

Full Year Financial Statements And Dividend Announcement

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

Fourth quarter and year-to-date financial statements on consolidated results for the period ended December 31, 2019. These figures have not been audited or reviewed.

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

	Group			Group		
	3 months ended 31.12.2019 S\$'000	3 months ended 31.12.2018 S\$'000	% increase/ (decrease)	12 months ended 31.12.2019 S\$'000	12 months ended 31.12.2018 S\$'000	% increase/ (decrease)
Revenue	932,066	905,933	2.9	3,633,431	3,484,603	4.3
Other income	190	373	(49.1)	746	1,541	(51.6)
Changes in finished goods, work in progress and raw materials used	(694,360)	(661,744)	4.9	(2,726,672)	(2,530,837)	7.7
Employee benefits expense (Note 1)	(85,344)	(76,775)	11.2	(333,151)	(317,436)	5.0
Depreciation and amortisation expense (Note 2)	(10,842)	(7,702)	40.8	(38,692)	(30,726)	25.9
Research and development expense (Note 3)	(11,895)	(14,716)	(19.2)	(36,572)	(82,988)	(55.9)
Foreign currency exchange gain (loss)	184	(1,511)	n.m.	4,442	1,735	n.m.
Other operating expenses (Note 4)	(22,691)	(21,953)	3.4	(94,026)	(101,093)	(7.0)
Investment revenue	2,708	2,880	(6.0)	11,005	9,209	19.5
Finance costs (interest expenses on bank loans and lease liabilities)	(159)	(242)	(34.3)	(523)	(982)	(46.7)
Share of (loss) profit of associates	-	(58)	n.m.	36	(58)	n.m.
Profit before tax	109,857	124,485	(11.8)	420,024	432,968	(3.0)
Income tax expense (Note 5)	(13,592)	(16,825)	(19.2)	(56,643)	(62,885)	(9.9)
Profit for the period	96,265	107,660	(10.6)	363,381	370,083	(1.8)
Other comprehensive income (loss):						
- Items that will not be reclassified subsequently to profit or loss						
Fair value gain (loss) on other financial assets, through other comprehensive income (FVTOCI)	392	(557)	n.m.	1,125	(1,127)	n.m.
Other comprehensive income (loss):						
- Items may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(28,945)	(797)	n.m.	(23,448)	21,045	n.m.
Fair value loss on cash flow hedge	-	(30)	n.m.	-	-	n.m.
Total comprehensive income for the period	67,712	106,276	(36.3)	341,058	390,001	(12.5)
Profit attributable to:						
Owners of the Company	96,253	107,691	(10.6)	363,130	370,062	(1.9)
Non-controlling interests	12	(31)	n.m.	251	21	n.m.
	96,265	107,660	(10.6)	363,381	370,083	(1.8)
Total comprehensive income attributable to:						
Owners of the Company	67,709	106,323	(36.3)	340,896	390,082	(12.6)
Non-controlling interests	3	(47)	n.m.	162	(81)	n.m.
	67,712	106,276	(36.3)	341,058	390,001	(12.5)

Note 1

Employee benefits expense for 4Q19 was higher year-on-year as the Group continues to invest in its talent acquisition to strengthen competencies. 4Q18 expense was lower due to an adjustment for staff compensation overprovided in prior years.

Note 2

Depreciation and amortisation expense was higher in 4Q19 and FY2019 mainly due to additional depreciation charge on Right-of-Use (ROU) assets totalling S\$8.5 million for FY2019 from the adoption of SFRS(I) 16 Leases (see item 5 page 10). Effective from January 1, 2019 qualifying lease payments were no longer taken to other operating expenses but capitalised to the balance sheet as ROU assets and depreciated over the term of the lease.

Note 3

Research and development (R&D) expense decreased for the reported period due to lower customers' requirements for prototyping, tooling, non-recurring engineering (NRE), materials and related services. R&D manpower costs are separately recorded under Employee benefits expense.

Note 4

Other operating expenses decreased in FY2019 due to lease expenses totalling S\$8.6 million reclassified into depreciation expense and finance costs in accordance with SFRS(I) 16 (Note 2), doubtful debts recovery and net re-measurement of expected credit loss allowance as disclosed in 1.(a)(ii).

Note 5

Effective tax rate for the Group decreased for 4Q19 and FY2019 due to write back from prior quarters and overprovision of tax in respect of prior years as disclosed in 1.(a)(ii).

