy</li> <li>• Compensation and benefits</li> <li>• Career growth and training opportunities</li> <li>• Labour and human rights</li> <li>• Workplace health and safety</li> <li>• Feasibility of Venture's new Scope 1 and 2 GHG emissions reduction target</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Business outlook</li> <li>• Shareholder value and returns</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of innovative solutions with strong technological and engineering expertise</li> <li>• ESG-related performance and climate impact</li> <li>• Ethical and responsible ESG compliance across the supply chain</li> <li>• Protection of confidential information</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable and competitive business practices</li> <li>• Ethical and responsible ESG standards</li> <li>• Protection of confidential information</li> </ul>
 <p><b>Engagement Channels</b></p>	<ul style="list-style-type: none"> <li>• Orientation for new hires through onboarding programme</li> <li>• Ongoing career development and training opportunities</li> <li>• Compensation and benefits benchmarking</li> <li>• Regular e-News communications</li> <li>• Recreational and wellness activities</li> <li>• Annual performance appraisals and career development reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Annual Reports</li> <li>• Regular business updates</li> <li>• Investor meetings and conferences</li> <li>• SGX announcements, our corporate website and LinkedIn</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings between our business partners and internal teams including Senior Management, Total Customer Satisfaction Managers, Alliance Management, and Programme Managers</li> <li>• Business and bi-annual customer scorecard reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communications and meetings</li> <li>• Annual assessments</li> <li>• Facility and site tours</li> </ul>

# OUR COMMITMENT TO SUSTAINABILITY



## Economic Performance

Over the past decades, Venture has relentlessly pursued excellence to achieve lasting business success, with an unwavering focus on economic performance and technological leadership. With a global workforce exceeding 12,000 employees, Venture takes pride in its role in creating quality employment at its sites worldwide.

As an industry leader, Venture actively engages with various industry associations, exemplified by our memberships in the Federation of Malaysian

Manufacturers and the Free Industrial Zone, Penang, Companies' Association. To remain at the forefront of industry advancements, we consistently exchange insights and ideas with organisations such as the American Malaysian Chamber of Commerce and the Malaysia Semiconductor Industry Association. Most recently, we became an affiliate member of the RBA. More information about our financial performance can be found on pages 104 to 177 of the Annual Report.



## Compliance

Venture is committed to the highest standards of compliance and integrity. The Company has established a framework of sound corporate governance principles and processes to promote best practices, as well as prohibit illegal and unethical business conduct.

These policies are communicated regularly to the Board of Directors, all employees and relevant business partners to ensure that everyone understands their role in eradicating any illegal or unethical business behaviour. In 2023, our management attended compliance training conducted by an external consultant, covering the Company's anti-bribery and anti-corruption policies, legislation, and guidelines. Going forward, the Company intends for all executives and above to complete a similar training programme regularly.

We are pleased to report that there are zero confirmed incidents of corruption in 2023. A summary of our policies is set out below. These policies are also publicly available on our website at <https://www.venture.com.sg/social-and-governance/>.

### Code of Conduct

The Code of Conduct forms the foundation of the Company's policies and procedures on key topics such as sound employment practices, personal data privacy, ethical business conduct and whistleblowing. It is anchored by the Company's five core values and is at the foundation of our corporate culture.

### Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy outlines zero-tolerance to any form of inducement, bribery, and corruption. The giving and receiving of gifts are highly

discouraged, and gifts to public officials are strictly prohibited. Business entertainment should only be provided in group settings and should never be lavish. Gifts and business entertainment must never be received or given as a bribe.

In 2023, there were no reported instances of corruption or bribery, and no public legal cases regarding corruption or bribery were raised against Venture and its subsidiaries. No contractual relationships with business partners or suppliers were severed due to corruption or bribery breaches.

Employees who are executives and above have completed an Annual Self-Declaration on Conflicts of Interest in 2023.

### Whistleblowing

The Whistle-Blowing Policy provides a framework to promote responsible and secure whistle-blowing. It enables whistleblowers acting in good faith to raise concerns about activities that violates Venture's policies, or suspected criminal or other improper or illegal activities, and ensures that appropriate investigations and actions ensue.

Whistle-blowers are safeguarded against reprisal, and the identities of whistle-blowers who have elected to remain anonymous will be protected to the extent permitted by law. Investigations are conducted independently and without prejudice or bias.

At the Board level, the Audit & Risk Committee assumes responsibility for overseeing and monitoring whistleblowing. In 2023, there was one whistle-blowing incident and remedial actions were promptly taken.

### Protection of Confidential Information

As a global provider of technology services, products and solutions, safeguarding confidential information is paramount to Venture. This is especially so as cybersecurity threats grow more prolific. Venture respects the privacy of personal data disclosed to us and is committed to protecting all personal data in accordance with applicable laws. We comply with pertinent data protection laws and standards, including the Personal Data Protection Act 2012 and RBA's Code of Conduct – Ethics (Intellectual Property).

All manufacturing sites follow policies and standard operating procedures which prescribe steps for the secure receipt, handling, and storage of confidential information. In 2023, we maintained zero substantiated complaints of customer privacy breaches, leaks, or data losses.



Venture has a robust cybersecurity framework, aligning to the National Institute of Standards and Technology ("NIST") Cybersecurity Framework and International Organization for Standardization ("ISO") 27001.

Guided by the NIST framework, we meticulously identify and protect information assets, detect anomalies through continuous monitoring, respond swiftly to incidents, and ensure a rapid recovery process.

In addition, our cybersecurity practices go through a rigorous ISO 27001 certification, the global standard for Information Security Management Systems ("ISMS"). We conduct comprehensive risk assessments, implement effective risk treatment plans, and develop policies consistent with ISO guidelines. Continuous improvement is embedded in our approach, with regular audits to enhance cybersecurity controls.

With the combined strengths of NIST and ISO 27001, we not only meet international standards but also assure stakeholders of our unwavering dedication to data confidentiality in a rapidly evolving digital landscape.

In 2023, in line with SGX's recommendations, we further fortified our cybersecurity infrastructure through a series of initiatives:

- Group-wide eXtended Detection and Response ("XDR") system which unifies threat detection and response across multiple layers. Swiftly identifying and neutralising advanced threats, the XDR system enables root-cause investigation, isolation and recovery from security incidents by harnessing the power of machine learning and AI.

Venture also has a Personal Data Protection Policy that outlines the practices around the collection, use, and disclosure of personal information. As a rule of thumb, Venture does not collect, use, or disclose any personal data without prior knowledge or consent from data owners. Any data collected, used, or disclosed is for the sole purpose of Venture's business functions and activities.

We ensure the privacy of personal data by storing them securely, including the usage of computer storage facilities. Any unauthorised access to personal data is prevented by our physical, technical, administrative, and procedural security arrangements. The responsibility of safeguarding personal data extends beyond our internal controls to our vendors. Venture requires vendors or organisations who handle personal data on our behalf to adhere to strict confidentiality rules and comply with applicable laws.

- Security Incident & Events Management ("SIEM") for five key sites to consolidate security data, offering real-time threat detection, and improving incident response. This provides proactive risk management, compliance adherence and safeguards confidential data, bolstering overall business resilience and reputation.

Additionally, we are pleased to announce that our Ang Mo Kio site has been successfully recertified to the latest ISO 27001:2022 ISMS. This qualifies Venture to systematically manage information security risks and enhance business continuity. To enhance ongoing employee cybersecurity awareness and knowledge, a variety of training initiatives and exercises were implemented throughout the year. Notably, we conducted Group-wide email phishing simulation exercises, providing practical scenarios to test and improve employees' ability to identify and respond to phishing attempts. Additionally, we disseminated cybersecurity circulars to employees.

In 2024, we plan to disseminate a Privileged Access Management ("PAM") system which mitigates the risk of data breaches and ransomware by securing privileged accounts, ensuring access only by authorised personnel. PAM also improves confidential data protection through comprehensive access policies and real-time monitoring, preventing unauthorised activities. At the same time, we continue to disseminate SIEM to achieve Group-wide coverage by the end of 2024.

These comprehensive measures aim to empower employees with the skills and knowledge needed to recognise potential cyber threats, adopt secure practices, and contribute to the overall cybersecurity resilience of the organisation. By regularly reinforcing these efforts, we strive to create a vigilant and informed workforce capable of effectively safeguarding sensitive information and proactively mitigating cyber risks.

# OUR COMMITMENT TO SUSTAINABILITY



## Supply Chain Management

### Responsible Business Alliance

Venture joined the RBA in December 2023 as an affiliate member. Established in 2004, the RBA is a non-profit organisation dedicated to championing the rights and well-being of workers and communities globally affected by supply chains.

As an affiliate member of the RBA, Venture commits to progressively align its own operations with the provisions of the RBA Code of Conduct to ensure that working conditions are safe, and our business is conducted responsibly, ethically, and with respect for human rights and the environment. We will also support and encourage our suppliers to do the same. Wherever possible, Venture will adopt the RBA approach and tools in practical ways in the spirit of the industry's common goals.

### Supplier Code of Conduct

Venture is committed to ensuring that the products and services it provides are produced in a way that respects fundamental human rights and the environment, preserves every worker's right to a safe and fair workplace, and upholds world-class standards of business ethics.

Our Supplier Code of Conduct sets out expectations for all suppliers in the areas of labour practices, health and safety management, environmental stewardship and ethics, and articulate the same standards outlined in the RBA code. To the extent there are differing standards between the Supplier Code of Conduct, the RBA Code and local laws, the Supplier Code of Conduct defines compliance as meeting the strictest requirements.

Venture expects every supplier to comply with the Supplier Code of Conduct. Each supplier who provides goods or services to Venture under terms of supply or service that refer to or incorporate the Supplier Code of Conduct is taken to have agreed to comply both in letter and spirit. The Supplier Code of Conduct also applies to each supplier's subsidiaries and affiliates, as well as subcontractors and sub-tier suppliers providing goods and services to Venture, or for use in or with Venture products.

With more than 5,000 suppliers located across the world, fair labour practices in our supply chains are

interconnected with our continued procurement of high-quality components. We expect that all suppliers source components that are produced in a way that does not infringe on fundamental human rights and the environment, maintain a safe and fair workplace for all workers, and uphold high standards of business ethics. In addition, all suppliers are expected to commit to providing workplaces free of discrimination and harassment and respect the rights of all workers in their freedom of association.

From time to time, we may request from our suppliers written certifications of compliance with the Supplier Code of Conduct, as well as carry out audits on our suppliers. Any non-compliance may jeopardise a supplier's business relationship with Venture up to and including termination.

We piloted a survey in 2023, reaching out to close to 80 of our top suppliers by annual spend. This survey covered key areas such as adherence to relevant labour laws, setting of environmental targets and goals as well as accreditation received from standard-setting organisations such as the Responsible Business Alliance and ISO. 100% of respondents acknowledged and can conform to Venture's Supplier Code of Conduct Policy, while more than 95% of respondents acknowledged and are able to conform to Venture's Responsible Minerals Policy and Anti-Bribery and Anti-Corruption Policy. We plan to evaluate more suppliers on this basis going forward.

### Human Rights

We ensure that our operations are constantly in alignment with the International Labour Organisation Declaration of Fundamental Principles and Rights at Work. These include the freedom of association and the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the abolition of child labour, the elimination of discrimination at the workplace, and providing a safe working environment.

As outlined in our Code of Conduct, we have zero tolerance for any form of abuse. Freedom of employment, minimum age requirements, reasonable work hours, benefits, fair wages, and freedom of association per local legislation are adhered to. All Venture employees have the freedom to partake in any trade unions or group advocating for employee rights.



For more details on Venture's policies, please visit our Social and Governance webpage at <https://www.venture.com.sg/social-and-governance/>.



Under our Health and Safety Policy, Venture states our commitment to provide and maintain a safe and healthy work environment to all employees, through continual review and improvement of safe work practices to ensure strict compliance to applicable standards, codes, regulations, and laws in the countries we operate in.

As an affiliate member of the RBA, Venture is committed to improve working and environmental conditions and business performance through leading standards and practices. This includes ensuring that working conditions are safe, that workers are treated with respect and dignity.

As part of our Responsible Minerals Policy, we ensure that specified metals are not sourced from mines in the conflict regions which are controlled by non-government military groups or unlawful military factions, or involving issues highlighted in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD DDG"), such as armed groups, serious abuses, security forces, bribery money laundering etc.

In our recent suppliers' survey, we also assessed our suppliers for any significant risks of child or forced labour. All our surveyed suppliers have relevant company policies that prohibit child or forced labour, or they comply with the equivalent national policies in their jurisdiction.

### **Responsible Materials Sourcing**

At Venture, we are committed to the responsible sourcing of minerals across our supply chain from conflict-free regions and protecting our procurement operations.

Our Responsible Minerals Policy reflects our full support of global efforts towards responsible manufacturing processes with transparent sourcing in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"<sup>1</sup>) and the OECD DDG.

We engage with our suppliers to ensure compliance with RBA standards on responsible minerals and Annex II of the OECD DDG. All suppliers are required to adopt a policy assuring that tantalum, tin, tungsten, and gold used in the products that they manufacture are conflict-free. They are also required to establish their own due diligence frameworks to ensure compliance with responsible

sourcing of materials from Conflict-Affected and High-Risk Areas (as defined in the OECD DDG). In addition, suppliers must cross-check against the list of known smelters in the Conflict Free Smelter list (relating to tantalum, tin, tungsten, also known as "3TG"), published by the RBA. All suppliers are required to adopt a policy assuring that 3TG used in the products that they manufacture are conflict-free.

We seek to go the extra mile beyond the minimum requirements in our mineral management system. For example, although cobalt is not defined as a conflict mineral under section 2 of the Dodd-Frank Act, there are several concerns about the environmental and social impacts related to cobalt mining. These include child labour and unsafe working conditions. Considering the controversies associated with cobalt, we have added this material into the scope of our mineral management system. We are devoted to further engaging with our suppliers to improve their capacities or support alternative sourcing, where appropriate.

We are pleased to report that there were no reported incidents of non-compliance with our Responsible Minerals Policy in 2023. No contracts with business partners or suppliers had to be terminated due to the presence of conflict minerals in their supply chain.

### **Compliance with Export Control Laws**

Venture's Export Control Compliance Programme sets out a framework of operational controls and protocols that require the Group's internal and external transactions to be conducted in compliance to all applicable export control laws and regulations, including the U.S. Export Administration Regulations and the International Traffic in Arms Regulations, the Singapore Strategic Goods (Control) Act and the Malaysia Strategic Trade Act.

Venture will send communications on important regulatory developments to provide our partners with additional knowledge and increase awareness on certain topics. Internally, our global sourcing and local procurement functions are fully aware of the export control status of all materials and components acquired externally for production purposes and must accurately communicate and input such information within our IT systems.

<sup>1</sup> Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

# OUR COMMITMENT TO SUSTAINABILITY

## MATERIALITY

The Company's materiality assessment is based on SGX's guidelines on Sustainability Reporting, as well as GRI's guidance on the approach to determine material topics. Materiality with respect to sustainability reporting, as defined by GRI standards, includes topics and indicators that reflect the organisation's significant economic, environmental, and social impacts, and which would substantively influence the assessments and decisions of stakeholders.

In 2023, Venture is pleased to announce that the Group has set a target to reduce Scope 1 and 2 GHG emissions by 42% by 2030, from a 2022 baseline, and a long-term target of net zero emissions by 2050. This SBTi-aligned target underscores our commitment to mitigating our environmental impact. We took a rigorous approach towards target-setting which involved various levels of stakeholder engagement. We started extensive discussions with our sites and the Sustainability Steering Committee to seek their input in assessing the feasibility of the proposed goal, and also engaged with the Board members.

Venture's material topics and their alignment with the United Nations' Sustainable Development Goals ("SDGs"), coupled with associated targets and performance, are shown in the table below.

Venture's material sustainability factors	Factor boundaries <sup>1</sup>		Corresponding GRI standards topics	Relevant chapter in this report	SDGs
	Internal stakeholders	External stakeholders			
Economic performance			GRI 201: Economic Performance 2016	Economic Performance	 
Energy and emissions			GRI 302: Energy 2016 GRI 305: Emissions 2016	Our Environment	 
Waste			GRI 306: Waste 2020	Our Environment	  
Water			GRI 303: Water & Effluents 2018	Our Environment	   
Occupational health and safety			GRI 403: Occupational Health and Safety 2018	Our People	  
Talent attraction, retention and development			GRI 404: Training and Education 2016	Our People	   
Diversity and inclusion			GRI 405: Diversity & Equal Opportunity 2016 GRI 406: Non-discrimination 2016	Our People	 
Human rights			GRI 409: Forced or Compulsory Labor 2016 GRI 408: Child Labor 2016	Supply Chain Management	   
Responsible materials sourcing			GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	Supply Chain Management	
Responsible business conduct			GRI 205: Anti-corruption 2016	Venture's Sustainability Approach	
Protection of confidential information			GRI 418: Customer Privacy 2016	Compliance	
Compliance with other laws and regulations			GRI 2-27: Compliance with laws and regulations	Compliance	

<sup>1</sup> Factor boundaries are defined as stakeholders who may be affected by or have influence on Venture's material sustainability factors.



## Targets

Venture's material sustainability factors	Group-wide targets	Status as at or for the financial year ended 31 December 2023
<b>Economic performance</b>	For information on our economic and financial performance, please refer to pages 6 to 10 and 104 to 177 of our Annual Report	
<b>Energy and emissions</b>	SBTi-aligned emissions reduction target of 42% reduction in Scope 1 and 2 GHG emissions by 2030, from a 2022 baseline  Net zero by 2050	From 2022 to 2023, Venture's Scope 1 and 2 GHG emissions have reduced by 17%
<b>Water</b>	Reduce water usage intensity across sites	Venture is committed to reducing water usage intensity across sites
<b>Waste</b>	As waste is a relatively new material topic, Venture will continue to closely monitor its waste data and waste management practices, with the intent to set quantifiable targets in the future	
<b>Occupational health and safety</b>	Reduce or maintain an incident rate of recordable injuries to below 1.0  Maintain zero fatalities across all sites	Incident rate of recordable injuries across all sites at 1.12  Zero fatalities across all sites
<b>Talent attraction, retention and development</b>	Enhance employee engagement through workplace initiatives  Maintain a fair performance management system	Ongoing  Ongoing
	Maintain an average of 40 training hours per employee	Venture's employees participated in 35.8 hours of training on average
<b>Diversity and inclusion</b>	Achieve zero incidents of discrimination  Maintain gender balance in the workforce	Zero incidents of discrimination  45% of Venture's workforce was male, and 55% were female
<b>Human rights</b>	Maintain zero forced and child labour in operations	Zero incidents of forced and child labour in operations
<b>Responsible Materials Sourcing</b>	Maintain zero incidents of non-compliance with the revised Responsible Materials Sourcing Policy  Maintain zero termination of contracts with business partners or suppliers due to infringement of the Responsible Materials Sourcing Policy	Zero incidents of non-compliance  Zero terminations of contracts
<b>Responsible Business Conduct</b>	Maintain frequency of Code of Conduct modules and refresher training  Maintain zero cases of corruption	Maintained  Zero cases of corruption
<b>Protection of confidential information</b>	Maintain zero breaches of data privacy  Enhance existing processes to safeguard confidential information	Zero incidents of non-compliance with all existing policies and procedures  Group-wide cybersecurity infrastructure initiatives were successfully rolled out by the IT department
	Obtain ISO 27001 ISMS certification for all key global sites	Obtained ISO 27001:2022 ISMS certification for Ang Mo Kio site
<b>Compliance with other laws and regulations</b>	Maintain compliance with all relevant laws and regulations  Maintain zero cases of significant fines or non-monetary sanctions related to environmental laws and regulations	No significant incidents of non-compliance  Zero incidents of significant fines or non-monetary sanctions related to environmental laws and regulations

# VENTURE'S CLIMATE-RELATED RISKS

Venture has adopted the recommendations by the Task Force on Climate-Related Financial Disclosures ("TCFD") for climate-related risks and opportunities.



## Governance

The Board and Senior Management are regularly engaged on key sustainability issues impacting our business operations. You may refer page 26 for more information regarding how the Board and Senior Management maintain oversight of key sustainability issues. In 2022, we reported our climate scenario analysis findings to both our Board and Senior Management, engaging them on identified climate risks and opportunities that impact Venture's business operations. Moving forward, we are taking steps to formalise and expand leadership oversight of climate issues. Our Board and Senior Management will continue to be regularly updated on climate risks analysis as they are integrated into our Enterprise Risk Management framework.



## Strategy

Venture undertook a scenario analysis in 2022 to stress-test climate transition and physical risks using two scenarios developed by the Intergovernmental Panel on Climate Change's Sixth Assessment Report and the Network on Greening the Financial System. We used a 4°C and a less than 2°C scenario to evaluate risks across two extremes. Through this exercise, we identified key climate-related risks and opportunities impacting Venture's business. These key findings will guide management strategies to mitigate risks and capture opportunities.

## VENTURE'S POTENTIAL CLIMATE-RELATED OPPORTUNITIES



Pioneer innovative low-emissions products and services that are highly attractive to customers looking to reduce their carbon footprint



Build a GHG abatement cost curve to identify and prioritise emissions reduction levers that offer cost savings



Adopt circular economy practices that lower production costs and act as a buffer against raw materials and components price volatility



Utilise green financing opportunities to invest in renewable energy infrastructure and develop low-carbon products and services

		Venture's climate-related risks
Transition risks	Short-term (Present to 2025)	Evolving ESG requirements could increase business costs, or affect access to capital
	Medium-term (2025-2030)	Increase in procurement costs due to higher raw material prices Increased energy, materials and utilities costs due to rising carbon prices
Physical risks	Long-term (2030-2050)	Higher and more volatile utilities costs due to damaged infrastructure, disrupted supply or rising temperatures

Looking ahead, we will build on this analysis by further assessing vulnerabilities and strengthening our response plan to safeguard our operations against identified risks.

## Risk Management

We aim to embed climate risks into our existing ERM framework by formalising the Audit and Risk Committee's oversight of climate-related risks, as well as integrating climate risk impacts into our current risk coverage and risk factors. Following risk identification through the scenario analysis, we will advance risk assessment and prioritisation through further research into climate-related risk drivers and quantifying risk impacts where feasible. These will guide Venture to develop targeted risk response plans. In 2023, we conducted an analysis of our current ERM framework using relevant guidance from the Committee of Sponsoring Organizations of the Treadway Commission's ERM framework. Through the analysis, we have identified actionable steps to expand our current risk management practices to include climate risks. To improve the capacity of risk owners in climate risk monitoring and management, we have also conducted training workshops with internal stakeholders to equip them with the relevant knowledge.

## Metrics and Targets

Venture has consistently tracked GHG emissions and energy consumption data in our annual sustainability reports since 2019. While we have diligently collected and monitored such data over the past years, we want to take the next step by establishing environmental targets. You may refer to the section on "Targets" (page 33) for more information regarding our targets, including our Scope 1 and 2 GHG emissions reduction targets. In the coming years, we will focus our efforts on decarbonisation and efficiency improvements.

We will continue to build on our current efforts in adopting TCFD recommendations, which places us in good stead to adopt the new IFRS S2 Standards and ISSB-aligned climate-related disclosures in the coming years.

# OUR ENVIRONMENT

Venture recognises the critical role it plays in the global climate action movement as a leading electronics manufacturer. We seek to minimise our environmental footprint by maximising the efficiency of our manufacturing operations.

Venture's Environmental Management System Committee ("EMSC") oversees the management and monitoring of our environmental impact and progress towards targets across our business operations. Environmental management representatives of the committee oversee their respective sites' performance and compliance with the relevant environmental regulations.

In 2023, all sites except our Milpitas site have continued to maintain their ISO 14001 certification. Milpitas has set a target to be ISO 14001 certified in 2024. Using the clear criteria and guidelines that the certification outlines,

Venture continues to establish an effective environmental management system framework that supports the tracking of our environmental impact. There were no incidents of significant fines or non-monetary sanctions related to environmental laws and regulations in 2023.

At Venture, we seek to implement our green manufacturing initiatives as identified in our Group-wide Environmental Policy. The policy is kept up to date through regular reviews by the EMSC against the relevant national and international environmental standards. Our green manufacturing initiatives are further elaborated below.



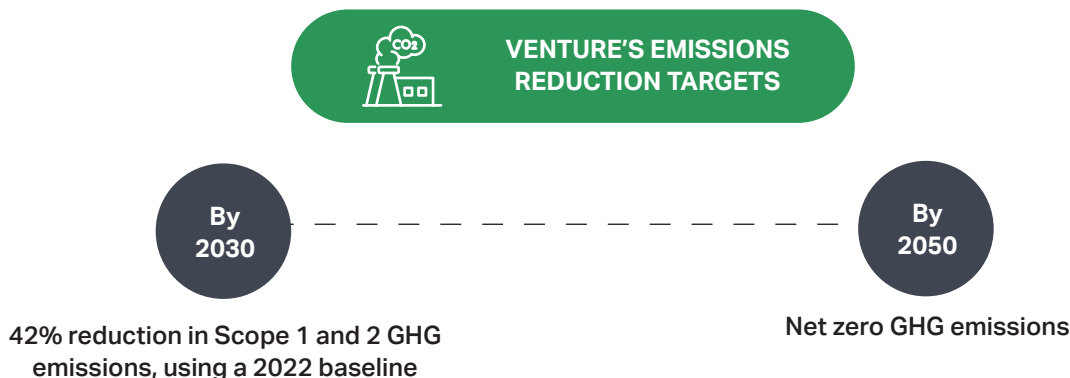
## Energy and GHG Emissions

Human-caused GHG emissions are responsible for far-reaching climate change impacts. Hence, decarbonisation is of utmost importance to avoid the negative impacts of climate change.

Across our locations of operation, all countries have submitted their respective nationally determined contributions ("NDC"). Most recently, Singapore updated its NDC and committed to peaking emissions by 2030

and achieving net zero emissions by 2050<sup>1</sup>. Like Singapore, the United States has also committed to net zero with a target year of 2050<sup>2</sup>. In Malaysia<sup>3</sup> and China<sup>4</sup>, commitments have been made to reach carbon neutrality by 2050 and 2060 respectively.

To align with national and international net zero commitments, Venture is pleased to announce our first emissions reduction targets as shown below.



<sup>1</sup> <https://www.nccs.gov.sg/singapores-climate-action/singapores-climate-targets/overview/>

<sup>2</sup> <https://climateactiontracker.org/countries/usa/targets/>

<sup>3</sup> <https://www.argusmedia.com/en/news/2258221-malaysia-sets-2050-carbonneutral-goal>

<sup>4</sup> <https://climateactiontracker.org/countries/china/targets/>

It is our responsibility to do our part in a decarbonising world, and we have provided our consolidated GHG inventory against the GHG Protocol. To track our progress towards achieving our emissions reduction targets, Venture continues to improve the comprehensiveness and accuracy of our GHG inventory.

This year, we expanded our reporting scope to include an additional 5 sites across Singapore, Malaysia, China, and the United States. This brings us to 11 sites, up from 6 sites, and represents the majority of the Group's revenue. The environmental data provided below is based on 11 sites for 2022 and 2023. The 2022 data also forms the baseline against which we have set our SBTi-aligned Scope 1 and 2 GHG emissions reduction target.

### Fuel consumption within Venture's operations

*In litres*

	2022	2023
Petrol consumption	9,433	8,886
Diesel consumption	95,975	87,394
Total fuel consumption	105,408	96,280

### Electricity consumption within Venture's operations

*In megawatt-hour (MWh)*

	2022	2023
Brown electricity consumption	135,519	106,227
Green electricity consumption	4,858	22,524
Total electricity consumption	140,377	128,751

### Scope 1 and Scope 2 GHG emissions

*In tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)*

	2022	2023
Location-based	96,057	87,910
Market-based	94,432	78,462

### Scope 1 GHG emissions

*In tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)*

	2022	2023
Fuel combustion <sup>1</sup>	279	254
Fugitive emissions <sup>2</sup>	2,616	2,405
Total Scope 1 GHG emissions	2,894	2,659

### Scope 2 GHG emissions

*In tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)*

	2022	2023
Location-based <sup>3</sup>	93,162	85,251
Market-based <sup>4</sup>	91,538	75,803

### Scope 1 and 2 GHG emissions intensity

*by revenue*

	2022	2023
GHG emissions intensity by revenue (tCO <sub>2</sub> e/\$ million)	25.17 <sup>5</sup>	26.77

### Electricity intensity

*by revenue*

	2022	2023
Electricity intensity by revenue (MWh/\$ million)	37.42	43.92

<sup>1</sup> Fuel combustion emissions factors were taken from the GHG Protocol's Cross-Sector Emissions Factors, March 2017 version.

<sup>2</sup> Calculated using Global Warming Potentials (GWPs) provided by IPCC AR6.

<sup>3</sup> Grid emission factors sourced from: Energy Market Authority (Singapore), Malaysia Energy Information Hub (Malaysia), IGES List of Grid Emission Factors (China), and US EPA Emission Factors Hub (United States).

<sup>4</sup> Renewable energy certificates used for sites that procured renewable energy for their operations.

<sup>5</sup> Due to a change in grid emission factors for Singapore, Peninsular Malaysia, Shanghai and California, 2022's GHG emissions and GHG emissions intensity by revenue has been restated.

## OUR ENVIRONMENT

As an electronics manufacturer, our operations are inevitably energy-intensive. Consequently, our Scope 2 GHG emissions are significantly higher than our Scope 1 GHG emissions. As we obtain electricity mostly from the grid, we are limited to the electricity that the grid in our locations of operation provide. To address this issue, we have procured green electricity through renewable energy certificates for several of our sites.

Venture recorded a 17% decrease in Scope 1 and Scope 2 market-based GHG emissions from 94,432 tCO<sub>2</sub>e in 2022 to 78,462 tCO<sub>2</sub>e in 2023. This was largely driven by a drop in Scope 2 GHG emissions as a result of lower total electricity consumption, as well as a higher mix of green electricity as part of total electricity consumption.

We recorded a decrease of 8.3% in the amount of electricity consumed to 128,751 MWh in 2023, from 140,377 MWh in 2022. With lower revenue recorded in 2023, our electricity consumption intensity by revenue increased from 37.42 MWh/S\$'million in 2022 to 43.92 MWh/S\$'million in 2023, and our GHG emissions intensity by revenue increased from 25.17 tCO<sub>2</sub>e/S\$'million<sup>1</sup> in 2022 to 26.77 tCO<sub>2</sub>e/S\$'million in 2023.



