ADVANCING AHEAD TOGETHER

VENTURE CORPORATION LIMITED
ANNUAL REPORT 2022

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

CONTENTS

OUR MISSION

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

CORPORATE PROFILE

Venture Corporation Limited ("**Venture**" or 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.

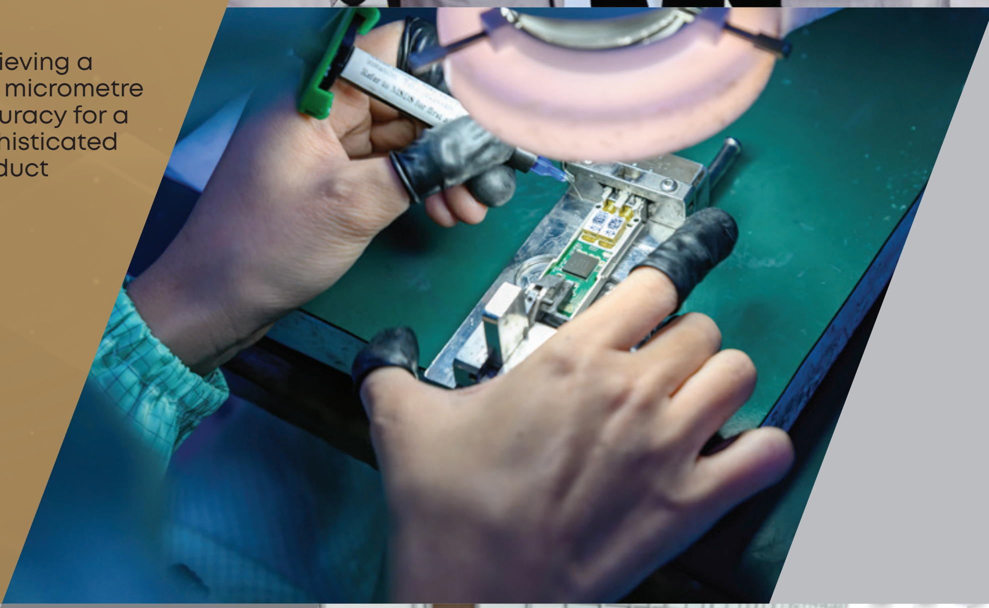
7 Technology Domains

Venture's business is well-diversified across seven technology domains

DRIVING THE NEXT WAVE OF INNOVATION

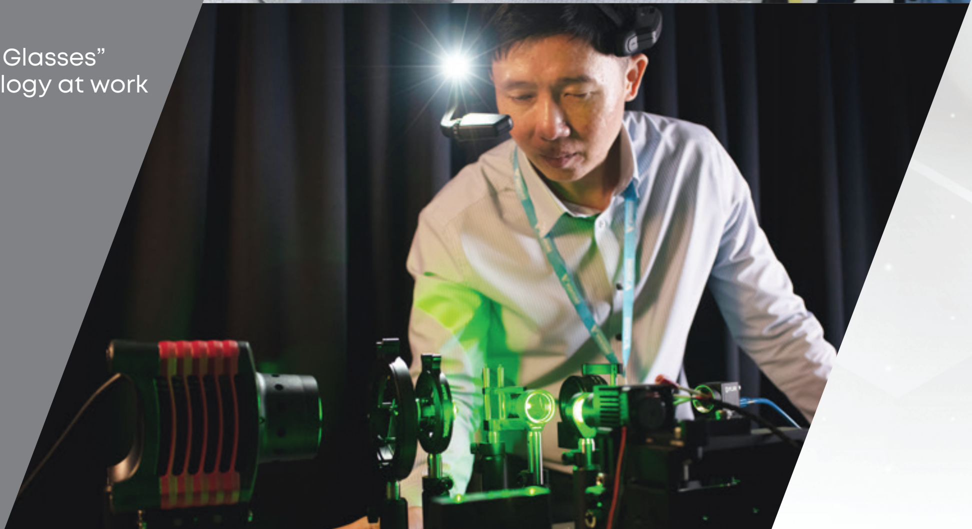
Over the years, Venture has invested in advancing innovative and differentiating capabilities in selected technology domains. We will continue to strengthen and deepen our Clusters of Excellence in the USA, Europe, China and Southeast Asia to create impactful value for our partners and customers globally.

Directors in discussions during their visit to the Marsiling site



Achieving a one micrometre accuracy for a sophisticated product

Engaging with one of our key customers on the manufacturing, testing and inspection processes at the Tebrau site



"Smart Glasses" technology at work

Strategic Partner to Over 100 Leading Global Companies

Venture is a strategic partner of choice to over 100 leading global companies, including Fortune 500 corporations

TURNING NEW DOMAINS INTO NEW BUSINESSES

Leveraging its deep expertise and strong track record in various technology domains including Life Science & Genomics, Test & Measurement Instrumentation, Networking & Communications and Advanced Industrial, Venture has expanded into exciting new ecosystems of growth over time.

Special recognition by one of our key customers for achieving a record number of systems shipped

Automated testing for one of our key customers at the Tebrau site

Our Executive Chairman receiving on behalf of Venture a special recognition for "Achieving the Milestone of 60 Million Devices Shipped" from one of our key customers

Analytical instruments in the Life Science technology domain

15 Customer and Corporate Awards and Accolades in FY 2022

Venture is well-recognised for its corporate transparency and business excellence by the industry

DELIVERING GREATER VALUE FOR STAKEHOLDERS

Beyond financial performance, Venture believes that it has an important role to play in creating value for all stakeholders, including the communities it operates in.

Donations to Man Fut Tong Nursing Home in Singapore

Celebrating employees with more than 30 years of service at the Long Service Awards in 2022

CSR activity at the Johor Cheshire Home in conjunction with International Earth Day

Venture donated relief supplies to more than 100 families affected by the floods in Selangor and Johor

Message to Shareholders

WONG NGIT LIONG
Executive Chairman

"Beyond financial performance, our dedication to excellence and total customer satisfaction have earned us numerous awards and accolades over the years."

Dear Shareholders,

In 2022, geopolitical turmoil, an environmental crisis and economic concerns dominated the headlines of the world, with effects from the COVID-19 pandemic continuing to plague our lives. In the face of these challenges, we kept our focus on safeguarding the health and safety of our employees, restoring trust and fostering cooperation within and between various stakeholders. Working in unison as *One Venture*, we were resolute to deliver value to customers and shareholders, strengthen partnerships with collaborators and bring opportunities to the people in the communities we operate in.

Riding out the storm, so to speak, Venture delivered a strong performance in 2022.

CONTINUING OUR STEADFAST PERFORMANCE

For the financial year ended 31 December 2022 (FY 2022), Venture reported group revenue of S$3,863.7 million, an increase of 24.3% year-on-year (YoY). Net profit attributable to owners of the Company rose 18.4% YoY to S$369.6 million in FY 2022, with net profit margin holding steady at 9.6% for the fiscal year. FY 2022 diluted earnings per share climbed 18.5% YoY to 126.8 cents, up from 107.0 cents in the same period last year.

In FY 2022, the Group saw sequential improvement in quarterly earnings. The revenue growth reflects robust customer demand in several technology domains and new product introductions during the year. Healthcare, Luxury Lifestyle & Wellness, Life Science & Genomics and Test & Measurement Instrumentation technology domains were significant contributors to the overall performance.

Boosted by higher profits, the Group posted a higher cash flow from operations at S$269.1 million, up from S$101.8 million in FY 2021. As at 31 December 2022, we remain in an enviably strong financial position with cash and bank balances of S$812.6 million and zero debt. Equity attributable to owners of the Company grew 4.5% YoY to S$2,839.7 million and Net Asset Value per share increased to S$9.76 from S$9.35 a year ago.

Beyond financial performance, our dedication to excellence and total customer satisfaction have earned us numerous awards and accolades over the years. In 2022, Philip Morris International, one of our key long-term customers, presented Venture with two prestigious awards, namely, "The Chief Procurement Officer (CPO) Award" and a special recognition for "Achieving the Milestone of 60 Million Devices Shipped".

TRANSFORMING AND GROWING OUR BUSINESS

At Venture, it is in our DNA to constantly innovate, transform and evolve.

In the Life Science & Genomics technology domain, Venture supports its successful customers in various high growth market segments. Starting in 2013, through a collaboration in the life science space with a leading customer to launch the first high-throughput desktop genome sequencer, we have since built in-depth product knowledge to support the manufacturing of a wide range of equipment in liquid chromatography, mass spectrometry, spatial transcriptomics and digital PCR. These instruments are used widely in food/water quality testing, research on infectious diseases and development of medical drugs, amongst others.

An emerging longevity industry has led to the development of an interdisciplinary ecosystem including wearables and robotics, lifestyle consumer tech and AI-based diagnostics[1] which represents exciting growth opportunities for Venture. Beyond business, we have the ability to contribute towards innovations enabling humans to live longer and healthier.

We see strong tailwinds in sectors such as electric vehicle ecosystem, renewable energy infrastructure, industrial IOT, 5G and cloud. Our expertise and experience in Test & Measurement Instrumentation, Networking & Communications, and Advanced Industrial put us in good stead to capture new opportunities.

The supply chain disruptions of 2020 pushed many to radically rethink their design and manufacturing strategies. The application of advanced manufacturing technologies, including artificial intelligence, 3D printing, cobots and other digital processes, will continue to drive smart factory innovations. Likewise, Venture will continue to invest in new capabilities and expand our critical talent pool to remain nimble.

S$3.86B
Revenue

S$3.75B
Total Assets

75¢
Dividend Per Share
(Singapore cents)

1 *The Future of Aging and Longevity | Deloitte US*

Message to Shareholders

We are on track to complete the construction of our new 442,000 square-foot manufacturing facility in Batu Kawan Industrial Park, Penang, Malaysia by the end of this year. The new facility will expand our footprint in Malaysia, where we have been operating for over 30 years. This addition to our Global Clusters of Excellence in the United States, Europe, China and Southeast Asia reflects our investment in future capacity.

ADVANCING AHEAD TOGETHER

As part of succession planning, we announced key leadership changes in late 2021. Lee Ghai Keen, who is instrumental in driving the Group's R&D efforts, was appointed Chief Executive Officer, and Wong Chee Kheong, who was previously the Senior Vice President of the Group's Healthcare and Wellness Business, Global Supply Base Management & IT, was promoted to Chief Operating Officer. Under their leadership, Venture will continue to drive the ongoing transformation of its business model.

Our people lie at the core of our success; they form the heart and soul of Venture. This year, over 800 employees were recipients of the Group's long service awards. Our people have transformed Venture from its early years as a fledgling contract manufacturer to its standing today as a highly-respected global provider of technology services, products and solutions embodying Excellence, Integrity, Agility, Reliability and Resilience.

BUILDING A SUSTAINABLE FUTURE

Amidst global uncertainties and business challenges, Venture remains committed to integrating Environmental, Social and Governance (ESG) factors into its business.

Good governance forms the linchpin of sustainability at Venture. We have built the company on a strong foundation of fairness and integrity, and ethically managing our business as we grow. In recognition of our ongoing efforts, Venture was conferred Runner-Up, Most Transparent Company Award (Technology Category) by the Securities Investors Association (Singapore) (SIAS) and acknowledged as one of the ASEAN Asset Class awardees in the ASEAN Corporate Governance Scorecard 2021.

Climate change presents opportunities to create value for long-term sustainable growth in the shift towards a greener economy. As part of our efforts to mitigate the risks of climate change on our business, we have adopted the enhanced disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) in our sustainability report this year.

At Venture, we recognise the critical role we play in building a sustainable supply chain. We recently published our Supplier Code of Conduct which sets forth our key expectations for all suppliers in labour practices, health and safety management, environmental stewardship and ethical practices.

For more information on the Group's ESG performance, please refer to our Sustainability Report from pages 24 to 48, which is prepared in accordance with the Global Reporting Initiative (GRI) standards and principles.

RETURNING TO SHAREHOLDERS

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

Supported by the Group's healthy financial position, the Board of Directors has recommended a final dividend of S$0.50 per share on a one-tier tax-exempt basis, subject to shareholders' approval at the upcoming Annual General Meeting. Including an interim dividend of S$0.25 per share, this translates to a total dividend of S$0.75 per share for FY 2022, on par with last year's dividend.

Venture has consistently paid dividends since its listing in 1992. We will endeavour to pay equal, if not higher, dividends each year. 2022 marks the 30th year of our listing on the Singapore Exchange, and we have delivered an impressive annualised total shareholder return of 20.1%[1].

ACKNOWLEDGEMENTS

In 2022, one of our long-serving Directors, Mr Koh Lee Boon retired from the Board, and Mr Jonathan S. Huberman will not be seeking re-election at the upcoming Annual General Meeting. On behalf of the Board and Management, I would like to thank our outgoing Directors for their invaluable insights and contributions over the years. I would also like to express my deep appreciation to our fellow Directors for their steadfast leadership and wise counsel, which helped Venture to deliver strong results amid a difficult operating environment over the past few years.

Underpinning Venture's success today is its people. Our employees around the world have contributed tremendously to the Group with their hard work and dedication. We will continue to strive for transformational and innovative outcomes in all areas of our endeavours.