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

	Group			Group		
	3 months ended 31.12.2019 S\$'000	3 months ended 31.12.2018 S\$'000	% increase/ (decrease)	12 months ended 31.12.2019 S\$'000	12 months ended 31.12.2018 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years (Note 5)	1,245	4	n.m.	3,739	354	n.m.
Net re-measurement of expected credit loss allowance	169	(1,578)	n.m.	387	(1,578)	n.m.
Doubtful debts recovery	-	-	n.m.	1,077	-	n.m.
(Loss) Gain on disposal of property, plant and equipment, net	(18)	(18)	n.m.	(109)	98	n.m.
Allowance for Inventories	(603)	(1,177)	n.m.	(976)	(1,258)	n.m.

Note:

n.m. - not meaningful

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

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	714,467	712,826	303,794	271,723
Trade receivables	898,910	735,943	15,866	10,387
Other receivables and prepayments	17,327	29,997	2,468	1,520
Contract assets	8,478	19,202	-	-
Inventories	706,150	808,166	59,358	61,154
Trade receivables due from subsidiaries	-	-	50,581	44,114
Other receivables due from subsidiaries	-	-	18,041	17,940
Income tax recoverable	4	22	-	-
Total current assets	2,345,336	2,306,156	450,108	406,838
Non-current assets:				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	761	725	-	-
Other financial assets	25,229	22,939	7,440	6,977
Other receivables	138	455	-	-
Property, plant and equipment	231,739	230,686	38,560	40,283
Right-of-use assets (Note 6)	27,472	-	15,637	-
Intangible assets	172	181	-	-
Goodwill	639,708	639,708	-	-
Deferred tax assets	3,690	3,747	-	-
Total non-current assets	928,909	898,441	1,289,486	1,275,109
Total assets	3,274,245	3,204,597	1,739,594	1,681,947
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	1,058	1,798	-	-
Trade payables	490,329	529,015	32,963	42,510
Other payables and accrued expenses	169,652	205,224	28,155	34,246
Contract liabilities	49,380	74,029	1,209	-
Lease liabilities (Note 6)	10,601	-	5,732	-
Trade payables due to subsidiaries	-	-	2,286	5,213
Other payables due to subsidiaries	-	-	20,567	20,751
Income tax payable	34,274	40,374	4,144	3,679
Total current liabilities	755,294	850,440	95,056	106,399
Non-current liabilities:				
Lease liabilities (Note 6)	17,318	-	10,158	-
Deferred tax liabilities	3,040	2,058	-	-
Total non-current liabilities	20,358	2,058	10,158	-
Capital and reserves:				
Share capital	811,082	803,220	811,082	803,220
Treasury shares	(19,993)	(19,081)	(19,993)	(19,081)
Share-based awards reserve	4,559	3,774	4,559	3,774
Investments revaluation and hedging reserve	1,790	665	1,658	1,194
Translation reserve	(78,403)	(55,044)	-	-
Other reserves	2,577	3,079	(1,697)	(815)
Accumulated profits	1,774,586	1,613,253	838,771	787,256
Equity attributable to owners of the Company	2,496,198	2,349,866	1,634,380	1,575,548
Non-controlling interests	2,395	2,233	-	-
Total equity	2,498,593	2,352,099	1,634,380	1,575,548
Total liabilities and equity	3,274,245	3,204,597	1,739,594	1,681,947

Note 6

The Group adopted SFRS(I)16 Leases with effect from January 1, 2019. The effects of changes in accounting standard are disclosed in item 5 page 10.

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

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

	Group				Company			
	As at 31.12.2019		As at 31.12.2018		As at 31.12.2019		As at 31.12.2018	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	-	1,058	-	1,798	-	-	-	-
Lease liabilities	10,601	-	-	-	5,732	-	-	-
Total	10,601	1,058	-	1,798	5,732	-	-	-

(b) Amount repayable after one year

	Group				Company			
	As at 30.09.2019		As at 31.12.2018		As at 30.09.2019		As at 31.12.2018	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	17,318	-	-	-	10,158	-	-	-

(c) Details of any collateral
Not applicable.