As the global population grows and urbanises, water availability becomes an increasingly vital concern. Venture recognises this challenge and is actively exploring ways to contribute to sustainable water management practices, particularly in certain sites where water stress in the area is a growing concern.

The usage of water at all sites continues to be monitored closely. Across all our sites, water is sourced from municipal water supplies.

Our emissions reduction efforts for 2023 are described below.

For 2023, our Ang Mo Kio site uses renewable energy from Senoko Power, while the Jurong, Marsiling and Woodlands sites switched to renewable energy progressively in the second half of 2023. Our Penang site installed solar panels on roofs to generate green electricity for their operations, allowing us to better control our Scope 2 GHG emissions.

Beyond procuring green electricity, we are also managing our energy consumption by improving the energy efficiency of our equipment and processes. Energy-efficient variable speed drive models of air-conditioning equipment have been installed at our Ang Mo Kio site. This helps to reduce our energy consumption by more than 100,000 kWh annually. Our Senai site has retrofitted its air conditioning units with ozone-friendly and energy-efficient ones. Furthermore, it addressed the issue of idling equipment by transiting some of the manufacturing equipment into standby mode at a reduced temperature for a few hours daily. Some other equipment are switched off and activated only when required. At Jin Qiao, the site installed LED lights throughout its facility. At Milpitas, air compressors used to supply air for production purposes are switched off on weekends and after work hours. In compliance with California's Title 24, motion light detectors are installed within the facility to conserve electricity.

Our water usage data for FY2023 is presented below.

### Water withdrawal in 2023

*In mega litres (mL)*

Total water withdrawal	722
Water withdrawal intensity by revenue (mL/S\$'million)	0.25

<sup>1</sup> Due to a change in grid emission factors for Singapore, Peninsular Malaysia, Shanghai and California, 2022's GHG emissions and GHG emissions intensity by revenue has been restated.



We conduct regular water consumption reviews to monitor our water usage. For example, to promptly address any water leakages, we conduct inspections of our main pipe supply, urinal water supply, and flush systems at our Penang site every day.

Other water-saving initiatives include the installation of auto-taps and reduced-diameter flexible hoses with pressurised nozzles in our toilets. We continue to instil a strong water-saving culture by reminding our employees to conserve water. In line with our water reduction efforts, water conservation posters are displayed around our premises. We also provide a facility hotline for employees to report any detected leakages. Our Ang Mo Kio site continues to maintain a target of a 3% reduction in annual

water consumption since 2019, as required by the RBA and the ISO 140001 audit. At Jin Qiao, we have converted some of our central air conditioning water-cooled units into air-cooled units, thereby reducing the use of cooled water.

Minimum standards are established at all sites to define the discharge limits of substances including heavy metals, suspended solids, as well as pH values. These discharge limits are based on either internal standards or local regulations in our locations of operations. For example, the Public Utilities Board of Singapore conducts monthly wastewater testing at the Ang Mo Kio and Marsiling sites through a third-party vendor. Our sites in Malaysia also comply with standards set within the Environmental Quality (Industrial Effluent) Regulations 2009.



As an electronics manufacturing company, responsible waste management is a pertinent issue for Venture. We need to play our part in the management of waste to protect the surrounding environment and safeguard the health of local communities.

At Venture, we are limited in our efforts to prevent waste generation downstream as we mainly manufacture products for our partners that are eventually sold to end consumers. Hence, we concentrate our efforts on maximising resource efficiency in our manufacturing processes and products. We continuously explore new methods of integrating lifecycle approaches in our product design whilst ensuring durability and quality. In our products, we consciously choose raw materials or components that have a lower environmental footprint. These materials are often less water- or energy-intensive and are less toxic. We are also seeking ways to increase the percentage of renewable raw materials in our products to facilitate downstream waste recycling.

To adhere to the relevant waste management regulations in our locations of operations, we engage with third-party licensed contractors to collect, recycle, and dispose of our waste. All waste is diverted from or directed to disposal off-site. To improve our oversight of the waste management processes, we are working with third-party contractors to obtain and compile more accurate data relating to the waste treatment methods used and the amount of waste treated.

### Waste generated in 2023

*In tonnes*

Hazardous waste	453
Non-hazardous waste	4,149
<b>Total waste generated</b>	<b>4,601</b>

### Hazardous waste management in 2023

*In tonnes*

<b>Diverted from disposal</b>	Recycled	219
	Preparation for reuse	98
	Other recovery operations	5
<b>Directed to disposal</b>	Incineration (with energy recovery)	45
	Incineration (without energy recovery)	60
	Landfill	9
	Disposed by other operations	16

# OUR ENVIRONMENT

## Non-hazardous waste management in 2023

In tonnes

Diverted from disposal	Recycled	1,676
	Preparation for reuse	5
	Other recovery operations	0
Directed to disposal	Incineration (with energy recovery)	370
	Incineration (without energy recovery)	56
	Landfill	1,935
	Disposed by other operations	105

### Hazardous waste

We acknowledge the significance of responsible waste management to prevent and minimise the environmental impact of hazardous waste generated. The improper management of hazardous waste has far-reaching consequences on our environment such as air and land pollution.

Hazardous waste such as waste solvents, contaminated rags, and batteries are inevitably generated through our business operations. Other electronic wastes like PCs, monitors, laptops, and scrapped printed circuit board assemblies and printed circuit board tabs are also discarded.

As part of our commitment to manage and mitigate the use of harmful substances, we comply with the Restriction of Hazardous Substances ("RoHS") directive in all our facilities and use only RoHS-certified materials in our operations. Licensed waste collectors are also engaged in

the proper disposal of all hazardous waste. Waste is stored in secondary containers to minimise spillage risk.

To align to the requirements of the Environmental Quality Act 1974, Environmental Quality (Industrial effluent) Regulation 2009, and specified limits for Standard 'A', the Senai site has upgraded its coolant separation to the Industrial Effluent Treatment System which ensures that hazardous waste coolant is properly separated via a separation cartridge column before the treated waste water is discharged.

Where possible, we encourage the use of less toxic materials like lead-free solder. At the Ang Mo Kio site, we design our products with their product lifecycle in mind and use recyclable and reusable materials. As an example, in 2022, we switched to using 100% lead-free materials to reduce hazardous waste. All hazardous waste is properly disposed of or diverted from disposal offsite by licensed third-party vendors.

### Non-hazardous waste

Non-hazardous waste such as paper, plastic, food, and general waste are collected, disposed of, or recycled by licensed waste contractors, both publicly and privately contracted. We work closely with our waste contractors to monitor the total amount of waste generated from our various sites. Notably, our Senai site held its very first Environment Day on 9 May 2023. This event, supported by SWM Environment Sdn. Bhd., aimed to increase recycling awareness among employees as well as the community. SWM Environment Sdn. Bhd. has been appointed by the Government of Malaysia as one of the concessionaires to provide the solid waste management and public cleansing services in Johor, Melaka and Negeri Sembilan.

## OUR PEOPLE

At Venture, our people are our greatest asset. We believe in investing in our employees and as such, we provide opportunities for our employees to grow and develop their career within Venture.



### Talent Attraction, Retention and Development

At Venture, we provide our people with professional development opportunities and stand by fair recruitment practices and attractive benefits. Venture highly values the well-being of its employees through supporting a positive workplace environment that allows every employee to achieve their best performance at work.

We treat all our employees equally and with respect. This is reflected in our Code of Conduct, which stipulates that any form of discrimination is strictly not tolerated. We are pleased to report that there are zero cases of discrimination reported in 2023.

Venture provides competitive compensation packages, including medical coverage and parental leave. We regularly evaluate our employment packages and enhance our employee benefits to remain attractive in the competitive labour market.

Ultimately, this builds a productive working environment where employees are supported in their professional growth and customer satisfaction is ensured.

#### **Career development**

It is our goal to inculcate a strong learning culture among our people and enable their growth trajectory.

All employees undergo mandatory training sessions. These training sessions include New Hires' Orientation and briefings on General Data Protection Regulation / Personal Data Protection Act, Environmental Health and Safety, and Venture's Code of Conduct as aligned to the RBA. Separately, each Venture site has its respective training sessions that support employees in the development of critical skills required for the business activities that the site engages in.

Our Learning Management System ("LMS") offers employees access to online learning materials at their convenience. The LMS is currently available to our Johor Bahru, Senai, Marsiling, and Ang Mo Kio sites and we are working on rolling it out to the rest of the sites.

The LMS offers a wide range of learning materials, from customer training processes to compliance and re-certification. We have received positive feedback from our employees regarding the LMS, mainly regarding its flexibility and ease of access.

At our Penang and Woodlands sites, independent training systems are available for employees to pick up the necessary skills to support their performance at work. With more accessible online information and a greater focus on self-directed learning, we averaged 35.8 hours of training per employee in 2023, a 5.3% improvement from 2022.

# OUR PEOPLE

## AVERAGE HOURS OF TRAINING IN 2023 PER EMPLOYEE

### By Gender

Average hours of training in 2023 per employee, by gender	Male	Female
Average no. of training hours <sup>1</sup>	36.9	34.8

As part of our efforts to practise fair employment and promotion, we actively engage our employees through regular communications and performance appraisals.

## EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE REVIEW

### By Gender

Employees who received a regular performance review, by gender	Male	Female
Percentage of employees who received a regular performance and career development review <sup>1</sup>	99%	99%

### By Employee Category

Employees who received a regular performance review, by employee category	Managers and above	Executives and above	Direct labour & non-exempt
Percentage of employees who received a regular performance and career development review <sup>2</sup>	99%	99%	99%

<sup>1</sup> Denominator: Total number of employees in their respective gender categories.

<sup>2</sup> Denominator: Total number of employees in their respective employee categories.

## Spotlight on our People



### **Cindy Ong**

*Engineer, R&D*

I have been with Venture for two years as an R&D Engineer specialising in Colour, Materials & Finishing (CMF). Our team translates design ideas into cost-effective products, aiming to master CMF for unique identities. Balancing innovation and practicality, we ensure that captivating designs align with manufacturing efficiency. Having to oversee projects at Venture, I aspire to further contribute to the evolution of our products by blending uniqueness with excellence.



### **Eddie Tan**

*IT Manager, Cybersecurity & Application*

I joined Venture in 2018 as a Senior IT Engineer, and in 2021 moved on to spearheading Cybersecurity and Application Development in my current role. Managing a cross-functional team, I have deepened my understanding of business processes and harnessed digitalisation to bring transformative value to the Company. Venture's commitment to cross-functional collaboration has been instrumental in my growth. Looking ahead, I am enthusiastic about capitalising on these opportunities, leveraging my expertise to safeguard our digital assets, drive innovation and tangible digitalisation benefits for continued business success.



### **Cynthia Tan**

*Director, Advanced Manufacturing Technology Centre*

I joined Venture in 1990 as a Test Engineer and today head the Advanced Manufacturing Technology Centre, supporting global operations to deliver products, services, and innovative solutions in the most efficient manner, deploying technology enablers for competitiveness and sustainable growth. Venture has been instrumental in my growth journey, offering diverse opportunities. Over the years, I have managed product transfers, led automation projects, and drove digitalisation for a smarter factory. I am immensely grateful for the profound wisdom gained, and supportive and dedicated colleagues, all of which has significantly shaped my professional trajectory and contributed to Venture's collective success.

## OUR PEOPLE

### **Sulaiha Binti Saufi**

*Senior Supervisor, Production*

Having commenced my journey with Venture in 2001 as a Technical Operator, I rose through the ranks to assume the role of Senior Supervisor for one of our pivotal production lines today. Throughout my tenure at Venture, my job scope has evolved from learning new things to sharing what I have learnt with my colleagues. These experiences have equipped me with invaluable expertise and I am grateful for the opportunities given to me. I look forward to further collaboration with my colleagues and endeavour to make meaningful contributions towards the success of our company.



### **Candy Ko**

*Manager, Group Finance*

Six years ago, I joined Venture as an Accountant. Today, I am the Group Finance Manager with an expanded scope into Group accounts. My journey with Venture has been a rewarding one, where I had been given opportunities to learn, grow and develop my skills. I am thankful to have supportive colleagues who brighten work life and who work cohesively to overcome challenges.



### **Chung Wai Qian**

*Engineer, R&D (Electronics)*

I joined Venture in April 2020 as a R&D electronics engineer, working on new product designs from consumer products to industrial applications. In Venture, I help provide the best performance, scalability, and lowest total cost of ownership for complex cryptographic workloads and environmental conditions of the cloud data centre.



## Overview of Employee Profile

Venture employs over 12,000<sup>1</sup> employees and the majority of them are covered under the scope of this report.

### NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT

#### By Gender

	Male	Female
Permanent employees	4,745	5,940
Temporary employees	235	262
<b>Total</b>	<b>4,980</b>	<b>6,202</b>

#### By Region

	Singapore	Malaysia	China	United States
Permanent employees	2,344	8,109	30	202
Temporary employees	27	5	464	1
<b>Total</b>	<b>2,371</b>	<b>8,114</b>	<b>494</b>	<b>203</b>

### NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE

#### By Gender

Number of employees by employment type, by gender	Male	Female
Full-time employees	4,979	6,201
Part-time employees	1	1
<b>Total</b>	<b>4,980</b>	<b>6,202</b>

#### By Region

	Singapore	Malaysia	China	United States
Full-time employees	2,370	8,114	494	202
Part-time employees	1	0	0	1
<b>Total</b>	<b>2,371</b>	<b>8,114</b>	<b>494</b>	<b>203</b>

<sup>1</sup> This has been compiled using the head count method. There were zero non-guaranteed hours employees hired in 2023. Workers who are not employees of Venture include third-party contracted cleaning staff, third-party contractors and security staff. The number of workers who are not employees of Venture is not disclosed due to confidentiality reasons.

# OUR PEOPLE

## NUMBER AND RATE OF NEW EMPLOYEE HIRES

### By Age Group

	Less than 30 years	30 – 50 years	More than 50 years
Number of new employee hires	2,445	1,032	48
Rate of new employee hires <sup>1</sup>	21.9%	9.2%	0.4%

### By Gender

	Male	Female
Number of new employee hires	1,706	1,819
Rate of new employee hires <sup>1</sup>	15.3%	16.3%

### By Region

	Singapore	Malaysia	China	United States
Number of new employee hires	654	2,798	63	10
Rate of new employee hires <sup>1</sup>	5.8%	25.0%	0.6%	0.1%

## PARENTAL LEAVE

### By Gender

Total number of employees	Male	Female
Entitled to paternity / maternity leave	2,072	1,966
Took paternity / maternity leave	88	156
Returned to work after parental leave	87	149
Still employed 12 months after parental leave	77	133
Return to work rate	99%	96%
Retention rate	88%	85%

<sup>1</sup> Denominator: Total number of employees covered under the scope of this report.





## Diversity and Inclusion

### NUMBER OF EMPLOYEES BY EMPLOYEE CATEGORY

#### By Gender

	Male	Female
Manager and above	391	156
Executive and above	957	1,066
Direct labour & non-exempt	3,632	4,980
<b>Total</b>	<b>4,980</b>	<b>6,202</b>

#### By Age Group

	Less than 30 years	30 – 50 years	More than 50 years
Manager and above	1	316	230
Executive and above	475	1,235	313
Direct labour & non-exempt	4,720	3,205	687
<b>Total</b>	<b>5,196</b>	<b>4,756</b>	<b>1,230</b>

### NUMBER OF BOARD MEMBERS

#### By Gender

	Male	Female
Board members	4	3

#### By Age Group

	Less than 30 years	30 – 50 years	More than 50 years
Board members	0	0	7

# OUR PEOPLE



## Occupational Health and Safety

Certain employees and workers are exposed to occupational health and safety ("OHS") risks inherent to our industry.

To safeguard our employees across all our sites, Venture has implemented OHS management processes that comply with local regulatory requirements (e.g. Malaysia's Occupational Safety and Health Act 1994) and is aligned to internationally recognised management systems such as the OHSAS 18001 and ISO 45001. Our OHS policies are reflected in our Group-wide Health and Safety Policy, Code of Conduct, and Employee Handbook. We also implement site-specific OHS policies that are tailored to each site's operational needs. For example, clean-up of chemical spillage, scheduled waste management, hygiene and sanitation, fire safety, first-aid, and emergency preparedness are all differentiated by site. This is essential since the business activities conducted at various sites are different.

Each site has its respective Workplace Safety and Health ("WSH") Committee which oversees the management of OHS and implementation of policies. Employees are represented on such committees. Health and safety officers are appointed at each site to support their WSH committee in the implementation of OHS policies. This includes developing annual plans, and setting and monitoring performance indicators. Audits and reviews such as risk assessments and hazard identification are conducted regularly, and their results are documented.

Venture employs certain workers who are not our employees. We seek to protect our on-site contractors and third-party suppliers by including them in some of our health and safety-related policies. For example, these workers and suppliers are covered by the Ang Mo Kio site's Contractor Management Procedures, which stipulates that contractors, suppliers, and vendors adhere to strict OHS standards.

To strengthen our safety management practices, OHS training is conducted at all sites. These training programmes include briefings on hazard identification and incident notification processes. Additionally, we regularly conduct fire drills to prepare our employees for fire incidents.

Our production machinery and equipment are frequently assessed for safety hazards. If there are potential safety hazards identified, maintenance is promptly conducted to eliminate the risk of injury to our employees. Employees are reminded to use personal protective gear to prevent occupational hazards.

Particularly for sites with employees who are exposed to health hazards, they have robust occupational health services in place for employees to have access to regular health tests and screenings. For example, audiometric testing and noise risk assessment are available at our Johor Bahru site for employees exposed to loud noises. Our Penang site has occupational health doctors that conduct occupational health programmes such as medical surveillance and audiometric testing. All workplace health-related records are kept under strict confidentiality.

Regardless of severity, all OHS incidents must be documented when they happen, followed by an investigation. Depending on the results of the investigation, the manager or supervisor will decide on the best management approach. All reportable incidents are filed with the relevant authorities. Employees may also remove themselves from the task at hand if they feel unsafe while performing any operations and report the unsafe condition to their supervisor.

There were no significant incidents of non-compliance with any relevant health and safety laws and regulations in all our sites in 2023. Information about work-related injuries and ill-health among our employees are shown below. In 2023, there were no reported incidences of work-related injuries or ill-health among our workers who are not employees.

	Employees	Contractors
<b>No. of fatalities</b>	0	0
<b>Rate of fatalities as a result of work-related injury<sup>1</sup></b>	0	0
<b>No. of high-consequence work-related injuries<sup>2</sup></b>	0	0
<b>Rate of high-consequence work-related injuries<sup>3</sup></b>	0	0
<b>No. of recordable work-related injuries<sup>4</sup></b>	26	0
<b>Rate of recordable work-related injuries<sup>5</sup></b>	1.12	0
<b>No. of fatalities as a result of work-related ill health<sup>6</sup></b>	0	0
<b>No. of recordable work-related ill-health<sup>4</sup></b>	6	0

There were 26 work-related accidents in 2023. We recorded a rate of recordable work-related injuries of 1.12 across the reported sites. Most of the injuries were minor and we are taking active steps to prevent recurrence and reduce the rate of injuries. There were zero fatalities and high-consequence work-related injuries in 2023.

1 Rate of fatalities = No. of fatalities per 1,000,000 hours worked.

2 High-consequence work-related injuries, work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

3 Rate of high-consequence work-related injuries = No. of high-consequence injuries per 1,000,000 hours worked.

4 Recordable work-related injury or ill-health, that results in any of the following: Death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill-health diagnosed by a physician or other licensed healthcare professional even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

5 Rate of recordable work-related injury = No. of work-related injury per 1,000,000 hours worked.

6 Work related ill-health indicates damage to health as a result of exposure to hazards at work, includes diseases, illnesses, and disorders.

# OUR PEOPLE



## Community Activities

Every small action contributes to the larger cause of preserving and protecting our natural world. In August 2023, more than 250 employees from our Johor Bahru site participated in a clean-up in the surrounding office area. 757kg of trash was collected and segregated into recycle and non-recyclable items. Those that could be recycled were sent to a waste manufacturing facility for re-processing while the non-recyclable items were disposed by landfill.



Apart from doing our part for the environment, we also believe in the importance of giving back to society and supporting causes that are dedicated to improving the lives of the less fortunate. In 2023, our employees from the Johor Bahru site visited the Sherun Old Folks Home to distribute basic necessities such as diapers and groceries to the elderly. Similarly at Senai, our employees launched a charity drive for the Association for Children of God – Pusat Jagaan Warga Istimewa Kempas, a welfare association for the mentally-challenged, handicapped and physically ill. Basic necessities and a cheque was presented to the home. Our employees also volunteered to prepare and distribute 6,000 packs of bubur lambuk to the Kangkar Tebrau community during Ramadan.



# APPENDIX: GRI CONTENT INDEX

GRI Standard	Disclosure Number and Title	Page Number and Reasons for Omissions, if applicable
<b>General Disclosures</b>		
<b>The Organisation and its reporting practices</b>		
<b>GRI 2:</b> General Disclosures 2021	2-1 Organisational details	Corporate Profile, page 1, Annual Report 2023  Corporate Directory, page 11, Annual Report 2023  List of Properties, pages 20-21, Annual Report 2023  International Network, pages 181-183, Annual Report 2023
	2-2 Entities included in the organisation's sustainability reporting	About this Report, page 23, Sustainability Report 2023
	2-3 Reporting period, frequency and contact point	About this Report, page 23, Sustainability Report 2023
	2-4 Restatements of information	Our Environment, page 37, Sustainability Report 2023
	2-5 External assurance	About this Report, page 23, Sustainability Report 2023
<b>Activities and workers</b>		
<b>GRI 2:</b> General Disclosures 2021	2-6 Activities, value chain and other business relationships	Corporate Profile, page 1, Annual Report 2023  Creating Exceptional Value for our Customers, pages 2-3, Annual Report 2023
<b>Governance</b>		
<b>GRI 2:</b> General Disclosures 2021	2-9 Governance structure and composition	Our Commitment to Sustainability > Our Sustainability Governance Structure, page 26, Sustainability Report 2023  Board of Directors, pages 12-17, Annual Report 2023  Corporate Governance Report > The Role of the Board and Matters Requiring Board Approval, pages 60-61, Annual Report 2023  Corporate Governance Report > Board Committees, pages 61-62, Annual Report 2023

# APPENDIX: GRI CONTENT INDEX

GRI Standard	Disclosure Number and Title	Page Number and Reasons for Omissions, if applicable
		<p>Corporate Governance Report &gt; Principle 2 – Board Composition and Guidance, pages 63-65, Annual Report 2023</p> <p>Corporate Governance Report &gt; Board Diversity, page 65, Annual Report 2023</p> <p>Corporate Governance Report &gt; Principle 3 – Chairman and Chief Executive Officer, page 66, Annual Report 2023</p>
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report > Principle 4 – Board Membership, pages 67-69, Annual Report 2023
	2-11 Chair of the highest governance body	<p>Corporate Governance Report &gt; Principle 3 – Chairman and Chief Executive Officer, page 66, Annual Report 2023</p> <p>Board of Directors, pages 12-17, Annual Report 2023</p>
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Commitment to Sustainability > Our Sustainability Governance Structure, page 26, Sustainability Report 2023
	2-13 Delegation of responsibility for managing impacts	Our Commitment to Sustainability > Our Sustainability Governance Structure, page 26, Sustainability Report 2023
	2-14 Role of the highest governance body in sustainability reporting	Our Commitment to Sustainability > Our Sustainability Governance Structure, page 26, Sustainability Report 2023
	2-15 Conflicts of interest	Corporate Governance Report > Conflicts of Interest, page 61, Annual Report 2023
	2-16 Communications of critical concerns	<p>Corporate Governance Report &gt; Conflicts of Interest, page 61, Annual Report 2023</p> <p>Our Commitment to Sustainability &gt; Compliance, pages 28-29, Sustainability Report 2023</p> <p>Whistle-Blowing Policy on Venture's Social &amp; Governance website at <a href="https://www.venture.com.sg/social-and-governance/">https://www.venture.com.sg/social-and-governance/</a></p>
	2-17 Collective knowledge of the highest governance body	Our Commitment to Sustainability > Our Sustainability Governance Structure, page 26, Sustainability Report 2023
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report > Principle 5 – Board Performance, pages 69-70, Annual Report 2023
	2-19 Remuneration policies	Corporate Governance Report > Principle 7 – Level and Mix of Remuneration and Principle 8 – Disclosure on Remuneration, pages 70-78, Annual Report 2023
	2-20 Process to determine remuneration	Corporate Governance Report > Principle 6 – Procedures for Developing Remuneration Policies, page 70, Annual Report 2023

GRI Standard	Disclosure Number and Title	Page Number and Reasons for Omissions, if applicable
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Due to confidentiality constraints, Venture is unable to disclose this information.
<b>Strategy, policies and practices</b>		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Letter from the Board, page 24, Sustainability Report 2023
	2-23 Policy commitments	Our Commitment to Sustainability > Compliance, pages 28-29, Sustainability Report 2023
		Our Commitment to Sustainability > Supply Chain Management, pages 30-31, Sustainability Report 2023
		Responsible Minerals Policy on Venture's Social & Governance website at <a href="https://www.venture.com.sg/social-and-governance/">https://www.venture.com.sg/social-and-governance/</a>
	2-24 Embedding policy commitments	Our Commitment to Sustainability > Compliance, pages 28-29, Sustainability Report 2023
		Our Commitment to Sustainability > Supply Chain Management, pages 30-31, Sustainability Report 2023 Supplier Code of Conduct on Venture's Social & Governance website at <a href="https://www.venture.com.sg/social-and-governance/">https://www.venture.com.sg/social-and-governance/</a>
	2-25 Processes to remediate negative impacts	Venture maintains multiple avenues for stakeholders to raise grievances, including our whistleblowing programme and grievance handling policies at our key sites.
2-26 Mechanisms for seeking advice and raising concerns	Our Commitment to Sustainability > Compliance, page 28, Sustainability Report 2023	
2-28 Membership associations	Our Commitment to Sustainability > Economic Performance, page 28, Sustainability Report 2023	
<b>Stakeholder Engagement</b>		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023
	2-30 Collective bargaining agreements	Venture's employees are free to participate in recognised labour unions or other bona fide representatives within the framework of Company procedures, applicable local laws and regulations and prevailing industrial relations and practices.
<b>Material Topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Commitment to Sustainability > Materiality, page 32, Sustainability Report 2023
	3-2 List of material topics	Our Commitment to Sustainability > Materiality, page 32, Sustainability Report 2023

# APPENDIX: GRI CONTENT INDEX

GRI Standard	Disclosure Number and Title	Page Number and Reasons for Omissions, if applicable
<b>Topic Specific Disclosures</b>		
<b>Category: Environment</b>		
<i>Energy &amp; GHG emissions</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Environment > Energy and GHG Emissions, pages 36-38, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023
<b>GRI 302:</b> Energy 2016	302-1 Energy consumption within the organisation	Our Environment > Energy and GHG Emissions, page 37, Sustainability Report 2023
	302-3 Energy intensity	Our Environment > Energy and GHG Emissions, page 37, Sustainability Report 2023
	302-4 Reduction of energy consumption	Our Environment > Energy and GHG Emissions, page 37, Sustainability Report 2023
<b>GRI 305:</b> Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Environment > Energy and GHG Emissions, page 37, Sustainability Report 2023
	305-2 Energy indirect (Scope 2) GHG emissions	Our Environment > Energy and GHG Emissions, page 37, Sustainability Report 2023
	305-4 GHG emissions intensity	Our Environment > Energy and GHG Emissions, page 37, Sustainability Report 2023
	305-5 Reduction of GHG emissions	Our Environment > Energy and GHG Emissions, page 38, Sustainability Report 2023
<i>Water</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Environment > Water, pages 38-39, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, pages 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 303:</b> Water and Effluents 2018	303-1 Interactions with water as a shared resource	Our Environment > Water, pages 38-39, Sustainability Report 2023



<b>GRI Standard</b>	<b>Disclosure Number and Title</b>	<b>Page Number and Reasons for Omissions, if applicable</b>
<b>GRI 303:</b> Water and Effluents 2018	303-2 Management of water discharge-related impacts	Our Environment > Water, page 39, Sustainability Report 2023
	303-3 Water withdrawal	Our Environment > Water, page 38, Sustainability Report 2023
<i>Waste</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Environment > Waste, pages 39-40, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 306:</b> Waste 2020	306-1 Waste generation and significant waste-related impacts	Our Environment > Waste, pages 39-40, Sustainability Report 2023
	306-2 Management of significant waste related impacts	Our Environment > Waste, pages 39-40, Sustainability Report 2023
	306-3 Waste generated	Our Environment > Waste, page 38, Sustainability Report 2023
	306-4 Waste diverted from disposal	Our Environment > Waste, pages 39-40, Sustainability Report 2023
	306-5 Waste directed to disposal	Our Environment > Waste, pages 39-40, Sustainability Report 2023
<b>Category: Governance</b>		
<i>Economic Performance</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023  Our Commitment to Sustainability > Economic Performance, page 28, Sustainability Report 2023
<b>GRI 201:</b> Economic Performance 2016	201-1 Direct economic value generated and distributed	Message to Shareholders, pages 6-9, Annual Report 2023  Five-year Financial Highlights, page 10, Annual Report 2023  Notes to Financial Statements > Profit for the Year, page 174, Annual Report 2023
	201-2 Financial implications and other risks and opportunities due to climate change	Venture's Climate-related Risks > Strategy, page 34, Sustainability Report 2023

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GRI Standard	Disclosure Number and Title	Page Number and Reasons for Omissions, if applicable
<i>Responsible Business Conduct</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Compliance, pages 28-29, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 205:</b> Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Our Commitment to Sustainability > Compliance, page 28, Sustainability Report 2023
	205-3 Confirmed incidents of corruption and actions taken	Our Commitment to Sustainability > Compliance, page 28, Sustainability Report 2023
<i>Protection of Confidential Information</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Compliance > Protection of Confidential Information, page 29, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 418:</b> Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Commitment to Sustainability > Compliance > Protection of Confidential Information, page 29, Sustainability Report 2023
<i>Compliance with other laws and regulations</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 2:</b> General Disclosures 2021	2-27 Compliance with laws and regulations	Our Environment, page 36, Sustainability Report 2023  Our People > Occupational Health and Safety, page 48, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023  Our Commitment to Sustainability > Supply Chain Management > Responsible Materials Sourcing, page 31, Sustainability Report 2023

GRI Standard	Disclosure Number and Title	Page Number and Reasons for Omissions, if applicable
<b>Category: Social</b>		
<i>Talent Attraction, Retention &amp; Development</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our People > Talent Attraction, Retention and Development, page 41, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 404:</b> Training and Education 2016	404-1 Average hours of training per year per employee	Our People > Talent Attraction, Retention and Development, page 42, Sustainability Report 2023
	404-2 Programs for upgrading employee skills and transition assistance programs	Our People > Talent Attraction, Retention and Development, page 41, Sustainability Report 2023
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People > Talent Attraction, Retention and Development, page 42, Sustainability Report 2023
<i>Diversity &amp; inclusion</i>		
<b>GRI 2:</b> General Disclosures 2021	2-7 Employees	Our People > Overview of Employee Profile, page 45, Sustainability Report 2023
	2-8 Workers who are not employees	Our People > Overview of Employee Profile, page 45, Sustainability Report 2023
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 401:</b> Employment 2016	401-1 New employee hires and employee turnover	Our People > Overview of Employee Profile, page 46, Sustainability Report 2023
	401-3 Parental leave	Our People > Overview of Employee Profile, page 46, Sustainability Report 2023
<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our People > Diversity and Inclusion, page 47, Sustainability Report 2023
<b>GRI 406:</b> Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Our People > Talent Attraction, Retention and Development, page 41, Sustainability Report 2023

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GRI Standard	Disclosure Number and Title	Page Number and Reasons for Omissions, if applicable
<i>Occupational Health and Safety</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our People > Occupational Health and Safety, pages 48-49, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 403:</b> Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Our People > Occupational Health and Safety, page 48, Sustainability Report 2023
	403-3 Occupational health services	Our People > Occupational Health and Safety, page 48, Sustainability Report 2023
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our People > Occupational Health and Safety, page 48, Sustainability Report 2023
	403-5 Worker training on occupational health and safety	Our People > Occupational Health and Safety, page 48, Sustainability Report 2023
	403-6 Promotion of worker health	Our People > Occupational Health and Safety, page 48, Sustainability Report 2023
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People > Occupational Health and Safety, page 48, Sustainability Report 2023
	403-9 Work-related injuries	Our People > Occupational Health and Safety, page 49, Sustainability Report 2023
	403-10 Work-related ill health	Our People > Occupational Health and Safety, page 49, Sustainability Report 2023
<i>Human Rights</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Supply Chain Management > Human Rights, pages 30-31, Sustainability Report 2023  Our Commitment to Sustainability > Supply Chain Management > Responsible Materials Sourcing, page 31, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023

<b>GRI Standard</b>	<b>Disclosure Number and Title</b>	<b>Page Number and Reasons for Omissions, if applicable</b>
<b>GRI 408:</b> Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Our Commitment to Sustainability > Supply Chain Management > Human Rights, pages 30-31, Sustainability Report 2023
<b>GRI 409:</b> Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Commitment to Sustainability > Supply Chain Management > Human Rights, pages 30-31, Sustainability Report 2023
<i>Responsible Materials Sourcing</i>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our Commitment to Sustainability > Supply Chain Management > Responsible Materials Sourcing, page 31, Sustainability Report 2023  Our Commitment to Sustainability > Stakeholder Engagement, page 27, Sustainability Report 2023  Our Commitment to Sustainability > Targets, page 33, Sustainability Report 2023
<b>GRI 308:</b> Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our Commitment to Sustainability > Supply Chain Management > Supplier Code of Conduct, page 30, Sustainability Report 2023
<b>GRI 414:</b> Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Our Commitment to Sustainability > Supply Chain Management > Supplier Code of Conduct, page 30, Sustainability Report 2023

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE STATEMENT

Venture Corporation Limited (“Venture” or the “Company”) and its subsidiaries (together with the Company, the “Group”) are committed to upholding the highest standards of corporate governance formulated on the Company’s Mission Statement and Core Values. The Company adheres strictly to its Constitution, the Code of Corporate Governance 2018 (the “2018 Code”) and other applicable laws and regulations in Singapore as well as other jurisdictions in which it operates.