We are immensely grateful to our customers, business partners and other stakeholders for their support. Venture relies on a strong network of over 5,000 suppliers and vendors who support the Group in delivering on its commitment to its customers, and we look forward to forging ahead with them.

As we begin FY 2023, we are focused more than ever on our mission to become the leading global provider of technology services, products and solutions. To this end, we will continue to invest in our people and technology to develop new differentiating capabilities and deliver unrivalled service offerings and stakeholder value. With a sharp focus on our strategic direction, we have set the course for the next wave of growth.

"Empowering the Future of Technology"

WONG NGIT LIONG
Executive Chairman

1 Source: Bloomberg, includes dividends reinvested, as at 31 December 2022.

Five-Year Financial Highlights

(S$ Million)	2018	2019	2020	2021	**2022**
Comprehensive Income					
Revenue	3,484.6	3,633.4	3,012.9	3,107.5	**3,863.7**
Profit Before Tax	433.0	420.0	342.8	359.6	**448.9**
Profit Attributable to Owners of the Company	370.1	363.1	297.3	312.1	**369.6**
Balance Sheet					
Total Assets	3,204.6	3,274.2	3,239.6	3,635.3	**3,751.4**
Total Liabilities	852.5	775.7	650.4	915.8	**908.5**
Shareholders' Equity	2,349.9	2,496.2	2,586.5	2,716.4	**2,839.7**
Cash & Bank Balances	712.8	714.5	928.7	807.9	**812.6**
Net Cash Position	711.0	713.4	928.7	807.9	**812.6**
Key Ratios and Per Share Metrics					
Earnings Per Share (Singapore cents)[1]	127.3	125.3	102.2	107.0	**126.8**
Net Asset Value Per Share (Singapore cents)	816.4	865.4	891.8	934.8	**975.8**
Dividend Per Share (Singapore cents)	70.0	70.0	75.0	75.0	**75.0**
ROCE (%)[2]	18.0	16.3	12.9	13.0	**15.4**
ROE (%)[3]	16.4	15.0	11.7	11.8	**13.3**

1 *On a fully diluted basis*
2 *Return on Capital Employed ("ROCE") is calculated using EBIT/ending Capital Employed. Capital Employed is measured using Total Assets less Current Liabilities.*
3 *Return on Equity ("ROE") is calculated using Profit Attributable to Owners of the Company/average Shareholders' Equity.*

Corporate Directory

REGISTERED OFFICE

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F : +65 6482 0122
Email: contact-us@venture.com.sg
Website: www.venture.com.sg

SHARE REGISTRAR

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#05-01
Singapore 068902
T : +65 6227 6660
F : +65 6225 1452

COMPANY SECRETARY

Email: company-secretary@venture.com.sg

INVESTOR RELATIONS

Email: investor.relations@venture.com.sg

AUDITORS

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6 Shenton Way
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F : +65 6538 6166

Partner-in-charge
JAMES XU JUN
(Appointed with effect from the financial year ended 31 December 2020)

PRINCIPAL BANKERS

CIMB Bank Berhad
Citibank N.A.
DBS Bank Ltd
JPMorgan Chase Bank N.A.
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited

Board of Directors

Seated from left:

TAN SEOK HOONG @MRS AUDREY LIOW
Lead Independent Director

WONG NGIT LIONG
Executive Chairman

KAY KUOK OON KWONG
Independent Non-Executive Director

WONG YEW MENG
Non-Independent Non-Executive Director

Standing from left:

CHUA KEE LOCK
Independent Non-Executive Director

HAN THONG KWANG
Independent Non-Executive Director

JONATHAN S. HUBERMAN
Independent Non-Executive Director

YEO SIEW ENG
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:
- Chairman, Investment Committee
- Chairman, Science, Technology & Engineering Committee (appointed 2022)
- Member, Nominating Committee

Number of directorships in listed companies as at 31 December 2022 (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, Heliconia Capital Management Pte Ltd and C-Quest Capital SGT Asia Stoves 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. 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 2022 (including Venture): 2

Board of Directors

JONATHAN S. HUBERMAN
Independent Non-Executive Director

Mr Jonathan S. Huberman is Chairman, President and CEO of Nogin, Inc., a leading provider of commerce-as-a-service technology. He also serves on the Boards of Aculon, Inc., Otonomo and CuriosityStream. He was previously the Chairman, CEO & CFO of a Software Acquisition Group Inc III, which merged with Nogin.

Mr Huberman has previously served as CEO of Ooyala, Syncplicity, Inc, Tiburon, Inc. and Iomega Corporation. With over 30 years of high-tech business leadership, Mr Huberman is a well-experienced executive with a demonstrated track record of driving high customer satisfaction, technology innovation, and greater market value for software-as-a-service companies.

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

Date of first appointment as a Director:
2 January 2015

Date of last re-election as a Director:
3 June 2020

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

Number of directorships in listed companies as at 31 December 2022 (including Venture): 5

KAY KUOK OON KWONG
Independent Non-Executive Director

Ms Kay Kuok Oon Kwong is the Executive Chairman of Allgreen Properties Limited and a Director of Shangri-La Hotel Limited (Singapore). She also sits on the Boards of Kuok (Singapore) Limited (and its various subsidiaries), and 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, VIVA Foundation for Children with Cancer, National Healthcare Group Pte Ltd, MOH Holdings Pte Ltd, The Courage Fund Limited, Singapore Tourism Board, NUS Board of Trustees, National Arts Council, South West CDC, Singapore Environment Council, National Environment Agency and Northlight School.

Ms Kuok has received the Meritorious Service Medal, the Public Service Star (BBM) and the Public Service Medal (PSM) from the President of Singapore in 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 directorships in listed companies as at 31 December 2022 (including Venture): 1

Major appointments (present):
- Chairman, Yale-NUS College Governing Board
- Board Member, Singapore Hotels Association
- Board of Trustees, Singapore Business Federation
- Chairman, TTSH Community Fund

Major appointments (including directorships) in the last three years:
- NUS Board of Trustees
- SymAsia Foundation Limited
- Chairman, National Healthcare Group Pte Ltd
- Board Member, MOH Holdings Pte Ltd
- Shangri-La Hotels Public Company Limited (Thailand)
- Managing Director, Shangri-La Hotels (Malaysia) Bhd
- Chairman, The Courage Fund Limited

WONG YEW MENG

Non-Independent Non-Executive Director

Mr Wong Yew Meng serves on the boards of the Singapore Deposit Insurance Corporation Limited and the Kidney Dialysis Foundation Ltd.

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 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 Technology 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 directorships in listed companies as at 31 December 2022 (including Venture): 1

Major appointments (present):
- Board member, Singapore Deposit Insurance Corporation Limited
- Board member, Kidney Dialysis Foundation Ltd

Major appointments (including directorships) in the last three years:
- Board of Trustees, Nanyang Technological University
- Land Transport Authority of Singapore
- Ascendas Funds Management (S) Ltd

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 centers 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:
3 June 2020

Committee memberships:
- Member, Nominating Committee
- Member, Science, Technology & Engineering Committee (appointed 2022)

Number of directorships in listed companies as at 31 December 2022 (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 multi-national 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. 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 directorships in listed companies as at 31 December 2022 (including Venture): 1

Number of directorships in entity managing a listed trust: 1

Major appointments (present):
- Transit Link Pte Ltd (Appointed 1 August 2022)
- Keppel DC REIT Management Pte Ltd (corporate manager of listed Keppel DC REIT) (Appointed 1 November 2022)

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

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 and Future Economy Council.

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 2022 (including Venture): 4

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:
- Binance Asia Services Pte. Ltd.
- Sunday Ins Holdings Pte. Ltd.
- Shenzhen Chipscreen Biosciences Limited

Key Management Executives

WONG NGIT LIONG[1]

Executive Chairman

LEE GHAI KEEN

Chief Executive Officer

Mr Lee Ghai Keen is Chief Executive Officer (CEO) of the Group. He is responsible for setting the business direction and strategies as endorsed by the Board, providing strategic leadership to achieve the Group's strategic objectives, and driving the Group's overall performance.

Mr Lee joined Venture in March 1998 and was appointed as Chief Operating Officer in 2021 and CEO in 2022.

Mr Lee was previously Executive Vice President of Technology Products & Solutions, a role he was appointed to since 2012. He was instrumental in setting up Venture's Research & Development Labs and providing strategic leadership to group-wide R&D efforts and programmes across Venture's design centres in Singapore, Malaysia, China and the United States. He was also responsible for the Group's Retail Store Solutions & Industrial Products business and operations in Singapore, Malaysia and China.

With seven US design patents in his name, Mr Lee brings invaluable experience in research, engineering and design development in the electrical and electronics sector. Prior to joining Venture, Mr Lee held various R&D positions with the Hewlett-Packard Company.

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

WONG CHEE KHEONG

Chief Operating Officer

Mr Wong Chee Kheong is Chief Operating Officer (COO) of the Group. He is responsible for driving operational excellence and business growth across all of Venture's technology domains. In addition, Mr Wong oversees the Group's Global Supply Base Management function in its strategic procurement activities and the Information Technology (IT) function.

Mr Wong joined Venture in May 2003. Prior to being appointed as COO in 2022, he was Senior Vice President of the Group's Healthcare and Wellness business. During his tenure at Venture, Mr Wong amassed considerable experience across different business functions, from leading product development and manufacturing to overseeing the Group's strategic procurement and IT activities.

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

Mr Wong holds a Bachelor in Electrical Engineering (First Class Honours) from the National University of Singapore.

1 *Please refer to page 15 for Mr Wong's profile*

WILLIAM NG WAI LIM[1]

Chief Financial Officer

Mr William Ng is Chief Financial Officer (CFO) of the Group. He is responsible for the Group's overall finance functions including accounting, treasury, financial reporting, business control, credit management, tax, investment, risk management and investor relations.

Prior to joining Venture, Mr Ng was CFO East Asia and Japan at Schneider Electric SE, where he was instrumental in the digital and organisational transformation of its finance operations.

Before joining Schneider, Mr Ng was CFO of ABB Ltd in Southeast Asia where he was responsible for leading its financial operations. During his illustrious 19-year career with ABB, Mr Ng assumed various business and finance leadership roles, including Country Managing Director in Vietnam and Malaysia, and board directorships in several of its legal entities in Southeast Asia. In addition, he was based in China for several years where he held key finance positions in ABB's China operations.

Mr Ng holds a Master of Business in Finance from the University of Technology in Sydney and has attended leadership and management programmes at the Human Capital Leadership Institute, INSEAD and the IMD Business School. He is also a Fellow of the Certified Practicing Accountant (FCPA) Australia.

1 *On 28 February 2023, the Group announced the cessation of Mr Ng as CFO*

List of Properties

ANG MO KIO
Singapore

MARSILING
Singapore

JOHOR BAHRU
Malaysia

JOHOR BAHRU
Malaysia

Location	Address	Site area (Sq.m.)	Tenure	Usage
Singapore				
MK 18, Lot No. 17946P Singapore	5006 Ang Mo Kio Avenue 5 TECHplace II, Singapore 569873	8,219	Leasehold (Expiring 2052)	Office and Industrial
MK 13, Lot No. 2361 Singapore	28 Marsiling Lane Singapore 739152	10,550	Leasehold (Expiring 2052)	Office and Industrial
Malaysia				
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
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
HS(D) 333450 PTD 97125, Mukim Tebrau Johor Bahru Johor, Malaysia	1, Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	44,470	Leasehold (Expiring 2052)	Industrial
HS(D) 45801 PTD 8824, Mukim Senai Kulai, Johor Bahru Johor, Malaysia	PLO 49, Jalan Perindustrian 4 Kawasan Perindustrian 2 81400 Senai Johor, Malaysia	4,978	Leasehold (Expiring 2052)	Industrial
HS(D) 445334 PTD 100821, Mukim Senai Kulai, Johor Bahru Johor, Malaysia	PLO 34 & 35, Fasa 2 Kawasan Perindustrian Senai 81400 Senai Johor, Malaysia	24,581	Leasehold (Expiring 2049)	Office and Industrial
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
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
HS(D) 218290 PTD 64850, Mukim Tebrau Johor Bahru Johor, Malaysia	5 (PLO 5), Jalan Firma 1 Kawasan Perindustrian Tebrau 1 81100 Johor Bahru Johor, Malaysia	18,763	Freehold	Industrial
HS(D) 468918 PTD 152116, Mukim Tebrau Johor Bahru Johor, Malaysia	47, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	4,730	Freehold	Industrial

SENAI Malaysia	**PENANG** Malaysia	**SHANGHAI** China	**MILPITAS** USA

Location	Address	Site area (Sq.m.)	Tenure	Usage
HS(D) 6220 LOT 4020 Mukim Tebrau Johor Bahru Johor, Malaysia	49, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,476	Freehold	Industrial
HS(D) 6221 LOT 4021 Mukim Tebrau Johor Bahru Johor, Malaysia	51, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	3,195	Freehold	Industrial
HS(D) 623714 PTD 209448 Mukim Tebrau Johor Bahru Johor, Malaysia	53, Jalan Riang 21 Taman Gembira 81200 Johor Bahru Johor, Malaysia	6,204	Freehold	Industrial
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
HS(D) 8712 PT 3217, Bayan Lepas Penang, Malaysia	Plot 44, Bayan Lepas Industrial Park IV 11900 Bayan Lepas Penang, Malaysia	39,522	Leasehold (Expiring 2055)	Industrial
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
China				
Shanghai, People's Republic of China	69 Huang Yang Road Tower 2, 6/F, Unit D, Xin He Gardens Jin Qiao, Pudong Shanghai 201206 People's Republic of China	156	Leasehold (Expiring 2063)	Residential
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
USA				
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

SUSTAINABILITY REPORT

Venture's GRI Content Index is available on our website. Please visit http://venture.listedcompany.com/sustainability_report.html for more information.