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

	3 months ended 31.12.2019 S\$'000	3 months ended 31.12.2018 S\$'000	12 months ended 31.12.2019 S\$'000	12 months ended 31.12.2018 S\$'000
Operating activities:				
Profit before taxation	109,857	124,485	420,024	432,968
Adjustments for:				
Share of loss (profit) of associates	-	58	(36)	58
Allowance for inventories	603	1,177	976	1,258
Depreciation expense	10,807	7,684	38,499	30,640
Net re-measurement of expected credit loss allowance	(169)	1,578	(1,464)	1,578
Amortisation of intangible assets	35	18	193	86
Interest income	(2,708)	(2,880)	(11,005)	(9,209)
Dividend income	(222)	(167)	(901)	(935)
Interest expense	159	242	523	982
Share-based payments expense	446	308	1,610	1,560
Loss (Gain) on disposal of plant and equipment, net	18	18	109	(98)
Operating profit before working capital changes	118,826	132,521	448,528	458,888
Trade receivables	(191,287)	(136,476)	(175,659)	41,821
Other receivables, prepayments and contract assets	30,454	17,309	23,486	15,185
Inventories	38,792	(12,477)	89,283	(93,914)
Trade payables	(21,433)	74,361	(35,432)	(60,424)
Other payables, accrued expenses and contract liabilities	(52,527)	(40,618)	(58,473)	(50,019)
Cash (used in) generated from operations	(77,175)	34,620	291,733	311,537
Interest paid	(159)	(242)	(523)	(982)
Income tax paid	(10,311)	(8,233)	(61,509)	(56,331)
Net cash (used in) generated from operating activities	(87,645)	26,145	229,701	254,224
Investing activities:				
Interest received	2,707	2,698	10,578	7,805
Dividend received from associates	-	-	-	30
Dividend received from other equity investments	222	167	901	935
Purchase of property, plant and equipment	(3,892)	(4,551)	(35,071)	(58,480)
Proceeds on disposal of plant and equipment	348	-	348	206
Addition of intangible assets	-	-	(120)	(366)
Proceeds on disposal of other financial assets	-	-	-	2,942
Purchase of other financial assets	-	-	(1,378)	(1,628)
Net cash used in investing activities	(615)	(1,686)	(24,742)	(48,556)
Financing activities:				
Dividend paid	-	-	(201,694)	(230,021)
Repayment of bank loans (Note 7)	(429)	(40,561)	(2,358)	(34,601)
Proceeds from new bank loans (Note 7)	226	-	1,663	5,387
Proceeds from issue of shares	856	1,664	7,698	40,555
Purchase of treasury shares	-	(5,477)	(2,178)	(18,060)
Lease payment (Notes 6 & 7)	(2,651)	-	(8,117)	-
Bank balances pledged as securities for bank facilities	-	27,092	-	-
Net cash used in financing activities	(1,998)	(17,282)	(204,986)	(236,740)
Net (decrease) increase in cash and cash equivalents	(90,258)	7,177	(27)	(31,072)
Cash and cash equivalents at beginning of period	803,621	714,215	712,826	752,447
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	1,104	(8,566)	1,668	(8,549)
Cash and cash equivalents at end of period	714,467	712,826	714,467	712,826
Cash and cash equivalents comprise:				
Cash	460,361	497,396	460,361	497,396
Fixed deposits	254,106	215,430	254,106	215,430
	714,467	712,826	714,467	712,826
Less: Pledged bank deposits	-	-	-	-
Cash and cash equivalents on the consolidated cash flow statement	714,467	712,826	714,467	712,826

Note 7: Reconciliation of liabilities arising from financing activities between cash and non-cash changes

	31.12.2019 S\$'000	Financing Cash Flows S\$'000	Non-cash changes		31.12.2018 S\$'000
			Foreign exchange S\$'000	Adoption of SFRS(I) 16 S\$'000	
Bank loans	1,058	(695)	(45)	-	1,798
Lease Liabilities	27,919	(8,117)	(81)	36,117	-