Annually since 2011, the Company has taken the Corporate Governance Pledge, an initiative of the Securities Investors Association (Singapore) to demonstrate its commitment to high standards of corporate governance.

We are pleased to present our Corporate Governance Report for the year ended 31 December 2023 (“FY2023”), and to report that we have complied with all principles of the 2018 Code and in all material aspects with the provisions of the 2018 Code. Minor variations are appropriately explained to demonstrate that our practices are consistent with the aim and spirit of the 2018 Code. The Company’s scorecard is appended at the end of this Corporate Governance Report.

This Corporate Governance Report cross-references other sections of the Annual Report. For completeness, this Corporate Governance Report should be read in conjunction with these sections.

Information contained in this Corporate Governance Report is accurate, to the best of the Company’s knowledge, as at 7 March 2024, the latest practicable date prior to the production of this report.

## BOARD MATTERS – PRINCIPLES 1 TO 5

### PRINCIPLE 1 – THE BOARD’S CONDUCT OF AFFAIRS

#### The Role of the Board and Matters Requiring Board Approval

The Board is responsible for the leadership, strategic direction and control of the Company to achieve sustained value creation for all stakeholders. All Directors regard themselves as fiduciaries, acting objectively and in the best interests of the Company.

In 2020, the Board approved the updated Code of Conduct of the Group, which sets out key principles, ethics and best practices in the conduct of the Group’s global business. This provides the appropriate tone-from-the top for the proper conduct of the Group’s business and affairs, the organisational culture, ethics and sound workplace practices to ensure proper accountability within the Group. Please refer to the Code of Conduct available at the Company’s website at <https://www.venture.com.sg/social-and-governance/> for further details.

The Board’s principal function is to provide wise counsel and guidance to Management in the attainment of the Group’s goals and strategic direction. The Board engages with Management regularly, constructively challenging them and holding them accountable for realising the Company’s strategy and objectives.

In addition to its statutory duties and as required under the SGX Listing Rules, material items which require Board approval include:

- The Group’s annual financial plan and capital expenditure budgets, and any material changes thereto;
- The release of financial results and disclosures of material information, including recommendation on dividend payout;
- Recommendation of amendments to the Company’s Constitution, renewal of annual mandates or adoption of any share plans;
- M&A activities, consolidation of the Company with another entity or the acquisition of an interest, including a controlling interest, in another entity in accordance with the Company’s Authorization Regulations and Table of Authority approval matrix;

- Capital expenditures or contracts exceeding certain material limits and acquisition or disposal of interest(s) in real estate (land and buildings) in accordance with the Company's Authorization Regulations and Table of Authority approval matrix;
- Incorporation of an immediate subsidiary, or winding up, dissolution or placement of the Company or a subsidiary under receivership or judicial management, and restructuring of the Company and/or its immediate subsidiaries. Restructuring encompasses modifying the organisational and capital structure, ownership, and otherwise rearranging the business and interests of the Company and its immediate subsidiaries; and
- Determining the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

### **Conflicts of Interest**

Directors are fully aware of their fiduciary duties under the law. Upon appointment, Directors undertake to apply their best endeavours, including complying with the requirements of the SGX Listing Rules, the Companies Act 1967 of Singapore ("Companies Act"), the Company's internal guidelines and policies, and other applicable laws and regulations.

Directors act in good faith and in the best interests of the Company by exercising due care and diligence, and avoiding conflicts of interest. When an actual or potential conflict of interest arises, the conflicted Director is required to recuse himself or herself from related discussions unless other Directors are of the opinion that such Director's participation is necessary. Where participation is permitted, the conflicted Director will participate only for an appropriate period during the discussions to allow full and frank exchange with the other Directors. In any event, the conflicted Director will abstain from decision-making.

A Director is required to declare his or her direct or indirect interests in all transactions with the Group, if any, and provide details on the nature of such interests as soon as practicable after the relevant facts have come to his or her knowledge. This declaration is also provided on an annual basis.

### **Board Committees**

In the discharge of its duties, the Board is supported by three Board Committees mandated under the SGX Listing Rules.

#### Mandated Board Committees

The Audit & Risk Committee, the Nominating Committee and the Remuneration Committee are assigned specific duties by the Board under written Terms of Reference, which set out their authority and duties in alignment with the SGX Listing Rules and the 2018 Code.

The Chairperson of each Board Committee reports to the Board on matters under the relevant Board Committee's purview. Any matter that requires Board approval will be brought up to the Board for deliberation and decision.

Each Board Committee has reviewed and confirmed that they complied with their respective Terms of References for FY2023.

#### Non-mandated Committees

The Company has set up the Investment Committee with written Terms of Reference to provide feedback and advice to Management on investment decisions, including overseeing the Company's exercise of the Share Purchase Mandate. The Investment Committee comprises three members, of which a majority are Non-Executive Directors, and is chaired by the Executive Chairman. It is supported by the Investment Office, which comprises members of Senior Management who execute the decisions of the Investment Committee.

# CORPORATE GOVERNANCE REPORT

The Company also set up the Science, Technology & Engineering Committee to provide advice and guidance on the Company's R&D initiatives. It comprises scientists, engineers and experienced electronics industry experts from selected fields of interest to the Group, and is chaired by the Executive Chairman. The Science, Technology & Engineering Committee functions independently but will be invited to share its insights with the Board as appropriate.

## Board Meetings and Procedures

The Board meets four times a year and otherwise as required to deliberate on material developments and specific matters as deemed appropriate.

Generally, at each Board meeting:

- The Chairperson of each Board Committee provides an update on significant matters discussed at the Board Committee meetings preceding the Board meeting;
- The Executive Chairman provides an overview of the Group's goals and strategic direction of the Group;
- The CFO presents the Group's quarterly financial performance;
- The CEOs and relevant members of Management provide updates on the Group's business and operations; and
- Presentations in relation to specific business matters, such as sustainability, may be made by Management.

These interactions promote active engagement between the Board and key executives. The Board meets without the presence of Management at every Board meeting. Non-Executive Directors meet with external and internal auditors without the presence of Management at least once a year.

All regular Board and Board Committee meetings are scheduled well in advance to facilitate maximum participation. Directors may attend Board meetings via electronic means, but participation in-person is strongly encouraged. To the extent possible, all materials for Board and Board Committee meetings are circulated at least one week prior to each meeting, to allow Directors to prepare for the meetings and be able to participate fully.

The attendance of each Director at Board and Board Committee meetings and the annual general meeting ("AGM") held in 2023 are set out below:

Meetings held in FY2023	Board	Audit & Risk Committee	Nominating Committee	Remuneration Committee	AGM
Mr Wong Ngit Liong	4 of 4	–	2 of 2	–	✓
Ms Tan Seok Hoong @Mrs Audrey Liow	4 of 4	4 of 4	–	2 of 2	✓
Ms Kuok Oon Kwong	4 of 4	–	2 of 2	2 of 2	✓
Mr Wong Yew Meng	4 of 4	–	–	2 of 2	✓
Mr Han Thong Kwang <sup>(1)</sup>	4 of 4	–	2 of 2	–	✓
Ms Yeo Siew Eng	4 of 4	4 of 4	–	2 of 2	✓
Mr Chua Kee Lock	4 of 4	4 of 4	–	–	✓
Mr Jonathan S. Huberman <sup>(2)</sup>	1 of 1	1 of 1	–	–	X

Note:

<sup>(1)</sup> Mr Han Thong Hwang was appointed as a member of the Audit & Risk Committee on 1 January 2024.

<sup>(2)</sup> Mr Jonathan S. Huberman retired as a member of the Board, the Audit & Risk Committee and the Investment Committee upon the conclusion of the AGM on 27 April 2023.



## Access to Management, Company Secretary and Independent Advisers

Directors have separate and independent access to Senior Management and the Company Secretary. Directors, whether individually or collectively, may also seek independent professional advice as and when the need arises, at the Company's expense.

The Company Secretary attends all Board, Board Committee and shareholders' meetings and ensures that proper procedures and applicable rules and regulations are complied with. She also advises the Board on all governance issues, corporate and administrative matters, as well as facilitates the orientation of new Directors and the continuous professional development of existing Directors as required. She acts as a primary contact between the Company and SGX. Decisions relating to the appointment and removal of the Company Secretary rest with the Board.

On 30 June 2023, Ms Devika Rani Davar, who is legally trained with experience in legal and corporate secretarial matters stepped down as Company Secretary. Ms Juliana Zhang was appointed as the Company Secretary with effect from 1 July 2023. Ms Zhang is a qualified lawyer with more than 10 years of experience in legal and corporate secretarial matters.

## Orientation, Development and Training for Directors

An incoming Director is appointed under a formal letter from the Company. The new Director is also given a docket containing the schedule of the Board and Board Committee meetings for the year, recent meeting minutes and financial statements, press releases, the most recent Annual Report, the Terms of Reference of the Board Committees, key policies and other pertinent documents. Lines of communication, including access to the Executive Chairman, the CEOs, the CFO, the Chief Human Resource Officer and the Company Secretary, as well as site tours and briefings by Management, all help to familiarise the new Director on the Group's business and operations.

An incoming Director with no prior experience as a director of a SGX-listed company will be provided with relevant training at the Company's expense, including mandatory training prescribed by SGX within the first year of appointment to the Board.

As part of ongoing training, Directors can elect to attend training, conferences, seminars and development programmes offered by external organisations, such as Singapore Institute of Directors ("SID"), Institute of Singapore Chartered Accountants and SGX, amongst others. The Board is promptly updated on regulatory changes. When necessary, external consultants are invited to brief the Board on key regulatory updates and any other relevant topics.

In February 2023, the Directors attended a virtual site visit to the Company's manufacturing and R&D facility in Penang, Malaysia. During the visit, Directors were updated on products under development and also engaged with key executives from that site.

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## PRINCIPLE 2 – BOARD COMPOSITION AND GUIDANCE

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### Board Composition

The Board currently comprises seven Directors as follows:

Name of Director	Appointment
Mr Wong Ngit Liong	Executive Chairman
Ms Tan Seok Hoong @Mrs Audrey Liow	Lead Independent Director
Ms Kuok Oon Kwong	Independent Non-Executive Director
Mr Wong Yew Meng	Non-Independent Non-Executive Director
Mr Han Thong Kwang	Independent Non-Executive Director
Ms Yeo Siew Eng	Independent Non-Executive Director
Mr Chua Kee Lock	Independent Non-Executive Director

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Ms Tan Seok Hoong @Mrs Audrey Liow serves as the Lead Independent Director, providing leadership in situations where the Executive Chairman may be conflicted, and managing discussions with other Non-Executive Directors in the absence of Management. She may be contacted via email at [companysecretary@venture.com.sg](mailto:companysecretary@venture.com.sg) if shareholders or other stakeholders have any concerns, where contact through the normal channels of communication with the Executive Chairman or Management is inappropriate or inadequate.

No alternate directors are appointed.

The profile of each Director can be found on pages 13 to 17 of the Annual Report.

## Board Independence

There is a strong level of independence on our Board, with Independent Non-Executive Directors constituting 71% of the Board as at 31 December 2023, exceeding the requirement under the SGX Listing Rules and the 2018 Code.

Each of the Audit & Risk Committee, the Nominating Committee and the Remuneration Committee is chaired by an Independent Non-Executive Director. In 2023, the Audit & Risk Committee comprised entirely of Independent Non-Executive Directors, while the Nominating Committee and the Remuneration Committee comprised a majority of Independent Non-Executive Directors. The presence of a Lead Independent Director also adds to the element of independence on the Board.

The Nominating Committee is responsible for assessing the independence of the Directors on an annual basis. Each Independent Non-Executive Director completes a declaration of independence at the beginning of every financial year, which is reviewed by the Nominating Committee based on the provisions of the 2018 Code and the SGX Listing Rules, and reported back to the Board. As part of the Nominating Committee's annual review of the Directors' interests, potential or perceived conflicts affecting the independence of the Directors are considered (including time commitments, length of service and other factors relevant to their independence). In line with Listing Rule 210(5)(d) as well as Provisions 2.1 and 4.4 of the 2018 Code, the Nominating Committee assessed the independence of Directors under the following circumstances:

- whether the Director has a relationship with the Company or its related corporations, substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his/her independent business judgement in the best interests of the Company and in carrying out his/her functions as an Independent Director and as a member of any Board Committee(s);
- whether the Director is or has been employed by the Company or any of its related corporations in the current or any of the past 3 financial years;
- whether the Director has an immediate family member who is or has been employed by the Company or any of its related corporations in the current or any of the past 3 financial years, and whose remuneration is or was determined by the Remuneration Committee;
- whether the Director or his/her immediate family member has, in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services, other than compensation for Board service;
- whether the Director or his/her immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services;
- whether the Director has been a Director on the Board for an aggregate period of more than 9 years; and
- any other applicable circumstances.

At the most recent review in February 2024, the Nominating Committee, having considered the above, concluded that, Ms Tan Seok Hoong @Mrs Audrey Liow, Ms Kuok Oon Kwong, Mr Han Thong Kwang, Ms Yeo Siew Eng and Mr Chua Kee Lock were and continue to remain independent. The Independent Directors do not have any direct or indirect shareholdings exceeding 5% in the Company nor any relationships with the Company, its related corporations or the Company's shareholders with 5% or more voting rights in the Company. Directors abstained from the discussions and voting in respect of their own independence.

Each Director also provides an annual disclosure of his or her interests to the Company, including interests held by immediate family members. In line with Sections 156 and 165 of the Companies Act, subsequent changes to the interests declared are promptly notified by the Director and tabled at the next Board meeting.

### **Board Diversity**

The Company has adopted a Diversity Policy which is embedded in the umbrella policy known as "Developing a High-Performance Board". The objective of this Policy is to augment the collective strength of the Board, to drive its performance and support the Company's growth and strategic objectives for long-term sustainable development.

The Company recognises the significance of diversity in various areas including professional qualifications, skills, business experience, industry knowledge, gender, nationalities, tenure of service, seniority and other distinguishing qualities. Such diverse yet complementary qualities drive the performance of the Board as a whole. These guidelines embody the Company's commitment to the key tenets of diversity, including ensuring that the Board has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company.

The Company's Board and Board Committees comprise individuals with diverse experience and expertise who, as a group, provide an appropriate balance and range of skills, experience, perspectives, and knowledge for effective stewardship of the Company's business. Collectively, the Board possesses core competencies in areas such as financial reporting, finance, business and management experience, law, industry knowledge, strategic planning experience, customer-based experience or knowledge and is able to make positive contributions to the Company.

The Board annually examines its composition and size to assess the optimum number needed to facilitate robust engagement and effective decision-making. The Nominating Committee reviews all aspects of diversity in its annual evaluation of the Board's performance and effectiveness.

Although gender is but one aspect of diversity, the Company values the importance of gender diversity to augment the collective strength of the Board. There is currently over a one-third representation of women on the Board. It is also noteworthy that four key leadership positions on the Board and Board Committees of the Company are helmed by well-suited women Directors. The Lead Independent Director and the Audit & Risk Committee Chairperson is Ms Tan Seok Hoong @Mrs Audrey Liow, while Ms Kuok Oon Kwong is the Chairperson of the Nominating Committee and the Remuneration Committee.

The Company's diversity plan over the next 3 to 5 years includes seeking suitably qualified candidates with industry experience in diverse technology domains to strengthen the collective bandwidth of the Board. It also aims to maintain a gender diversity target of at least 25% of the Board composition.

The Company acknowledges that its Diversity Policy will continue to evolve and be refined as other aspects of diversity are recognised.

# CORPORATE GOVERNANCE REPORT

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## PRINCIPLE 3 – CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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The Board is responsible for the strategic leadership, oversight and control of the Company. The Board shapes the Company's culture and vision, and drives the long-term success of the Company.

Management is responsible for implementing the Company's strategies and the day-to-day operations of the Company. Management reports to the Board, seeking guidance and approval from the Board as required. At Venture, there is a clear division of responsibilities between the Board and Management.

### The Role of the Board Chairman

The Board is led by Mr Wong Ngit Liong, the Executive Chairman, who continues to drive the Group's well-conceived, multi-tier growth strategies, given his enduring institutional knowledge and business acumen.

As the Executive Chairman, Mr Wong leads and ensures the effective functioning of the Board, including setting the strategic direction, instilling high standards of corporate governance, facilitating a culture of open interaction and debate within the Board, fostering constructive relationships among Directors and between the Board and Management, ensuring adequate and timely information flow, and promoting effective communication with shareholders.

### The Roles of the Chief Executive Officers

Both CEO (TPS) and CEO (AMDS) are responsible for providing strong leadership and effective day-to-day management of the Company, developing a consensus for the Company's vision and mission, and implementing the strategic plan approved by the Board.

### Executive Strategic Committee ("ESCO")

The Company's ESCO is chaired by the Executive Chairman and comprises the CEOs and select Key Management Personnel ("KMP")<sup>1</sup>. The ESCO meets regularly and at least once a month to oversee management of the Group and implementation of the Group's policies. From time to time, Heads of Departments and Business Units are invited to attend the ESCO meetings to address matters under their purview and aid decision-making.

<sup>1</sup> In this Corporate Governance Report, "Key Management Personnel" or "KMP" refers to the CEOs, the CFO and any other senior executive who is designated as a KMP on account of the authority and responsibility vested in him or her for planning, directing and controlling the activities of the Group.

## PRINCIPLE 4 – BOARD MEMBERSHIP

The table below sets out the chairperson and members of each Board Committee as at 7 March 2024 (being the latest practicable date prior to the production of this report):

Director	Audit & Risk Committee	Nominating Committee	Remuneration Committee
Mr Wong Ngit Liong		M	
Ms Tan Seok Hoong @Mrs Audrey Liow	C		M
Ms Kuok Oon Kwong		C	C
Mr Wong Yew Meng			M
Mr Han Thong Kwang	M	M	
Ms Yeo Siew Eng	M		M
Mr Chua Kee Lock	M		

*C refers to the committee chairperson*

*M refers to a committee member*

### NOMINATING COMMITTEE

The Nominating Committee comprises three members, of which a majority, including its Chairperson, are Independent Non-Executive Directors.

The Lead Independent Director, Ms Tan Seok Hoong @Mrs Audrey Liow, is not a member of the Nominating Committee as the Board has determined that the Nominating Committee is adequately constituted to perform its duties and there are sufficient processes to engage stakeholders on all matters.

The responsibilities of the Nominating Committee include:

- (a) to make recommendations to the Board on the appointment and re-appointment of Directors to the Board and Board Committees;
- (b) to regularly review the Board structure, size and composition (including the mix of Directors' skills, qualifications, expertise and diversity) and make appropriate recommendations to the Board;
- (c) to assess candidates for appointment to the Board and Board Committees, determining whether or not such candidates have the requisite qualifications, integrity, independence, professionalism and time commitment to effectively discharge his or her role;
- (d) to review and recommend to the Board plans for succession, in particular for the Executive Chairman, Directors and KMP;
- (e) to determine, on an annual basis and as and when required, the independence of Directors in accordance with the criteria set out in the 2018 Code and the SGX Listing Rules;
- (f) to recommend Directors who are retiring by rotation to be put forward for re-election, considering such Directors' tenure, time commitment and ability to continue to contribute to the Board and other relevant factors;
- (g) to determine whether or not a Director is able to and has been adequately carrying out his or her duties, particularly if the Director holds multiple board appointments and other principal commitments;

# CORPORATE GOVERNANCE REPORT

- (h) to make recommendations to the Board on the process and criteria for the annual evaluation of the performance of the Board, the Board Committees and Directors ("Board Performance Evaluation" or "BPE"), and to assess the effectiveness of the Board as a whole and of each Board Committee separately, as well as the contribution of each individual Director to the effectiveness of the Board;
- (i) to review Directors' feedback and comments from the Board Performance Evaluation and share with the Board pertinent feedback and the NC's recommendations to address the same;
- (j) if deemed necessary, to recommend to the Board the appointment of an Independent Director to be the Lead Independent Director;
- (k) to identify and review the training and professional development programmes for the Board and to ensure that new Directors are aware of their duties and obligations; and
- (l) to review and monitor the implementation of the Diversity Policy.

## SELECTION PROCESS FOR NEW DIRECTORS

The Nominating Committee has a formal and transparent selection process for the appointment of new Directors. The Nominating Committee assesses the appropriate mix of expertise and experience for an effective Board and recommends the most suitable candidates, after rigorously reviewing their qualities and profiles, taking into consideration factors such as experience, technological skills and expertise, diversity and how they will complement and augment the overall competencies of the current Board.

It considers prospective candidates from an extensive network of contacts, evaluates and shortlists candidates with the relevant experience and expertise in areas such as general management, finance, financial reporting, technology, legal and governance aspects, and knowledge of the Group's industry, business and markets. Suitable candidates are then recommended to the Board for consideration.

### Multiple Board Representations

The Board has concurred with the Nominating Committee's recommended guideline to limit the maximum number of listed company board representations a Director may hold to six, taking into consideration, *inter alia*, the market capitalisation of the other listed companies, their 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 to effectively manage multiple appointments.

The Nominating Committee reviews the principal commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director. For FY2023, the Nominating Committee is satisfied that each Director has given sufficient time and attention to the affairs of the Company and that no Director has served on the board of a company with an adverse track record, or with a history of irregularities, or is or was under investigation by regulators.

### Re-Election of Directors

Each year, the Nominating Committee reviews the nomination of Directors for re-election. In recommending the Directors for re-election, the Nominating Committee takes into account the competencies, time commitments, contributions and performance of the Directors with reference to their attendance, preparedness, participation and candour at Board and Board Committee meetings.

Pursuant to Regulation 106 of the Constitution and Listing Rule 720(5), all Directors subject themselves to retirement by rotation and re-election at least once every 3 years. For the 2024 AGM, the Board has accepted the Nominating Committee's recommendation for Mr Wong Yew Meng, Ms Kuok Oon Kwong and Ms Yeo Siew Eng to retire by rotation. Mr Wong Yew Meng and Ms Kuok Oon Kwong will offer themselves for re-election, while Ms Yeo Siew Eng will retire at the close of the 2024 AGM.

Each of Mr Wong Yew Meng and Ms Kuok Oon Kwong abstained from the discussion and taking a decision in respect of his or her own nomination. Additional information on Mr Wong Yew Meng and Ms Kuok Oon Kwong can be found on pages 184 to 189 of the Annual Report.

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## PRINCIPLE 5 – BOARD PERFORMANCE

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### Board Performance Evaluation

This is the Company's 21<sup>st</sup> year of evaluating the performance of the Board and Board Committees. Continuous enhancements to Board processes over the years have enabled the Board to sustain a high level of effectiveness, with the agility to shape the Company's future.

The Board has a formal process, incorporating objective performance criteria, for assessing the effectiveness of the Board and Board Committees. It is carried out annually by the Nominating Committee via a questionnaire seeking feedback and comments from each Director, except from the Executive Chairman who does not participate in the survey due to his executive role. Responses are reviewed by the Nominating Committee, and thereafter presented to the Board for discussion. The Nominating Committee, in consultation with the Executive Chairman, takes appropriate actions to address findings on areas requiring improvements.

The BPE encompasses an assessment of qualitative and quantitative criteria comprising, *inter alia*, size, independence, diversity and quality of Board composition, adequacy, quality and timeliness of information provided to the Board, the Board's understanding of the Group's strategic objectives, risk management and internal controls, sustainability, Board culture and dynamics, Board's partnership with Management and other key issues. Reference is also made to the BPE template in the Nominating Committee Guide by the SID.

Whilst there is no individual Director evaluation *per se*, the strengths and contributions of individual Directors and their demonstrated commitment to the Board and the Board Committees are reviewed.

Specific developmental needs of the Directors as identified from time to time will be addressed in consultation with the Executive Chairman and the Chairperson of the Nominating Committee.

Following the BPE conducted in January 2024, the Board concluded that, for FY2023:

- (a) the Board is of an appropriate size and has the right mix of expertise, experience, skills, industry-knowledge and diversity;
- (b) the quality of information disseminated to members of the Board and Board Committees enabled informed decision-making;
- (c) the Board was pro-active and engaged Management in open communications and constructive discussions, which aided independent decision-making;
- (d) there was a high standard of conduct amongst members of the Board and there were no conflicts of interests;

# CORPORATE GOVERNANCE REPORT

- (e) the Board engaged in constructive debate and meaningful exchanges taking into account key issues and all stakeholders; and
- (f) the Board and Board Committee meetings were well-conducted, sufficient time was allocated to consider all matters, and the decision-making processes were satisfactory.

## REMUNERATION MATTERS – PRINCIPLES 6 TO 8

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### PRINCIPLE 6 – PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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#### Remuneration Committee

The Remuneration Committee comprises four members, all of whom are Non-Executive Directors, and a majority, including its Chairperson, are Independent Non-Executive Directors.

The responsibilities of the Remuneration Committee include:

- (a) to review and recommend to the Board, in consultation with the Executive Chairman, (i) a general framework of remuneration and the individual remuneration of Directors and (ii) the remuneration package and terms of employment of individual KMP, and employees related to the Directors and controlling shareholders of the Group, if any;
- (b) to review the framework and terms of the Company's share schemes and serve as the "committee" referred to in such schemes, with all the powers as set out in the schemes, unless otherwise decided by the Board;
- (c) to review the Company's obligations arising in the event of termination of contracts of service of Executive Directors and KMP, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and
- (d) to carefully evaluate the costs and benefits of long-term incentive schemes, and review the eligibility of Executive Directors and KMP in respect thereof.

As appropriate, the Remuneration Committee will seek expert advice on the remuneration of Directors and any such engagement of remuneration consultants will be disclosed, including a statement on whether the remuneration consultants have any such relationship with the Company. No remuneration consultants were engaged for FY2023.

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### PRINCIPLE 7 – LEVEL AND MIX OF REMUNERATION

### PRINCIPLE 8 – DISCLOSURE ON REMUNERATION

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The Remuneration Committee recommends the annual fees for the Directors and ensures that the remuneration framework of KMP is aligned with the long-term interests and policies of the Group. This enables the Company to attract, motivate and retain the best talents to further the growth of the Group's business.

#### Directors' Fees for Non-Executive Directors

All Non-Executive Directors receive Directors' fees. The Directors' fees for Non-Executive Directors are recommended to the Company's shareholders by the Board, which in turn receives recommendations from the Remuneration Committee. Directors' fees must be approved by shareholders at the Company's AGM.



In January 2024, the Remuneration Committee reviewed the fee structure for Directors' fees benchmarked against listed companies of comparable size, complexity of operations, global presence and industry, and taking into account the demanding responsibilities, workload and time commitment arising from the increasing complexities of the Group's activities. Following such review, the Remuneration Committee recommended, and the Board endorsed, the Directors' fee structure of the Board and Board Committees, the Investment Committee and the Science, Technology & Engineering Committee for FY2023 as set out below:

Annual Fee (S\$)	Chairman	Member
Board	Not applicable <sup>(1)</sup>	60,000
Audit & Risk Committee	35,000	25,000
Nominating Committee	30,000	25,000
Remuneration Committee	30,000	25,000
Investment Committee	Not applicable <sup>(1)</sup>	25,000
Science, Technology & Engineering Committee	Not applicable <sup>(1)</sup>	25,000

Note:

<sup>(1)</sup> The Executive Chairman serves as the Chairman of the Board, the Investment Committee and the Science, Technology & Engineering Committee and does not receive Director fees.