Letter from the Board

Dear Stakeholders,

2022 was marked with accelerating actions on sustainability. Singapore joined a growing number of countries to declare a net-zero target by 2050, and Malaysia has announced its goal to become carbon neutral as early as 2050. These net-zero announcements have been accompanied by stronger regulations, including a steeper carbon tax enacted for Singapore companies, and mandatory climate reporting requirements. Worldwide, economies and labour markets continue to recover from the COVID-19 pandemic and ongoing geopolitical conflicts.

Amid the uncertainties, Venture continued to stay resilient and create impactful value for all its stakeholders. We achieved this through our efforts to embed sustainability more deeply into our business strategy and operations. Three sustainability directions emerged as central to our continued resilience and success as an industry leader.

From once-in-a-hundred-year floods and heatwaves to increasing rainfall and rising temperatures, we are seeing the effects of climate change. Regulators and financial markets have begun to implement climate-risk related regulations, including the Singapore Exchange (SGX), which announced climate reporting requirements for all issuers. The physical impacts of climate change and accelerating decarbonisation efforts on the part of regulators, investors and customers, are transforming our business environment.

We continue with our efforts to enhance the sustainability of our supply chain management. Companies are increasingly being held accountable for the respect of human rights and greenhouse gas emissions along their supply chains by their stakeholders.

In addition, we have also bolstered the robustness of our Environment, Social and Governance (ESG) data management systems and reliability of sustainability-related data and information.

CLIMATE RESILIENCE

We recognise that climate-related risks may impact Venture's long-term business resilience. This year, we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) reporting ahead of SGX's mandatory climate reporting requirements for our industry. Through climate scenario analysis across our operations in Singapore and Malaysia, we identified relevant climate-related risks and opportunities to our business. Key business and operations representatives from across the company contributed to the analysis, and overall, we gained a deeper appreciation of our business resilience in the face of climate change. Going forward, we will consider the quantification of our climate risks, and the integration of these risks into our enterprise risk management system.

A SUSTAINABLE SUPPLY CHAIN

Venture has an important role to play in encouraging sustainable practices within our value chain. Our suppliers are valued business partners, and we are partnering with them towards a sustainable future. Our Supplier Code of Conduct communicates our expectations of all suppliers, including respect for fundamental human rights and environmental stewardship, and a high standard of ethical business conduct. By outlining our sustainability-related expectations to suppliers, we continue to make progress towards a more sustainable supply chain.

ROBUST ESG DATA MANAGEMENT

ESG data has come under increasing scrutiny from investors, customers and regulators. The accuracy and reliability of our sustainability information is critical to the evaluation of our sustainability progress. For this sustainability report, our Internal Audit team undertook an internal review of our environmental data and internal data collection processes, in line with SGX's requirements for all issuers to conduct an internal review of their sustainability reporting processes. In doing so, we also strengthened company-wide understanding of sound environmental data management practices.

CONCLUSION

With a focus on climate resilience, sustainable supply chain management and robust ESG data management, we are confident that we will continue to minimise our business risks and capture opportunities in a green economy. We are pleased to share our progress with you through our sustainability report for the year ended 31 December 2022.

2022
At a Glance

KEY MILESTONES

15 awards and accolades

Conducted inaugural climate risk assessment

Zero breaches of customer privacy

Performed internal review of environmental data

Zero fatalities at reported sites

Newly-implemented Supplier Code of Conduct

Zero reported cases of significant fines or penalties

Zero reported incidents of corruption and bribery

Zero reported cases of environmental and socio-economic non-compliance

About this Report

The report scope covers our major sites in Singapore and Malaysia, including operational sites at Woodlands, Ang Mo Kio, and Marsiling in Singapore, and Penang, Senai and Johor Bahru in Malaysia, for the financial year ending 31 December 2022. Combined, these sites account for more than three-quarters of Venture's revenue for the financial year. Venture has operations in China, Europe, and the US which are excluded from the scope of this report. There were no significant changes to the ownership structure or extent of operations compared to the prior year.

To maintain a consistent approach to our reporting and facilitate year-on-year comparison, we have continued to publish our report in line with the Global Reporting Initiative (GRI) standards and principles. This report has been prepared in accordance with the GRI Standards 2021 and in alignment with the requirements of the SGX Securities Trading Limited (SGX-ST) Listing Sustainability Report Rules. We will continue to monitor developments in sustainability reporting for applicability to our business.

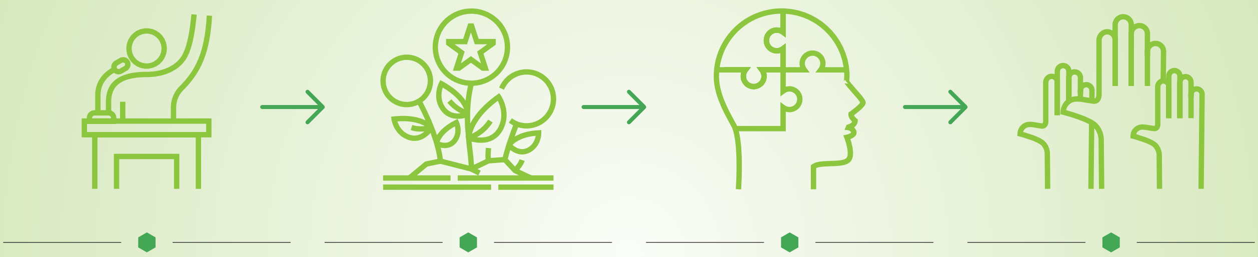
This year, we strengthened the integrity of our ESG data collection process by engaging the Internal Audit department to perform internal review on the environmental data within this report. The review covered controls over the sustainability reporting process for accuracy and validity of environmental data collected. Venture will progressively review social and governance data in the future. We have not commissioned an independent external assurance on this report.

This report uses standard units of measurement. Conversion factors, where required, are explained in their respective sections.

We value all feedback in our sustainability reporting journey. To connect with us, please contact us at sustainability@venture.com.sg.

Our Commitment to Sustainability

SUSTAINABILITY GOVERNANCE STRUCTURE



Board of Directors

Provides oversight on ESG topics that are material to Venture's long-term value creation

Sustainability Steering Committe (SSC)

Develops Venture's sustainability strategy and policies, and monitors the Group's ESG-related performance

Sustainability Task Force (STF)

Manages Venture's sustainability policies, initiatives and programmes

All Employees

Implement and provide support for Venture's sustainability initiatives and programmes

Integrating sustainability at the highest governance level in Venture enables the Group strategic oversight of ESG issues.

Our Board of Directors is responsible for driving Venture's sustainability strategy and performance that adds business and economic value to the Group. The Board is regularly appraised of the latest sustainability strategy, material issues and performance through updates from the SSC and/or the STF at least once annually.

Within Venture, the SSC, which comprises C-suite level executives, is responsible for Venture's overall performance against ESG goals and targets. The SSC develops Venture's sustainability strategy and policies, and monitor its ESG-related performance.

The management of Venture's sustainability initiatives and programmes is undertaken by the STF. The STF, which comprises representatives from across Venture, reports to the SSC. At the operational level, employees from all business and operational units participate in ESG data collection, performance tracking and the day-to-day implementation of various sustainability efforts. The sustainability report, which is prepared and reviewed by various working team members, is circulated to the SSC and STF. The Board reviews and approves the board statement in the sustainability report.

Our Board of Directors have undergone ESG-related training conducted by the Singapore Institute of Directors and SGX. These training sessions help to reinforce the understanding of their roles and responsibilities in driving sustainability compliance and strategy, and strengthening the company's value creation through ESG practices.

VALUES AND STRATEGY

Our core values are at the heart of our strategy and operations and are aligned with our sustainability focus areas. They unite our 12,000-strong workforce globally in working towards our shared vision and mission.

VENTURE'S CORE VALUES

1 **Relentless Pursuit Of Excellence**

2 **Rendering The Highest Level Of Total Customer Satisfaction**

3 **Encouraging Employees To Realise Their Full Potential**

4 **Building Strong Cohesion And Teamwork**

5 **Fostering Creativity And Innovation**

ETHICS AND COMPLIANCE

At Venture, we believe that business success must be accompanied by unwavering principles of integrity. This is reflected in various company policies that underpin our operations and business relationships. They include regulations on export control, operational permits, finance and accounting, labour laws, customer protection, personal data protection, workers' health and safety, the use of conflict-free minerals and environmental frameworks.

Our Code of Conduct, anchored by our Five Core Values, outlines the principles and compliance expectations for all employees globally. It covers topics such as sound employment practices, workplace safety and wellbeing, dealing with conflicts of interests and fair, honest and ethical business conduct. In addition, our Anti-Bribery and Corruption Policy describes our zero-tolerance approach towards inducement, bribery and corruption. To pre-empt potential corruption incidents, employees are required to complete an annual self declaration on conflicts of interest. Furthermore, Venture's third-party suppliers are required to adhere to our Supplier Code of Conduct and relevant policies such as Compliance with Export Control Laws.

There were no reported incidents of corruption or bribery in 2022, and no public legal cases related to corruption or bribery were brought against Venture and its subsidiaries. No contracts with business partners or suppliers had to be terminated due to any corruption or bribery violation.

In line with our culture of transparency, trust and integrity, our Whistle-Blowing Policy provides a framework to promote responsible and secure whistle-blowing of wrongdoings for appropriate investigations and actions. Whistle-blowers are free from fear of reprisals and to the extent permissible, we shall protect the identities of the whistle-blowers who have elected to remain anonymous. Investigations are conducted independently and without prejudice or bias. At the Board level, Venture's Audit & Risk Committee is responsible for the oversight and monitoring of whistleblowing. In 2022, there were no whistle-blowing incidents reported.

All relevant policies are publicly available and communicated to all stakeholders via our corporate website.

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

Our Commitment to Sustainability

PROTECTION OF CONFIDENTIAL INFORMATION

As a global provider of technology services, products and solutions, safeguarding confidential information is critical to building and maintaining trust between Venture and its stakeholders. We are committed to the protection of personal information in accordance with applicable laws, and the protection of customer data through comprehensive cybersecurity management.

Venture has implemented a Personal Data Protection Policy outlining its commitment to data privacy as well as the collection, use and disclosure of personal information. We conduct our business in compliance with relevant data protection laws and standards, including the Personal Data Protection Act (PDPA) and RBA's Code of Conduct – Ethics and Management System (Intellectual Property).

Venture recognises that cyberattacks and personal data theft are increasingly sophisticated and on the rise. We continually augment our holistic and risk-based framework for the protection of confidential information. All our manufacturing sites are guided by policies and standard operating procedures (SOPs) which prescribe steps that facilitate the secure receipt, handling and storage of confidential information. We continue to maintain zero substantiated complaints on customer privacy breaches and loss of customer data from our IT network in 2022.

In 2022, we further strengthened our IT cybersecurity infrastructure through the implementation of the following initiatives:

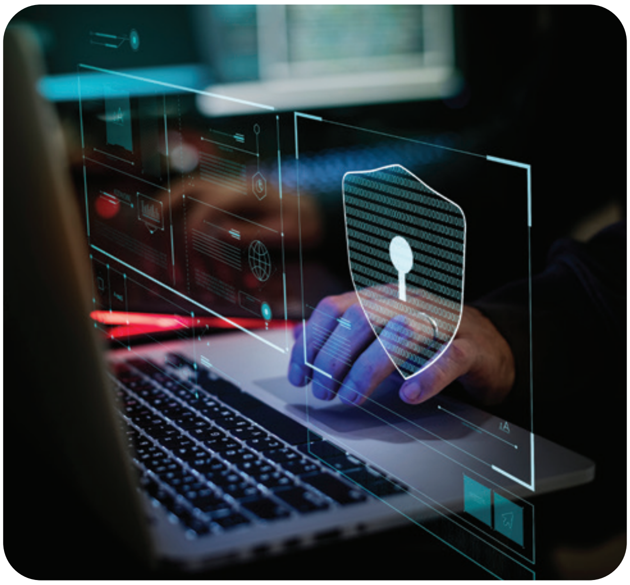
- Global Vulnerability Assessment and Penetration Test (VAPT)
- 24/7 Security Operation Centre Firewall Monitoring
- Data Gating System (DGS) System Upgrade
- Storage immutable backup for business-critical servers
- Email Phishing Simulation and Training

The Global VAPT testing, which was conducted by a CREST certified external provider, assessed Venture's exposure to external security threats level and implemented measures to protect its IT infrastructure from data breaches. The 24/7 Security Operation Centre Firewall Monitoring alerts us of any attempts of data intrusions. The DGS system upgrade further boosted the security and stability of our manufacturing execution system.