1.(d)(i) Statement of changes in equity for the period ended December 31, 2018

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
The Group										
Balance at January 1, 2018	761,706	(1,879)	3,524	1,836	(76,191)	3,292	1,473,462	2,165,750	2,314	2,168,064
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	83,671	83,671	46	83,717
Other comprehensive income (loss) for the period	-	-	-	161	(19,695)	-	-	(19,534)	88	(19,446)
Total	-	-	-	161	(19,695)	-	83,671	64,137	134	64,271
Transactions with owners, recognised directly in equity										
Issue of shares	23,572	-	(581)	-	-	-	-	22,991	-	22,991
Appropriation to reserve fund	-	-	-	-	-	355	(355)	-	-	-
Share options lapsed	-	-	(55)	-	-	-	55	-	-	-
Recognition of share-based payments	-	-	487	-	-	-	-	487	-	487
Total	23,572	-	(149)	-	-	355	(300)	23,478	-	23,478
Balance at March 31, 2018	785,278	(1,879)	3,375	1,997	(95,886)	3,647	1,556,833	2,253,365	2,448	2,255,813
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	97,911	97,911	8	97,919
Other comprehensive (loss) income for the period	-	-	-	(688)	31,553	-	-	30,865	(17)	30,848
Total	-	-	-	(688)	31,553	-	97,911	128,776	(9)	128,767
Transactions with owners, recognised directly in equity										
Issue of shares	8,147	-	(178)	-	-	-	-	7,969	-	7,969
Purchase of treasury shares	-	(12,583)	-	-	-	-	-	(12,583)	-	(12,583)
Treasury shares reissued pursuant to equity compensation plans	-	858	(290)	-	-	(568)	-	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(172,413)	(172,413)	-	(172,413)
Share options lapsed	-	-	(1)	-	-	-	1	-	-	-
Recognition of share-based payments	-	-	457	-	-	-	-	457	-	457
Total	8,147	(11,725)	(12)	-	-	(568)	(172,412)	(176,570)	-	(176,570)
Balance at June 30, 2018	793,425	(13,604)	3,363	1,309	(64,333)	3,079	1,482,332	2,205,571	2,439	2,208,010
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	80,789	80,789	(2)	80,787
Other comprehensive (loss) income for the period	-	-	-	(13)	10,070	-	-	10,057	(157)	9,900
Total	-	-	-	(13)	10,070	-	80,789	90,846	(159)	90,687
Transactions with owners, recognised directly in equity										
Issue of shares	8,097	-	(166)	-	-	-	-	7,931	-	7,931
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	-	(57,608)	(57,608)	-	(57,608)
Disposal of available-for-sale investments	-	-	-	(44)	-	-	44	-	-	-
Share options lapsed	-	-	(5)	-	-	-	5	-	-	-
Recognition of share-based payments	-	-	308	-	-	-	-	308	-	308
Total	8,097	-	137	(44)	-	-	(57,559)	(49,369)	-	(49,369)
Balance at September 30, 2018	801,522	(13,604)	3,500	1,252	(54,263)	3,079	1,505,562	2,247,048	2,280	2,249,328
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	107,691	107,691	(31)	107,660
Other comprehensive loss for the period	-	-	-	(587)	(781)	-	-	(1,368)	(16)	(1,384)
Total	-	-	-	(587)	(781)	-	107,691	106,323	(47)	106,276
Transactions with owners, recognised directly in equity										
Issue of shares	1,698	-	(34)	-	-	-	-	1,664	-	1,664
Purchase of treasury shares	-	(5,477)	-	-	-	-	-	(5,477)	-	(5,477)
Recognition of share-based payments	-	-	308	-	-	-	-	308	-	308
Total	1,698	(5,477)	274	-	-	-	-	(3,505)	-	(3,505)
Balance at December 31, 2018	803,220	(19,081)	3,774	665	(55,044)	3,079	1,613,253	2,349,866	2,233	2,352,099

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

	Share capital S\$'000	Treasury shares S\$'000	Share- based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
The Group										
Balance at January 1, 2019	803,220	(19,081)	3,774	665	(55,044)	3,079	1,613,253	2,349,866	2,233	2,352,099
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	90,866	90,866	(3)	90,863
Other comprehensive income (loss) for the period	-	-	-	661	(10,871)	-	-	(10,210)	56	(10,154)
Total	-	-	-	661	(10,871)	-	90,866	80,656	53	80,709
Transactions with owners, recognised directly in equity										
Issue of shares	3,005	-	(60)	-	-	-	-	2,945	-	2,945
Purchase of treasury shares	-	(1,581)	-	-	-	-	-	(1,581)	-	(1,581)
Appropriation to reserve fund	-	-	-	-	-	380	(380)	-	-	-
Share options lapsed	-	-	(1)	-	-	-	1	-	-	-
Recognition of share-based payments	-	-	309	-	-	-	-	309	-	309
Total	3,005	(1,581)	248	-	-	380	(379)	1,673	-	1,673
Balance at March 31, 2019	806,225	(20,662)	4,022	1,326	(65,915)	3,459	1,703,740	2,432,195	2,286	2,434,481
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	90,810	90,810	75	90,885
Other comprehensive income (loss) for the period	-	-	-	505	(990)	-	-	(485)	(75)	(560)
Total	-	-	-	505	(990)	-	90,810	90,325	-	90,325
Transactions with owners, recognised directly in equity										
Issue of shares	1,427	-	(27)	-	-	-	-	1,400	-	1,400
Treasury shares reissued pursuant to equity compensation plans	-	1,266	(384)	-	-	(882)	-	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(144,021)	(144,021)	-	(144,021)
RSP/Share options lapsed	-	-	(167)	-	-	-	167	-	-	-
Recognition of share-based payments	-	-	293	-	-	-	-	293	-	293
Total	1,427	1,266	(285)	-	-	(882)	(143,854)	(142,328)	-	(142,328)
Balance at June 30, 2019	807,652	(19,396)	3,737	1,831	(66,905)	2,577	1,650,696	2,380,192	2,286	2,382,478
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	85,201	85,201	167	85,368
Other comprehensive income (loss) for the period	-	-	-	(433)	17,438	-	-	17,005	(61)	16,944
Total	-	-	-	(433)	17,438	-	85,201	102,206	106	102,312
Transactions with owners, recognised directly in equity										
Issue of shares	2,556	-	(59)	-	-	-	-	2,497	-	2,497
Purchase of treasury shares	-	(597)	-	-	-	-	-	(597)	-	(597)
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	-	(57,673)	(57,673)	-	(57,673)
Recognition of share-based payments	-	-	562	-	-	-	-	562	-	562
Total	2,556	(597)	503	-	-	-	(57,673)	(55,211)	-	(55,211)
Balance at September 30, 2019	810,208	(19,993)	4,240	1,398	(49,467)	2,577	1,678,224	2,427,187	2,392	2,429,579
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	96,253	96,253	12	96,265
Other comprehensive income (loss) for the period	-	-	-	392	(28,936)	-	-	(28,544)	(9)	(28,553)
Total	-	-	-	392	(28,936)	-	96,253	67,709	3	67,712
Transactions with owners, recognised directly in equity										
Issue of shares	874	-	(18)	-	-	-	-	856	-	856
RSP/Share options lapsed	-	-	(109)	-	-	-	109	-	-	-
Recognition of share-based payments	-	-	446	-	-	-	-	446	-	446
Total	874	-	319	-	-	-	109	1,302	-	1,302
Balance at December 31, 2019	811,082	(19,993)	4,559	1,790	(78,403)	2,577	1,774,586	2,496,198	2,395	2,498,593