Subject to shareholders' approval at the 2024 AGM, the Directors' fees payable for FY2023 are as set out below:

Name of Director	Directors' Fees (S\$)	Fixed (%)	Variable (%)	Total (%)
Ms Tan Seok Hoong @Mrs Audrey Liow	120,000	100	–	100
Ms Kuok Oon Kwong	120,000	100	–	100
Mr Wong Yew Meng	110,000	100	–	100
Mr Han Thong Kwang	110,000	100	–	100
Ms Yeo Siew Eng	110,000	100	–	100
Mr Chua Kee Lock	110,000	100	–	100
Mr Jonathan S. Huberman <sup>(1)</sup>	35,260	100	–	100

Note:

<sup>(1)</sup> Mr Jonathan S. Huberman retired as a member of the Board, the Audit & Risk Committee and the Investment Committee on 27 April 2023 at the conclusion of the 2023 AGM, therefore the fees payable to him are pro-rated accordingly.

The Directors' fees for each financial year are paid in arrears after approval by the shareholders at the AGM. There is no scheme or arrangement for payment of Directors' fees in the form of equity. Aside from Directors' fees, the Non-Executive Directors did not receive any other remuneration including any benefits in kind, share options or share-based incentives or awards, or other long-term incentives.

Each Director abstained from the discussion and decision in respect of his or her own fees.

# CORPORATE GOVERNANCE REPORT

## Executive Chairman's Remuneration

Being an Executive Director, Mr Wong Ngit Liong does not receive Director's fees. As a member of Management, his remuneration, which comprises cash-based and share-based components, is reviewed by the Remuneration Committee. Information on Mr Wong's remuneration for FY2023, including share 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 2021") are set out below:

Executive Chairman	Remuneration			Total <sup>(3)</sup> (%)	2015 Scheme Number of options granted in FY2023 <sup>(4)</sup>	RSP 2021 Number of shares awarded in FY2023 <sup>(4)</sup>
	Total (S\$)	Fixed <sup>(1)</sup> (%)	Variable <sup>(2)</sup> (%)			
Wong Ngit Liong	7,802,126	21	79	100	15,000	14,000

Notes:

<sup>(1)</sup> Fixed remuneration comprises base salary, fixed allowances and annual wage supplement.

<sup>(2)</sup> Variable remuneration comprises performance-based bonus and benefits-in-kind.

<sup>(3)</sup> Total remuneration comprises applicable employer CPF contributions.

<sup>(4)</sup> The fair value of option and awards granted under the 2015 Scheme and RSP 2021, respectively, can be found in Note 24 to the financial statements.

## CEOs' Remuneration

The remuneration package of each of Mr Lee Ghai Keen (CEO, TPS) and Mr Wong Chee Kheong (CEO, AMDS) comprises cash-based and share-based components, and is reviewed by the Remuneration Committee. Information on their remuneration for FY2023, including share options granted pursuant to the 2015 Scheme and awards granted pursuant to the RSP 2021, are set out below:

CEOs	Remuneration			Total <sup>(3)</sup> (%)	2015 Scheme Number of options granted in FY2023 <sup>(4)</sup>	RSP 2021 Number of shares awarded in FY2023 <sup>(4)</sup>
	Total (S\$)	Fixed <sup>(1)</sup> (%)	Variable <sup>(2)</sup> (%)			
Lee Ghai Keen	1,567,716	69	31	100	14,000	12,000
Wong Chee Kheong	1,363,317	61	39	100	14,000	12,000

Notes:

<sup>(1)</sup> Fixed remuneration comprises base salary, fixed allowances and annual wage supplement.

<sup>(2)</sup> Variable remuneration comprises performance-based bonus and benefits-in-kind.

<sup>(3)</sup> Total remuneration comprises applicable employer CPF contributions.

<sup>(4)</sup> The fair value of option and awards granted under the 2015 Scheme and RSP 2021, respectively, can be found in Note 24 to the financial statements.

## Human Capital Management and Remuneration Framework

The Group's practice of aligning rewards to performance is central to its overall strategy on human capital management and retention. The Group's remuneration approach draws a clear connection between performance and remuneration to support the Group's strategic objectives of driving a performance-excellence mindset, improving organisational effectiveness, as well as attracting and retaining talent with an overarching goal of sustaining operational and financial excellence for the Group.

Given the nature of the Group's operations in specialised technologies and its ongoing initiatives to transform and deepen its participation in selected technology domains, the Group's leadership works collaboratively and purposefully with other employees across global operations and support services to implement shared goals and objectives.

The Group's leadership comprises employees whose authority and actions have a bearing on the long-term performance of the Group. This group includes KMP, Heads of Departments and Business Units, and other key executives.

The Group's performance-based remuneration framework for the leadership enumerates criteria designed to reflect personal contributions, benchmarked against market considerations and in alignment with stakeholders' interests. This framework also applies to other employees whose duties in operations and support services are critical to the Group's deliverables to its global customer base and stakeholders and fulfilment of their high expectations.

### Principles of the Group's Remuneration Framework

The Group's remuneration framework is grounded on the following key principles:

- Commensurate with the contributions of each employee to the Group's strategic objectives;
- Alignment with the financial performance of the Group and measured against predetermined financial targets;
- Takes into account demonstrable qualities of leadership, talent management and team building;
- Takes into account industry performance and outlook;
- Places emphasis on sustained performance over time; and
- Accords higher weightage for variable and performance-based components.

### Performance Review and Evaluation

The Group has an annual and continuous performance review process that evaluates each employee's contributions.

Each year, all employees are required to set out their objectives, targets and performance conditions comprising both financial and non-financial factors, constituting qualitative and quantitative elements, which must be aligned to the overall strategic direction, objectives and core values of the Group.

These work goals are reviewed regularly throughout the year and each employee's performance, including that of the KMP, is assessed against the pre-determined performance targets.

For greater objectivity of assessment, all final performance ratings are comprehensively discussed and ascertained by at least 2 levels of Management personnel.

# CORPORATE GOVERNANCE REPORT

All employees are expected to pursue the Company's Core Values in their day-to-day work.

Core Values:

- (a) Relentless Pursuit of Excellence
- (b) Rendering The Highest Level of Total Customer Satisfaction
- (c) Encouraging Employees to Realise Their Full Potential
- (d) Building Strong Cohesion & Teamwork
- (e) Fostering Creativity & Innovation

Demonstrates the five core values of the Company's Code of Conduct:

- (a) Leads by example
- (b) Seeks clarification when in doubt
- (c) Treats employees with respect and dignity
- (d) Manages business with integrity and responsibility
- (e) Reports concerns or potential misconduct

These core values are embedded in the assessment criteria for the performance review process. In particular, the evaluation of KMP and Heads of Departments and Business Units is based, *inter alia*, on the following qualitative and quantitative criteria:

## 1. Achievement of Goals and Targets

- (a) Financial performance of their respective business unit against targets, *inter alia* including:
  - Revenue generated
  - Accounts receivables and accounts payables management
  - Return on investment
  - Cash conversion cycle
- (b) Management and execution of the needs of new and existing customers
- (c) Operational excellence
- (d) Leadership development / succession planning
- (e) Innovation / creativity / IP content
- (f) Work improvement programmes
- (g) Operational control / business processes control
- (h) Risk management, including:
  - Anti-bribery
  - Anti-corruption

## 2. Leadership Capabilities, Core Values & Code of Conduct

Leadership Capabilities:

- (a) Vision
- (b) Judgement
- (c) Strategic focus
- (d) Accountability
- (e) Talent management
- (f) Customer focus and relationship management
- (g) Communication
- (h) Teamwork
- (i) Problem solving and creativity

## Key Management Personnel

The contributions and performance of KMP are further evaluated by the Remuneration Committee to assess their achievement of the aforesaid qualitative and quantitative objectives.

## Fixed and Variable Components of Remuneration

The remuneration framework consists of fixed and variable components. The base salary, fixed allowance and annual wage supplement form the fixed component. The base salary of an employee's remuneration is determined by job scope, criticality and complexity of the role, the individual's experience, competencies and market competitiveness.

The variable component is determined by each employee's performance evaluation and contributions, and the Group's financial performance in the relevant financial year. Taking into account the risk policies of the Group, the variable component also factors risk outcomes and is sensitive to the time horizon of risks, as well as the Group's financial performance.

## Long-Term Incentives

The Company's long-term incentive schemes comprise the 2015 Scheme and the RSP 2021, which aim to increase the performance orientation and retention factor in the remuneration of employees, and foster an ownership culture within the organisation. For objectivity and greater independence, the share plans are administered by the Remuneration Committee which is constituted entirely of Non-Executive Directors.

The 2015 Scheme is applicable to eligible participants within the Group's leadership and other employees whose duties in operations and support services are critical to the Group's deliverables.

The RSP 2021, on the other hand, is restricted to a limited number of eligible participants within the Group's leadership, who deliver or have the potential to deliver sustained high-level performance for each financial year.

The allocation of share-based components to eligible employees is reviewed by the ESCO, and thereafter tabled for approval by the Remuneration Committee. Share-based components are vested over a pre-determined time horizon to ensure that employees continuously maintain a high level of contribution and commitment to the Group's performance and profitability.

### 1. Venture Corporation Executives' Share Option Scheme 2015

The 2015 Scheme was approved and adopted by the Company at an Extraordinary General Meeting held on 25 April 2014.

#### (a) Objectives

The 2015 Scheme is part of the Group's remuneration framework for eligible employees to achieve the following objectives:

- (i) To encourage and foster ownership mindset and loyalty to the Group and align their interests with those of all stakeholders;

# CORPORATE GOVERNANCE REPORT

- (ii) To optimise their performance and maintain high levels of contribution to the Group's performance and profitability; and
- (iii) To attract and retain critical talent who can contribute value to the Group.

(b) Vesting Period and Premium

The 2015 Scheme uses a trinomial model whereby share options granted have an extended three-year vesting period and options exercised in the fourth year will include a premium of 5% on the grant price. Share options will expire on the fifth anniversary of the date of grant. This formula results in a considerably lower expense per option to the Company, whilst achieving its main objectives as stated above.

Year	Vesting Schedule
Year 1	No Vesting
Year 2	No Vesting
Year 3	No Vesting
Year 4	Vesting with 5% premium
Year 5	Vesting with 0% premium

(c) Employees eligible to receive share options

On an annual basis, eligible employees are nominated to be considered for share options based on their individual performance and contributions. Eligible employees who attain "exceptional" and "exceeding requirements" performance ratings are identified for final determination of share options, based on an allocation matrix approved by the Remuneration Committee.

(d) Maximum number of share options ("Options") and/or share awards ("Awards") to be granted

At the 2024 AGM, the Company will seek shareholders' approval to:

- (i) offer and grant Options and/or Awards pursuant to the provisions of the 2015 Scheme and RSP 2021, respectively, during the Relevant Period; and
- (ii) allot and issue such number of ordinary shares in the capital of the Company (the "Shares") from time to time as may be required to be issued pursuant to the exercise of Options and/or the vesting of Awards granted as set out in (i) above,

provided that the maximum number of Shares to be issued in connection with the Options and/or Awards granted during the Relevant Period under the 2015 Scheme and/or RSP 2021 respectively, shall not exceed 0.5% of the total number of issued Shares (excluding treasury shares) in the capital of the Company as of the date immediately before the grant of the Options and/or Awards.

"Relevant Period" means the period from the 2024 AGM until the earlier of: (i) the conclusion of the next AGM; or (ii) the date by which the next AGM is required by law to be held.

Details of the Options granted under the 2015 Scheme and methodology of valuation, exercise price of Options that were granted, outstanding Options and vesting schedule are set out on pages 91 to 93 of the Annual Report and Note 24 to the financial statements.

(e) Combined Limit on Issue of New Shares

The maximum number of new Shares which may be issued pursuant to Options granted under the 2015 Scheme on any date, when added to the aggregate number of new Shares issued and issuable and existing Shares delivered and deliverable in respect of all awards made under the RSP 2011 and/or RSP 2021 shall not exceed 10% of the total number of issued Shares (excluding treasury shares).

The 2015 Scheme will continue in force for a period of 10 years from 1 January 2015 and is due to expire on 31 December 2024. As such, the Company is proposing to adopt the Venture Corporation Executives' Share Option Scheme 2025 to replace the 2015 Scheme at the forthcoming AGM.

Please refer to the Notice of AGM and Letter to Shareholders dated 4 April 2024 for more information.

## 2. Restricted Share Plan 2021

The RSP 2021 was approved and adopted by the Company at the Annual General Meeting held on 29 April 2021.

(a) Objectives

The RSP 2021 is part of the Group's remuneration framework for eligible employees to achieve the following objectives:

- (i) To encourage sustained commitment from key leaders to grow shareholder value over a long period of time through a sense of ownership in Venture; and
- (ii) To align the interests of key leaders as stakeholders of Venture.

(b) Eligible Employees and Vesting Period

Awards of fully-paid ordinary shares of the Company, subject to a 5-year vesting period (or such other period determined by the Remuneration Committee), are made to select eligible participants within the Group leadership, including those who possess technology or other domain expertise and competencies and are in a position to contribute or have significantly contributed to the performance, growth and profitability of the Group.

Details of the Awards made under RSP 2021 as well as the methodology of valuation, unvested RSP 2021 Awards and vesting schedule are set out on pages 94 to 96 of the Annual Report and Note 24 to the financial statements.

(c) Plan Limit and Duration

The aggregate number of new Shares which may be issued and existing Shares which may be delivered pursuant to Awards under the RSP 2021 granted on any date, 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 2021, shall not exceed 3% of the total number of issued Shares (excluding treasury shares) from time to time.

The RSP 2021 will continue in force for a maximum of 10 years commencing from 29 April 2021.

# CORPORATE GOVERNANCE REPORT

## Key Management Personnel Remuneration

In line with Principle 8.1 of the 2018 Code and as reported in previous years, the Company has elected to disclose the remuneration of its KMP, other than the CEOs whose remuneration package is disclosed in full, in bands no wider than S\$250,000 and also disclose their aggregate cash-based remuneration for FY2023. Although the names of the KMP in each remuneration band of S\$250,000 have not been disclosed, we believe that the Company's corporate governance practice on this aspect is consistent with the intent of Principle 8 of the 2018 Code, for the reasons set out below.

Given the confidential and commercial sensitivities associated with remuneration matters, the highly competitive human resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, the Board is of the view that it is in the best interests of the Company not to identify the remuneration band of each KMP.

In disclosing the remuneration package of the KMP in bands of S\$250,000, the Company provides a macro perspective of the total remuneration without compromising the Group's business interests, and at the same time, minimises competitive pressures which would arise from more detailed disclosures.

The remuneration package of the following KMP are reported in bands of S\$250,000:

- Anthea Ng Lee Leng (Chief Financial Officer);
- Dipti Jauhar (Head, Legal);
- Juliana Ang Chieh Hwee (Chief Human Resource Officer);
- Kuek Wee Han (Head, Ventech R&D); and
- Tay Chin Yin (Head, NCIS).

The aggregate cash-based remuneration of the aforementioned KMP in FY2023 is S\$2,846,901. The percentage breakdown of the fixed and variable components for each individual band is set out below.

Remuneration Bands (Fixed and Variable) / KMP	Remuneration			2015 Scheme Number of options granted in FY2023 <sup>(4)</sup>	RSP 2021 Number of shares awarded in FY2023 <sup>(4)</sup>
	Fixed <sup>(1)</sup> %	Variable <sup>(2)</sup> %	Total <sup>(3)</sup> %		
Between S\$750,000 - S\$999,999					
1	40	60	100	0	0
Between S\$500,000 - S\$749,999					
3	73	27	100	9,000	8,000
Between S\$250,000 - S\$499,999					
1	82	18	100	6,100	6,000

### Notes:

<sup>(1)</sup> Fixed remuneration comprises base salary, fixed allowances and annual wage supplement.

<sup>(2)</sup> Variable remuneration comprises performance bonus and benefits-in-kind.

<sup>(3)</sup> Total remuneration comprises applicable employer CPF contributions.

<sup>(4)</sup> The fair value of options and awards granted under the 2015 Scheme and RSP 2021 can be found in Note 24 to the financial statements.

There were no termination, retirement or post-employment benefits granted to KMP in FY2023.

There are no employees who are substantial shareholders of the Company or are immediate family members of a Director, the CEOs or a substantial shareholder of the Company in a managerial role in the Company nor in any of the principal subsidiaries and whose remuneration exceeds S\$100,000 in FY2023.



## ACCOUNTABILITY & AUDIT – PRINCIPLES 9 TO 10

### PRINCIPLE 9 – RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk, including determining the nature and extent of any significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board, together with the Audit & Risk Committee, oversees the Company's risk management framework and policies, and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders. If there are any material weaknesses identified by the Board or the Audit & Risk Committee, Management takes the necessary steps to address them.

Recognising the importance of integrating risk management practices and controls into strategic decision-making to accelerate the Group's sustained growth and value creation, the Group has in place an Enterprise Risk Management Framework ("ERM Framework"). The ERM Framework sets out systematic and comprehensive guidelines and rules to identify and manage significant risks that may affect the achievement of the Group's 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. Management then applies appropriate controls and mitigating steps (whenever applicable and cost effective) to manage the risk to an acceptable level.

In addition, the Group has in place a Control Self-Assessment ("CSA") programme which provides a control framework that establishes control ownership amongst functional managers and staff in their respective areas of responsibilities.

Functional managers across the Group assess the effectiveness of the relevant existing controls in their respective areas of responsibilities. The scores are aggregated to give an overall assurance score. Such self-assessments provide 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 ERM Framework, the CSA, the external auditors' report, internal audits and quality certifications of the Group's management systems, the CEOs and KMP in turn provide an annual attestation to the Audit & Risk Committee and to the Board, relating to the adequacy and effectiveness of the Group's risk management and internal control systems. The Board has, together with the Audit & Risk Committee, reviewed the Group's risk management programmes and internal control processes. For FY2023, the Board and the Audit & Risk Committee have received and reviewed the following assurances:

- (a) Assurances from the CEOs and the CFO, that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) Assurances from the CEOs, the CFO and the Chief Human Resource Officer that the Group's risk management and internal control systems in respect of financial, operational, compliance and information technology were adequate and effective,

and the Board has endorsed the above statements for FY2023.

The Board and the Audit & Risk Committee however, note 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.

# CORPORATE GOVERNANCE REPORT

## Accountability

The Board's responsibility is to present the Group's financial statements that give a true and fair view in accordance with financial reporting standards and provide a balanced and fair view of any material factors that have affected the Company's business conditions and financial position. The Audit & Risk Committee and the Board review and approve the financial results, as well as any media release regarding the Group's financial results before dissemination. A verification process supports Management's representations to the Board on the integrity of the Group's financial statements, and confirmation that there are no transactions or events of a material or exceptional nature which would render the results misleading in any material aspect and that nothing has come to their attention as at the date of the representation which may render the financial statements false or misleading in any material aspect. This supports the Negative Assurance Statement accompanying the Group's financial results announcement that is given by the Board.

The financial statements and other announcements are released via SGXNet and are also available on the Company's website. The Company's Annual Reports may be viewed on or downloaded from its website.

The Board takes appropriate steps to keep abreast of changes and ensure compliance with legislative and regulatory requirements.

## Whistle-Blowing Policy

The Company has a whistle-blowing policy to provide a channel for Group employees and third parties to raise and report, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other wrongdoings relating to the Group and its employees. The Group does not condone or tolerate any form of reprisals, unfair or detrimental treatment, such as harassment, retaliation or victimization, against a whistle-blower who files a whistle-blowing report in good faith. The Group is committed to protecting whistle-blowers against reprisals, unfair and detrimental treatment arising out of or related to reporting a genuine concern, even if such a concern turns out to be unfounded subsequently.

The Audit & Risk Committee is responsible for the oversight and monitoring of the whistle-blowing policy and any whistle-blowing reports. It reviews the whistle-blowing policy and arrangements for concerns about possible wrongdoings to be safely raised, independently investigated and appropriately followed up.

There is a confidential line of communication to make whistle-blowing reports by post to the Company's registered address, marked to the attention of the Audit & Risk Committee Chairperson. Reports can also be lodged by calling the hotline at +65 6484 8096 or via email at [whistleblow@venture.com.sg](mailto:whistleblow@venture.com.sg). These channels for reporting wrongdoings are clearly communicated to employees and publicly available on the Company's website at <https://www.venture.com.sg/social-and-governance/>.

The processes set out in the whistle-blowing policy ensure an independent and thorough investigation and appropriate follow-through, including establishment of Whistle-Blowing Review Committee(s) to fully investigate any whistle-blowing reports. The Audit & Risk Committee will review the handling of the whistleblowing reports to ensure that investigations are conducted without prejudice or bias and in accordance with the process set out in the policy.

The Head of Internal Audit reviews the whistle-blowing policy regularly to ensure continued compliance with relevant laws and regulations, the Venture Group's Code of Conduct and other applicable internal policies. Any substantive changes are submitted to the Audit & Risk Committee for their review and approval.

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## PRINCIPLE 10 – AUDIT & RISK COMMITTEE

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The Audit & Risk Committee comprises four members, all of whom, including the Chairperson, are Independent Non-Executive Directors. More than 2 members, including the Audit & Risk Committee Chairperson, have recent and relevant accounting or related financial management expertise or experience. The Audit & Risk Committee does not comprise former partners or directors of the Company's existing auditing firm, Deloitte & Touche LLP, (a) within a period of 2 years commencing on the date of his or her ceasing to be a partner of the auditing firm or director of the auditing corporation, and in any case, (b) for as long as he or she has any financial interest in the auditing firm or auditing corporation. It is noted that Ms Yeo Siew Eng retired as a partner of Deloitte & Touche LLP more than 5 years ago, and has confirmed that she does not have any financial interest in Deloitte & Touche LLP.

The responsibilities of the Audit & Risk Committee include:

- (a) to review with the external auditors (i) the audit plan, including the nature, scope and approach of their audit, (ii) their evaluation of the system of internal accounting controls, (iii) their audit findings and any modifications or qualifications in their report, and (iv) their Management Letter and Management's response thereto;
- (b) to review the Group's financial statements and related announcements before submission to the Board for approval, focusing on (i) any significant reporting issues and judgments, (ii) adherence to financial reporting standards and regulatory requirements, (iii) major risk areas and judgements, (iv) any significant adjustments resulting from the audit, and (v) the going concern statement;
- (c) to discuss any issues arising from audits, in consultation with the external auditors and the internal auditors as necessary;
- (d) to meet with the external auditors and internal auditors, in each case without the presence of Management, at least annually, to discuss any problems and concerns they may have, and to review the assistance given by Management to the external auditors;
- (e) to review and report to the Board annually on the scope and results of the external audit, the effectiveness, independence and objectivity of the external auditors and the fees paid;
- (f) where the auditors also provide non-audit services to the Group, to review and report to the Board the nature and extent of such services, and fees paid, to assess their continued objectivity and effectiveness;
- (g) to consider and recommend to the Board the proposal to the shareholders to appoint or re-appoint the external auditors, and recommend to the Board the remuneration and terms of engagement of the external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA;
- (h) to review the internal audit plan and the coordination between the internal and external auditors, and to ensure that the Internal Audit function is effective;
- (i) to investigate any matter within its Terms of Reference, with full access to and cooperation of Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. To report to the Board its findings from time to time on matters arising and requiring the attention of the Audit & Risk Committee;
- (j) to review interested person transactions falling within the scope of the SGX Listing Rules;

# CORPORATE GOVERNANCE REPORT

- (k) to review and report to the Board at least annually, on the adequacy and effectiveness of the Company's internal controls and risk management systems, including financial, operational, compliance and information technology controls (such review to be carried out internally or with the assistance of any competent third party);
- (l) to review the whistle-blowing policy, processes and reporting to ensure that concerns about possible improprieties in financial reporting or other matters may be safely raised, independently investigated and appropriately followed up; and
- (m) to approve the hiring, removal, evaluation and compensation of the Head of Internal Audit, or the accounting/auditing firm or corporation to which the Internal Audit function is outsourced, and ensure that the Internal Audit function is adequately resourced.

The external auditors and internal auditors have unrestricted access to the Audit & Risk Committee and meet with the Audit & Risk Committee without the presence of Management at least once a year. The external auditors and internal auditors met with the Audit & Risk Committee without the presence of Management in February 2023.

In FY2023, the Audit & Risk Committee, with the assistance of internal auditors, reviewed and reported 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 & Risk Committee ensured that key objectives were met, material assets were properly safeguarded, there were adequate measures to detect and prevent fraud or material errors in the accounting records, accounting records were accurate and complete, and reliable financial reports were prepared in compliance with applicable financial reporting standards, policies and regulations.

In line with the notice issued on 24 January 2017 by ACRA, Monetary Authority of Singapore and SGX, the Audit & Risk Committee is to provide its own commentary on key audit matters ("KAM") reported by the external auditors. During the audit of the financial statements for FY2023, one KAM was reported by the external auditors, as set out on page 100 of the Annual Report. The Audit & Risk Committee's commentary on the reported KAM is set out below:

Key Audit Matter	Audit & Risk Committee's Comments
Impairment review of goodwill allocated to GES International Group's cash generating unit	The carrying value of goodwill is a significant item within the Group's balance sheet. In particular goodwill allocated to GES International Group contributed 16% and 90% of the Group's total assets and goodwill respectively. Impairment assessments, performed annually, require judgement about future market conditions, including growth rates and discount rates. The Audit & Risk Committee considered the approach, methodology and key assumptions applied in the valuation model used by the external valuation specialist. The Audit & Risk Committee also considered the findings of the external auditors, including their assessment of the appropriateness of the key assumptions used. With these, the Audit & Risk Committee concurred with Management's conclusion that there is no impairment of goodwill as at 31 December 2023.

## External Auditors

At the recommendation of the Audit & Risk Committee, the Board 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, Messrs Deloitte & Touche LLP, would be in compliance with Rule 712 of the SGX Listing Rules.

The Audit & Risk Committee also reviewed and approved the external auditors' audit plan for the year and assessed the quality of the work carried out by them in accordance with the Audit Quality Indicators Disclosure Framework published by ACRA, and is satisfied with the performance of the external auditors.

The Board and the Audit & Risk Committee reviewed and are accordingly satisfied that the appointment of different audit firms for a small number of the Company's subsidiaries (as set out on pages 150 to 155 of the Annual Report) would not compromise the quality and effectiveness of the audit of the Company and the Group overall. None of the Company's subsidiaries are listed on a stock exchange. The subsidiaries which have significant contributions in terms of revenue and net assets are all audited by member firms of Messrs Deloitte Touche Tohmatsu Limited ("DTTL"). The subsidiaries 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 Listing Rule 716.

The Audit & Risk 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 and objectivity of the external auditors. The aggregate amount of fees paid to the external auditors for audit and non-audit services are set out in Note 29 to the financial statements.

## Internal Audit

Internal Audit is an independent function with a primary reporting line to the Audit & Risk Committee. The Head of Internal Audit reports directly to the Audit & Risk Committee Chairperson on audit matters and to the CFO on administrative matters.

## Scope and Authority

Internal Audit activities encompass the review of the Group's financial and non-financial policies and operations as set out in the framework of the Internal Audit Charter, which is approved by the Audit & Risk Committee. The Internal Audit Charter empowers the internal auditors to provide independent and objective assessment and consulting services which are designed to evaluate the adequacy and effectiveness of the Group's systems of internal controls, risk management and governance.

In carrying out its duties and responsibilities, the Internal Audit function has unrestricted access to the Group's documents, records, properties and personnel, as well as to the Audit & Risk Committee.

# CORPORATE GOVERNANCE REPORT

## Standards and Competency

The Internal Audit function is guided by, and has met standards for, the professional practice of internal audit promulgated by The Institute of Internal Auditors (the "IIA").

At least once annually, the Head of Internal Audit:

- Meets the Audit & Risk Committee without the presence of Management; and
- Reports to the Audit & Risk Committee on the overall state of internal controls and systemic issues.

On an annual basis, the Head of Internal Audit:

- Prepares and submits to the Audit & Risk Committee an annual risk-based internal audit plan consistent with the Group's strategic objectives;
- Reviews and tables the Internal Audit Charter for approval by the Audit & Risk Committee; and
- Confirms to the Audit & Risk Committee the organisational independence of the Internal Audit function and reports on conformance with the IIA's Code of Ethics.

Individual audit plans and audit programmes of work are prepared for audit reviews identified within the annual internal audit plan. The findings, recommendations and implementation timelines for these plans and programmes as well as the adequacy of Internal Audit's resources are reported to the Audit & Risk Committee.

## Adequacy and Independence

The Audit & Risk Committee has assessed, and is satisfied that, the Internal Audit function is independent, effective and adequately resourced.

The Audit & Risk Committee is satisfied that the Head of Internal Audit has the relevant experience and qualifications. He has more than 20 years of audit experience across operational, financial and IT domains. He is the holder of multiple professional credentials including Certified Practising Accountant, Certified Internal Auditor, Certified Fraud Examiner, Certified Information Systems Auditor and Certified Information Systems Security Professional.

Internal Audit is staffed with suitably qualified and experienced internal auditors who possess recognised degrees in accountancy or equivalent professional qualifications. A training and development programme is in place to ensure that internal auditors are equipped with technical knowledge and skill sets that are appropriate and relevant.

## SHAREHOLDER RIGHTS AND ENGAGEMENT - PRINCIPLES 11 TO 12

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### PRINCIPLE 11 – SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

### PRINCIPLE 12 – ENGAGEMENT WITH SHAREHOLDERS

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#### Communications

The Company is committed to effective communication with all shareholders. It has put in place established policies and procedures to provide all shareholders 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 of the 2018 Code and the SGX Listing Rules.

The Company's communication framework and practices provide open and fair, as well as meaningful and timely, shareholder communication and interaction on a non-selective basis.

The Company publishes its financial statements on a half-yearly basis for its financial years ending 31 December, and also uses various other channels to communicate regularly with its shareholders. For example, the Company holds briefing sessions for analysts after the release of its financial results. Relevant KMP host the briefing sessions and offer a comprehensive review of the Company's performance.