In addition, we obtained the ISO 27001 Information Security Management System (ISMS) certification for the Ang Mo Kio site. The qualification enables Venture to systematically manage information security risks and facilitates business continuity.

Various training exercises were also conducted during the year to increase the awareness of cybersecurity among our employees.

In 2023, we plan to implement a Security Incident and Event Management (SIEM) system which collects, processes, analyses and reports real-time log data from all IT systems in a centralised platform, allowing us to protect against data breaches and provides real-time monitoring of IT threats and incident response capabilities. In addition, we will be enhancing our Cyber Incident Response Plan to align with industry's best practices, including conducting table-top exercises.



STAKEHOLDER ENGAGEMENT

Regular stakeholder engagement is key to a successful and sustainable business plan. It is important to understand and integrate stakeholders' concerns into our sustainability strategy and actions.

Our key stakeholder groups include employees, shareholders and business partners such as customers and suppliers. They play an active role in the advancement of our sustainability progress and may be significantly impacted by our business operations. In addition, we also engage more broadly with national and local governments, analysts, industry associations, interest groups and the local communities where we operate in.

The following table outlines our methods of engagement with key stakeholder groups and their respective areas of focus. These topics of concern are addressed through our approach towards managing Venture's sustainability material topics.

Stakeholder Group		Issues and Concerns	Engagement Platforms and Frequency
Business Partners	Customers	• Delivery of innovative solutions with excellent capabilities • Compliance with ESG standards • Protection of confidential information • ESG-related performance and climate impact	• Regular meetings with our business partners involving senior management, Total Customer Satisfaction (TCS) Managers, Alliance Management and Programme Managers • Business review and bi-annual customer scorecard review
Business Partners	Suppliers	• Fair and competitive business conduct • Compliance with ethical and responsible ESG standards • Protection of confidential information	• Regular communications, meetings, and teleconferences • Annual meetings and assessments • Facility tours
Employees		• Corporate direction and strategy • Remuneration and benefits • Career development and training opportunities • Labour and human rights • Workplace health and safety	• Induction programme for new hires • Annual training and development programmes • Compensation and Benefits benchmarking • Regular e-News communications and meetings • Recreational and wellness activities • Annual performance appraisals and career development reviews
Shareholders		• Financial performance • Business outlook • Shareholder returns • Corporate governance	• Annual General Meetings • Annual and Sustainability reports • Business updates • Investor meetings and conferences • Non-deal roadshows • Corporate website and social media platforms

Our Commitment to Sustainability

MATERIALITY

In 2021, we conducted an in-depth materiality assessment that surfaced four more material topics whose impacts are highly relevant to our long-term value creation: Waste, Diversity and Inclusion, Human Rights and Responsible Materials Sourcing. These topics were prioritised through careful consideration of Venture's environmental and social impacts, incorporating feedback from key customers and investors.

Venture's material topics and their relevance to the Sustainable Development Goals (SDGs), as well as related targets and performance, are described in the table below.

Venture's Material Sustainability Factors	Factor boundaries[1]		Corresponding GRI Standards Topics	Relevant chapter in this report	SDGs
	Internal stakeholders	External stakeholders			
Economic performance	✓	✓	GRI 201: Economic Performance 2016	Economic Performance	8, 9
Energy & Emissions	✓	✓	GRI 302: Energy 2016 GRI 305: Emissions 2016	Our Environment	7, 8
Waste	✓	✓	GRI 306: Waste 2020	Our Environment	12, 14, 15
Water	✓	✓	GRI 303: Water & Effluents 2018	Our Environment	3, 6, 14, 15
Occupational health and safety	✓	✓	GRI 403: Occupational Health and Safety 2018	Our People	3, 8, 16
Talent attraction, retention and development	✓		GRI 404: Training and Education 2016	Our People	4, 5, 8, 10
Diversity and inclusion	✓		GRI 405: Diversity & Equal Opportunity 2016 GRI 406: Non-discrimination 2016	Our People	5, 8
Human rights	✓	✓	GRI 409: Forced or Compulsory Labor 2016 GRI 408: Child Labor 2016	Our People	1, 2, 3, 4
Responsible Materials Sourcing	✓	✓	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	Our People	3
Responsible Business Conduct	✓	✓	GRI 205: Anti-corruption 2016	Venture's Sustainability Approach	16
Protection of confidential information	✓	✓	GRI 418: Customer Privacy 2016	Venture's Sustainability Approach	16
Compliance with other laws and regulations	✓	✓	GRI 2-27: Compliance with laws and regulations	Ethics and Compliance Our Environment	16

Venture is currently building a robust environmental baseline. We track our sustainability performance using several environmental metrics for monitoring. Going forward, we plan to set environmental targets, alongside a decarbonisation strategy.

1 *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
Economic performance	For information on our economic and financial performance, please refer to pages 8-11, 96-175 in Annual Report 2022	
Energy & Emissions	Reduce GHG emissions intensity across sites	Venture is committed to reducing GHG emissions intensity across its sites
Water	Reduce water usage intensity across sites	Venture is committed to reducing water usage intensity across sites
Waste	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	
Occupational health and safety	Reduce or maintain an incident rate of recordable injuries to below 1.0	Incident rate of recordable injuries across all sites reduced to 0.7
	Maintain zero fatalities across all sites	Zero fatalities across all sites in 2022
Talent attraction, retention and development	Enhance employee engagement through workplace initiatives	Ongoing
	Maintain a fair performance management system	Ongoing
	Maintain an average of 40 training hours for each employee	Venture's employees undertook 34 hours of training on average[1]
Diversity and inclusion	Achieve zero incidents of discrimination	Zero incidents of discrimination
	Maintain gender balance in the workforce	In 2022, Venture's workforce comprised 55% female and 45% male employees
Human rights	Maintain zero forced and child labour in operations	Zero incidents of forced and child labour in operations in 2022
Responsible Materials Sourcing	Maintain zero incidents of non-compliance with the revised Responsible Materials Sourcing Policy	Zero incidents of non-compliance in 2022
	Maintain zero termination of contracts with business partners or suppliers due to infringement of the Responsible Materials Sourcing Policy	Zero contract terminations
Responsible Business Conduct	Maintain frequency of Code of Conduct modules and refresher training	Maintained training frequency
	Maintain zero cases of corruption	Zero cases of corruption in 2022
Protection of confidential information	Maintain zero breaches of data privacy	Zero incidents of non-compliance with all existing policies and procedures in 2022
	Enhance existing processes to safeguard confidential information	Group-wide cybersecurity infrastructure initiatives were successfully rolled out by the IT department in 2022
	Obtain ISO 27001 ISMS certification for all key global sites	Targeting to obtain certification for one of Venture's key sites in 2023
Compliance with other laws and regulations	Maintain compliance with all relevant laws and regulations Maintain zero cases of significant fines or non-monetary sanctions related to environmental laws and regulations	Zero incidents of non-compliance in 2022

1 *This is due to the wider availability of online information, and an increasing focus on self-initiated skills development*

Our Commitment to Sustainability

ECONOMIC PERFORMANCE

Over the years, Venture has sustained a consistent focus on economic performance and technological leadership, relentlessly pursuing excellence and achieving business success. We believe in achieving prosperity together with our stakeholders and sharing the benefits of our success with them.

Venture's Board of Directors and Senior Management team provide overall stewardship in achieving strong business performance. The Board is supported by four committees, namely the Audit & Risk, Nominating, Remuneration, and Investment Committees.

As a leader within our industry, Venture actively participates in industry associations through its membership in the Federation of Malaysian Manufacturers and the Free Industrial Zone, Penang, Companies' Association (FREPENCA). To stay ahead of industry developments, we regularly exchange thought leadership with the American Malaysian Chamber of Commerce and the Malaysia Semiconductor Industry Association.

Our continued dedication to business excellence has been recognised through various accolades and awards. In 2022, Venture received 15 corporate and customer excellence awards, including Runner-Up at the Securities Investors' Association of Singapore Most Transparent Company Award 2022 (Technology Category) for its good corporate governance practices. It was also awarded the prestigious Chief Procurement Award (CPO) from one of its key customers, Philip Morris International (PMI). Venture has also received various Ramp and Supplier awards from its customers.

For information on our financial performance and business plans, please refer to pages 8-11 and 96-175 in Annual Report 2022.

INNOVATION

Innovation is central to Venture's sustainable business growth. Venture strives to pioneer innovative and transformational solutions that contribute to a healthier, greener and more resource-efficient world. We continually invest in research and development capabilities to devise creative and critical technological solutions to meet evolving customer demands.

In 2022, we augmented our vision inspection capabilities for ultra-fine pitch components with the use of an X-ray machine with CT scan capabilities, resulting in improvements in first pass yields and reduced processing time with lesser human intervention. This helped us to deliver superior quality and reliable products more efficiently. As part of our smart factory initiative, we also leveraged our newly-installed auto labelling line to manage multiple products with different shipping label configurations. Through such innovations, the efficiency and productivity of our manufacturing operations were enhanced.

Venture's Climate-related Risks and Opportunities

Climate change is one of the most imperative risks to businesses today. Recognising the impact that climate change has on its operations, Venture has adopted the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) for its climate-related risks and opportunities this year.

OUR INITIATIVES

In 2022, we conducted a scenario analysis of our operations across our six sites located in Singapore and Malaysia to identify our climate-related risks and opportunities. Moving forward, we plan to integrate the identified risks into our Enterprise Risk Management (ERM) framework to strengthen our oversight of climate-related risks and opportunities.

GOVERNANCE

The Board and senior management are regularly apprised of important sustainability issues that impact Venture's business operations, including climate-related risks and opportunities. We reported and discussed the findings of our scenario analysis with our Board and senior management team. Moving forward, we plan to further strengthen their role in the oversight of Venture's climate-related risks and opportunities.

STRATEGY

Venture conducted a scenario analysis exercise using two scenarios: a 4°C scenario and a less than 2°C scenario, with reference to findings from the Intergovernmental Panel on Climate Change's Sixth Assessment Report and the Network on Greening the Financial System. They were adopted to stress-test Venture's transition and physical risks in two extreme situations. From the scenario analysis, relevant climate-related risks and opportunities that Venture faces were identified. We will further assess these risks and opportunities to guide our management response. Ultimately, Venture seeks to tap into climate opportunities and strengthen its resilience against climate risks.

		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

Venture's Climate-related Risks and Opportunities

Venture's potential climate-related opportunities	
Develop leading-edge low-emissions products and services that are attractive to customers looking to reduce their carbon footprint	Adopt circular economy practices to save on production costs and reduce exposure to fluctuating raw material and component prices
Build a GHG abatement cost curve to visualise cost savings and explore levers that significantly reduce emissions	Leverage green finance to develop low-carbon products and services and/or renewable energy infrastructure

RISK MANAGEMENT

We plan to integrate climate considerations into our existing ERM structure through formalising the Board and Risk Management Committee's oversight of climate-related risks, as well was incorporating climate risk impacts into our risk coverage. Having identified key climate-related risks through the scenario analysis, we will work towards risk assessment and prioritisation through further research into climate-related risk drivers and quantification of risk impacts where relevant. A deeper understanding of the impact of climate risks on Venture will inform our risk responses.

METRICS AND TARGETS

Since 2019, Venture has published its greenhouse gas emissions and energy consumption data in our annual sustainability reports. We have consistently been monitoring and collecting data on greenhouse gas (GHG) emissions, electricity and water consumption to track our environmental performance. Moving forward, we plan to set environmental targets to guide our business operations and monitor our exposure to climate-related risks.

Our Environment

2022 has seen accelerating global action toward environmental conservation and health. Venture recognises the critical role it plays in stewarding the health of our climate and biosphere.

To minimise our environmental footprint, Venture adopts lean manufacturing approaches to drive resource efficiency within its operations and value chain and implements comprehensive environmental management systems.

Venture's Environmental Management System (EMS) Committee manages and monitors its environmental performance and goals across the Group. The EMS Committee comprises environmental management representatives who are responsible for each site's performance and compliance with all environmental regulations and requirements. In 2022, all of our operational sites maintained their ISO 14001 certification for Environmental Management Systems[1]. There were no incidents of environmental non-compliance during the reporting period.

Beyond the ISO 14001 certification for all operational sites, our group-wide Environmental Policy outlines green manufacturing initiatives, as elaborated in the following sections. Our EMS Committee continues to review Venture's group-wide environmental policy against evolving environmental standards regionally and globally.

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

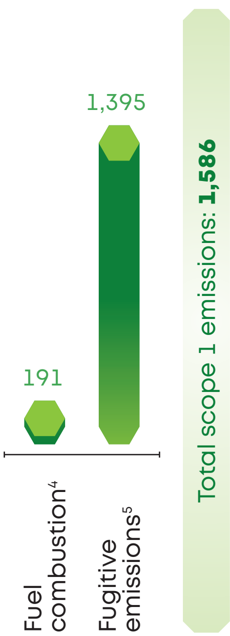
ENERGY AND GHG EMISSIONS

GHG emissions are one of the root causes of the anthropogenic climate change impacts that are felt globally. The Intergovernmental Panel on Climate Change (IPCC) has warned that catastrophic climate-related impacts will occur if the global temperature increase exceeds 2°C above pre-industrial levels.