1.(d)(i) Statement of changes in equity for the period ended December 31, 2018

	Share capital S\$'000	Treasury shares S\$'000	Share- based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company							
Balance at January 1, 2018	761,706	(1,879)	3,524	1,876	(247)	710,255	1,475,235
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	68,568	68,568
Other comprehensive income for the period	-	-	-	328	-	-	328
Total	-	-	-	328	-	68,568	68,896
Transactions with owners, recognised directly in equity							
Issue of shares	23,572	-	(581)	-	-	-	22,991
Share options lapsed	-	-	(55)	-	-	55	-
Recognition of share-based payments	-	-	487	-	-	-	487
Total	23,572	-	(149)	-	-	55	23,478
Balance at March 31, 2018	785,278	(1,879)	3,375	2,204	(247)	778,878	1,567,609
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	162,943	162,943
Other comprehensive income for the period	-	-	-	(487)	-	-	(487)
Total	-	-	-	(487)	-	162,943	162,456
Transactions with owners, recognised directly in equity							
Issue of shares	8,147	-	(178)	-	-	-	7,969
Purchase of treasury shares	-	(12,583)	-	-	-	-	(12,583)
Treasury shares reissued pursuant to equity compensation plans	-	858	(290)	-	(568)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(172,413)	(172,413)
Share options lapsed	-	-	(1)	-	-	1	-
Recognition of share-based payments	-	-	457	-	-	-	457
Total	8,147	(11,725)	(12)	-	(568)	(172,412)	(176,570)
Balance at June 30, 2018	793,425	(13,604)	3,363	1,717	(815)	769,409	1,553,495
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	26,619	26,619
Other comprehensive income for the period	-	-	-	50	-	-	50
Total	-	-	-	50	-	26,619	26,669
Transactions with owners, recognised directly in equity							
Issue of shares	8,097	-	(166)	-	-	-	7,931
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	(57,608)	(57,608)
Disposal of available-for-sale investments	-	-	-	(44)	-	44	-
Share options lapsed	-	-	(5)	-	-	5	-
Recognition of share-based payments	-	-	308	-	-	-	308
Total	8,097	-	137	(44)	-	(57,559)	(49,369)
Balance at September 30, 2018	801,522	(13,604)	3,500	1,723	(815)	738,469	1,530,795
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	48,787	48,787
Other comprehensive loss for the period	-	-	-	(529)	-	-	(529)
Total	-	-	-	(529)	-	48,787	48,258
Transactions with owners, recognised directly in equity							
Issue of shares	1,698	-	(34)	-	-	-	1,664
Purchase of treasury shares	-	(5,477)	-	-	-	-	(5,477)
Recognition of share-based payments	-	-	308	-	-	-	308
Total	1,698	(5,477)	274	-	-	-	(3,505)
Balance at December 31, 2018	803,220	(19,081)	3,774	1,194	(815)	787,256	1,575,548