### **General Meetings**

The Board considers the AGM to be a very important event in our calendar and looks forward to engaging and meeting with our Shareholders.

The Company's general meetings are attended by all Directors, Senior Management, the Company Secretary and external auditors. Please refer to page 62 of the Annual Report on the Directors' attendance for the 2023 AGM. 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 ask questions. Where possible, the Company engages in active discussion and interaction with shareholders during the meeting(s). The minutes of shareholder meeting record the proceedings as well as relevant questions raised by shareholders and answers given by the Board.

Currently, shareholders can vote by proxy but not *in absentia*. The Company will consider amending its Constitution if the Board is of the view that there is justifiable demand for absentia voting, and after the Company has evaluated and put in place the necessary measures and safeguards to facilitate such voting. The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal.

Where resolutions are bundled, an explanation for the reasons and material implications are set out in the accompanying notice of the meeting. The Company has implemented poll voting for all resolutions tabled at the Company's general meetings. Independent scrutineers are appointed to review the electronic poll voting system and proxy verification process during the general meetings, and to supervise the poll counting process. The results of each resolution are reported at the meeting(s) and announced via SGXNet after the meeting(s).

The 2023 AGM of the Company was conducted in person, at 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873 on 27 April 2023. Arrangements were put in place for attendance at the 2023 AGM, the submission of questions to the Chairman of the Meeting in advance of, or at, the 2023 AGM, and voting at the 2023 AGM by shareholders or their duly appointed proxy(ies), and these arrangements were disclosed to shareholders by way of an announcement released on SGXNet on 5 April 2023.

Minutes of the 2023 AGM, including substantial and relevant queries and comments from shareholders relating to the AGM agenda and responses from the Board, were recorded and published via SGXNet and on the Company's website at [www.venture.com.sg](http://www.venture.com.sg).

The 2024 AGM will be held in person, with full participation rights provided to all shareholders to attend in person or by proxy and vote. The Notice of AGM, the Annual Report, proxy form and other relevant AGM documents are available via the SGXNet and on the Company's website.

# CORPORATE GOVERNANCE REPORT

## Investor Relations

The Company's proactive shareholder communication programme provides accessibility to all shareholders on an equal-opportunity basis and is well-regarded by the investment community.

The Company is committed to making timely, transparent and accurate disclosure in accordance with the relevant regulations. The Company's Annual Report, Notice of AGM, Proxy Form, and Letter to Shareholders (if applicable) are made available to all shareholders, including overseas shareholders, within the mandatory period to provide shareholders with adequate time to review the documents. The Company's website ([www.venture.com.sg](http://www.venture.com.sg)) has a dedicated "Investor Relations" link which features the latest and past financial results and related information.

Management takes an active role in investor relations activities, meeting regularly with local and foreign shareholders and the investment community. Sharing publicly available information, the Company conducted several investor communication engagements during the year, covering non-deal road shows, one-on-one and group meetings and conference calls.

The Company receives strong support from brokerage and research institutions that regularly provide reports and updates on the Company. The Company initiates and maintains direct and regular communications with these institutions.

Shareholders, investors and analysts may contact the Investor Relations team at [investor.relations@venture.com.sg](mailto:investor.relations@venture.com.sg). Queries will be handled expeditiously.

## Payment of Dividends

The Company strives to pay dividends that are on par or higher than the previous year. Since FY2018, the Company has paid interim and final dividends. Barring unforeseen circumstances, the Company aims to declare dividends at sustainable rates considering a wide range of factors, including the Company's capital structure, profitability, cash flow, future earnings, working capital and capital expenditure requirements, investment plans, as well as other corporate considerations. The Company communicates its declaration of dividends to shareholders through its financial results announcements that are made via SGXNet.

The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for FY2023. This is in addition to the interim dividend of 25 cents per share paid on 14 September 2023 on a one-tier tax-exempt basis.

The proposed dividend is subject to shareholders' approval at the 2024 AGM. The dividend payment date and the book closure date are set out in the Notice of AGM.

## MANAGING STAKEHOLDERS' RELATIONSHIPS

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### PRINCIPLE 13 – ENGAGEMENT WITH STAKEHOLDERS

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The Company firmly believes that engaging its various material stakeholders to understand their relevant interests and concerns, and finding the right balance in addressing them, are crucial to its long-term success. The table on page 27 of the Annual Report summarises the Company's approach to stakeholder engagement. The Company's website is also used as a platform to communicate and engage with all stakeholders.



## **Dealings in Securities**

The Company has a Share Trading Policy on dealings in securities to comply with Listing Rule 1207(19). The Company Secretary reminds Directors and officers in advance not to deal in the Company's securities during the period commencing 2 weeks before the announcement of a performance update for the first and third quarters of the Company's financial year (if applicable), and the period of 1 month before the announcement of the Company's half-year and full-year financial statements.

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

The Company and its Directors and officers are required to observe insider trading provisions under the Securities and Futures Act 2001 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.

Under the Share Trading Policy, relevant officers of the Company identified by the KMP are required to submit notifications of their trades, or that of their related persons, in the Company's securities via the Company's online reporting platform.

## **Interested Person Transactions**

The Company has established procedures to ensure that all intended transactions with interested persons are reported in a timely manner to the Audit & Risk Committee for review that the transactions will be carried out in a way that is fair and at arms' length 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 FY2023.

## **Material Contracts**

Directors complete a declaration of interests annually, in compliance with Section 165 of the Companies Act. There were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEOs, Directors, controlling shareholders or KMP, 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.

# THE COMPANY'S COMPLIANCE AND DISCLOSURE SCORECARD

## ON THE 2018 CODE OF CORPORATE GOVERNANCE

The following table summarises our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the 2018 Code of Corporate Governance.

BOARD MATTERS		REMUNERATION MATTERS		SHAREHOLDER RIGHTS AND ENGAGEMENT	
<b>The Board's Conduct of Affairs</b> <i>Principle 1</i>		<b>Procedures for Developing Remuneration Policies</b> <i>Principle 6</i>		<b>Shareholder Rights and Conduct of General Meetings</b> <i>Principle 11</i>	
Provision	Page(s)	Provision	Page(s)	Provision	Page(s)
1.1	60 and 61	6.1	70	11.1	85
1.2	63	6.2	70	11.2	85
1.3	60 and 61	6.3	70	11.3	62 and 85
1.4	61, 67 to 70, 81 to 84	6.4	70	11.4	85
1.5	62			11.5	85
1.6	62	<b>Level and Mix of Remuneration</b>		11.6	86
1.7	63	<i>Principle 7</i>			
		Provision	Page(s)	<b>Engagement with Shareholders</b> <i>Principle 12</i>	
<b>Board Composition and Guidance</b> <i>Principle 2</i>		7.1	70 to 78		
		7.2	70 and 71	Provision	Page(s)
		7.3	70 to 78	12.1	86
Provision	Page(s)	<b>Disclosure on Remuneration</b>		12.2	86
2.1	12 to 17, 64 and 65	<i>Principle 8</i>		12.3	86
2.2	64 and 66	Provision	Page(s)	<b>MANAGING STAKEHOLDERS RELATIONSHIPS</b>	
2.3	64	8.1	71 and 72, 78	<b>Engagement with Stakeholders</b> <i>Principle 13</i>	
2.4	65	8.2	78		
2.5	62	8.3	70 to 78	Provision	Page(s)
<b>Chairman and Chief Executive Officer</b> <i>Principle 3</i>		<b>ACCOUNTABILITY AND AUDIT</b> <b>13.2</b>		13.1	88
		<b>Risk Management and Internal Controls</b>		13.2	27 and 86
Provision	Page(s)	<i>Principle 9</i>		13.3	11 and 86
3.1	66	Provision	Page(s)		
3.2	66	9.1	79		
3.3	64	9.2	79		
<b>Board Membership</b> <i>Principle 4</i>		<b>Audit Committee</b> <i>Principle 10</i>			
Provision	Page(s)	Provision	Page(s)		
4.1	67 and 68	10.1	81 and 82		
4.2	67	10.2	81		
4.3	68 and 69	10.3	81		
4.4	64 and 65	10.4	83 and 84		
4.5	13 to 17, 68	10.5	82		
<b>Board Performance</b> <i>Principle 5</i>					
Provision	Page(s)				
5.1	69 and 70				
5.2	69 and 70				

# STATUTORY ACCOUNTS & INFORMATION FOR SHAREHOLDERS



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# 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 2023.

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 104 to 177 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 2023, 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  
Tan Seok Hoong @Mrs Audrey Liow  
Kuok Oon Kwong  
Wong Yew Meng  
Han Thong Kwang  
Yeo Siew Eng  
Chua Kee Lock

## 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.

# 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 Companies Act 1967 of Singapore ("Companies Act") except as follows:

Name of Directors	Held in the name of the Director or nominee		Deemed interest	
	At	At	At	At
	1 January 2023	31 December 2023	1 January 2023	31 December 2023
<u>Ordinary shares of the Company</u>				
Wong Ngit Liong	20,695,219	20,695,219	-	-
Tan Seok Hoong @Mrs Audrey Liow	3,000	3,000	-	-
<u>Share options to subscribe for shares of the Company</u>				
Wong Ngit Liong	93,000	108,000	-	-
<u>Restricted shares of the Company granted</u>				
Wong Ngit Liong	66,000	80,000	-	-

There was no change in any of the above-mentioned Directors' interests in the Company between the end of the financial year and 21 January 2024.

## 4 SHARE OPTIONS

- (a) The Venture Corporation Executives' Share Option Scheme 2015 (the "2015 Scheme")
- (i) The 2015 Scheme in respect of unissued ordinary shares in the Company was approved by the shareholders of the Company at an Extraordinary General Meeting held 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 option had been granted at a discount.

# DIRECTORS' STATEMENT

## 4 SHARE OPTIONS (cont'd)

(a) The Venture Corporation Executives' Share Option Scheme 2015 (the "2015 Scheme") (cont'd)

(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 2023 are as follows:

Date of grant	Grant No.	Number of options to subscribe for ordinary shares of the Company						Subscription price per share	Exercisable Period
		Outstanding at 1 January 2023	Granted	Exercised	Cancelled/Lapsed	Outstanding at 31 December 2023			
19 June 2019	2015 Grant 5	699,000	-	(47,000)	(30,000)	622,000	\$20.64 <sup>(a)</sup> \$18.99 <sup>(b)</sup> \$16.51 <sup>(c)</sup>	19 June 2020 to 18 June 2024	
30 June 2020	2015 Grant 6	660,000	-	-	(22,500)	637,500	\$20.18 <sup>(d)</sup> \$18.56 <sup>(e)</sup> \$16.14 <sup>(f)</sup>	30 June 2021 to 29 June 2025	
-	2015 Grant 7*	-	-	-	-	-	-	-	
30 June 2022	2015 Grant 8	730,900	-	-	(20,400)	710,500	\$17.59 <sup>(g)</sup> \$16.75 <sup>(h)</sup>	30 June 2025 to 29 June 2027	
30 June 2023	2015 Grant 9	-	666,000	-	(11,500)	654,500	\$15.71 <sup>(i)</sup> \$14.96 <sup>(i)</sup>	30 June 2026 to 29 June 2028	
		2,089,900	666,000	(47,000)	(84,400)	2,624,500			

(a) If exercised between 19 June 2020 and 18 June 2021

(b) If exercised between 19 June 2021 and 18 June 2022

(c) If exercised between 19 June 2022 and 18 June 2024

(d) If exercised between 30 June 2021 and 29 June 2022

(e) If exercised between 30 June 2022 and 29 June 2023

(f) If exercised between 30 June 2023 and 29 June 2025

(g) If exercised between 30 June 2025 and 29 June 2026

(h) If exercised between 30 June 2026 and 29 June 2027

(i) If exercised between 30 June 2027 and 29 June 2028

\* There were no options granted during the financial year ended 31 December 2021.

# DIRECTORS' STATEMENT

## 4 SHARE OPTIONS (cont'd)

(a) The Venture Corporation Executives' Share Option Scheme 2015 (the "2015 Scheme") (cont'd)

(iv) Details of options granted to the executive Directors and other employees of the Group under the 2015 Scheme are as follows:

Name of participant	Number of options to subscribe for ordinary shares of the Company				Aggregate options outstanding as at end of the financial year
	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	
i) Director of the Company:					
Wong Ngit Liong	15,000	325,000	(217,000)	-	108,000
ii) Other Employees	651,000	10,704,000	(7,064,000)	(1,123,500)	2,516,500
	666,000	11,029,000	(7,281,000)	(1,123,500)	2,624,500

The 2015 Scheme is administered by the Remuneration Committee whose majority members are Independent Non-Executive Directors. The members of the Remuneration Committee are:

Kuok Oon Kwong (Chairperson)  
 Tan Seok Hoong @Mrs Audrey Liow  
 Yeo Siew Eng  
 Wong Yew Meng

No employee of the Company or employee of related corporations has received 5% or more of the total options available under the 2015 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 options at the end of the financial year except as disclosed above.

# DIRECTORS' STATEMENT

## 5 RESTRICTED SHARES

The Venture Corporation Restricted Share Plan (the "RSP 2011") was adopted at the Extraordinary General Meeting held on 28 April 2011. The duration of RSP 2011 was 10 years commencing on 28 April 2011 and expired on 27 April 2021. The expiry of RSP 2011 will not affect awards granted prior to the expiration, and such awards, whether fully or partially released will continue to be valid and subject to the terms and conditions of RSP 2011.

Following the expiry of RSP 2011, the Venture Corporation Restricted Share Plan 2021 (the "RSP 2021") was adopted at the Company's Annual General Meeting held on 29 April 2021 for a duration of 10 years.

The RSP 2011 and the RSP 2021 are 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 and align the interests of key leaders as stakeholders of the Company.

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 RSP 2011 and RSP 2021 are administered by the Company's Remuneration Committee.

The mode of settlement of the awards under the RSP 2011 and RSP 2021 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 the above (i), (ii) and (iii).

### Size of the RSP 2011

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 2011, shall not exceed 3% of the total number of issued shares (excluding shares held in treasury) from time to time; and
- (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 2011; (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.



# DIRECTORS' STATEMENT

## 5 RESTRICTED SHARES (cont'd)

### Size of the RSP 2021

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 2021, shall not exceed 3% of the total number of issued shares (excluding shares held in treasury) from time to time; and
- (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 2021; (b) all options granted under the 2015 Scheme after the date in which RSP 2021 was adopted; and (c) all shares, options or awards granted under any other share plan of the Company then in force, 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.

The following are details of awards granted to the Directors and senior management under the RSP 2011 :

Name of participant	Awards vested <sup>(a)</sup> during the financial year	Aggregate awards granted since commencement of RSP to end of the financial year	Aggregate awards vested <sup>(a)</sup> since commencement of RSP to end of the financial year	Aggregate awards cancelled/ lapsed since commencement of RSP to end of the financial year	Aggregate awards outstanding as at end of the financial year
i) Director of the Company:					
Wong Ngit Liong	-	232,000	(180,000)	-	52,000
ii) Other Employees	-	1,478,000	(690,000)	(486,000)	302,000
	-	1,710,000	(870,000)	(486,000)	354,000

<sup>(a)</sup> Through delivery of existing shares

The 10<sup>th</sup> and final Award of the RSP shares under RSP 2011 was made on 19 January 2021.

# DIRECTORS' STATEMENT

## 5 RESTRICTED SHARES (cont'd)

The following are details of awards granted to the Directors and senior management under the RSP 2021:

Name of participant	Awards granted during the financial year	Awards vested during the financial year	Aggregate awards granted since commencement of RSP to end of the financial year	Aggregate awards vested since commencement of RSP to end of the financial year	Aggregate awards cancelled/ lapsed since commencement of RSP to end of the financial year	Aggregate awards outstanding as at end of the financial year
i) Director of the Company:						
Wong Ngit Liong	14,000	-	28,000	-	-	28,000
ii) Other Employees	126,500	-	238,500	-	(3,000)	235,500
	140,500	-	266,500	-	(3,000)	263,500

No employee of the Company or employee of related corporations has received 5% or more of the total grants available under these schemes.

There are no awards granted under the RSP 2011 and RSP 2021 to any of the Company's controlling shareholders or their associates as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited.

**Movements in the awards under the RSP 2011 by the Company during the respective financial years were as follows:**

	2023	2022
At 1 January	354,000	653,000
Granted	-	-
Lapsed	-	(89,000)
Vested	-	(210,000)
At 31 December	354,000	354,000

**Movements in the awards under the RSP 2021 by the Company during the respective financial years were as follows:**

	2023	2022
At 1 January	126,000	-
Granted	140,500	126,000
Lapsed	(3,000)	-
Vested	-	-
At 31 December	263,500	126,000

# DIRECTORS' STATEMENT

## 6 AUDIT & RISK COMMITTEE

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

Tan Seok Hoong @Mrs Audrey Liow (Chairperson)  
Han Thong Kwang (Appointed on 1 January 2024)  
Yeo Siew Eng  
Chua Kee Lock

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

The Audit & Risk Committee performed its functions in accordance with Section 201B(5) of the Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited and the 2018 Code of Corporate Governance which include, *inter alia*, the review of the following:

- (i) half-yearly and annual financial statements, and executive summary of key financial information, business commentary and outlook for voluntary disclosure in respect of the first and third quarter performance;
- (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 & Risk Committee are as set out in the Corporate Governance Report within this Annual Report.

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

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

# DIRECTORS' STATEMENT

## 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



Tan Seok Hoong @Mrs Audrey Liow  
Director

22 March 2024

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VENTURE CORPORATION LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the 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 2023, and the consolidated statement of profit or loss and other 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 material accounting policies, as set out on pages 104 to 177.

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 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2023 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 *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.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VENTURE CORPORATION LIMITED

### Key Audit Matter

#### Impairment review of goodwill allocated to GES International Group's cash-generating unit ("CGU")

The aggregated goodwill of \$639.7 million constituted 18% of the Group's total assets as at 31 December 2023. 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 GES International Group, of which the goodwill contributed 16% and 90% of the Group's total assets and goodwill respectively.

The key assumptions in 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 2023.

### 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 for goodwill allocated to GES International Group's CGU.

These procedures included:

- using our internal valuation specialists to evaluate the appropriateness of the valuation model and 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 of 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.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VENTURE CORPORATION LIMITED

### **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 SFRS(I)s, 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.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VENTURE CORPORATION LIMITED

### Auditor's Responsibilities 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.
- (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.



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VENTURE CORPORATION LIMITED

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

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.

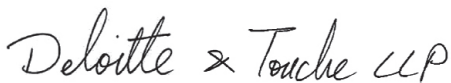
We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Xu Jun.



Public Accountants and  
Chartered Accountants  
Singapore

22 March 2024

# STATEMENTS OF FINANCIAL POSITION

31 December 2023

	Note	The Group		The Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	6	1,056,303	812,593	294,576	93,161
Trade receivables	7	677,425	906,378	11,705	13,918
Other receivables and prepayments	8	35,701	37,900	7,205	5,934
Contract assets	9	12,904	10,735	195	-
Inventories	10	822,895	1,065,300	70,607	91,116
Trade receivables due from subsidiaries	11	-	-	95,168	162,912
Other receivables due from subsidiaries	11	-	-	1,426	519
Total current assets		2,605,228	2,832,906	480,882	367,560
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	1,228,809	1,227,849
Investment in associate		889	799	-	-
Other financial assets	12	25,458	25,429	9,181	9,041
Property, plant and equipment	13	247,502	224,934	32,565	34,383
Right-of-use assets	14	25,871	22,745	3,951	10,327
Intangible assets	15	982	1,053	140	-
Goodwill	16	639,708	639,708	-	-
Deferred tax assets	17	9,145	3,829	560	-
Total non-current assets		949,555	918,497	1,275,206	1,281,600
<b>Total assets</b>		<b>3,554,783</b>	<b>3,751,403</b>	<b>1,756,088</b>	<b>1,649,160</b>

See accompanying notes to financial statements.

# STATEMENTS OF FINANCIAL POSITION

31 December 2023

	Note	The Group		The Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables	18	391,577	533,137	42,644	42,973
Other payables and accrued expenses	19	154,620	173,424	26,368	31,157
Contract liabilities	20	94,731	121,211	3,748	9,155
Lease liabilities	21	8,981	10,800	4,212	6,299
Trade payables due to subsidiaries	11	-	-	7,265	931
Other payables due to subsidiaries	11	-	-	17,642	17,852
Income tax payable		46,805	54,567	8,342	6,753
Total current liabilities		696,714	893,139	110,221	115,120
<b>Non-current liabilities</b>					
Deferred tax liabilities	17	1,670	1,888	-	-
Lease liabilities	21	18,545	13,485	1,250	5,462
Total non-current liabilities		20,215	15,373	1,250	5,462
<b>Capital and reserves</b>					
Share capital	22	838,055	838,280	838,055	838,280
Treasury shares	22	(22,429)	(15,535)	(22,429)	(15,535)
Share-based awards reserve	22	5,920	3,827	5,920	3,827
Investments revaluation reserve	22	2,336	1,914	3,397	3,259
Foreign exchange translation reserve	23	(140,002)	(87,215)	-	-
Other reserves	22	1,533	28	(7,306)	(7,306)
Accumulated profits		2,148,694	2,098,385	826,980	706,053
Equity attributable to owners of the Company		2,834,107	2,839,684	1,644,617	1,528,578
Non-controlling interests		3,747	3,207	-	-
Total equity		2,837,854	2,842,891	1,644,617	1,528,578
<b>Total liabilities and equity</b>		<b>3,554,783</b>	<b>3,751,403</b>	<b>1,756,088</b>	<b>1,649,160</b>

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	The Group	
		2023 \$'000	2022 \$'000
<b>Revenue</b>	25	3,025,028	3,863,721
Changes in finished goods, work in progress and raw materials used		(2,255,015)	(2,923,640)
Employee benefits expense	29	(323,120)	(361,613)
Depreciation and amortisation expense		(31,481)	(32,851)
Research and development expense		(29,699)	(16,700)
Foreign currency exchange gain		2,303	3,447
Other operating expenses		(89,676)	(94,576)
Other income	26	4,745	2,072
Investment revenue	27	28,160	9,232
Finance costs		(724)	(517)
Share of profit of associate		240	321
<b>Profit before income tax</b>		330,761	448,896
Income tax expense	28	(60,034)	(78,782)
<b>Profit for the year</b>	29	270,727	370,114
<b>Other comprehensive income</b>			
<u>Item that will not be reclassified subsequently to profit or loss:</u>			
Fair value gain (loss) on other financial assets, through other comprehensive income (FVTOCI)		422	(1,393)
<u>Item that may be reclassified subsequently to profit or loss:</u>			
Exchange differences on translation of foreign operations	23	(52,957)	(30,629)
<b>Other comprehensive income for the year, net of tax</b>		(52,535)	(32,022)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		218,192	338,092

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	The Group	
		2023 \$'000	2022 \$'000
<b>Profit attributable to:</b>			
Owners of the Company		270,017	369,617
Non-controlling interests		710	497
		<u>270,727</u>	<u>370,114</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		217,652	337,983
Non-controlling interests		540	109
		<u>218,192</u>	<u>338,092</u>
		<b>Cents</b>	
<b>Basic earnings per share</b>	30	<u>92.8</u>	<u>127.1</u>
<b>Fully diluted earnings per share</b>	30	<u>92.6</u>	<u>126.8</u>

See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

The Group	Note	Share capital \$'000	Treasury shares \$'000	Share-based awards reserve \$'000	Investments revaluation reserve \$'000	Foreign exchange translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2023		838,280	(15,535)	3,827	1,914	(87,215)	28	2,098,385	2,839,684	3,207	2,842,891
<b>Total comprehensive income for the year</b>											
Profit for the year		-	-	-	-	-	-	270,017	270,017	710	270,727
Other comprehensive income for the year		-	-	-	422	(52,787)	-	-	(52,365)	(170)	(52,535)
Total		-	-	-	422	(52,787)	-	270,017	217,652	540	218,192
<b>Transactions with owners, recognised directly in equity</b>											
Issue of shares	22	801	-	(25)	-	-	-	-	776	-	776
Shares purchased and cancelled	22	(1,026)	-	-	-	-	-	-	(1,026)	-	(1,026)
Purchase of treasury shares	22	-	(6,894)	-	-	-	-	-	(6,894)	-	(6,894)
Share options lapsed		-	-	(30)	-	-	-	30	-	-	-
Recognition of share-based payments	24	-	-	2,148	-	-	-	-	2,148	-	2,148
Final tax-exempt dividend paid in respect of the previous financial year	33	-	-	-	-	-	-	(145,505)	(145,505)	-	(145,505)
Interim tax-exempt dividend paid in respect of the current financial year	33	-	-	-	-	-	-	(72,728)	(72,728)	-	(72,728)
Appropriation to reserve fund	22	-	-	-	-	-	1,505	(1,505)	-	-	-
Total		(225)	(6,894)	2,093	-	-	1,505	(219,708)	(223,229)	-	(223,229)
Balance at 31 December 2023		838,055	(22,429)	5,920	2,336	(140,002)	1,533	2,148,694	2,834,107	3,747	2,837,854

See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

The Group	Note	Share capital \$'000	Treasury shares \$'000	Share-based awards reserve \$'000	Investments revaluation reserve \$'000	Foreign exchange translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2022		832,827	(16,061)	5,077	3,307	(56,974)	(173)	1,948,349	2,716,352	3,098	2,719,450
<b>Total comprehensive income for the year</b>											
Profit for the year		-	-	-	-	-	-	369,617	369,617	497	370,114
Other comprehensive income for the year		-	-	-	(1,393)	(30,241)	-	-	(31,634)	(388)	(32,022)
Total		-	-	-	(1,393)	(30,241)	-	369,617	337,983	109	338,092
<b>Transactions with owners, recognised directly in equity</b>											
Issue of shares	22	5,453	-	(133)	-	-	-	-	5,320	-	5,320
Treasury shares reissued pursuant to equity compensation plans	22	-	3,390	(1,975)	-	-	(1,415)	-	-	-	-
Purchase of treasury shares	22	-	(2,864)	-	-	-	-	-	(2,864)	-	(2,864)
Share options lapsed		-	-	(150)	-	-	-	150	-	-	-
Recognition of share-based payments	24	-	-	1,008	-	-	-	-	1,008	-	1,008
Final tax-exempt dividend paid in respect of the previous financial year	33	-	-	-	-	-	-	(145,337)	(145,337)	-	(145,337)
Interim tax-exempt dividend paid in respect of the current financial year	33	-	-	-	-	-	-	(72,778)	(72,778)	-	(72,778)
Appropriation to reserve fund	22	-	-	-	-	-	1,616	(1,616)	-	-	-
Total		5,453	526	(1,250)	-	-	201	(219,581)	(214,651)	-	(214,651)
Balance at 31 December 2022		838,280	(15,535)	3,827	1,914	(87,215)	28	2,098,385	2,839,684	3,207	2,842,891

See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

The Company	Note	Share capital \$'000	Treasury shares \$'000	Share-based awards reserve \$'000	Investments revaluation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000
Balance at 1 January 2023		838,280	(15,535)	3,827	3,259	(7,306)	706,053	1,528,578
<b>Total comprehensive income for the year</b>								
Profit for the year		-	-	-	-	-	339,130	339,130
Other comprehensive income for the year		-	-	-	138	-	-	138
Total		-	-	-	138	-	339,130	339,268
<b>Transactions with owners, recognised directly in equity</b>								
Issue of shares	22	801	-	(25)	-	-	-	776
Shares purchased and cancelled	22	(1,026)	-	-	-	-	-	(1,026)
Purchase of treasury shares	22	-	(6,894)	-	-	-	-	(6,894)
Share options lapsed	22	-	-	(30)	-	-	30	-
Recognition of share-based payments	24	-	-	2,148	-	-	-	2,148
Final tax-exempt dividend paid in respect of the previous financial year	33	-	-	-	-	-	(145,505)	(145,505)
Interim tax-exempt dividend paid in respect of the current financial year	33	-	-	-	-	-	(72,728)	(72,728)
Total		(225)	(6,894)	2,093	-	-	(218,203)	(223,229)
Balance at 31 December 2023		838,055	(22,429)	5,920	3,397	(7,306)	826,980	1,644,617

See accompanying notes to financial statements.



# STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

The Company	Note	Share capital \$'000	Treasury shares \$'000	Share-based awards reserve \$'000	Investments revaluation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000
Balance at 1 January 2022		832,827	(16,061)	5,077	2,978	(5,891)	903,688	1,722,618
<b>Total comprehensive income for the year</b>								
Profit for the year		-	-	-	-	-	20,330	20,330
Other comprehensive income for the year		-	-	-	281	-	-	281
Total		-	-	-	281	-	20,330	20,611
<b>Transactions with owners, recognised directly in equity</b>								
Issue of shares	22	5,453	-	(133)	-	-	-	5,320
Treasury shares reissued pursuant to equity compensation plans	22	-	3,390	(1,975)	-	(1,415)	-	-
Purchase of treasury shares	22	-	(2,864)	-	-	-	-	(2,864)
Share options lapsed	22	-	-	(150)	-	-	150	-
Recognition of share-based payments	24	-	-	1,008	-	-	-	1,008
Final tax-exempt dividend paid in respect of the previous financial year	33	-	-	-	-	-	(145,337)	(145,337)
Interim tax-exempt dividend paid in respect of the current financial year	33	-	-	-	-	-	(72,778)	(72,778)
Total		5,453	526	(1,250)	-	(1,415)	(217,965)	(214,651)
Balance at 31 December 2022		838,280	(15,535)	3,827	3,259	(7,306)	706,053	1,528,578

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	The Group	
	2023 \$'000	2022 \$'000
<b>Operating activities</b>		
Profit before income tax	330,761	448,896
Adjustments for:		
Share of profit of associate	(240)	(321)
(Reversal of) Allowance for inventory provisions	(3,406)	767
Depreciation of property, plant and equipment	19,785	21,335
Depreciation of right-of-use assets	11,239	11,097
Amortisation of intangible assets	457	419
Net re-measurement of loss allowance	(483)	405
Interest income	(27,998)	(8,918)
Dividend income	(1,350)	(1,048)
Interest expense	724	517
Share-based payments expense	2,148	1,008
Fair value adjustment on derivative instrument	(22)	(676)
(Gain) Loss on disposal of plant and equipment, net	(50)	55
Gain on disposal of other financial assets	(162)	(314)
Operating profit before working capital changes	331,403	473,222
Trade receivables	209,089	(82,408)
Other receivables, prepayments and contract assets	1,624	2,514
Inventories	220,569	(29,798)
Trade payables	(130,725)	(110,657)
Other payables, accrued expenses and contract liabilities	(37,200)	67,783
Cash generated from operations	594,760	320,656
Interest paid	(724)	(517)
Income tax paid	(72,618)	(51,054)
Net cash from operating activities	521,418	269,085

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	The Group	
	2023 \$'000	2022 \$'000
<b>Investing activities</b>		
Interest received	23,420	8,364
Dividend received from associate	150	150
Dividend received from other equity investments	1,350	1,048
Purchase of property, plant and equipment	(47,527)	(32,724)
Proceeds on disposal of plant and equipment	192	195
Addition of intangible assets	(391)	(872)
Proceeds from disposal of other financial assets	162	314
Purchase of other financial assets	-	(1,353)
Net cash used in investing activities	<u>(22,644)</u>	<u>(24,878)</u>
<b>Financing activities</b>		
Dividends paid	(218,233)	(218,115)
Shares purchased and cancelled	(1,026)	-
Repayments of lease liabilities (Note A)	(11,093)	(11,069)
Proceeds from issuance of shares	776	5,320
Purchase of treasury shares	(6,894)	(2,864)
Net cash used in financing activities	<u>(236,470)</u>	<u>(226,728)</u>
Net increase in cash and cash equivalents	262,304	17,479
Cash and cash equivalents at beginning of year	812,593	807,934
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(18,594)	(12,820)
<b>Cash and cash equivalents at end of year (Note 6)</b>	<u>1,056,303</u>	<u>812,593</u>

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

## Note A: Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2023 \$'000	Non-cash changes		Financing cash flows \$'000	31 December 2023 \$'000
		Net lease liabilities additions \$'000	Foreign exchange movement \$'000		
Lease liabilities (Note 21)	24,285	14,760	(426)	(11,093)	27,526

	1 January 2022 \$'000	Non-cash changes		Financing cash flows \$'000	31 December 2022 \$'000
		Net lease liabilities additions \$'000	Foreign exchange movement \$'000		
Lease liabilities (Note 21)	13,531	21,776	47	(11,069)	24,285

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 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 solutions, products and services. 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 are disclosed in Note 11.