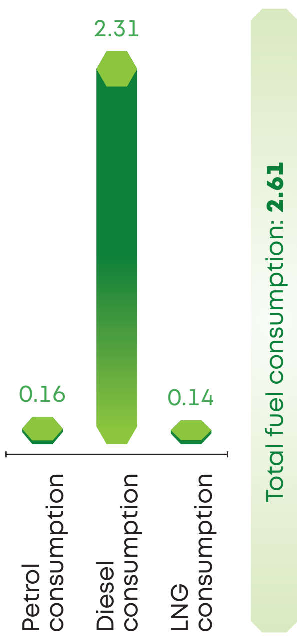
In 2022, both Singapore and Malaysia announced decarbonisation goals, with Singapore aiming to peak emissions by 2030 and reach net-zero by 2050[2], and Malaysia committing to carbon neutrality as early as 2050[3].

Venture recognises its responsibility to do its part in a decarbonising world. It has provided a consolidated greenhouse gas (GHG) inventory against the GHG Protocol. The scope of our GHG inventory has been expanded to include scope 1 emissions this year, including those from fuel consumption and fugitive refrigerants.

Venture's 2022 Scope 1 emissions
In tonnes of CO_2 equivalent (tCO_2e)



Fuel consumption within Venture's operations in 2022
In tonnes of terajoules (TJ)



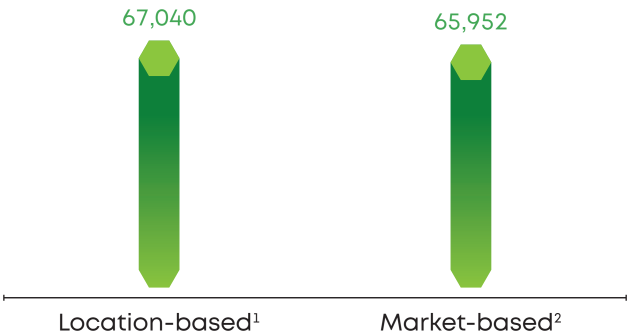
1 *In 2022, the Woodlands site obtained its ISO14001 certification*
2 *https://www.bloomberg.com/news/articles/2022-10-25/singapore-unveils-plans-to-reach-net-zero-emissions-by-2050*
3 *https://www.argusmedia.com/en/news/2258221-malaysia-sets-2050-carbonneutral-goal*
4 *Fuel combustion Emissions factors were taken from the GHG Protocol's Emission Factors from Cross-Sector Tools, March 2017 version*
5 *Calculated using global warming potentials (GWPs) provided by IPCC AR5, US EPA, GHG Protocol, and Montreal Protocol*

Our Environment

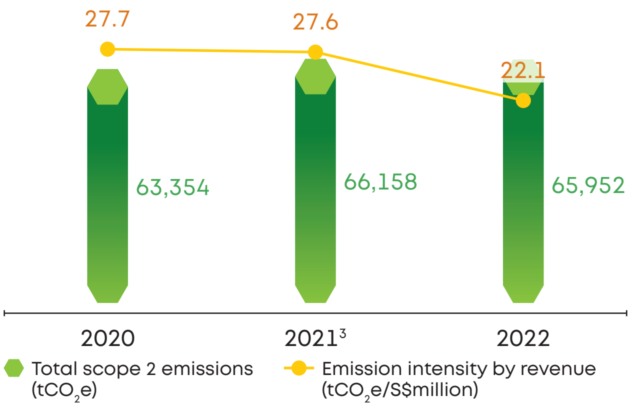
Due to the nature of our operations as a provider of technology services, products and solutions, our Scope 2 emissions from electricity consumption are substantially larger than our Scope 1 emissions.

Venture's 2022 Scope 2 emissions

In tonnes of CO_2 equivalent (tCO_2e)

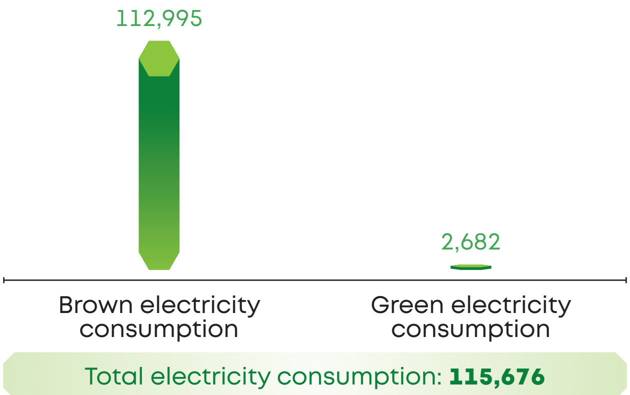


Scope 2 emissions and intensity by revenue

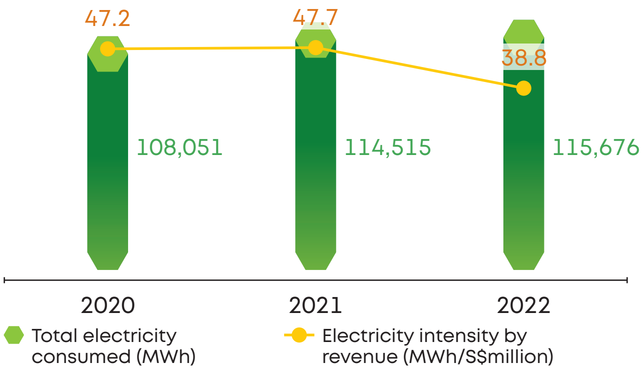


Electricity consumption within Venture's operations in 2022

In megawatt hour (MWh)



Electricity consumption and intensity by revenue



Although our electricity consumption increased by 1%, our collective efforts to reduce electricity usage has resulted in a 18.7% decrease in electricity intensity.

To reduce emissions, our sites have started implementing a range of energy-saving initiatives. The Ang Mo Kio site converted and retrofitted its air conditioning systems to more energy-efficient models, and stickers have been placed near switches to remind employees to conserve electricity. In addition, the site has also switched to renewable energy since August 2022. This has resulted in a reduction of emissions by almost 1,100 tCO_2e. Furthermore, fixed speed drive air compressors have been converted to the more energy efficient variable speed drive model, reducing energy consumption by more than 100,000 kWh per year.

The Marsiling site implemented new stringent air conditioning operating hours, including shutdown during weekends. The Penang site replaced halogen street lighting with LED lighting and introduced measures to shut down its power supply when not in use, as well as switching off air conditioning and compressors on weekends. The Senai site has transitioned from normal air compressors to inverter air compressors for pneumatic equipment in its operations. This way, equipment not in use will be switched off instead of remaining idle and wasting electricity in the process.

1 *Grid emission factors sourced from: Energy Market Authority (Singapore) and 2017 CDM Baseline for Malaysia*
2 *Grid emissions factors used as residual mix emissions factors publicly unavailable for Singapore and Malaysia. Energy attribute certificate used for site that procured renewable energy for its operations*
3 *Singapore's Energy Market Authority (EMA) updated the Grid Emission Factor (GEF) for 2020 and 2021. We have subsequently revised Venture's historical emissions figures for 2020 and 2021.*

WATER

Universal access to drinking water, sanitation and hygiene is a basic human need for health and well-being. As water demand continues to rise due to population growth and urbanisation, the over-extraction of groundwater and contamination of freshwater supplies must be avoided to reduce water stress. This is especially true of Singapore, which is projected to experience a high risk of water stress by 2030, and some parts of Malaysia such as Kuala Lumpur and Penang, for which high levels of water stress are anticipated[1].

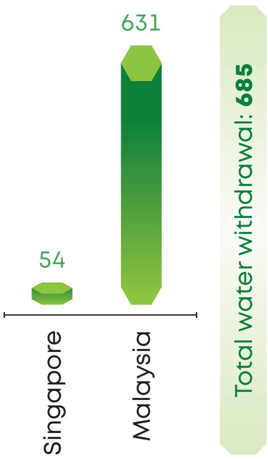
Given the utilisation of water in its operations, Venture has an important role to play in safeguarding water availability. The usage of water at all sites is monitored carefully.

Water needed for our operations is completely sourced from municipal water supplies.

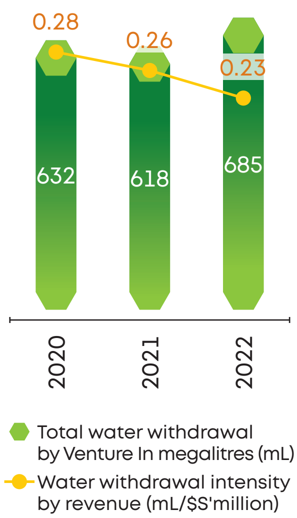
Over the years, we have implemented a range of water-saving initiatives. For example, at the Penang site, we conduct daily inspections for main pipe supply leakage, urinal water supply and flush systems. Monthly water consumption reviews are conducted, and auto-taps and reduced diameter flexible hoses with pressurized nozzles are used in all toilets. The Ang Mo Kio site has set a target of a 3% reduction in water consumption annually since 2019, as required by its Responsible Business Alliance (RBA) and ISO 140001 audit. One cooling tower was also converted to an air-cooled type in January 2023. These water-saving initiatives resulted in an 11.5% decrease in water withdrawal intensity across our operating sites, despite an overall water withdrawal increase of 10.8%.

Water withdrawal by Venture in 2022

In megalitres (mL)



Water withdrawal and intensity by revenue



Our sites mainly discharge freshwater to municipal sewage systems after it has been used for activities such as the aqueous cleaning of printed circuit board assemblies (PCBAs). All sites have set minimum standards that define discharge limits for substances of concern such as heavy metals, suspended solids, as well as pH values, either internally or based on local regulations. In Singapore, the Public Utilities Board of Singapore (PUB) conducts monthly wastewater testing at the Ang Mo Kio and Marsiling sites through a third-party vendor and Venture has received zero adverse reports in 2022. All our sites in Malaysia abide by standards set within the Environmental Quality (Industrial Effluent) Regulations 2009.

1 *World Resources Institute, Aqueduct tools*

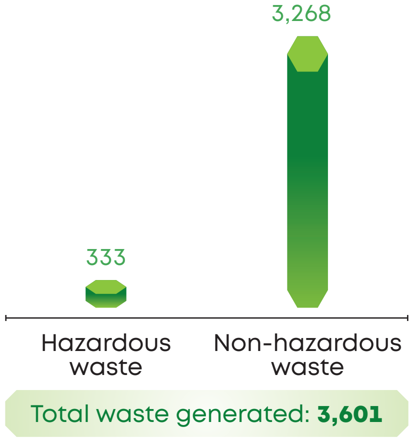
Our Environment

WASTE

Responsible waste management, particularly hazardous waste, is critical for an electronics design and manufacturing company such as Venture. As electronics waste is the fastest-growing waste stream globally[1], Venture recognises the imperative to reduce e-waste. We are exploring new ways of integrating lifecycle approaches in our product design, bearing in mind the principles of durability and quality, as part of our efforts to reduce material wastage. We also engage with third-party licensed contractors to collect, recycle and dispose of our waste with adherence to all regulations.

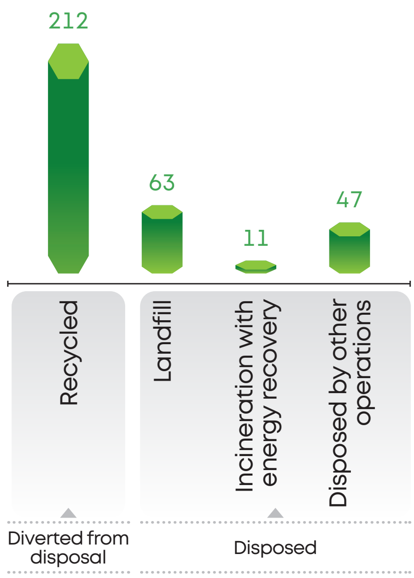
Waste generated by Venture in 2022

In tonnes



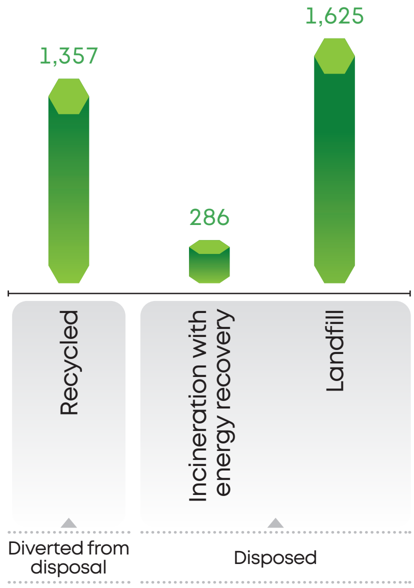
Hazardous waste management (2022)

In tonnes



Non-hazardous waste management (2022)

In tonnes



HAZARDOUS WASTE

In our manufacturing processes, we generate hazardous waste including waste solvents, contaminated rags and batteries. We also dispose of electronic parts such as PCs, monitors, laptops, as well as scrapped PCBAs and PCB tabs that may result in air and land pollution if improperly managed. Without proper disposal procedures, the chemicals and solvents used in our operations may result in land pollution. 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.