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

	Share capital S\$'000	Treasury shares S\$'000	Share- based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company							
Balance at January 1, 2019	803,220	(19,081)	3,774	1,194	(815)	787,256	1,575,548
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	9,427	9,427
Other comprehensive income for the period	-	-	-	310	-	-	310
Total	-	-	-	310	-	9,427	9,737
Transactions with owners, recognised directly in equity							
Issue of shares	3,005	-	(60)	-	-	-	2,945
Purchase of treasury shares	-	(1,581)	-	-	-	-	(1,581)
Share options lapsed	-	-	(1)	-	-	1	-
Recognition of share-based payments	-	-	309	-	-	-	309
Total	3,005	(1,581)	248	-	-	1	1,673
Balance at March 31, 2019	806,225	(20,662)	4,022	1,504	(815)	796,684	1,586,958
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	85,513	85,513
Other comprehensive income for the period	-	-	-	275	-	-	275
Total	-	-	-	275	-	85,513	85,788
Transactions with owners, recognised directly in equity							
Issue of shares	1,427	-	(27)	-	-	-	1,400
Treasury shares reissued pursuant to equity compensation plans	-	1,266	(384)	-	(882)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(144,021)	(144,021)
RSP/Share options lapsed	-	-	(167)	-	-	167	-
Recognition of share-based payments	-	-	293	-	-	-	293
Total	1,427	1,266	(285)	-	(882)	(143,854)	(142,328)
Balance at June 30, 2019	807,652	(19,396)	3,737	1,779	(1,697)	738,343	1,530,418
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	135,666	135,666
Other comprehensive income for the period	-	-	-	(328)	-	-	(328)
Total	-	-	-	(328)	-	135,666	135,338
Transactions with owners, recognised directly in equity							
Issue of shares	2,556	-	(59)	-	-	-	2,497
Purchase of treasury shares	-	(597)	-	-	-	-	(597)
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	(57,673)	(57,673)
Recognition of share-based payments	-	-	562	-	-	-	562
Total	2,556	(597)	503	-	-	(57,673)	(55,211)
Balance at September 30, 2019	810,208	(19,993)	4,240	1,451	(1,697)	816,336	1,610,545
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	22,326	22,326
Other comprehensive income for the period	-	-	-	207	-	-	207
Total	-	-	-	207	-	22,326	22,533
Transactions with owners, recognised directly in equity							
Issue of shares	874	-	(18)	-	-	-	856
RSP/Share options lapsed	-	-	(109)	-	-	109	-
Recognition of share-based payments	-	-	446	-	-	-	446
Total	874	-	319	-	-	109	1,302
Balance at December 31, 2019	811,082	(19,993)	4,559	1,658	(1,697)	838,771	1,634,380

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

As at December 31, 2019, the total number of ordinary shares in issue was 289,725,577 (December 31, 2018: 289,025,577), of which 1,265,000 were treasury shares (December 31, 2018: 1,199,000).

The Company did not purchase any ordinary shares during Q4 2019 (Q4 2018: 380,000).

Ordinary shares purchased by the Company are held as treasury shares which can, in accordance with the Companies Act, be sold for cash, transferred for the purposes of or pursuant to an employee's share-based scheme; transferred as consideration for the acquisition of shares in or assets of another company or assets of a person; or cancelled.

Except as disclosed below, there were no other sales, transfers, cancellation and/or use of treasury shares during the period.

	No. of ordinary shares in issue	S\$'000
As at January 1, 2019	289,025,577	803,220
Add: No. of share options exercised in Q1 2019	267,000	3,005
As at March 31, 2019	289,292,577	806,225
Add: No. of share options exercised in Q2 2019	109,000	1,427
As at June 30, 2019	289,401,577	807,652
Add: No. of share options exercised in Q3 2019	244,000	2,556
As at September 30, 2019	289,645,577	810,208
Add: No. of share options exercised in Q4 2019	80,000	874
As at December 31, 2019	<u>289,725,577</u>	<u>811,082</u>

	No. of treasury shares	S\$'000
As at January 1, 2019	1,199,000	19,081
Add: Treasury shares repurchased in Q1 2019	106,000	1,581
As at March 31, 2019	1,305,000	20,662
Less: Treasury shares utilised in Q2 2019	(80,000)	(1,266)
As at June 30, 2019	1,225,000	19,396
Add: Treasury shares repurchased in Q3 2019	40,000	597
As at September 30, 2019 and December 31, 2019	<u>1,265,000</u>	<u>19,993</u>

	As at 31.12.2019	As at 31.12.2018
% of treasury shares against the total ordinary shares in issue	<u>0.4%</u>	<u>0.4%</u>

	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2019	287,826,577	784,139
Issued shares excluding treasury shares as at March 31, 2019	287,987,577	785,563
Issued shares excluding treasury shares as at June 30, 2019	288,176,577	788,256
Issued shares excluding treasury shares as at September 30, 2019	288,380,577	790,215
Issued shares excluding treasury shares as at December 31, 2019	<u>288,460,577</u>	<u>791,089</u>

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

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

Since the end of the previous financial quarter, no options (Q4 2018: 1,000) were exercised and no options (Q4 2018: Nil) have lapsed.

As at December 31, 2019, there were no unissued shares of the Company under options in the 2004 Scheme (December 31, 2018: 43,000).