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 2023 were authorised for issue by the Board of Directors on 22 March 2024.

### 1.1 BASIS OF PREPARATION

These 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 Singapore Financial Reporting Standards (International) ("SFRS(I)s").

### 1.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

#### **Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies***

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year, impacting the disclosure of accounting policies in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information to users of the financial statements.

#### **Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules***

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The scope of SFRS(I) 1-12 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in SFRS(I) 1-12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes. Since the Pillar Two legislation has not been enacted in Singapore, the jurisdiction in which Venture Corporation Ltd is incorporated, and is thus not effective at the reporting date, the Group has no related current tax exposure. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two legislation has been enacted or substantively enacted in some jurisdictions in which the Group operates. While the exact quantitative impact cannot be reasonably estimated as yet due to the complexities in applying the legislations, the impact of Pillar Two is expected to be immaterial to the Group financials. The Group will continue to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) **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.

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.

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

(b) **FAIR VALUE MEASUREMENT** - 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 SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "investment revenue" line item (Note 27). Fair value is determined in the manner described in Note 4(c)(v).

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (c) FINANCIAL INSTRUMENTS (cont'd)

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "investment revenue" line item.

#### Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to accumulated profits.



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (c) FINANCIAL INSTRUMENTS (cont'd)

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of SFRS(I) 9 (see Note 12).

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "revenue" line item in profit or loss.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, lease receivables, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL ("12m ECL"). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from publicly available economic reports, independent rating agencies, financial analysts, various external sources of actual and forecast economic information that relate to the Group's core operations, as well as other publicly available financial information.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (c) FINANCIAL INSTRUMENTS (cont'd)

#### Significant increase in credit risk (cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit assessment;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; or
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (c) FINANCIAL INSTRUMENTS (cont'd)

#### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) Significant financial difficulty of the issuer or the borrower;
- (b) A breach of contract, such as a default or past due event;
- (c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) The disappearance of an active market for that financial asset because of financial difficulties.

#### Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (c) FINANCIAL INSTRUMENTS (cont'd)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investments revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

#### **Financial liabilities and equity instruments**

##### Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (c) FINANCIAL INSTRUMENTS (cont'd)

#### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. 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. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

#### 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.

### (d) LEASES

#### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (d) LEASES (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (d) LEASES (cont'd)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(i).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

- (e) 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.
- (f) 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	-	3 to 10 years
Leasehold improvements and renovations	-	3 to 10 years
Office equipment, furniture and fittings	-	3 to 10 years
Computer hardware	-	3 years
Motor vehicles	-	5 years

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

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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (f) PROPERTY, PLANT AND EQUIPMENT (cont'd)

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

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 proceeds and the carrying amount of the asset and is recognised in profit or loss.

### (g) 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 ("CGU"s) expected to benefit from the synergies of the combination. CGUs 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 CGU 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 CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### (h) INTANGIBLE ASSETS

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately, such as computer software, are recorded at cost less accumulated amortisation 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 7 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.



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (h) 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.

- (i) **IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL** - As at each reporting date, 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 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (i) 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.

### (j) 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.

### (k) 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (k) SHARE-BASED PAYMENTS (cont'd)

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.

Details regarding the determination of the fair value of equity-settled share-based payments are disclosed in Note 24.

### (l) 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. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group derives its revenue primarily from manufacturing services, design services and tooling.

Revenue is recognised over time for arrangements with customers for which:

- The Group's performance does not create an asset with an alternative use to the Group; and
- The Group has an enforceable right to payment for performance completed to date.

When one or both of the above conditions are not met, the Group recognises revenue when it has transferred control of the goods, which generally occurs upon delivery and passage of title to the customer.

For most of the Group's arrangement with customers, the individual manufactured product or service is capable of being distinct and is assessed as a separate performance obligation. In cases where the promise to transfer the individual good or service is not separately identifiable from other promises in the contract and is, therefore, not distinct, the contract is seen to contain only one performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied.

### (i) Manufacturing services

When the Group has an alternative use for the goods produced or does not have a legally enforceable right to payment for work completed to date (inclusive of a reasonable profit margin for work in progress inventory), revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the control and significant risks and rewards of ownership of the goods;
- the Group has present right to payment for the goods transferred;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### (l) REVENUE RECOGNITION (cont'd)

#### (i) Manufacturing services (cont'd)

When the Group does not have an alternative use for the goods produced and has a legally enforceable right to payment (inclusive of a reasonable profit margin) for work completed to date, revenue is recognised over time.

The Group also provides Non-Recurring Engineering ("NRE") services which may include (but are not limited to) procuring, setting up and qualifying manufacturing hardware for some of its customers as part of its manufacturing services. Once ready for use, the use and disposal of such manufacturing hardware is directed by the customers. If the criteria for over time revenue recognition is not met, revenue is recognised when the manufacturing hardware is ready to be used as per customer specifications for the mass production of customers' products. If the criteria for over time revenue recognition is met, revenue is recognised by reference to the stage of completion based on the cost-to-cost method.

The Group has reduced revenue based on products expected to be returned or rebates which customers are entitled to. The Group uses its accumulated historical experience to estimate the number of returns and the rebates using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the historical trends.

#### (ii) Design services and tooling

Revenue from design services and tooling is recognised over time by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows, using methods that best depict the transfer of control to the customer:

- Revenue from design services is recognised based on engineers' certification of each project's progress. When the Group has a right to consideration from a customer at an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group adopts the practical expedient to recognise revenue at the amount to which the entity has a right to invoice.
- Revenue from tooling contracts is recognised based on the cost-to-cost method.

A contract asset is recognised for the cumulative revenue recognised but not yet invoiced whilst a contract liability is recognised for advance payments from customers which the Group needs to perform work to satisfy the performance obligations.

#### 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

- (m) **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.
- (n) **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 profit or loss and other 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, 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 as at each reporting date 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

- (o) **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. As at each reporting date, 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 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, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 January 2005 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Prior to 1 January 2005, the Group treated certain goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

- (p) **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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 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*

There are no critical judgements 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.

### (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 goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGUs 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 is disclosed in Note 16.

#### (ii) 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 be realised 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 10.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

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

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

#### (iii) Stage of completion in relation to revenue recognised over time

The Group recognises revenue from design services, tooling and certain manufacturing services over time by reference to the stage of completion of the contract. The stage of completion is determined using the method that best depicts the transfer of control to the customer as follows:

- Revenue from design services is recognised based on engineers' certification of each project's progress. When the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group adopts the practical expedient of recognising revenue at the amount which the Group has a right to invoice.
- Revenue from tooling contracts and certain manufacturing services are recognised based on the cost-to-cost method (i.e. at the percentage of incurred cost to date compared to total budgeted cost).

The stage of completion is estimated by the Group based on past experience and the knowledge of the engineers.

The revenue recognised and the related contract assets and contract liabilities are disclosed in Notes 25, 9 and 20 respectively.

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>				
Amortised cost:				
Cash and bank balances	1,056,303	812,593	294,576	93,161
Trade receivables	677,425	906,378	11,705	13,918
Trade receivables due from subsidiaries	-	-	95,168	162,912
Other receivables	20,403	13,242	5,157	3,353
Other receivables due from subsidiaries	-	-	1,426	519
	1,754,131	1,732,213	408,032	273,863
Derivative financial instruments <sup>(1)</sup>	698	676	698	676
Other financial assets at fair value	25,458	25,429	9,181	9,041
Total	1,780,287	1,758,318	417,911	283,580

<sup>(1)</sup> These pertain to foreign exchange forward contracts.



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

### (a) Categories of financial instruments (cont'd)

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Financial liabilities</u>				
Amortised cost:				
Trade payables	391,577	533,137	42,644	42,973
Trade payables due to subsidiaries	-	-	7,265	931
Other payables and accrued expenses	143,599	162,307	26,368	31,157
Other payables due to subsidiaries	-	-	17,642	17,852
	535,176	695,444	93,919	92,913
Lease liabilities	27,526	24,285	5,462	11,761
Total	562,702	719,729	99,381	104,674

### (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's financial risk management programmes set out its overall business strategies and risk management philosophy which is to minimise the potential adverse effects of financial risks on the performance of the Group. These programmes cover specific areas, such as market risk (including foreign exchange risk and interest rate 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.

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 by matching revenue and costs in the relevant currencies to create a natural hedge. The Group also enters into foreign exchange forward contracts to hedge its risks associated with foreign currency fluctuations.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

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

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. As at each reporting date, 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 <sup>(1)</sup>			
	Assets		Liabilities	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	19,621	19,621	45,374	47,839
United States dollar <sup>(2)</sup>	151,267	264,389	85,852	90,048
Euro	1,909	3,513	1,959	2,774
Japanese yen	14	28	1,136	476
Swiss francs	-	563	103	4,872
Chinese renminbi	1,510	1,148	135	79
Malaysian ringgit	31,545	28,840	37,873	47,087

<sup>(1)</sup> Figures include intercompany monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies.

	The Company			
	Assets		Liabilities	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
United States dollar <sup>(2)</sup>	102,902	182,585	56,875	53,951
Euro	84	362	17	93

<sup>(2)</sup> The Group and Company entered into foreign exchange forward contracts to hedge the United States dollar currency fluctuation. The net United States dollar currency exposure of the Group and Company after offsetting foreign exchange forward contracts is \$20,621,000 and \$1,232,000 (2022 : \$59,319,000 and \$13,612,000) respectively.

#### 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 impact from forward contracts, 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

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

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.

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar impact	(1,288)	(1,411)	-	-
United States dollar impact	1,031	2,966	62	681
Euro impact	(3)	37	3	13
Japanese yen impact	(56)	(22)	-	-
Swiss franc impact	(5)	(215)	-	-
Chinese renminbi impact	69	53	-	-
Malaysian ringgit impact	(316)	(912)	-	-

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 and cash equivalents, as disclosed in Note 6, with reputable international financial institutions.

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

#### (iii) Overview of the Group's exposure to credit risk and credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, 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 assesses the credit worthiness of its counterparties using credit rating information. This credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to assess its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

#### (iii) Overview of the Group's exposure to credit risk and credit risk management (cont'd)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables and contract assets: lifetime ECL – not credit-impaired  Other receivables: 12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Before accepting any new customer, the Group uses the new customer's financial information and where available, external credit scores, to assess the potential customer's credit quality and defines credit limits by customer.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

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 trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

Of the trade receivables balance at the end of the year, 66% (2022 : 64%) is due from the Group's top ten customers by revenue. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to the top ten customers did not exceed 15% (2022 : 16%) of total assets at any time during the year. Concentration of credit risk to any single counterparty exceeded 4% but not 8% (2022 : 5% but not 8%) of total assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

#### (iii) Overview of the Group's exposure to credit risk and credit risk management (cont'd)

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit assessment	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>The Group</u>						
<u>31 December 2023</u>						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	678,459	(1,034)	677,425
Trade receivables	7	In default	Lifetime ECL	413	(413)	-
Other receivables	8	Performing	12-month ECL <sup>(ii)</sup>	20,403	-	20,403
Contract assets	9	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	12,904	-	12,904
					<u>(1,447)</u>	
<u>31 December 2022</u>						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	907,434	(1,056)	906,378
Trade receivables	7	In default	Lifetime ECL	932	(932)	-
Other receivables	8	Performing	12-month ECL <sup>(ii)</sup>	13,242	-	13,242
Contract assets	9	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	10,735	-	10,735
					<u>(1,988)</u>	

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

#### (iii) Overview of the Group's exposure to credit risk and credit risk management (cont'd)

	Note	Internal credit assessment	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>The Company</u>						
<u>31 December 2023</u>						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	11,743	(38)	11,705
Other receivables	8	Performing	12-month ECL <sup>(ii)</sup>	5,157	-	5,157
Trade receivables due from subsidiaries	11	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	95,168	-	95,168
Other receivables due from subsidiaries	11	Performing	12-month ECL <sup>(ii)</sup>	1,426	-	1,426
					(38)	
<u>31 December 2022</u>						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	13,956	(38)	13,918
Other receivables	8	Performing	12-month ECL <sup>(ii)</sup>	3,353	-	3,353
Trade receivables due from subsidiaries	11	Performing	Lifetime ECL (simplified approach) <sup>(i)</sup>	162,912	-	162,912
Other receivables due from subsidiaries	11	Performing	12-month ECL <sup>(ii)</sup>	519	-	519
					(38)	

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

#### (iii) Overview of the Group's exposure to credit risk and credit risk management (cont'd)

**Notes:**

<sup>(i)</sup> For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated using historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 7 and 9 include further details on the loss allowance for these assets respectively.

<sup>(ii)</sup> In determining the ECL, the Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

#### (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 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/realisation 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 interest included in the maturity analysis which are not included in the carrying amount of the financial assets on the statement of financial position.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

#### (iv) Liquidity risk management (cont'd)

	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
<u>The Group</u>						
<u>31 December 2023</u>						
Non-interest bearing	-	834,772	21,294	2,847	-	858,913
Fixed interest rate instruments	4.06	928,167	-	-	(8,808)	919,359
		<u>1,762,939</u>	<u>21,294</u>	<u>2,847</u>	<u>(8,808)</u>	<u>1,778,272</u>
<u>31 December 2022</u>						
Non-interest bearing	-	1,166,170	21,228	2,847	-	1,190,245
Fixed interest rate instruments	3.40	567,647	-	-	(1,604)	566,043
		<u>1,733,817</u>	<u>21,228</u>	<u>2,847</u>	<u>(1,604)</u>	<u>1,756,288</u>
<u>The Company</u>						
<u>31 December 2023</u>						
Non-interest bearing	-	126,199	9,181	-	-	135,380
Fixed interest rate instruments	3.96	286,297	-	-	(4,464)	281,833
		<u>412,496</u>	<u>9,181</u>	<u>-</u>	<u>(4,464)</u>	<u>417,213</u>
<u>31 December 2022</u>						
Non-interest bearing	-	186,269	9,041	-	-	195,310
Fixed interest rate instruments	3.88	88,443	-	-	(849)	87,594
		<u>274,712</u>	<u>9,041</u>	<u>-</u>	<u>(849)</u>	<u>282,904</u>



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

#### (iv) Liquidity risk management (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 interest included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position.

	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
<u>The Group</u>						
<u>31 December 2023</u>						
Non-interest bearing	-	535,176	-	-	-	535,176
Lease liabilities	4.00	9,431	15,826	6,263	(3,994)	27,526
		<u>544,607</u>	<u>15,826</u>	<u>6,263</u>	<u>(3,994)</u>	<u>562,702</u>
<u>31 December 2022</u>						
Non-interest bearing	-	695,444	-	-	-	695,444
Lease liabilities	3.51	11,966	10,298	6,964	(4,943)	24,285
		<u>707,410</u>	<u>10,298</u>	<u>6,964</u>	<u>(4,943)</u>	<u>719,729</u>
<u>The Company</u>						
<u>31 December 2023</u>						
Non-interest bearing	-	93,919	-	-	-	93,919
Lease liabilities	3.56	4,306	1,260	-	(104)	5,462
		<u>98,225</u>	<u>1,260</u>	<u>-</u>	<u>(104)</u>	<u>99,381</u>
<u>31 December 2022</u>						
Non-interest bearing	-	92,913	-	-	-	92,913
Lease liabilities	3.58	6,560	5,510	-	(309)	11,761
		<u>99,473</u>	<u>5,510</u>	<u>-</u>	<u>(309)</u>	<u>104,674</u>

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

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

#### (v) Fair value of financial assets and financial liabilities

Other than the fair values of derivative financial instruments and other financial assets which are disclosed in Notes 8 and 12 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.

Financial assets/ Financial liabilities	Fair value as at				Fair value hierarchy	Valuation technique(s) and key input(s)
	2023		2022			
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000		

#### Derivative financial instruments (Note 8)

##### The Group and the Company

Foreign exchange forward contract	698	-	676	-	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
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#### Other financial assets (Note 12)

##### The Group

Quoted equity shares	21,294	-	21,228	-	Level 1	Quoted bid prices in an active market
Unquoted equity shares / debt instrument	4,164	-	4,201	-	Level 2	Net tangible asset of the underlying investment / most recent transacted prices which approximate fair value

##### The Company

Quoted equity shares	9,181	-	9,041	-	Level 1	Quoted bid prices in an active market
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There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

### (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 lease liabilities and equity attributable to owners of the Company, comprising issued capital, reserves and accumulated profits as presented in the statements of changes in equity. One of the subsidiaries of the Group operating in the People's Republic of China is required to set aside a part of profit after tax in a separate reserve called "Reserve Fund" as disclosed in Note 22.

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	
	2023	2022
	\$'000	\$'000
Purchase of goods from associate	17	24

### Compensation of Directors and key management personnel

The remuneration of Directors and other key management personnel during the year were as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Short-term benefits	17,392	19,606
CPF contributions	334	286
Share-based payments	1,179	991
	18,905	20,883
Directors' fees	715	817
Total	19,620	21,700

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. There was an increase in key management personnel from 4 in 2022 to 5 in 2023.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 6 CASH AND BANK BALANCES

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash	136,944	246,550	12,743	5,567
Fixed deposits	919,359	566,043	281,833	87,594
Cash and cash equivalents in the statement of cash flows	1,056,303	812,593	294,576	93,161

The fixed deposits' interest rates for the Group and the Company range from 1.55% to 5.75% (2022 : 1.50% to 4.71%) per annum with an original maturity of one year or less.

## 7 TRADE RECEIVABLES

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Outside parties	677,425	906,378	11,705	13,918

The average trade credit period on sales of goods is 96 days (2022 : 82 days). No interest is charged on the trade receivables. Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past debtor default experience and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast economic conditions at the reporting date.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 7 TRADE RECEIVABLES (cont'd)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	The Group					Total \$'000
	Not past due \$'000	Trade receivables - days past due				
		< 30 days \$'000	31 - 60 days \$'000	61 - 90 days \$'000	> 90 days \$'000	
<b>31 December 2023</b>						
Expected credit loss rate	0.1%	0.1%	0.8%	2.3%	4.1%	
Lifetime ECL:						
- Not credit-impaired	637	78	43	52	224	1,034
- Credit-impaired	-	-	-	-	413	413
	<u>637</u>	<u>78</u>	<u>43</u>	<u>52</u>	<u>637</u>	<u>1,447</u>
<b>31 December 2022</b>						
Expected credit loss rate	0.1%	0.1%	0.7%	2.0%	3.7%	
Lifetime ECL:						
- Not credit-impaired	658	95	99	87	117	1,056
- Credit-impaired	-	-	-	-	932	932
	<u>658</u>	<u>95</u>	<u>99</u>	<u>87</u>	<u>1,049</u>	<u>1,988</u>

The Company's provision matrix is not disclosed as the lifetime ECL is insignificant but the expected credit loss rates applied approximate that of the Group as their loss patterns are similar.

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 3% (2022 : 2%) of the total trade receivables as at the end of the reporting period that are outstanding for periods longer than the expected credit terms as agreed with the customers. The average days overdue of these receivables is 62 days (2022 : 59 days).

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 7 TRADE RECEIVABLES (cont'd)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	The Group		The Company	
	Collectively assessed: not credit-impaired \$'000	Lifetime ECL Individually assessed: credit-impaired \$'000	Total \$'000	Lifetime ECL Collectively assessed: not credit-impaired \$'000
Balance at 1 January 2022	1,400	205	1,605	38
Net re-measurement of loss allowance	(334)	739	405	-
Foreign exchange gain	(10)	(12)	(22)	-
Balance at 31 December 2022	1,056	932	1,988	38
Net re-measurement of loss allowance	8	(499)	(491)	-
Foreign exchange gain	(30)	(20)	(50)	-
Balance at 31 December 2023	1,034	413	1,447	38

## 8 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other receivables	18,713	11,256	5,052	3,252
Derivative financial instruments (Note 4)	698	676	698	676
Deposits	1,690	1,986	105	101
Prepayments	14,600	23,982	1,350	1,905
	35,701	37,900	7,205	5,934

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Based on the Group's historical credit loss experience with the relevant counterparties, as well as available forward-looking information, the Group has assessed the expected credit loss rate on other receivables to be insignificant.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 9 CONTRACT ASSETS

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Contract assets	12,904	10,735	195	-

Contract assets comprise unbilled revenue and other recoverables from customers for which the Group has performed work at balance sheet date, but the agreed billing milestones have not been reached. Such unbilled revenue and recoverables arise from design services contracts, tooling work and other non-recurring engineering services. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

As at 1 January 2022, contract assets amounted to \$20,033,000.

The increase in the Group's contract assets between 31 December 2023 and 31 December 2022 was attributable mainly from higher accrued revenue for design services contracts.

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customers' industry. None of the amounts due from customers at the end of the reporting period is past due.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

Based on the Group's historical credit loss experience with the relevant customers, as well as available forward-looking information, the Group has assessed the expected credit loss rate on contract assets to be insignificant.

## 10 INVENTORIES

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Raw materials	575,329	734,709	34,067	42,993
Work in progress	85,433	119,861	22,500	30,768
Finished goods	162,133	210,730	14,040	17,355
	822,895	1,065,300	70,607	91,116

In 2023, the Group wrote back \$3,406,000 of inventory provisions due to subsequent claims from customers for the aged inventory. In 2022, an expense of \$767,000 was recognised in respect of provisions and write-offs of aged inventory determined based on assessments of net realisable value and estimates on forecasted usage.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 11 INVESTMENTS IN SUBSIDIARIES

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity shares, at cost	1,147,612	1,148,474
Less: Impairment loss	(1,381)	(3,203)
Net carrying amount	1,146,231	1,145,271
Advances to subsidiaries <sup>(1)</sup>	86,840	86,840
Less: Impairment in advances to subsidiaries	(4,262)	(4,262)
	<b>1,228,809</b>	<b>1,227,849</b>

<sup>(1)</sup> Advances to subsidiaries are extensions of the Company's investment and hence are capital in nature.

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

For purpose of impairment assessment, loss allowance for trade receivables due from subsidiaries has been measured at an amount equal to lifetime ECL. Other receivables due from subsidiaries are considered to have low credit risk and there has been no significant increase in the risk of default during the current reporting period. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period for trade and other receivables due from subsidiaries. In 2023, there was a write back of impairment loss due to the recoverable amount exceeding the cost of investment.

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

<b>Name of subsidiaries</b>	<b>Country of incorporation</b>	<b>Proportion of ownership interest and voting power held</b>		<b>Principal activities</b>
		<b>2023</b>	<b>2022</b>	
		<b>%</b>	<b>%</b>	
Advanced Products Corporation Pte Ltd (wholly-owned subsidiary of Ventech Investments Pte. Ltd.)	Singapore	100	100	Trading and manufacturing of electronics products and wholesale of computer hardware and peripheral equipment
Ventech Investments Pte. Ltd. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) <sup>(7)</sup>	Singapore	100	-	Investment holding
VBMB Pte. Ltd. (wholly-owned subsidiary of Ventech Investments Pte. Ltd.) <sup>(7)</sup>	Singapore	100	-	Manufacture and repair of process control equipment and related products
Cebelian Holdings Pte Ltd	Singapore	100	100	Investment holding
Venture Electronics (Europe) B.V. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) <sup>(5)</sup>	Netherlands	100	100	Investment holding



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 11 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2023	2022	
		%	%	
Venture Electronics Spain S.L. (wholly-owned subsidiary of Venture Electronics (Europe) B.V.) <sup>(1)</sup>	Spain	100	100	Manufacture, design, engineering, customisation and logistic services
Venture Electronics (Shanghai) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) <sup>(1)</sup>	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) <sup>(4)</sup>	People's Republic of China	100	100	Manufacture and sale of terminal units
VM Services, Inc. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) <sup>(6)</sup>	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.) <sup>(6)</sup>	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.) <sup>(6)</sup>	United States of America	100	100	Trading and manufacturing of electronics and computer-related products, provision of engineering, customisation logistics and repair services
Venture Enterprise Innovation, Inc. (wholly-owned subsidiary of VM Services, Inc.) <sup>(6)</sup>	United States of America	100	100	Manufacturing of high technology products, and provision of design solutions and services
VIPColor Technologies Pte Ltd (wholly-owned subsidiary of Ventech Investments Pte. Ltd.)	Singapore	100	100	Develop and market colour imaging products for label printing
Advanced Instrument Pte. Ltd. (wholly-owned subsidiary of Ventech Investments Pte. Ltd.)	Singapore	100	100	Research and experimental development on biotechnology, life and medical science and manufacture and repair of engineering and scientific instruments

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 11 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2023	2022	
		%	%	
Venture International Pte. Ltd.	Singapore	100	100	Import and export of electronic parts, components, equipment, devices and instruments
VIPColor Technologies USA, Inc. (wholly-owned subsidiary of VIPColor Technologies Pte Ltd) <sup>(5)</sup>	United States of America	100	100	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, development, manufacture, sales, installation and servicing of computers and related products
Technocom Systems Sdn. Bhd. <sup>(1)</sup>	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.) <sup>(1)</sup>	Malaysia	100	100	Manufacturing and assembly of electronic and other computer products and peripherals and letting of its factory building and manufacturing of medical devices
V-Design Services (M) Sdn. Bhd. (wholly-owned subsidiary of Technocom Systems Sdn. Bhd.) <sup>(1)</sup>	Malaysia	100	100	Design and development of electronic products and services
Venture Electronics Services (Malaysia) Sdn. Bhd. <sup>(1)</sup>	Malaysia	100	100	Manufacturing and sale of sub-assemblies and printed circuit board assemblies for communication/ networking equipment and medical and scientific equipment/instrumentation

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 11 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2023	2022	
		%	%	
Venture BK (M) Sdn. Bhd. <sup>(1)(7)</sup>	Malaysia	100		- Manufacture of Consumer Electronics, Measuring, Testing, Navigating and Control Equipment; Manufacture of optical instruments and equipment
Venture PH (M) Sdn. Bhd. <sup>(1)(7)</sup>	Malaysia	100		- Research and Development on Biotechnology; Research and Development on Engineering and Technology; Activities of Head Offices
Venture Electronics Solutions Pte Ltd	Singapore	100	100	Manufacture, design, engineering and logistics services to electronics equipment manufacturers worldwide
Ventech Investments Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) <sup>(5)</sup>	British Virgin Islands	100	100	Investment holding
Univac Precision Engineering Pte Ltd	Singapore	100	100	Specialists, manufacturers, fabricators and dealers of precision plastic tools, components and sub-assemblies
Munivac Sdn. Bhd. (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd) <sup>(1)</sup>	Malaysia	100	100	Manufacture of plastic precision engineering components and moulds
Univac Precision, Inc. (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd) <sup>(5)</sup>	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) <sup>(2)(6)</sup>	Singapore	81.6	81.6	Investment holding

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 11 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2023	2022	
		%	%	
Univac Precision Plastics (Shanghai) Co., Ltd (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd) <sup>(3)(6)</sup>	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 (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd) <sup>(3)(6)</sup>	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
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) <sup>(1)</sup>	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.) <sup>(1)</sup>	Malaysia	100	100	Manufacture of electronics equipment, computer, data and telecommunications products in industrial electronics industries

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 11 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2023	2022	
		%	%	
Winza Pte. Ltd. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd)	Singapore	100	100	Research and experimental developmental on biotechnology, life and medical science and manufacture and repair of engineering and scientific instruments

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

- <sup>(1)</sup> Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
- <sup>(2)</sup> Audited by another firm of auditors, BSL Public Accounting Corporation.
- <sup>(3)</sup> Audited by another firm of auditors, Suzhou Wanlong Yongding Certified Public Accountants Co., Ltd.
- <sup>(4)</sup> Audited by another firm of auditors, BDO China Li Xin Da Hua Certified Public Accountants Co., Ltd.
- <sup>(5)</sup> Not required by law to be audited in its country of incorporation and not material to the results of the Group.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> Incorporated during the financial year.

The net assets of the subsidiaries referred to in Notes (2), (3), (4) and (5) 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 \$41,149,000 (2022 : \$42,273,000) 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 their contractual obligations when they fall due.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 12 OTHER FINANCIAL ASSETS

	The Group		The Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Debt instrument measured at fair value through profit or loss (FVTPL)</u>				
Unquoted debt instrument <sup>(1)</sup>	1,317	1,354	-	-
<u>Equity instruments measured at fair value through other comprehensive income (FVTOCI)</u>				
Quoted equity shares <sup>(2)</sup>	21,294	21,228	9,181	9,041
Unquoted equity shares	2,847	2,847	-	-
	<u>25,458</u>	<u>25,429</u>	<u>9,181</u>	<u>9,041</u>

Other financial assets refer to equity and debt instruments measured at fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

- (1) Unquoted debt instrument comprises of a convertible loan with face value of US\$1,000,000, which bears 5% interest per annum and matured on 30 June 2023. Subsequently, the convertible loan was extended with 7% interest per annum until 9 February 2024 and 8% interest per annum until maturity on 9 February 2026.
- (2) 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 distribution income and fair value gains. Quoted equity shares have no fixed maturity or coupon rate.