Additionally, licensed waste collectors are engaged for the proper disposal of all hazardous waste. Liquid waste is stored in secondary containers to minimise spillage risk. We also encourage the use of less toxic materials where possible, such as the use of lead-free solder dross. 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

We generate paper, plastic, food and general waste in our day-to-day operations. Venture monitors the total weight of waste generated at all sites, and collects data for recyclable waste, where applicable. Paper and plastic waste from all sites is collected by recycling contractors. At the Woodlands site, molded components are transferred using reusable plastic tote boxes instead of disposable carton boxes, reducing wastage by doing so.

1 *The Global E-waste Monitor, 2020*

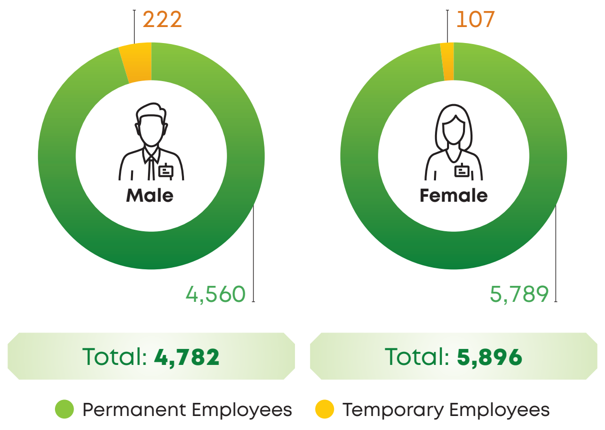
Our People

Employees are Venture's most valuable resource. We are devoted to good human capital management practices, guided by our Code of Conduct and applicable local laws and regulations.

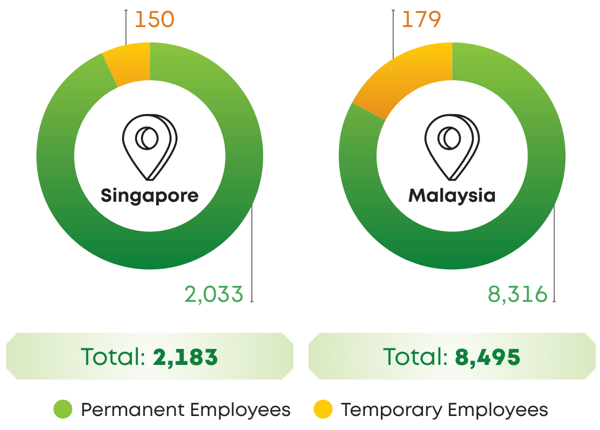
OVERVIEW OF EMPLOYEE PROFILE

Venture employs over 12,000 employees of which more than three quarters are covered by the scope of this report[1]. Of the reported scope, 45% of the workforce comprises male while the remaining 55% are female. 20% of our employees are based in Singapore, while the other 80% are based in Malaysia. A snapshot of our employee profile for 2022 is provided below[2].

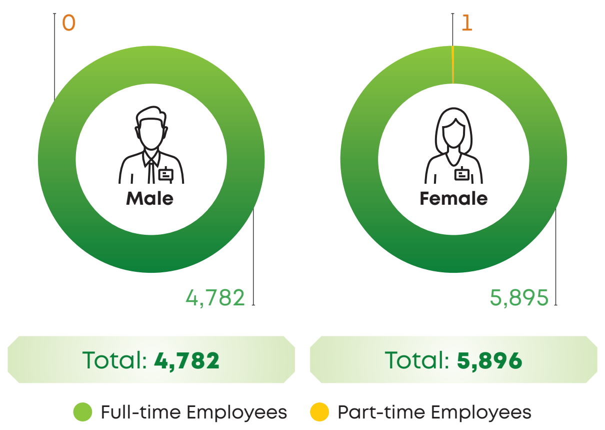
Number of employees by employment contract, by gender



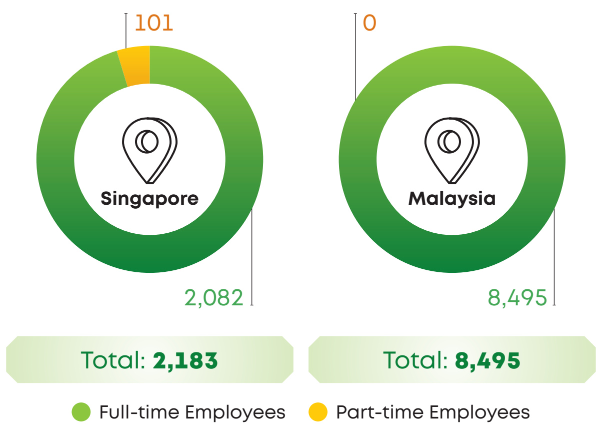
Number of employees by employment contract, by region



Number of employees by employment type[3], by gender



Number of employees by employment type, by region



1 *0.2% of our workforce is constituted by workers who are not employees*
2 *All employee numbers have been compiled by headcount, as of 31 December 2022*
3 *No employee has been hired on the basis of non-guaranteed hours*

Our People

TALENT ATTRACTION, RETENTION & DEVELOPMENT

At Venture, human capital is our greatest asset; attracting the best and brightest talent is critical to our long-term success. We provide our employees with opportunities for professional development, fair recruitment and competitive benefits.

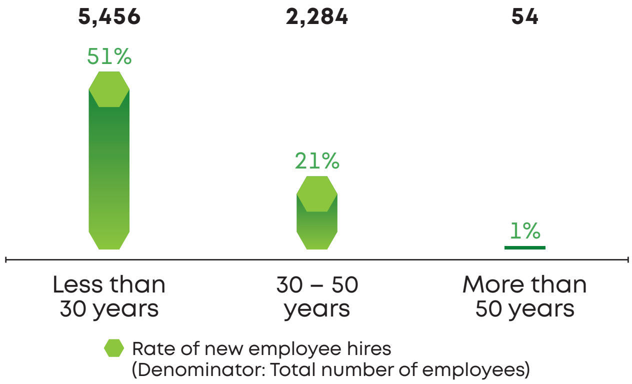
Venture highly values the well-being of its employees through supporting a positive workplace environment that allows every employee to achieve their best performance at work.

TALENT ATTRACTION AND RETENTION

During the year, we hired 7,794 new employees through a mix of talent expansion and replacement roles. We provide competitive compensation packages including medical coverage and parental leave. Employee benefits vary across regions based on local recruitment and employment practices.

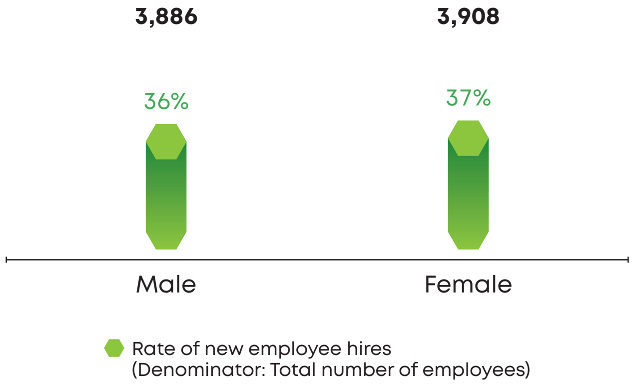
Number and rate of new employee hires, by age group

Number of new employee hires



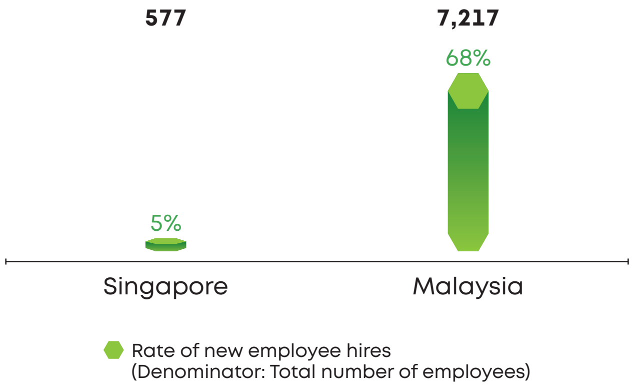
Number and rate of new employee hires, by gender

Number of new employee hires



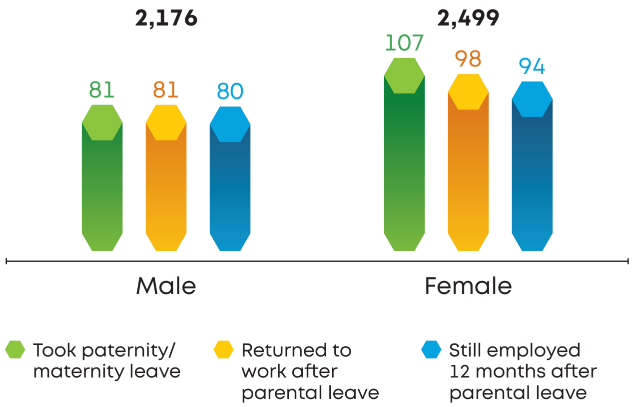
Number and rate of new employee hires, by region

Number of new employee hires



Parental Leave, by gender

Total number of employees entitled to paternity/ maternity leave



EMPLOYEE DEVELOPMENT

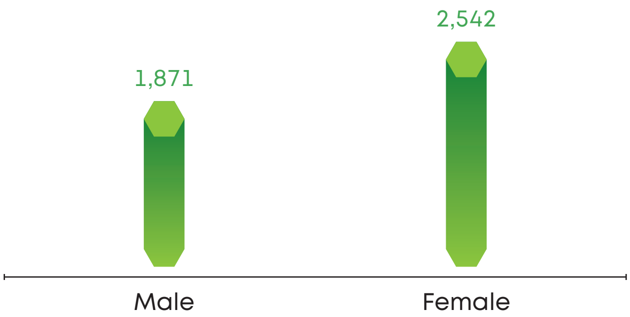
Venture offers an extensive and structured training programme for career development and fosters a culture of learning that enables employees to develop both technical and interpersonal skills, including on-the-job training.

Mandatory training sessions are conducted across all our sites, including New Hires' Orientation, briefings on corporate policies and Venture's Code of Conduct as aligned to the Responsible Business Alliance. At each site, training that equips employees with critical skills required for its operations is also provided. In addition, access to online learning materials through the Learning Management System (LMS) is available at various sites. In 2022, there were more than 5,800 course materials available on the platform, ranging from customer training processes to compliance and re-certifications. In 2022, we averaged 34 hours of training per employee, owing to a wider availability of online information and an increasing focus on self-initiated skills development.

At Venture, we believe strongly in providing fair employment and promotion practices. We actively engage our employees through regular communications, staff activities and performance appraisals[1].

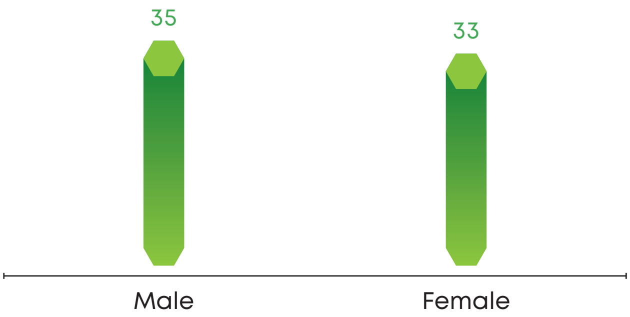
Employees who received a regular performance review, by employee category

Number of eligible employees who received a regular performance and career development review



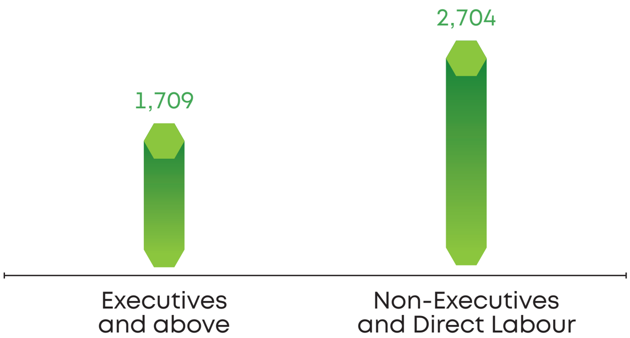
Average hours of training per year per employee, by gender

Average no. of training hours
(Denominator: no. of employees in gender category)



Employees who received a regular performance review, by employee category

Number of eligible employees who received a regular performance and career development review



1 *98.9% of our eligible employees receive regular performance reviews*

Our People

OUR COMMUNITY

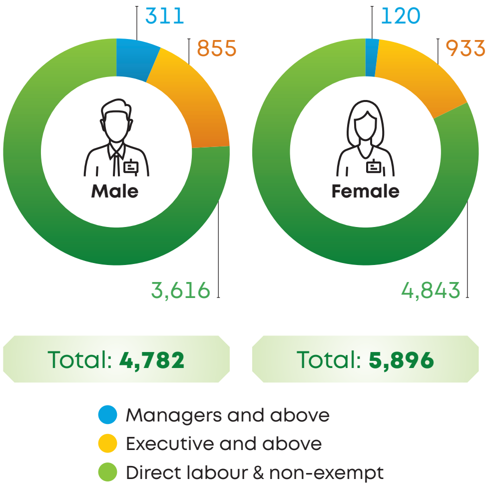
Venture believes in making a positive impact on the communities that we operate in. In 2022, we participated in hiring initiatives in Malaysia such as the Penjana Incentive 3.0 and Jamin Kerja 1.0, both organised by SOCSCO (PERKESO). In recognition of our efforts, we received the 'Employer Care Award' by SOCSCO.