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

Since the end of the previous financial quarter, 80,000 options (Q4 2018: 144,000) were exercised and 26,000 options (Q4 2018: Nil) have lapsed.

As at December 31, 2019, there were 3,197,000 unissued shares of the Company under options in the 2015 Scheme. (December 31, 2018: 2,806,000).

Venture Corporation Restricted Share Plan ("RSP")

The RSP has a 5-year vesting period and is subject to the rules of the RSP.

As at December 31, 2019 the number of RSP shares stood at 910,000 (December 31, 2018: 900,000).

	NO. OF RSP shares	Lapsed shares	No. of RSP shares net of lapsed shares
May 2015 Award	270,000	(60,000)	210,000
June 2016 Award	280,000	(40,000)	240,000
June 2017 Award	290,000	-	290,000
June 2019 Award	170,000	-	170,000
	<u>1,010,000</u>	<u>(100,000)</u>	<u>910,000</u>

1.(d)(iv) **Subsidiary holdings**

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

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

These figures have not been audited or reviewed.

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

Not applicable.

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

Other than as mentioned in Paragraph 5 regarding the adoption of SFRS(I)16 *Leases* effective January 1, 2019, there were no significant changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at December 31, 2018.

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

The Group adopted SFRS(I) 16 *Leases*, effective for annual periods beginning on or after January 1, 2019.

The Group adopted the simplified transition approach and the comparative amount for the year prior to first adoption was not restated. All Right-of-use ("ROU") assets will be measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses).

- Under SFRS(I) 16, qualifying lease payments were no longer taken to other operating expenses but capitalised to the balance sheet as ROU assets and depreciated over the term of the lease.

- Leasees must present cash paid for the interest portion of lease liability as either operating activities or financing activities, as permitted by SFRS(I) 1-7. The Group has opted to include the interest paid as part of operating activities and cash payments for the principal portion for lease liability as part of financing activities.

- The adoption of SFRS(I)16 did not have an impact on net cash flows.

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

- (a) Based on the weighted average number of ordinary shares on issue (cents)
- (b) On a fully diluted basis (cents)
(detailing any adjustments made to the earnings)

3 months ended 31.12.2019	3 months ended 31.12.2018	12 months ended 31.12.2019	12 months ended 31.12.2018
33.4	37.5	126.0	128.8
33.3	37.1	125.3	127.3

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

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

Group		Company	
31.12.2019	31.12.2018	31.12.2019	31.12.2018
865.4	816.4	566.6	547.4

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

PERFORMANCE REVIEW

For the financial year ended 31 December 2019, the Group registered revenue of S\$3,633.4 million (+4.3% YoY). For the quarter ended 31 December 2019, the Group registered revenue of S\$932.1 million (+7.2% QoQ, +2.9% YoY). The Group's ability to render strong support to its valued partners to navigate uncertainties in the business and geopolitical environment continue to put Venture in good stead. These contributed to sequential growth in revenue for 4Q 2019 and FY 2019 from its diverse portfolio of customers.

For the twelve months ended 31 December 2019, the Group recorded profit before tax (PBT) of S\$420.0 million (-3.0% YoY). For 4Q 2019, the Group recorded PBT of S\$109.9 million, (+11.4% QoQ, -11.8% YoY). In line with the PBT, the Group reported income tax expense of S\$56.6 million for the full year of 2019 and S\$13.6 million for the reported quarter. The Group recorded net profit (profit attributable to owners of the Company) of S\$363.1 million for FY 2019 (-1.9% YoY). For 4Q 2019, the Group recorded net profit of S\$96.3 million (+13.0% QoQ, -10.6% YoY). This translates to net margin of 10.0% for the twelve months ended 31 December 2019 (FY 2018: 10.6%) and 10.3% for the reported quarter (4Q 2018: 11.9%).

Diluted Earnings Per Share was 125.3 cents for FY 2019 (FY 2018: 127.3 cents) and 33.3 cents for the reported quarter (4Q 2018: 37.1 cents).

FINANCIAL POSITION AND CASHFLOW

For the financial year ended 31 December 2019, the Group generated cash from operations of S\$291.7 million (FY 2018: S\$311.5 million). For the quarter ended 31 December 2019, the Group registered an increase in working capital position due to higher receivables offset by lower inventories. Cash used in operations for 4Q 2019 amounted to S\$77.2 million while cash generated from operations for 4Q 2018 was S\$34.6 million. As at 31 December 2019, the Group had S\$714.5 million of cash and bank balances (31 Dec 2018: S\$712.8 million). The Group balance sheet remained healthy and robust with a net cash position of S\$713.4 million (31 Dec 2018: S\$711.0 million).