Equity instruments measured at FVTOCI are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Factory buildings	Leasehold land and buildings <sup>(a)</sup>	Machinery and equipment	Leasehold improvements and renovations	Office equipment, furniture and fittings	Computer hardware	Motor vehicles	Asset under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>										
Cost:										
At 1 January 2022	28,684	44,530	164,515	308,839	74,589	49,888	4,450	2,188	-	677,683
Reclassification	-	-	-	-	(931)	-	-	-	931	-
Exchange differences	30	46	(1,067)	(2,741)	(919)	(44)	-	(7)	(237)	(4,939)
Additions	-	-	-	10,022	3,716	2,260	851	11	15,864	32,724
Disposals	-	-	-	(12,176)	(365)	(636)	(990)	(108)	-	(14,275)
At 31 December 2022	28,714	44,576	163,448	303,944	76,090	51,468	4,311	2,084	16,558	691,193
Exchange differences	(758)	(1,176)	(3,490)	(7,181)	(2,035)	(935)	-	(31)	(950)	(16,556)
Additions	-	-	-	6,352	3,445	2,310	1,925	243	33,252	47,527
Disposals	-	-	-	(7,545)	(662)	(1,818)	-	(77)	-	(10,102)
At 31 December 2023	27,956	43,400	159,958	295,570	76,838	51,025	6,236	2,219	48,860	712,062
Accumulated depreciation:										
At 1 January 2022	-	10,584	78,816	280,383	41,393	44,949	4,237	1,865	-	462,227
Exchange differences	-	(7)	(440)	(2,307)	(590)	(213)	-	(8)	-	(3,565)
Depreciation	-	1,184	3,180	9,897	4,151	2,750	-	173	-	21,335
Disposals	-	-	-	(12,050)	(328)	(549)	(990)	(108)	-	(14,025)
At 31 December 2022	-	11,761	81,556	275,923	44,626	46,937	3,247	1,922	-	465,972
Exchange differences	-	(330)	(2,037)	(6,748)	(1,255)	(1,220)	-	(28)	-	(11,618)
Depreciation	-	1,154	3,106	8,312	4,483	2,198	427	105	-	19,785
Disposals	-	-	-	(7,339)	(641)	(1,809)	-	(77)	-	(9,866)
At 31 December 2023	-	12,585	82,625	270,148	47,213	46,106	3,674	1,922	-	464,273
Impairment:										
At 1 January 2022, 31 December 2022 and 31 December 2023	-	-	-	18	36	190	-	43	-	287
Carrying amount:										
At 31 December 2023	27,956	30,815	77,333	25,404	29,589	4,729	2,562	254	48,860	247,502
At 31 December 2022	28,714	32,815	81,892	28,003	31,428	4,341	1,064	119	16,558	224,934

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold land and building <sup>(1)</sup> \$'000	Machinery and equipment \$'000	Leasehold improvements and renovations \$'000	Office equipment, furniture and fittings \$'000	Motor vehicles \$'000	Total \$'000
<u>The Company</u>						
Cost:						
At 1 January 2022	39,166	42,970	4,019	8,470	1,090	95,715
Additions	-	1,200	1,635	297	-	3,132
Disposals	-	(8,827)	(5)	(32)	(108)	(8,972)
At 31 December 2022	39,166	35,343	5,649	8,735	982	89,875
Intercompany transfer	-	-	(1,497)	(33)	-	(1,530)
Additions	-	1,060	1,027	340	-	2,427
Disposals	-	(484)	(289)	(312)	-	(1,085)
At 31 December 2023	39,166	35,919	4,890	8,730	982	89,687
Accumulated depreciation:						
At 1 January 2022	7,987	41,219	3,487	8,007	931	61,631
Depreciation	1,030	1,034	349	305	113	2,831
Disposals	-	(8,827)	(5)	(30)	(108)	(8,970)
At 31 December 2022	9,017	33,426	3,831	8,282	936	55,492
Depreciation	1,031	881	470	292	36	2,710
Disposals	-	(479)	(289)	(312)	-	(1,080)
At 31 December 2023	10,048	33,828	4,012	8,262	972	57,122
Carrying amount:						
At 31 December 2023	29,118	2,091	878	468	10	32,565
At 31 December 2022	30,149	1,917	1,818	453	46	34,383

<sup>(1)</sup> The Group and the Company made upfront payments in full to secure the right-of-use of leasehold land and buildings for the Group's manufacturing operations, warehousing and office premises.



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 14 RIGHT-OF-USE ASSETS

The Group and the Company lease several assets including leasehold land and buildings and plant and equipment. The average lease term is 7.1 years (2022 : 7.2 years).

	Leasehold land and buildings <sup>(1)</sup> \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
<u>The Group</u>				
Cost:				
At 1 January 2022	37,337	540	49	37,926
Exchange differences	(835)	2	1	(832)
Additions	3,957	-	-	3,957
Lease modification <sup>(2)</sup>	17,819	-	-	17,819
At 31 December 2022	58,278	542	50	58,870
Exchange differences	(929)	(15)	(1)	(945)
Additions	49	-	-	49
Lease modification <sup>(2)</sup>	14,960	-	-	14,960
Disposals	(851)	-	-	(851)
At 31 December 2023	71,507	527	49	72,083
Accumulated depreciation:				
At 1 January 2022	25,322	148	12	25,482
Exchange differences	(470)	15	1	(454)
Depreciation	10,919	162	16	11,097
At 31 December 2022	35,771	325	29	36,125
Exchange differences	(536)	(15)	-	(551)
Depreciation	11,101	122	16	11,239
Disposals	(601)	-	-	(601)
At 31 December 2023	45,735	432	45	46,212
Carrying amount:				
At 31 December 2023	25,772	95	4	25,871
At 31 December 2022	22,507	217	21	22,745

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 14 RIGHT-OF-USE ASSETS (cont'd)

	<b>Leasehold land and buildings<sup>(1)</sup> \$'000</b>
<hr/>	
<u>The Company</u>	
Cost:	
At 1 January 2022	18,549
Additions	280
Lease modification <sup>(2)</sup>	12,919
At 31 December 2022 and 31 December 2023	<u>31,748</u>
Accumulated depreciation:	
At 1 January 2022	15,119
Depreciation	6,302
At 31 December 2022	<u>21,421</u>
Depreciation	6,376
At 31 December 2023	<u>27,797</u>
Carrying amount:	
At 31 December 2023	<u>3,951</u>
At 31 December 2022	<u>10,327</u>

<sup>(1)</sup> These pertain to leasehold land and buildings for which the Group and the Company make periodic lease payments. These are used for the Group's manufacturing operations, warehousing and office premises.

<sup>(2)</sup> The right-of-use asset increased following renewal of existing lease contracts.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 15 INTANGIBLE ASSETS

	Customer relationships \$'000	Development expenditure \$'000	Computer software \$'000	Total \$'000
<u>The Group</u>				
Cost:				
At 1 January 2022	168,483	8,982	25,109	202,574
Exchange differences	-	(346)	13	(333)
Additions	-	-	872	872
Written off	-	-	(214)	(214)
At 31 December 2022	168,483	8,636	25,780	202,899
Exchange differences	-	(139)	(16)	(155)
Additions	-	-	391	391
Written off	-	(1,115)	(10,714)	(11,829)
At 31 December 2023	168,483	7,382	15,441	191,306
Accumulated amortisation:				
At 1 January 2022	168,483	8,982	24,486	201,951
Exchange differences	-	(346)	36	(310)
Amortisation	-	-	419	419
Written off	-	-	(214)	(214)
At 31 December 2022	168,483	8,636	24,727	201,846
Exchange differences	-	(139)	(11)	(150)
Amortisation	-	-	457	457
Written off	-	(1,115)	(10,714)	(11,829)
At 31 December 2023	168,483	7,382	14,459	190,324
Carrying amount:				
At 31 December 2023	-	-	982	982
At 31 December 2022	-	-	1,053	1,053

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 15 INTANGIBLE ASSETS (cont'd)

	Development expenditure \$'000	Computer software \$'000	Total \$'000
<u>The Company</u>			
Cost:			
At 1 January 2022 and 31 December 2022	3,262	-	3,262
Additions	-	153	153
At 31 December 2023	<u>3,262</u>	<u>153</u>	<u>3,415</u>
Accumulated amortisation:			
At 1 January 2022 and 31 December 2022	3,262	-	3,262
Amortisation	-	13	13
At 31 December 2023	<u>3,262</u>	<u>13</u>	<u>3,275</u>
Carrying amount:			
At 31 December 2022	-	-	-
At 31 December 2023	<u>-</u>	<u>140</u>	<u>140</u>

The amortisation period for development expenditure and computer software is three to seven years which approximates the useful lives of the intangible assets. In the previous financial year, the Group wrote off computer software that has no future economic benefits. In the current financial year, the Group wrote off computer software and development expenditure that has been fully amortised and has no future economic benefits.

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 was fully amortised in 2016. No amortisation charge was recorded in profit or loss in 2023 and 2022.

## 16 GOODWILL

	<u>The Group</u> \$'000
Cost:	
At 1 January 2022, 31 December 2022 and 31 December 2023	<u>640,593</u>
Impairment:	
At 1 January 2022, 31 December 2022 and 31 December 2023	<u>(885)</u>
Carrying amount:	
At 1 January 2022, 31 December 2022 and 31 December 2023	<u>639,708</u>

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 16 GOODWILL (cont'd)

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

	2023 \$'000	2022 \$'000
(a) GES International Limited and its subsidiaries ("GES International Group") (single CGU)	573,568	573,568
(b) Technocom Systems Sdn Bhd (previously transferred from Venture Electronics Solutions Pte Ltd) (single CGU)	10,980	10,980
(c) Univac Precision Engineering Pte Ltd and its subsidiaries ("Univac Group") (single CGU)	55,160	55,160
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 SFRS(I) 1-36, 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 of 5 years is 2% (2022 : 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% (2022 : 11.5%).
- (b) The rate used to discount the cash flows from Univac Precision Engineering Pte Ltd and its subsidiaries is 11.0% (2022 : 11.6%).
- (c) The rate used to discount the cash flows from Technocom Systems Sdn Bhd is 11.0% (2022 : 12.0%).

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 respective carrying amounts of the CGUs.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 17 DEFERRED TAX ASSETS/LIABILITIES

	The Group	
	2023	2022
	\$'000	\$'000
<u>Deferred tax assets:</u>		
Balance at beginning of year	3,829	3,714
Credit to profit or loss (Note 28)	5,502	114
Exchange differences	(186)	1
Balance at end of year	<u>9,145</u>	<u>3,829</u>

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

	The Group	
	2023	2022
	\$'000	\$'000
<u>Deferred tax liabilities:</u>		
Balance at beginning of year	1,888	3,512
Credit to profit or loss (Note 28)	(215)	(1,649)
Exchange differences	(3)	25
Balance at end of year	<u>1,670</u>	<u>1,888</u>

The deferred tax liabilities comprise the tax effect of temporary differences associated with accelerated tax depreciation.

## 18 TRADE PAYABLES

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Outside parties	<u>391,577</u>	<u>533,137</u>	<u>42,644</u>	<u>42,973</u>

The average credit period on purchases of goods is 75 days (2022 : 73 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 19 OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Other payables	12,796	25,489	724	584
Salary related accruals	56,354	68,825	18,164	22,362
Accrued expenses	85,470	79,110	7,480	8,211
	154,620	173,424	26,368	31,157

Salary related accruals for both the Group and the Company include \$6,263,000 (2022 : \$8,451,000) due to Directors. The amount due to Directors is unsecured, interest-free and payable within 12 months.

The Group's accrued expenses include provision for warranty of \$11,021,000 (2022 : \$11,117,000). The Company's accrued expenses do not include provision for warranty.

The Group and the Company assessed the provision for warranty based on historical claim experience and estimated potential rectification costs for the products sold that qualify under the contractual warranty periods. Such provisions are assessed as a percentage of sales, determined by management based on the claim experience, the likelihood of claims and risks arising from the contracts covered by the warranty, and taking into consideration other factors such as industry benchmarks and technological failure rates.

## 20 CONTRACT LIABILITIES

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contract liabilities	94,731	121,211	3,748	9,155

Contract liabilities arise from advance payments from customers. In the case of design services, tooling and non-recurring engineering services, such advances arise when a particular milestone payment exceeds the work done to date. Contract liabilities are also recognised when a customer makes payment for the Group's working capital which the Group has deployed specifically for the customers' projects.

The decrease in the Group's contract liabilities in 2023 result from delivery of goods during the financial year.

As at 1 January 2022, contract liabilities amounted to \$73,052,000.

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

\$91,556,000 (2022 : \$56,775,000) of brought-forward contract liabilities were recognised in revenue in the current reporting period.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 21 LEASE LIABILITIES

(Group and Company as a lessee)

	The Group		The Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Maturity analysis:				
Within one year	9,431	11,966	4,306	6,560
In the second to fifth year inclusive	15,826	10,298	1,260	5,510
After five years	6,263	6,964	-	-
	31,520	29,228	5,566	12,070
Less: Unearned interest	(3,994)	(4,943)	(104)	(309)
	27,526	24,285	5,462	11,761
Analysed as:				
Current	8,981	10,800	4,212	6,299
Non-current	18,545	13,485	1,250	5,462
	27,526	24,285	5,462	11,761

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities.

## 22 SHARE CAPITAL, TREASURY SHARES AND RESERVES

### SHARE CAPITAL

	The Group and the Company			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	\$'000
	'000	'000		
Issued and paid up:				
At beginning of year	291,958	291,568	838,280	832,827
Issuance of shares	47	390	801	5,453
Shares purchased and cancelled	(80)	-	(1,026)	-
At end of year	291,925	291,958	838,055	838,280

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			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	\$'000
	'000	'000		
At beginning of year	954	1,000	15,535	16,061
Repurchased during the year	540	164	6,894	2,864
Reissuance pursuant to equity compensation plans	-	(210)	-	(3,390)
At end of year	1,494	954	22,429	15,535



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

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

### SHARE-BASED AWARDS RESERVE

This arises on the grant of share options and share awards to employees under the employee share option schemes and restricted share plans respectively. Further information about share-based payments to employees is set out in Note 24.

### INVESTMENTS REVALUATION RESERVE

This arises on revaluation of equity instruments designated as at FVTOCI (Note 12), net of cumulative gain/loss transferred to accumulated profits upon disposal.

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

### OTHER RESERVES

This mainly includes reserve fund of \$8,839,000 (2022 : \$7,334,000) offset by other reserves of \$7,306,000 (2022 : \$7,306,000).

The reserve fund is 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.

Other reserves arise from the delivery of treasury shares under the restricted share plans.

## 23 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.

## 24 SHARE-BASED PAYMENTS

### *Equity-settled share option schemes*

The Company has a share option scheme, known as the "Venture Corporation Executives' Share Option Scheme 2015" for qualifying employees of the Group and the Company which was approved on 25 April 2014 and commenced on 1 January 2015 (the "2015 Scheme"). The scheme is 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 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. The vesting period is three years with effect from the June 2022 grant, prior to which, the vesting period was 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 24 SHARE-BASED PAYMENTS (cont'd)

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

	The Group and the Company			
	2023		2022	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at beginning of year	2,089,900	16.88	2,012,500	18.56
Granted during the year	666,000	15.34	752,500	17.17
Exercised during the year	(47,000)	16.51	(390,000)	13.64
Cancelled during the year	(84,400)	10.69	(285,100)	16.88
Outstanding at end of year	<u>2,624,500</u>	16.31	<u>2,089,900</u>	16.88
Exercisable at end of year	<u>1,259,500</u>	16.32	<u>1,359,000</u>	17.51

The weighted average share price at the date of exercise for share options exercised during the year was \$17.45 (2022 : \$17.66). The options outstanding at the end of the year have a weighted average remaining exercisable period of 2.6 years (2022 : 2.9 years).

The Group recognised total expenses of \$653,000 (2022 : \$245,000) relating to the share options transactions during the year.

### Options granted

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

	Options granted on 30 June 2023 under the 2015 Scheme	Options granted on 30 June 2022 under the 2015 Scheme
Grant Ref No.	2015 Grant 9	2015 Grant 8
Estimated fair value of options granted on above dates	\$1.68 per option	\$2.01 per option
Share price at valuation date	\$14.71	\$16.63
Exercise price	\$15.71 <sup>(2)</sup> \$14.96 <sup>(3)</sup>	\$17.59 <sup>(1)</sup> \$16.75 <sup>(2)</sup>
Expected volatility	25.24% <sup>(4)</sup>	25.08% <sup>(4)</sup>
Exercise multiple (times)	1.03	1.03
Risk free rate	3.17%	2.81%
Expected dividend yield	5.10%	4.50%

<sup>(1)</sup> If exercised between 30 June 2025 and 29 June 2026

<sup>(2)</sup> If exercised between 30 June 2026 and 29 June 2027

<sup>(3)</sup> If exercised between 30 June 2027 and 29 June 2028

<sup>(4)</sup> Expected volatility was determined by considering the historical volatility of the Company's share price that commensurate with the contract life of the options. 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 24 SHARE-BASED PAYMENTS (cont'd)

### *Restricted Share Plan (RSP)*

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

The duration of RSP 2011 is 10 years commencing on 28 April 2011 and expired on 27 April 2021. Awards granted prior to such expiration, whether fully or partially released, will continue to be valid and subject to the terms and conditions of RSP 2011.

Following the expiry of RSP 2011, the Venture Corporation Restricted Share Plan 2021 (the "RSP 2021") was adopted at the Company's Annual General Meeting held on 29 April 2021 for a duration of 10 years.

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 RSPs. Such managers must have been employed in the Company and/or its subsidiaries for a specified tenure as determined by the Remuneration Committee.

The RSP 2011 and RSP 2021 are administered by the Company's Remuneration Committee.

Movement in the awards under the RSP 2011 by the Company during the year was as follows:

	<b>The Group and the Company</b>	
	<b>2023</b>	<b>2022</b>
At 1 January	354,000	653,000
Granted	-	-
Lapsed	-	(89,000)
Vested	-	(210,000)
At 31 December	<u>354,000</u>	<u>354,000</u>

Movement in the awards under the RSP 2021 by the Company during the year was as follows:

	<b>The Group and the Company</b>	
	<b>2023</b>	<b>2022</b>
At 1 January	126,000	-
Granted	140,500	126,000
Lapsed	(3,000)	-
Vested	-	-
At 31 December	<u>263,500</u>	<u>126,000</u>

The Group recognised total expenses of \$1,495,000 (2022 : \$763,000) relating to RSP 2011 and RSP 2021 transactions during the year.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 24 SHARE-BASED PAYMENTS (cont'd)

### *Awards granted under the RSP 2011 and 2021*

	2023	2022
Vest on	30 June 2028	30 June 2027
Risk-free interest rate	3.170%	2.809%
Share price at valuation date	\$14.71	\$16.63
Expected dividend yield	5.10%	4.50%
Fair value of the contingent award of shares at grant date using the above inputs (per share)	\$11.40	\$13.28

The awards have a 5-year vesting period and are subject to the rules of RSP 2011 and RSP 2021.

The mode of settlement of the awards under the RSP 2011 and RSP 2021 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 the above (i), (ii) and (iii)

The 10<sup>th</sup> and final Award of the RSP shares under RSP 2011 was made on 19 January 2021.

# NOTES TO FINANCIAL STATEMENTS

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## 25 REVENUE

	The Group	
	2023	2022
	\$'000	\$'000
Manufacturing, engineering, design and fulfilment services revenue	3,023,678	3,862,673
Dividend income	1,350	1,048
<b>Total</b>	<b>3,025,028</b>	<b>3,863,721</b>

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.

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period for contracts that have an original expected duration of a year or more. Where performance obligations are part of a contract that has an original expected duration of a year or less, or if revenue is recognised based on the Group's right to invoice the customer in the amount that corresponds directly with the value of the Group's performance completed to date, no disclosure of transaction price allocated to remaining performance obligations is made in accordance with SFRS(I) 15.120.

	The Group	
	2023	2022
	\$'000	\$'000
Design services	1,913	1,405
Non-recurring engineering services and tooling	8,080	4,357
<b>Total</b>	<b>9,993</b>	<b>5,762</b>

Management expects that 77% (2022 : 100%) of the transaction price allocated to the unsatisfied contracts as of 31 December 2023 will be recognised as revenue during the next reporting period.

## 26 OTHER INCOME

	The Group	
	2023	2022
	\$'000	\$'000
Government grants	3,841	871
Other income	904	1,201
<b>Total</b>	<b>4,745</b>	<b>2,072</b>

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 27 INVESTMENT REVENUE

	The Group	
	2023	2022
	\$'000	\$'000
Interest income on bank deposits	27,998	8,918
Gain on disposal of financial asset	162	314
Total	28,160	9,232

## 28 INCOME TAX

	The Group	
	2023	2022
	\$'000	\$'000
Income tax on profit for the year:		
Current year	65,656	81,537
Under (Over) provision in prior years	95	(992)
Deferred income tax (Note 17):		
Current year	(1,541)	(253)
Underprovision of deferred tax assets in prior years	(4,176)	(1,510)
Total	60,034	78,782

Domestic income tax of the Company is calculated at 17% (2022 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	The Group	
	2023	2022
	\$'000	\$'000
Profit before income tax	330,761	448,896
Income tax expense at statutory tax rate	56,229	76,312
(Non-taxable) Non-allowable items	(1,283)	2,745
Under (Over) provision of income tax in prior years, net	95	(992)
Underprovision of deferred tax assets in prior years, net	(4,176)	(1,510)
Deferred tax benefits not recognised	3,715	477
Effect of different tax rates of overseas operations	8,806	12,897
Tax-exempt income / Income under concessionary tax rate	(478)	(10,534)
Utilisation of deferred tax benefits previously not recognised	(2,709)	(431)
Other items	(165)	(182)
Total income tax	60,034	78,782

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 28 INCOME TAX (cont'd)

The income tax for the Group differs from the amount determined by applying the statutory tax rates primarily due to certain 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 endeavour to satisfy all qualifying terms and conditions. Accordingly, tax provisions for the Group have been made on the basis that the tax incentives will be utilised.

Subject to agreement with the relevant tax authorities, the Group has the following available for offsetting against future taxable income of which no deferred tax asset has been recognised:

	<b>Tax losses carryforward \$'000</b>	<b>Other temporary differences carryforward \$'000</b>	<b>Total \$'000</b>
Balance at 1 January 2022	14,697	1,615	16,312
Amount in current year	2,792	13	2,805
Amount utilised in current year	(922)	(1,615)	(2,537)
Balance at 31 December 2022	16,567	13	16,580
Amount in current year	1,713	23,155	24,868
Amount utilised in current year	(2,313)	(6,585)	(8,898)
Balance at 31 December 2023	15,967	16,583	32,550
Deferred tax benefit on above not recorded:			
At 31 December 2023	2,714	2,819	5,533
At 31 December 2022	2,816	2	2,818

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 \$31,670,000 (2022: \$26,673,000). 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 29 PROFIT FOR THE YEAR

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

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of inventories recognised as expense	2,255,015	2,923,640
(Gain) Loss on disposal of plant and equipment, net	(50)	55
(Reversal of) Allowance for inventory provisions (Note 10)	(3,406)	767
<u>Directors' remuneration:</u>		
- Directors of the Company	8,026	10,138
- Directors of the subsidiaries	10,879	10,745
- Directors' fees payable to Directors of the Company	715	817
Total Directors' remuneration	19,620	21,700
<u>Employee benefits expense (including Directors' remuneration):</u>		
- Equity settled share-based payments	2,148	1,008
- Defined contribution plans	26,867	27,413
- Salaries	294,105	333,192
Total employee benefits expense	323,120	361,613
<u>Impairment loss on financial assets:</u>		
- Loss allowance provided (recovered)	8	(68)
- Net re-measurement of loss allowance (Note 7)	(491)	405
	(483)	337
<u>Audit fees:</u>		
- Paid to auditors of the Company and network firms	611	600
- Paid to other auditors	51	51
Total audit fees	662	651
<u>Non-audit fees:</u>		
- Paid to auditors of the Company and network firms	33	2
Aggregate amount of fees paid to auditors	695	653
Interest expense on lease liabilities	724	517
Expense relating to short-term leases and leases of low value assets	3,461	3,648



# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 30 EARNINGS PER SHARE

	The Group			
	2023		2022	
	Basic \$'000	Diluted \$'000	Basic \$'000	Diluted \$'000
Profit for the year attributable to owners of the Company	270,017	270,017	369,617	369,617
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares used to compute earnings per share	290,854	291,472	290,878	291,528
Earnings per share (cents)	92.8	92.6	127.1	126.8

## 31 CAPITAL EXPENDITURE COMMITMENTS

	The Group	
	2023 \$'000	2022 \$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	9,475	30,087

In 2022, a subsidiary of the Group entered into a contract for construction of a building and related renovation works which costs \$45,000,000. In 2023, the subsidiary entered into additional contracts for the construction of the building and related renovation works amounting to \$11,600,000, totalling to \$56,600,000. As at 31 December 2023, \$48,860,000 had been paid and recorded as Asset under Construction in Note 13.

## 32 SEGMENT INFORMATION

In accordance with disclosures under SFRS(I) 8 *Operating Segments*, the Group's report on its operating segment is based on information shared internally with the Group's chief operating decision makers.

Historically, the Group reported its operating segments as follows: (i) Advanced Manufacturing and Design Solutions (AMDS) and, (ii) Technology Products and Design Solutions (TPS).

In 2023, the Group conducted a reorganisation of its business groupings. The Group is predominantly a provider of manufacturing, engineering, design and fulfilment services to the global electronics industry and the nature of the production process and distribution modes of the products for Venture's wide range of customers are fairly similar within Electronic Manufacturing Services (EMS++). Hence, in alignment with this restructuring, it is more appropriate to discontinue reporting under AMDS and TPS. This change has been effected in 2023 interim financial statements. The revised disclosure is also consistent with the presentation of the Group's Statement of Comprehensive Income.

Disclosures by geographical locations and technology domains accurately reflect the nature and scope of the Group's current undertakings and provide a clear picture of its diverse global businesses to users of the financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 32 SEGMENT INFORMATION (cont'd)

### Group's revenue by Technology Domains

	2023 \$'000	2022 \$'000
Portfolio A <sup>(1)</sup>	1,291,166	1,700,028
Portfolio B <sup>(2)</sup>	1,733,862	2,163,693
Consolidated revenue	<u>3,025,028</u>	<u>3,863,721</u>

<sup>(1)</sup> Portfolio A comprised Life Science, Genomics, Molecular Diagnostics and Related Materials Technology, Medical Devices and Equipment, Healthcare & Wellness Technology, Lifestyle Consumer Technology, Health Improvement Products and Others.

<sup>(2)</sup> 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, Semiconductor Related Products, Printing & Imaging, Related Components Technology and Others.

### 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 investment in associate, deferred tax assets and financial assets) by geographical locations are detailed below:

	Revenue from external customers		Non current assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	805,498	917,598	684,880	692,363
Asia-Pacific (excluding Singapore)	2,047,997	2,751,902	173,260	136,827
Others	171,533	194,221	55,923	59,250
Total	<u>3,025,028</u>	<u>3,863,721</u>	<u>914,063</u>	<u>888,440</u>

### Information about major customers

The total revenue for the EMS++ segment includes revenue from two customers (2022 : one customer) which individually makes up more than 10% of the Group's total revenue.

# NOTES TO FINANCIAL STATEMENTS

31 December 2023

## 33 DIVIDENDS

In the financial year ended 31 December 2023, the Company declared and paid:

- (i) a final one-tier tax-exempt dividend of \$0.50 per ordinary share on the ordinary shares of the Company totalling \$145,505,000 in respect of the financial year ended 31 December 2022; and
- (ii) an interim one-tier tax-exempt dividend of \$0.25 per ordinary share on the ordinary shares of the Company totalling \$72,728,000 in respect of the financial year ended 31 December 2023.

In respect of the financial year ended 31 December 2023, 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. The total estimated dividend to be paid is \$145,215,000.

This proposed dividend has not been included as a liability in these financial statements as it is subject to approval by shareholders at the Annual General Meeting to be held in 2024.

In the financial year ended 31 December 2022, the Company declared and paid:

- (i) a final one-tier tax-exempt dividend of \$0.50 per ordinary share on the ordinary shares of the Company totalling \$145,337,000 in respect of the financial year ended 31 December 2021; and
- (ii) an interim one-tier tax exempt dividend of \$0.25 per ordinary share on the ordinary shares of the Company totalling \$72,778,000 in respect of the financial year ended 31 December 2022.

## 34 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective.

### Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

### Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) 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.

# ANALYSIS OF SHAREHOLDINGS

As at 7 March 2024

Number of issued and paid-up shares	:	291,637,477
Number of treasury shares	:	1,494,000
Number of issued and paid-up shares (excluding treasury shares)	:	290,143,477
Class of shares	:	Ordinary
Voting rights	:	One vote per share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	37	0.24	679	0.00
100 – 1,000	7,349	47.61	5,158,211	1.78
1,001 – 10,000	7,228	46.83	25,089,653	8.65
10,001 – 1,000,000	809	5.24	28,475,687	9.81
1,000,001 and above	13	0.08	231,489,247	79.76
	15,436	100.00	290,213,477	100.00

**Note:**

As at 7 March 2024, the Company has no subsidiary holdings. The information in the table above does not take into account the 70,000 shares bought back by the Company from the market and cancelled immediately on 6 March 2024.