As part of its corporate social responsibility, Venture donated relief supplies worth over RM29,000 to more than 100 families affected by the floods in Selangor and Johor through the Malaysian Red Crescent Society (MRCS) in Johor Bahru.

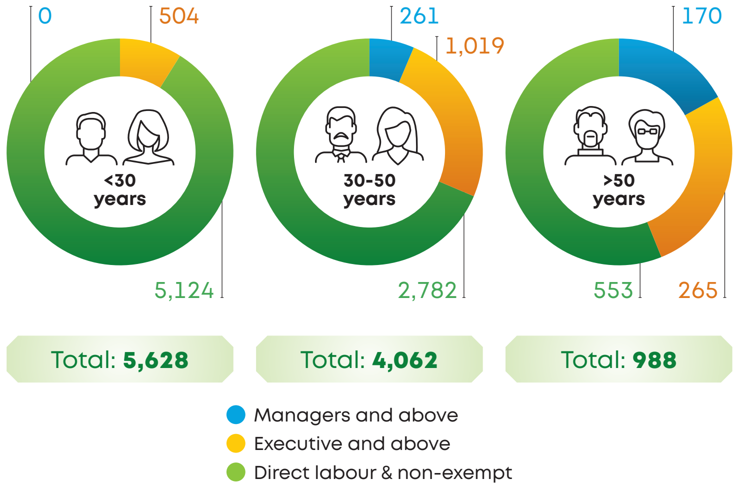
DIVERSITY AND INCLUSION

An inclusive work environment encourages our employees to thrive and excel at work. Venture believes in building a diverse employee base with different skill sets and age groups to contribute to enriching perspectives at work.

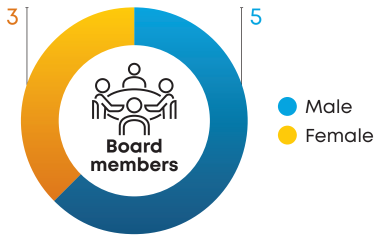
Number of employees by employee category and gender



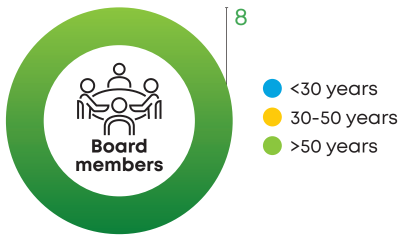
Number of employees by employee category and age group



Number of employees by employee category and gender



Number of employees by board members and age group



At the highest level of our governance, an interdisciplinary Board of Directors brings a range of perspectives, enabling multifaceted viewpoints to be considered, and balanced decisions made in the best interests of our company. Diversity in board composition across factors such as professional qualifications, industry knowledge and gender facilitates collective competence and effective stewardship.

Venture is fully committed to treating all employees fairly, equally and with respect. We do not tolerate any form of discrimination based on race, colour, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, marital or social status, as stipulated in our Code of Conduct.

Our People

OCCUPATIONAL HEALTH AND SAFETY

A safe and healthy working environment is a fundamental human right. Our employees' health and safety are a top priority, and we have operationalised our commitment to Occupational Health and Safety (OHS) through group-wide and site-specific policies. Group policies include the Health and Safety Policy, Code of Conduct and Employee Handbook, all of which include OHS best practices. Our OHS policies support the Workplace Safety and Health Act in Singapore and the Occupational Safety and Health Act 1994 in Malaysia. These policies apply to all employees at Venture.

The policies are aligned to internationally-recognised management systems such as the OHSAS 18001 / ISO45001 OSHMS. Workplace Safety and Health (WSH) Committees oversee the management of OHS at each site and are responsible for implementation, including developing annual plans, setting and monitoring performance indicators. Each WSH committee is supported by health and safety officers who have been appointed at every site. Regular audits and reviews, including risk assessments and hazard identification are conducted, and review results are documented monthly.

In addition, OHS policies 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.

The health and safety of workers outside of our employment but working at our sites is also important to us. On-site contractors and third-party suppliers are covered by contractor management procedures which stipulate that contractors, suppliers and vendors adhere to strict OHS standards.

OHS training is conducted at all sites. Employees are briefed on hazard identification and incident notification processes, and all external parties are briefed on health and safety compliance. Additionally, we regularly conduct fire drills to prepare our employees for emergencies.

At Venture, production machinery and equipment are regularly evaluated for safety hazards, and maintenance is promptly conducted to eliminate the risk of injury. Employees are reminded to use personal protective gear to prevent occupational hazards.

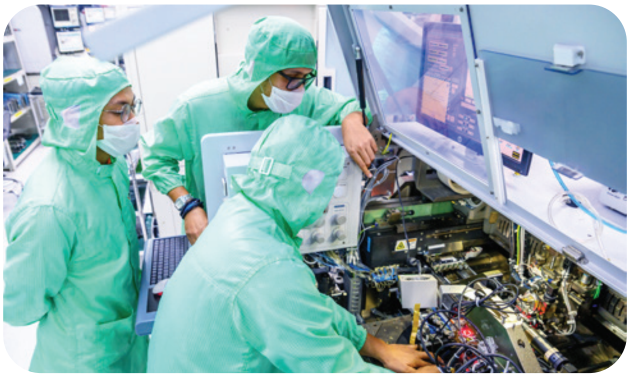
Employees who are exposed to health hazards have access to regular health tests and screening. For example, employees who are exposed to excessive noise at their workplace are provided audiometry testing. Employees also have access to occupational health doctors and hygiene technicians, with all employee workplace health-related records kept under strict confidentiality.

When OHS incidents do occur, they must be documented regardless of severity, and an investigation is immediately followed up on. After assessing the situation, the supervisor decides on the best management approach, and all reportable incidents are filed with the relevant authorities. If an employee feels unsafe while performing any operation, he/she may abstain from the task at hand and report the unsafe condition to the supervisor.

In 2022, there were no significant incidents of non-compliance with any relevant health and safety laws and regulations at all sites.

	Singapore	Malaysia
No. of fatalities	0	0
Rate of fatalities as a result of work-related injury[1]	0	0
No. of high-consequence work-related injuries[2]	0	0
Rate of high-consequence work-related injuries[3]	0	0
No. of recordable work-related injuries[4]	11	5
Rate of recordable work-related injuries[5]	2.4	0.27
No. of occupational disease incidents	0	0
No. of fatalities as a result of work-related ill health[6]	0	0
No. of recordable work-related ill-health[7]	0	0

There were 16 work-related accidents in 2022. As a result, we recorded a Rate of Recordable Work-related injuries of 0.7 for Singapore and Malaysia sites[8]. There was zero fatality and no high-consequence work-related injury in 2022.



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
7 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
8 Singapore's Ministry of Manpower (MOM) definition of workplace injuries requires all employers to record and report all workplace safety and health incidents. Workplace injury numbers in both Singapore and Malaysia have been compiled on this basis

Sustainable Supply Chain

HUMAN RIGHTS

We uphold fundamental human rights throughout our operations and across the supply chain, in alignment with the International Labour Organisation (ILO) 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, abolition of child labour, the elimination of discrimination at the workplace and providing a safe working environment.

Our commitment to sound employment practices that goes beyond the basic rights of workers is outlined in our Code of Conduct. We have zero tolerance for any form of abuse. Freedom of employment, minimum age limit, reasonable work hours and benefits, fair wages and freedom of association as per local legislations are adhered to. All of Venture's employees are free to join trade unions and any group advocating for employee rights.

We recognise that fair labour practices across our supply chains are interconnected with our ability to procure high-quality components and manufacture some of the world's leading technological products. Our supplier network extends over 5,000 suppliers in more than 55 locations across 20 countries. We are cognisant that the electronics supply chain within Malaysia has been connected with labour risks[1].

As Venture's business relies heavily on a labour-intensive supply chain, labour risks and human rights issues in our value chain may have an indirect impact on our production.

Our Supplier Code of Conduct, which has been circulated to our suppliers and is available on our website, stipulates our expectations for all suppliers that all components we source 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 high standards of business ethics. Our Supplier Code aims to articulate the same standards outlined in the Responsible Business Alliance Code of Conduct (RBA Code) and encompasses Venture's expectations for labour practices, health and safety management, environmental stewardship and ethical practices.

We require our suppliers to uphold the fundamental human rights of their workers and treat them with dignity, in compliance with all local legislations, including freely-chosen employment, protection of young persons, and fair working hours, wages and benefits. Our suppliers must commit to providing workplaces free of discrimination and harassment and respect the right of all workers in their freedom of association.

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

RESPONSIBLE MATERIALS SOURCING

Venture has a moral imperative to source our materials from conflict-free regions. We are committed to the responsible sourcing of minerals across our supply chain and protecting our procurement operations.

Our Responsible Minerals Policy reflects our commitment to engage with our supply chain partners towards compliance with the RBA standards, and supply chain risks detailed in Annex II of the OECD DDG. The policy reflects our full support of global efforts towards transparent sourcing such as the Dodd-Frank Act[2] and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDG).

At Venture, we take a firm stand against purchasing any material or component that is associated with financing unlawful military factions, armed conflict, human rights abuses and violence in conflict regions. There were no reported incidents of non-compliance with our Conflict Minerals Policy in 2022. No contracts with business partners or suppliers had to be terminated due to the presence of conflict minerals in their supply chain.

Venture has also expanded its mineral management system to include cobalt. While cobalt has not been defined as a conflict mineral under section 2 of the Dodd-Frank Act, multiple reports have highlighted concerns on the environmental and social impacts of cobalt mining, including child labour and unsafe working conditions. We are committed to further engaging with our suppliers to improve their capacities or support alternative sourcing, where appropriate.

1 *Forced labour in the production of electronic goods in Malaysia, Verité (2016)*
2 *Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act*

Corporate Governance Report

INTRODUCTION

In FY2022, global operations of Venture Corporation Limited ("**Venture**" or the "**Company**") and its subsidiaries (together with the Company, the "**Group**"), continued to face headwinds due to a combination of factors – COVID-19 disruptions, global macro-economic pressures and geopolitical uncertainties.

Under the stewardship of the Company's Board of Directors ("**Board**") led by its Executive Chairman, Management and the workforce rallied to overcome the challenges and minimise disruptions. With ongoing investments in human capital, innovations and technology, and best practices in risk management and corporate governance, the Group emerged stronger.

As a trusted partner of many of the world's leading technology companies, the Group is committed to upholding high standards of work ethics, service excellence and total customer satisfaction, formulated on the Company's Mission Statement and Core Values.

Since 2011, the Company has also taken the Corporate Governance Pledge, an initiative of the Securities Investors Association (Singapore) ("**SIAS**"), to demonstrate its commitment to high standards of corporate governance.

Compliance with the Code of Corporate Governance 2018 (the "2018 Code")

We have complied in all material aspects with the principles and 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, denoting its compliance with the 2018 Code, is appended at the end of this Report.

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

Accolades and Recognition

In 2022, Philip Morris International ("**PMI**") presented Venture with 2 prestigious awards, namely, "The Chief Procurement Officer ("**CPO**") Award" and a special recognition for "Achieving the Milestone of 60 Million Devices Shipped in Q2 2022". The CPO Award was presented for the first time in acknowledgement of PMI's exceptional partnership with Venture.

In addition, the Company received other accolades and commendations from customers and suppliers, both long standing and new.

At the 2022 Singapore Corporate Governance Awards, the Company was adjudged "Runner-up" for Most Transparent Technology Company by SIAS.

The Company continues to remain a constituent of the SGX Fast Track programme, which recognises the efforts and achievements of listed companies on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in upholding high standards of corporate governance and maintaining a good compliance track record.

Corporate Governance Report

BOARD MATTERS – PRINCIPLES 1 TO 5

PRINCIPLE 1 – THE BOARD'S CONDUCT OF AFFAIRS

The Board's objective is to achieve sustained value creation for all stakeholders. It sets 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.

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.

The Code of Conduct is available on the Company's website and can be accessed and read by all stakeholders, including employees, customers, suppliers and shareholders.