As at 31 December 2019, Equity attributable to owners of the Company grew 6.2% to S\$2,496.2 million (31 Dec 2018: S\$2,349.9 million) and Net Asset Value per share grew 6.0% to S\$8.65 (31 Dec 2018: S\$8.16).

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

Not applicable.

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

China's quarantine measures to contain the COVID-19 outbreak has disrupted the global supply chain. Venture has swiftly implemented corrective action plans to stabilise its assurance of supply. Production capacity from the Group's Clusters of Excellence outside of China, which forms the majority of Venture's manufacturing footprint, remains intact. Starting from the second quarter of 2020, the Group expects to be able to fulfil most, if not all, of customers' orders, including backlog from the first quarter of 2020.

Venture anticipates a stronger second half of 2020, supported by traction with its new and existing partners. The Group will be supporting new product introductions by existing partners across multiple selected technology domains, such as Life Science, Healthcare & Wellness, Instrumentation and Networking & Communications. It also expects to gain momentum with several new partners in the Life Science & Genomics and Healthcare & Wellness domains with growing contributions beyond 2020. As the Group's manufacturing footprint is mostly located in Southeast Asia, the Group is well positioned to capture new business opportunities as businesses continue to diversify their global supply chain network.

Venture continues to invest into expanding its differentiating capabilities within its ecosystems of interest. This will further strengthen the Group's existing partnerships and deepen Venture's value proposition in its selected technology domains and ecosystems.

11. Dividend

(a) Current Financial Period Reported On

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

*subject to shareholders' approval at the forthcoming AGM

During the financial year, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.20 per ordinary share totalling \$57,673,000 in respect of the financial year ended 31 December 2019.

In addition, the Directors of the Company propose that a final one-tier tax-exempt dividend of \$0.50 per ordinary share be paid to all shareholders in respect of the financial year ended 31 December 2019. Subject to the approval by the shareholders at the forthcoming Annual General Meeting, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$144,230,000.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

22 May 2020

(d) Books closure date

5pm on 13 May 2020

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

Not applicable

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

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

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

The Group has procured undertakings from all its directors and executive officers.

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

Segmental Results

a) By Reportable Segments

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

	Advance Manufacturing & Design Solutions S\$'000	Technology Products & Design Solutions S\$'000	Eliminations S\$'000	Group S\$'000
2018				
Revenue:				
External Sales	2,599,754	884,849	-	3,484,603
Inter-segment Sales	25,541	16,395	(41,936)	-
Total revenue	2,625,295	901,244	(41,936)	3,484,603
Results:				
Segment results	347,902	76,897	-	424,799
Investment revenue				9,209
Finance costs				(982)
Share of profit of associates				(58)
Gain on disposal of associates				-
Profit before income tax				432,968
Income tax				(62,885)
Profit for the year				370,083

b) By Technology Domains Segments

	2019 S\$'000	2018 S\$'000
<u>Revenue</u>		
Portfolio A	1,713,428	1,499,492
Portfolio B	1,920,003	1,985,111
	3,633,431	3,484,603

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

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

c) By Geographical Segments

	2019 S\$'000	2018 S\$'000
<u>Revenue</u>		
Singapore	688,117	729,902
Asia-Pacific (excluding Singapore)	2,764,664	2,553,399
Others	180,650	201,302
	3,633,431	3,484,603

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

Please refer to item 8

17. A breakdown of sales as follows:-

Group			
	Year Ended 31.12.2019 S\$'000	Year Ended 31.12.2018 S\$'000	% Increase
(a) Revenue reported for first half year	1,832,232	1,808,290	1.3%
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	181,748	181,636	0.1%
(c) Revenue reported for second half year	1,801,199	1,676,313	7.5%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	181,633	188,447	-3.6%

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

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary dividend for 2018 (Paid)	-	144,021
Interim ordinary dividend (Paid)	57,673	57,608
Proposed final ordinary dividend for 2019*	144,230	-
	<u>201,903</u>	<u>201,629</u>

*Based on 288,460,577 issued shares excluding treasury shares as at December 31, 2019

During the financial year, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.20 per ordinary share totalling \$57,673,000 in respect of the financial year ended 31 December 2019.

In addition, the Directors of the Company propose that a final one-tier tax-exempt dividend of \$0.50 per ordinary share be paid to all shareholders in respect of the financial year ended 31 December 2019. Subject to the approval by the shareholders at the forthcoming Annual General Meeting, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$144,230,000.

In respect of the previous financial year ended 31 December 2018, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.20 per ordinary share totalling \$57,608,000 and a final one-tier tax-exempt dividend of \$0.50 per ordinary share totalling \$144,021,000.

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

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

BY ORDER OF THE BOARD

Chan Kong Meng, Lawrence
Company Secretary
February 27, 2020