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares held	% <sup>(1)</sup>
1	CITIBANK NOMINEES SINGAPORE PTE LTD	71,928,973	24.78
2	DBSN SERVICES PTE. LTD.	43,190,130	14.88
3	RAFFLES NOMINEES (PTE.) LIMITED	38,866,231	13.39
4	DBS NOMINEES (PRIVATE) LIMITED	33,573,620	11.57
5	HSBC (SINGAPORE) NOMINEES PTE LTD	28,822,506	9.93
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,235,354	1.46
7	BPSS NOMINEES SINGAPORE (PTE.) LTD.	2,637,110	0.91
8	PHILLIP SECURITIES PTE LTD	2,098,752	0.72
9	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,400,222	0.48
10	WONG NGIT LIONG	1,231,619	0.42
11	OCBC SECURITIES PRIVATE LIMITED	1,225,101	0.42
12	IFAST FINANCIAL PTE. LTD.	1,176,129	0.41
13	TAN CHOON HUAT	1,103,500	0.38
14	YONG YING-I	900,000	0.31
15	UOB KAY HIAN PRIVATE LIMITED	889,415	0.31
16	YONG WEI-WOO NEE CHEANG WEI-WOO	650,000	0.22
17	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	452,305	0.16
18	SOO ENG HIONG	434,518	0.15
19	LIM & TAN SECURITIES PTE LTD	428,316	0.15
20	SOCIETE GENERALE SINGAPORE BRANCH	387,087	0.13
		235,630,888	81.18

**Note:**

<sup>(1)</sup> Based on 290,213,477 Shares in issue as at 7 March 2024 (being 291,707,477 Shares in issue and disregarding 1,494,000 Shares held in treasury). The information in the table above does not take into account the 70,000 shares bought back by the Company from the market and cancelled immediately on 6 March 2024.

# ANALYSIS OF SHAREHOLDINGS

As at 7 March 2024

## SUBSTANTIAL SHAREHOLDERS

Based on information received by the Company as at 7 March 2024

Name	Direct Interest	% <sup>(1)</sup>	Deemed Interest <sup>(2)</sup>	% <sup>(1)</sup>
Ameriprise Financial, Inc. <sup>(3)</sup>	–	–	18,979,236	6.54
Wong Ngjit Liong	20,695,219	7.13	–	–

### Notes:

<sup>(1)</sup> Based on 290,143,477 Shares in issue as at 7 March 2024 (being 291,637,477 Shares in issue and disregarding 1,494,000 Shares held in treasury).

<sup>(2)</sup> Deemed interest refer to interests determined pursuant to Section 7 of the Companies Act 1967.

<sup>(3)</sup> Ameriprise Financial, Inc. is a Substantial Shareholder by virtue of its deemed interest in the Shares held by its various subsidiaries.

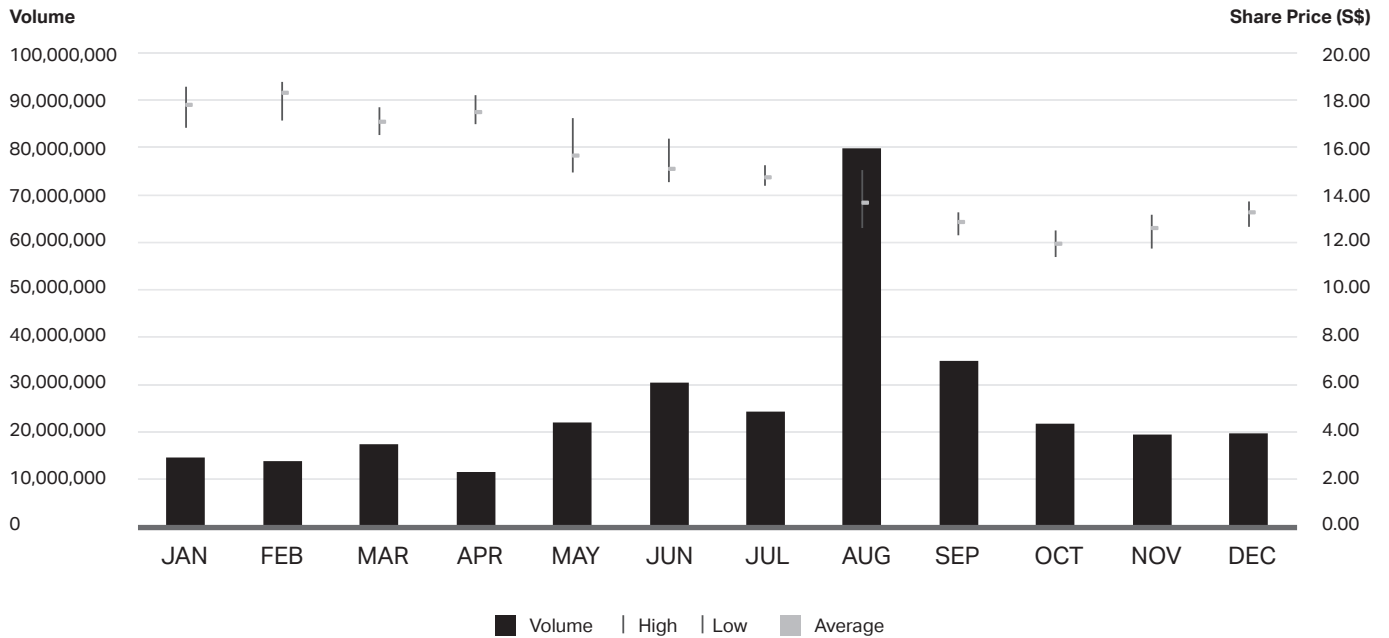
## SHARES HELD IN THE HANDS OF THE PUBLIC

Based on information received by the Company as at 7 March 2024, approximately 86.25% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

# SHARE PERFORMANCE

Year ended 31 December 2023

Share Prices	2023 (S\$)
Last Transacted	13.61
High	18.75
Low	11.36
Average	15.00
Total Volume for 2023	310,464,516



# INTERNATIONAL NETWORK

## SINGAPORE

### **Venture Corporation Limited**

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### **Advanced Products Corporation Pte Ltd**

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### **Cebelian Holdings Pte Ltd**

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### **GES (Singapore) Pte Ltd**

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### **VIPColor Technologies Pte Ltd**

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### **Winza Pte. Ltd.**

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# INTERNATIONAL NETWORK

## MALAYSIA

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### **Pintarmas Sdn. Bhd.**

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### **Venture PH (M) Sdn. Bhd.**

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### **Technocom Systems Sdn. Bhd.**

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# INTERNATIONAL NETWORK

## CHINA

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F : +(1284) 494-5283

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following information relating to Mr Wong Yew Meng and Ms Kuok Oon Kwong, who are standing for re-election as Directors at the Company's Annual General Meeting ("AGM") to be held on Friday, 26 April 2024 at 10.30 a.m. (Singapore Time), is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	Wong Yew Meng	Kuok Oon Kwong
<b>Date of Appointment</b>	1 September 2009	1 January 2018
<b>Date of Last Re-Appointment (if applicable)</b>	29 April 2021	29 April 2021
<b>Age</b>	74	77
<b>Country of Principal Residence</b>	Singapore	Singapore
<b>The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)</b>	The Board had considered the Nominating Committee's recommendation and assessment on Mr Wong's qualifications and experiences as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that he will continue to contribute relevant knowledge, skills and experience and complement the diversity of the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Ms Kuok's qualifications and experiences as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that she will continue to contribute relevant knowledge, skills and experience and complement the diversity of the Board.
<b>Whether the appointment is executive, and if so, the area of responsibility</b>	No	No
<b>Job Title</b>	<ol style="list-style-type: none"> <li>1. Non-Independent Non-Executive Director</li> <li>2. Member, Remuneration Committee</li> <li>3. Member, Investment Committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Independent Non-Executive Director</li> <li>2. Chairperson, Nominating Committee</li> <li>3. Chairperson, Remuneration Committee</li> </ol>
<b>Professional qualifications</b>	<ul style="list-style-type: none"> <li>• Degree in Economics from the London School of Economics and Political Science</li> <li>• Fellow of the Institute of Chartered Accountants in England and Wales</li> <li>• Member of the Institute of Singapore Chartered Accountants.</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate and Solicitor (Barrister-at-Law) from Gray's Inn, London.</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Wong Yew Meng	Kuok Oon Kwong
<b>Working Experience and occupation(s) during the past 10 years</b>	<p>Mr Wong Yew Meng currently serves on the board of Singapore Deposit Insurance Corporation Limited.</p> <p>Mr Wong was previously Chairman of the Health Promotion Board, Chairman of the Singapore National Eye Centre, a Director of the Singapore Eye Research Institute, Kidney Dialysis Foundation Ltd and Ascendas Funds Management (S) Ltd, and a board member of the People's Association, Public Utilities Board, the Land Transport Authority of Singapore and the Competition Commission of Singapore (now known as the Competition and Consumer Commission of Singapore) amongst other appointments. Mr Wong was also a former member of the Board of Trustees of Nanyang Technological University.</p>	<p>Ms Kuok Oon Kwong is a Director of Shangri-La Hotel Limited (Singapore). She also sits on the Boards of Kuok (Singapore) Limited and its various subsidiaries. Ms Kuok was previously the Executive Chairman of Allgreen Properties Limited, the Managing Director of Shangri-La Hotels (Malaysia) Berhad and a Director of Kuok Brothers Sdn Bhd.</p> <p>Ms Kuok is currently the Chairman of the Yale-NUS College Governing Board. She has made notable contributions to education, tourism, healthcare, the arts and the environment, serving and also having chaired and served on several other educational and community service organisations, industry groups and government bodies, including Singapore Business Federation, The Council for Board Diversity, SymAsia Singapore Fund, Singapore Hotels Association, National Healthcare Group Pte Ltd, MOH Holdings Pte Ltd, Singapore Tourism Board, NUS Board of Trustees, National Arts Council, South West CDC, Singapore Environment Council, National Environment Agency, The Courage Fund Limited, Resilience Collective Limited and Northlight School.</p>
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	NIL	NIL
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</b>	NIL	NIL
<b>Conflict of Interest (including any competing business)</b>	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Wong Yew Meng	Kuok Oon Kwong
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>	Yes	Yes
<b>Other Principal Commitments Including Directorships</b>		
<b>Past (for the last 5 years)</b>	<ul style="list-style-type: none"> <li>• Member of the Board of Trustees, Nanyang Technological University</li> <li>• Director, Kidney Dialysis Foundation Ltd</li> <li>• Board member, Ascendas Funds Management (S) Ltd (manager of Ascendas REIT)</li> <li>• Board member, Land Transport Authority of Singapore</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman, National Healthcare Group Pte Ltd</li> <li>• Board Member, MOH Holdings Pte Ltd</li> <li>• Director, Shangri-La Hotels Public Company Limited (Thailand)</li> <li>• Managing Director, Shangri-La Hotels (Malaysia) Bhd</li> <li>• Vice-Chair, VIVA Foundation for Children with Cancer</li> <li>• Chairman, The Courage Fund Limited</li> <li>• Executive Chairman, Allgreen Properties Limited</li> <li>• Chairman, TTSH Community Fund</li> <li>• NUS Board of Trustees</li> <li>• Board Member, Northlight School</li> <li>• Director, Kuok Brothers Sdn Bhd</li> </ul>
<b>Present</b>	<ul style="list-style-type: none"> <li>• Board member, Singapore Deposit Insurance Corporation Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman, Yale-NUS College Governing Board</li> <li>• Board Member, Singapore Hotels Association</li> <li>• Board of Trustees, Singapore Business Federation</li> <li>• Council Member, The Council for Board Diversity</li> <li>• Director, First Property Holdings Pte Ltd</li> <li>• Director, Kuok (Singapore) Limited</li> <li>• Director, Kuok Foundation Bhd</li> <li>• Director, Orange Grove Holdings Pte Ltd</li> <li>• Director, Resilience Collective Ltd.</li> <li>• Director, Sentosa Beach Resort Pte Ltd</li> <li>• Director, Shangri-La Hotel Limited (Singapore)</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Wong Yew Meng	Kuok Oon Kwong
<b>Information required</b>		
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. <b>If the answer to any question is "yes", full details must be given.</b>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Wong Yew Meng	Kuok Oon Kwong
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: -		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Wong Yew Meng	Kuok Oon Kwong
<p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No



## VENTURE CORPORATION LIMITED

(Incorporated in Singapore)

(Co. Reg. No: 198402886H)

### NOTICE OF ANNUAL GENERAL MEETING

#### **Informal Briefing on FY2023 Results**

**The Company's Chief Financial Officer, Ms Anthea Ng, will take questions on our FY2023 Results from 9.30 a.m. to 10.00 a.m. (Singapore time) prior to the commencement of the Annual General Meeting.**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Venture Corporation Limited (the "**Company**") will be held at 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873, on **Friday, 26 April 2024 at 10.30 a.m. (Singapore time)** for the following purposes:

#### **AS ORDINARY BUSINESS**

**Resolution 1.** To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 ("**FY2023**") together with the Auditor's Report thereon.

**Resolution 2.** To declare a final one-tier tax-exempt dividend of 50 cents per ordinary share for FY2023 (FY2022: final one-tier tax-exempt dividend of 50 cents per ordinary share).

**Resolution 3.** To re-elect the following Director, who will retire by rotation pursuant to Regulation 106 of the Constitution of the Company and who, being eligible, offers himself for re-election:

Mr Wong Yew Meng

**Resolution 4.** To re-elect the following Director, who will retire by rotation pursuant to Regulation 106 of the Constitution of the Company and who, being eligible, offers herself for re-election:

Ms Kuok Oon Kwong

To note the retirement of Ms Yeo Siew Eng as a Director of the Company in accordance with Regulation 106 of the Constitution of the Company.

(Note: Ms Yeo Siew Eng will not be seeking re-election and will retire as a Director of the Company at the conclusion of this Annual General Meeting. Upon her retirement as a Director of the Company, she will cease to be a member of the Company's Audit & Risk Committee and Remuneration Committee.)

**Resolution 5.** To approve the payment of Directors' fees of S\$715,260 for FY2023 (FY2022: S\$817,479).

**Resolution 6.** To re-appoint Messrs Deloitte & Touche LLP as the Company's Auditor and to authorise the Directors to fix their remuneration.

#### **AS SPECIAL BUSINESS**

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

#### **Resolution 7. Authority to allot and issue shares**

That, pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and the listing rules 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



# NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, awards, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued during the continuance of this authority or thereafter, 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 and subsidiary holdings (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 and subsidiary holdings (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 and subsidiary holdings at the time this Resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of convertible securities;
  - (ii) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares,

provided further that adjustments in accordance with sub-paragraph (b)(i) or (b)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (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;
- (d) in this Resolution, “**subsidiary holdings**” has the meaning ascribed to it in the Listing Manual of the SGX-ST; and
- (e) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the earlier of (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held.

# NOTICE OF ANNUAL GENERAL MEETING

## Resolution 8. That authority be and is hereby given to the Directors of the Company to:

- (a) offer and grant options and/or share awards pursuant to the provisions of the Venture Corporation Executives' Share Option Scheme 2015 (the "**2015 Scheme**") and the Venture Corporation Restricted Share Plan 2021 (the "**RSP 2021**"), respectively, during the Relevant Period; and
- (b) allot and issue such number of Shares in the Company from time to time as may be required to be issued pursuant to the exercise of options and/or the vesting of awards granted pursuant to sub-paragraph (a) above,

provided that the maximum number of Shares to be issued in connection with the grant of options and/or awards during the Relevant Period pursuant to sub-paragraph (a) above, **shall not exceed 0.5%** of the total number of issued Shares (excluding treasury shares) as of the date immediately before the grant of the options and/or share awards pursuant to sub-paragraph (a),

and in this Resolution, "**Relevant Period**" means the period from the date of this Annual General Meeting until the earlier of (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held.

## Resolution 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 or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

# NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

**“Average Closing Price”** means the average of the closing market prices of the Shares for the five (5) consecutive Market Days (as defined in the Letter to Shareholders dated 4 April 2024) on which the Shares were 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 during the relevant five-day period and the day on which the purchases are made, or in the case of off-market purchases, the date of the making of the offer pursuant to the off-market purchase;

**“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 5% of the total number of issued Shares** as at the date of the passing of this Resolution (excluding subsidiary holdings and any Shares which are held as treasury shares as at that date);

**“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

**“subsidiary holdings”** has the meaning ascribed to it in the Listing Manual of the SGX-ST; 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 such Director may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

## Resolution 10. Proposed Adoption of the Venture Corporation Executives’ Share Option Scheme 2025

That:

- (a) a new share option scheme to be known as the “Venture Corporation Executives’ Share Option Scheme 2025” (the **“2025 Scheme”**), details of which are set out in the Letter to Shareholders dated 4 April 2024, the commencement date of which shall be 1 January 2025, under which options (the **“Options”**) will be granted to selected employees of the Company and/or its subsidiaries, including executive directors of the Company and other selected participants, to acquire the Shares, be and is hereby approved;

# NOTICE OF ANNUAL GENERAL MEETING

- (b) the Directors of the Company be and are hereby authorised:
- (i) to establish and administer the 2025 Scheme;
  - (ii) to modify and/or alter the 2025 Scheme from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the 2025 Scheme, and to do all such acts and to enter into all such transactions and arrangements as may be desirable, necessary or expedient in order to give full effect to the 2025 Scheme;
  - (iii) to offer and grant Options in accordance with the provisions of the 2025 Scheme and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of Options under the 2025 Scheme (notwithstanding that such issue of Shares pursuant to any Options granted by the Directors whilst this Resolution was in force may occur after the expiration of the authority contained in this Resolution), or to deliver existing Shares (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 the exercise of Options under the 2025 Scheme, provided that the aggregate number of Shares to be issued and existing Shares which may be transferred pursuant to Options granted under the 2025 Scheme, when added to the aggregate number of Shares issued and issuable and existing Shares delivered and deliverable in respect of:
    - (I) all Awards granted under the RSP 2021 after 31 December 2024, being the date on which the 2015 Scheme expires;
    - (II) all Options granted under the 2025 Scheme; and
    - (III) all options or awards granted under any other share option schemes or share plans of the Company then in force (if any),shall not exceed 5% of the total number of issued Shares (excluding treasury shares) from time to time; and
  - (iv) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this Resolution.

By Order of the Board

**Juliana Zhang**  
Company Secretary

Singapore  
4 April 2024

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

**Resolution 2** Ordinary Resolution 2 is to approve the declaration of a final dividend of 50 cents per ordinary share. If approved, the total one-tier tax-exempt dividend per ordinary share for FY2023 is 75 cents which comprises the proposed final dividend of 50 cents and the interim dividend of 25 cents paid on 14 September 2023.

**Resolution 3** Mr Wong Yew Meng was last re-elected as a Director of the Company on 29 April 2021. He is considered by the Board of Directors to be a Non-Independent Non-Executive Director.

Upon his re-election as a Director of the Company, Mr Wong Yew Meng will continue to serve as a member of the Remuneration Committee and the Investment Committee.

The profile and experience of Mr Wong Yew Meng can be found in the "Board of Directors" and "Additional Information on Directors Seeking Re-election" sections of the Company's FY2023 Annual Report.

**Resolution 4** Ms Kuok Oon Kwong was last re-elected as a Director of the Company on 29 April 2021. She is considered by the Board of Directors to be an Independent Non-Executive Director.

Upon her re-election as a Director of the Company, Ms Kuok Oon Kwong will continue to serve as Chairperson of the Nominating Committee and the Remuneration Committee respectively.

The profile and experience of Ms Kuok Oon Kwong can be found in the "Board of Directors" and "Additional Information on Directors Seeking Re-election" sections of the Company's FY2023 Annual Report.

**Resolution 5** Ordinary Resolution 5 is to approve the payment of Directors' fees of S\$715,260 for FY2023 (FY2022: S\$817,479), for services rendered by the Non-Executive Directors on (i) the Board and the Board Committees, i.e. the Audit & Risk Committee, the Nominating Committee and the Remuneration Committee, and (ii) the Investment Committee and the Science, Technology, and Engineering Committee.

The Directors' fee structure remains the same for FY2023. The last revision to the Directors' fee structure was in FY2017. The Remuneration Committee endorsed management's proposal on the Directors' fee structure.

There is no scheme or arrangement for payment of Directors' fees in the form of equity.

Additional information on the Directors' fees can be found in the "Corporate Governance Report" within the Company's FY2023 Annual Report.

**Resolution 7** Ordinary Resolution 7, if passed, will authorise the Directors from the date of this 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 or options 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 and subsidiary holdings) ("**30% Limit**"), of which up to 10% may be issued other than on a pro rata basis to shareholders.

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 and subsidiary holdings) if made on a pro rata basis to shareholders. The Company however, is only seeking a 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.

# NOTICE OF ANNUAL GENERAL MEETING

**Resolution 8** Ordinary Resolution 8, if passed, will authorise the Directors to grant options under the 2015 Scheme pursuant to Grant No. 10 and/or share awards under the RSP 2021 pursuant to Award B3 during the Relevant Period, and allot and issue Shares pursuant to the exercise of such options/awards granted under the 2015 Scheme Grant No. 10 and RSP 2021 Award B3, respectively. The Resolution sets out the limit that the aggregate number of Shares to be issued pursuant to the grant of options and/or awards during the Relevant Period shall not exceed 0.5% of the total number of issued Shares (excluding treasury shares) in the capital of the Company as of the date immediately before the grant of the options and/or share awards.

The Company has internally set a maximum combined Share Plans' limit of 5% (for both options and awards, including any utilisation of treasury shares). This limit is below the combined permissible limit of 10% approved under the Share Plans.

**Resolution 9** Ordinary Resolution 9, if passed, will renew the mandate to permit the Company to purchase or otherwise acquire Shares on the terms and subject to the conditions of the Resolution.

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.

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 Shareholders) for FY2023 and the assumptions set out in paragraph 2.7 of the Letter to Shareholders. Please refer to the Letter to Shareholders dated 4 April 2024 for more details.

The Company is seeking a lower Maximum Limit of 5% of the total number of issued Shares, which is lower than the 10% limit allowed under the Listing Manual of the SGX-ST.

**Resolution 10** Ordinary Resolution 10, if passed, will approve the adoption of the 2025 Scheme. The 2025 Scheme is intended to replace the 2015 Scheme which is due to expire on 31 December 2024. The 2025 Scheme has substantially the same terms as the 2015 Scheme, save for a reduction in the overall limit of the aggregate number of new Shares which may be issued and existing Shares which may be delivered from 10% to 5% as explained below, amendments to take into account the changes to relevant legislation and the Listing Manual of the SGX-ST, and changes to streamline and rationalise certain other provisions.

If passed, Ordinary Resolution 10 will empower the Directors to offer and grant Options under the 2025 Scheme, and to issue fully paid-up Shares or deliver existing Shares pursuant to the exercise of Options under the 2025 Scheme, provided that the aggregate number of Shares to be issued and existing Shares which may be transferred pursuant to Options granted under the 2025 Scheme, when added to the aggregate number of Shares issued and issuable and existing Shares delivered and deliverable in respect of:

- (1) all Awards granted under the RSP 2021 after 31 December 2024, being the date on which the 2015 Scheme expires;
- (2) all Options granted under the 2025 Scheme; and
- (3) all options or awards granted under any other share option schemes or share plans of the Company then in force (if any),

shall not exceed 5% of the total number of issued Shares (excluding treasury shares) from time to time.

Any shareholder who is eligible to participate in the 2025 Scheme is reminded to abstain from voting his or her Shares in respect of Ordinary Resolution 10. The Company will disregard any votes cast by such shareholder. Please refer to the Letter to Shareholders dated 4 April 2024 for more details.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

### *Format of Meeting*

1. The Annual General Meeting is being convened, and will be held, at 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873 on Friday, 26 April 2024 at 10.30 a.m. (Singapore time). **There will be no option for shareholders to participate virtually.** Please bring along your NRIC or passport to enable the Company to verify your identity.

Printed copies of the Notice of Annual General Meeting, Proxy Form and Request Form will be mailed to shareholders. This Notice is also published on the Company's website at <http://venture.listedcompany.com/ar.html> and available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

2. Each of the resolutions to be put to vote at the Annual General Meeting (and at any adjournment thereof) will be voted on by way of a poll.

### *Appointment of Proxy(ies)*

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) 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 (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC or passport number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. If the relevant information is not specified, the first named proxy shall be deemed to represent 100% of the shareholdings. For the avoidance of doubt, a CPF Agent Bank who intends to appoint Central Provident Fund Investment Scheme investors ("CPFIS") or Supplementary Retirement Scheme ("SRS") investors as its proxies shall comply with this Note.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at [vclagm2024@boardroomlimited.com](mailto:vclagm2024@boardroomlimited.com),

in either case, at least 72 hours before the time appointed for holding the Annual General Meeting.

A shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the proxy form which is sent to him/her/it by post or download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his or her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either in accordance with its Constitution or under the hand of an attorney or duly authorised officer.
7. Where the instrument appointing a proxy(ies) 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.

# NOTICE OF ANNUAL GENERAL MEETING

8. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, 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(ies).
9. Completion and submission of the instrument appointing a proxy(ies) by a shareholder will not prevent such shareholder from attending, speaking and voting at the Annual General Meeting if he or she so wishes. The appointment of the proxy(ies) for the Annual General Meeting will be deemed to be revoked if the shareholder attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Annual General Meeting.
10. 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(ies) lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by the CDP to the Company.
11. CPFIS and SRS investors:
  - (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 16 April 2024**.

## *Submission of Questions*

12. Shareholders (including CPFIS/SRS investors) may submit questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting, in the following manner, no later than **5.00 p.m. on 13 April 2024** (the “Cut-Off Time”):
  - (a) by email. Shareholders may submit their questions by email to [investor.relations@venture.com.sg](mailto:investor.relations@venture.com.sg); or
  - (b) by post. Shareholders may submit their questions by post to 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873 (Attn: Investor Relations Department).

When sending questions by email or by post, shareholders should state their (i) full name, (ii) address, (iii) contact number and/or email address and (iv) the manner in which the shareholder holds shares in the Company (e.g., via CDP, Scrip-based, CPF or SRS).

13. The Company will address all substantial and relevant questions received from shareholders by 19 April 2024 on the Company’s website at <http://venture.listedcompany.com/ar.html> and on the SGX website at <https://www.sgx.com/securities/company-announcements>. The Company will respond to any subsequent clarifications sought or follow-up questions received after the Cut-Off Time in respect of substantial and relevant matters, prior to or at the Annual General Meeting. Where substantially similar questions are received, the Company will consolidate its response to such questions.
14. Shareholders, including CPFIS and SRS investors, and (where applicable) duly appointed proxies may also ask the Chairman of the Meeting questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.

## *Access to Documents*

15. The FY2023 Annual Report and the Letter to Shareholders dated 4 April 2024 in relation to the proposed (i) renewal of the Share Purchase Mandate, and (ii) adoption of the Venture Corporation Executives’ Share Option Scheme 2025, have been published on the Company’s website at <http://venture.listedcompany.com/ar.html> and on the SGX website at <https://www.sgx.com/securities/company-announcements>. You will need an internet browser and PDF reader to view these documents.
16. Shareholders may request for a printed copy of the FY2023 Annual Report and the Letter to Shareholders by completing the Request Form which has been sent to shareholders via post.



# NOTICE OF ANNUAL GENERAL MEETING

## 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 RECORD DATE

**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and Register of Members of Venture Corporation Limited (the "**Company**") will be closed at 5.00 p.m. on **8 May 2024** for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 8 May 2024 will be registered to determine shareholders' entitlements to the proposed dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the capital of the Company as at 5.00 p.m. on 8 May 2024 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 26 April 2024, will be made on 21 May 2024.

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# VENTURE CORPORATION LIMITED

(Incorporated in Singapore)  
(Company Registration Number: 198402886H)

## PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

- The Annual General Meeting ("AGM") of Venture Corporation Limited (the "Company") will be held at 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873 on **Friday, 26 April 2024 at 10.30 a.m. (Singapore time)**. **There will be no option for shareholders to participate virtually.** Printed copies of the Notice of AGM dated 4 April 2024 and this proxy form will be sent by post to members. These documents are also available on the Company's website at <http://venture.listedcompany.com/ar.html> and the Singapore Exchange Securities Trading Limited's website at <https://sgx.com/securities/company-announcements>.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPFIS/SRS investors who hold Shares through CPF Agent Banks/SRS Operators. CPFIS/SRS investors:
  - may vote at the AGM if they are appointed as proxies by their CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
  - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 16 April 2024.
- By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2024.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (\*NRIC/Passport/Co. Reg No.)

of \_\_\_\_\_ (Address)

being \*a member/members of the Company, hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

\* and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

or failing \*him/them, the Chairman of the Meeting as \*my/our proxy to attend, speak and vote on \*my/our behalf at the AGM of the Company to be held at 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873 on Friday, 26 April 2024 at 10.30 a.m. (Singapore time) and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated below.

No.	Resolutions relating to:	No. of Votes		
		For	Against	Abstain
<b>Ordinary Business</b>				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 and the Auditor's Report thereon			
2	Payment of proposed final one-tier tax-exempt dividend			
3	Re-election of Mr Wong Yew Meng as a Director			
4	Re-election of Ms Kuok Oon Kwong as a Director			
5	Approval of Directors' fees amounting to S\$715,260			
6	Re-appointment of Deloitte & Touche LLP as Auditor and authorisation for Directors to fix their remuneration			
<b>Special Business</b>				
7	Authority to allot and issue Shares			
8	Authority to offer and grant options and/or share awards and to allot and issue Shares pursuant to the Venture Corporation Executives' Share Option Scheme 2015 and the Venture Corporation Restricted Share Plan 2021, respectively, not exceeding 0.5% of the total number of issued Shares			
9	Renewal of the Share Purchase Mandate			
10	Adoption of the Venture Corporation Executives' Share Option Scheme 2025			

**Note:** Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of Shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of Shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM and at any adjournment thereof.

\* Delete accordingly

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

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**



Do not staple. Glue all sides firmly.

**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 AGM. 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 AGM, 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 1967.
3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [vclagm2024@boardroomlimited.com](mailto:vclagm2024@boardroomlimited.com),

in either case, not less than 72 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the printed copy of the proxy form which is sent to him/her/it by post or download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

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**BUSINESS REPLY SERVICE  
PERMIT NO. 09452**



**VENTURE CORPORATION LIMITED**  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

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5. Completion and submission of the instrument appointing a proxy(ies) by a shareholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the shareholder attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either in accordance with its Constitution or under the hand of an attorney or a duly authorised officer.
7. Where an instrument appointing a proxy(ies) 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.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act 1967.
9. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of a member whose Shares are entered in the Depository Register, the Company shall be entitled to reject an instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.
10. For the purposes of the appointment of a proxy(ies) and/or representative(s), the member(s)' full name and CDP account number (if applicable) and the proxy(ies)' or representative(s)' full name and full NRIC/passport number will be required for verification purposes, and the proxy(ies)' or representative(s)' NRIC/passport will need to be produced for sighting upon registration at the AGM. This is so as to ensure that only duly appointed proxy(ies)/representative(s) attend, speak and vote at the AGM. The Company reserves the right to refuse admittance to the AGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

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**VENTURE CORPORATION LIMITED**

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Singapore 569873

[www.venture.com.sg](http://www.venture.com.sg)