The Role of the Board and Matters Requiring Board Approval

The Board provides stewardship to Management, conferring with them regularly. There is objective decision-making, which allows the exercise of independent judgement. Internal guidelines set out authorisation and approval limits for capital and operating expenditure, investments and divestments as well as requisitions and expenses. In addition to its statutory duties and as required under the listing rules of the SGX-ST ("**Listing Rules**" or "**LR**"), the Board has reserved a list of key matters for its approval. Among these are:

a. the Group's annual financial plan and capital expenditure budgets and material changes thereto;

b. release of financial results and disclosures of material information, including recommendation on dividend payout;

c. recommendation of amendments to the Company's Constitution ("**Constitution**"), renewal of annual mandates or adoption of any share plans;

d. 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;

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

f. borrowings or granting credit to any person, except in the ordinary course of business;

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

h. 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;

i. 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

j. determining the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Corporate Governance Report

Fiduciary Duties & Conflict of Interest

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

In the exercise of their powers and duties, Directors act in good faith and in the best interests of the Company by exercising due care and diligence, and avoid conflicts of interest. When an actual or potential conflict of interest arises, the conflicted Director is required to recuse himself/herself from the conflict-related discussions unless other Directors are of the opinion that his/her participation is necessary. Where such 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 the decision-making.

A Director is required to declare his/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/her knowledge. This is also provided on an annual basis.

Board & Board Committees

In the discharge of its duties, the Board is supported by 3 Board Committees mandated under the Listing Rules, and an additional Board Committee. The Audit & Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") are assigned specific duties by the Board under written Terms of Reference, which set out their authority and duties in alignment with the Listing Rules and the 2018 Code. The Board has also set up the Investment Committee ("**IVC**") with written Terms of Reference to undertake specific Board delegated duties, including overseeing the Company's exercise of the Share Buy-Back Mandate.

The Company has set up the Science, Technology & Engineering Committee ("**STEC**") to support and provide guidance on specific matters under its purview and it has its own Terms of Reference. Matters under the STEC's purview that require Board approval, will be brought up by the STEC to the Board for deliberation and decision.

In addition to scheduled meetings, Directors also meet on an ad-hoc basis, to deliberate on material developments and specific matters as deemed appropriate by the Board and Board Committees. In FY2022, the Company held 4 scheduled and 1 ad-hoc Board meetings and various Board Committee meetings were held as well. The attendance of Directors at meetings of the Board, ARC, NC and RC as well as the Annual General Meeting of the Company ("**AGM**"), and the frequency of these meetings, is shown below.

Meetings held in FY2022	**Board**	**ARC**	**NC**	**RC**	**AGM**
Wong Ngit Liong	5 of 5	–	2 of 2	–	√
Koh Lee Boon (1)	1 of 1	1 of 1	–	–	√
Tan Seok Hoong @ Mrs Audrey Liow	5 of 5	4 of 4	–	2 of 2	√
Kay Kuok Oon Kwong	5 of 5	–	2 of 2	2 of 2	√
Wong Yew Meng	5 of 5	–	–	2 of 2	√
Jonathan S. Huberman	3 of 5	2 of 4	–	–	X
Han Thong Kwang	4 of 5	–	2 of 2	–	√
Yeo Siew Eng	5 of 5	4 of 4	–	2 of 2	√
Chua Kee Lock	5 of 5	4 of 4	–	–	√

(1) Upon retirement at the conclusion of the AGM on 28 April 2022, Mr Koh Lee Boon ceased to be a member of the Board and the ARC.

Corporate Governance Report

Orientation, Development & 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 Board Chairman, Chief Executive Officer ("**CEO**"), Chief Operating Officer ("**COO**"), Chief Financial Officer ("**CFO**"), Chief Human Resources Office ("**CHRO**") and the Company Secretary, as well as site tours and briefings by Management, familiarise new Directors on the Group's business and operations.

An incoming Director with no prior experience as a director of an SGX-ST listed company, will be provided with relevant training at the Company's expense, including mandatory training prescribed by the SGX-ST within 1 year of his/her appointment to the Board.

As part of on-going training, Directors can elect to attend training, conferences, seminars and development programmes offered by external organisations, such as Singapore Institute of Directors ("**SID**") and Institute of Singapore Chartered Accountants ("**ISCA**") and the SGX-ST, amongst others. When necessary, external consultants are invited to brief the Board to keep abreast of changes in the Financial Reporting Standards and other relevant topics. The Board is regularly briefed by Senior Management on the Group's activities and provided with financial and investor engagement activity updates, on a monthly basis. The Board is promptly updated on regulatory changes.

In FY2022, a special session was organised to familiarise the Board on the Group's readiness to deal with Cybersecurity Threats and Risks.

Prior to the onset of COVID-19 travel restrictions, the Company had organised visits to the Company's manufacturing and R&D facilities within Singapore and Malaysia, where Directors were updated on products under development and engaged with key executives. Directors were also invited to the Company's Annual Strategy conferences attended by key Senior Management from the Group's global operations. These programmes were suspended during the pandemic.

In lieu, a site visit to showcase our global operations was conducted in a virtual format. As was done in the preceding 2 years, in FY2022, Management updated the Board during quarterly meetings on the Company's Business Goals and Strategic Plans, highlighting key initiatives to drive growth.

Mandated Training on Sustainability

In FY2022, pursuant to LR 720(7), 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-RegCo authorised trainers, such as the SID and ISCA. Mr Wong Ngit Liong, Ms Kay Kuok Oon Kwong and Mr Jonathan S. Huberman were assessed by the NC to be sufficiently experienced in sustainability matters to be exempted from the training.

The basis of the NC's assessment is as follows:

(i) These Directors currently serve or have served as directors of, and currently hold or have held leadership positions in, listed companies and/or other entities which have sustainability reporting protocols and environmental, social, and governance ("**ESG**") measures incorporated into their corporate governance practices, business and risk management strategies. These appointments have enabled them to acquire sufficient knowledge of industry best practices and emerging trends in sustainability matters;

Corporate Governance Report

(ii) In their respective leadership positions, they oversee and give guidance on the development and implementation of sustainability frameworks, priorities and risk management and lead initiatives to improve sustainability performance based on material priorities;

(iii) They are familiar with sustainability reporting standards such as Global Reporting Initiative ("**GRI"**) and Task Force on Climate-related Financial Disclosures ("**TCFD**"); and

(iv) As Directors of Venture, they are cognisant of the ESG concerns of shareholders and other stakeholder groups (such as customers, staff and suppliers) and have a keen interest in driving Venture's ESG performance.

Access to Information

Directors have separate and independent access to Senior Management and the Company Secretary. The agenda for the meetings of the Board and Board Committees, together with the appropriate supporting documents, are circulated to the Board and Board Committees prior to such meetings. Key matters considered at the Board Committee meetings are shared with all Directors so that each Director is apprised of the topics considered and discussed during each Board Committee meeting.

To enable the Board to fulfil its responsibilities and make informed decisions in a timely manner, Senior Management regularly provides the Board with annual financial plans, monthly management accounts, financial results and other relevant information or documents. Senior Management is invited to attend Board meetings to provide updates on the Group's operations and business and discuss issues which may be raised by the Directors. These interactions promote active engagement with key executives. Non-Executive Directors meet with external and internal auditors without the presence of Management. The Board also sets aside time to meet without the presence of Management at each scheduled meeting.

Generally, at each Board meeting:

a. Chairperson of each Board Committee provides an update on the significant matters discussed at the Board Committee meetings preceding the Board meeting;

b. Executive Chairman provides an overview of the Group's goals and strategies;

c. CEO and COO provide updates on the Group's business and operations;

d. CFO presents the Group's quarterly financial performance; and

e. Presentations in relation to specific business matters may be made by Management.

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

Company Secretary

The Company Secretary attends all Board and Board Committee meetings and ensures that Board procedures and applicable rules and regulations are complied with, and advises, provides guidance and updates on best practices of corporate governance, administrative, legal and regulatory compliance matters. The Company Secretary as well as the CFO are the primary contacts between the Company and the SGX-ST. The Company Secretary is legally trained, with experience in legal matters and company secretarial practices. Decisions relating to the appointment and removal of the Company Secretary rest with the Board.

Corporate Governance Report

Under the direction of the Board Chairman, the Company Secretary's responsibilities also include:-

a. supervising and monitoring procedures and compliance by the Company with its Constitution, laws and regulations applicable in Singapore, the Listing Rules and the 2018 Code;

b. ensuring timely flow of information to the Board and the Board Committees and between Management and Directors, and keeping an open and regular line of communication between the Company, the SGX-ST and the Accounting & Corporate Regulatory Authority of Singapore ("**ACRA**");

c. updating the Board on the principles and best practices of corporate governance and revisions to the applicable laws and Listing Rules to facilitate the Directors' performance of their statutory and fiduciary duties;

d. facilitating orientation for new Board appointees and supporting continuous training and development for Directors; and

e. facilitating the annual Board performance evaluation process.

PRINCIPLE 2 – BOARD COMPOSITION AND GUIDANCE

The Board comprises 8 members: Mr Wong Ngit Liong, Ms Tan Seok Hoong @Mrs Audrey Liow, Ms Kay Kuok Oon Kwong, Mr Wong Yew Meng, Mr Jonathan S. Huberman, Mr Han Thong Kwang, Ms Yeo Siew Eng and Mr Chua Kee Lock.

Mr Koh Lee Boon, a Non-Independent Non-Executive Director retired at the close of the Company's 2022 AGM held on 28 April 2022.

Following Mr Koh's retirement on 28 April 2022, in FY2022, the Board comprised 6 Independent Non-Executive Directors, 1 Non-Independent Non-Executive Director and 1 Executive Director, who is the Board Chairman.

Independent Non-Executive Directors constitute more than one-third majority of the Board. No alternate directors are appointed.

The current Board composition reflects the Company's commitment to Board diversity. The profile of each Director can be found on pages 15 to 19 of the Annual Report.

Board Independence

At the beginning of every financial year, each Director provides a disclosure of his/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. Annually, Non-Executive Directors complete declarations of independence which are reviewed by the Nominating Committee, based on the provisions in the 2018 Code and the Listing Rules.

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 & 4.4 of the 2018 Code, the Nominating Committee assessed the independence of Directors under the following circumstances:

a. 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);

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b. 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;

c. 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;

d. 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;

e. 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;

f. whether the Director has been a Director on the Board for an aggregate period of more than 9 years; and

g. any other applicable circumstances.

The Nominating Committee, having considered the above, has reviewed and ascertained that for FY2022, Ms Tan Seok Hoong @Mrs Audrey Liow, Ms Kay Kuok Oon Kwong, Mr Jonathan S. Huberman, 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.

On 11 January 2023, LR 210(5)(d)(iii) was deleted and replaced with LR 210(5)(d)(iv). The new LR removed the option for directors, whose tenure exceed 9 years, to remain independent if they secure AGM approval via the 2-tier vote. It will be effective from the Company's AGM for the financial year ending on 31 December 2023.

Prior to the introduction of the new LR, the Company had already decided to designate Independent Directors exceeding 9 years' tenure, as Non-Independent Directors; and will continue to do so in compliance with the new LR.

As a whole, the Board comprises members with varying lengths of tenure, demonstrating a good balance between long-serving Directors and recent appointees, merging in-depth experience with contemporary talent.

Lead Independent Director

The Lead Independent Director provides leadership in situations where the Chairman is conflicted. The Lead Independent Director may also be contacted if shareholders or other stakeholders have any concerns, where contact through the normal channels of communication with the Chairman or Management is inappropriate or inadequate. The Lead Independent Director can meet with Independent Non-Executive Directors to provide feedback.

Ms Tan Seok Hoong @Mrs Audrey Liow is the current Lead Independent Director. As stated in the "Investor Relations" link on our corporate website, the Lead Independent Director may be contacted via company-secretary@venture.com.sg.

Corporate Governance Report

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 interest of the Company.

The Company's current 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 regularly examines its composition and size to assess the optimum number needed to facilitate robust engagement and effective decision-making. Board membership is renewed with the appointment of new members with the right blend of strengths, skills, talents and experience, and who have the capacity to contribute effectively. The Nominating Committee reviews all aspects of diversity in its annual evaluation of the Board's performance and effectiveness as well as succession planning.

Although gender is but one aspect of diversity, the Company values the importance of gender diversity to augment the collective strength of the Board. With the appointment of Ms Kay Kuok Oon Kwong, Ms Tan Seok Hoong @Mrs Audrey Liow and Ms Yeo Siew Eng, there is over a one-third representation of women on the Board.

It is also noteworthy that 4 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 Mrs Audrey Liow; while Ms Kay Kuok Oon Kwong is the Chairperson of the Nominating Committee and the Remuneration Committee.

This diversity and spread enhances the quality of Board deliberations and decision-making.

Notably, the Company was adjudged "Runner-up" for Diversity at SIAS 2021 Singapore Corporate Governance Awards.

In terms of targets, the Company is well ahead in gender diversity, with 3 women appointees. From the outset, the Company has re-designated Independent Directors exceeding 9 years' tenure as Non-Independent. Simultaneously, we have also refreshed Board composition with the appointment of new Independent Directors in FY2020 and FY2021.

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. And it 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

PRINCIPLE 3 – CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In FY2022, Mr Wong Ngit Liong relinquished the role of CEO while remaining Executive Chairman of the Board and undertaking a defined executive role. This major transition in leadership succession planning saw the appointments of Mr Lee Ghai Keen as CEO and Mr Wong Chee Kheong as COO. They both continue to leverage on Mr Wong's connectivity and deep industry knowledge to work collaboratively for the long-term growth of the Group.

The foregoing appointments established a clear division of responsibilities between the different roles. There are also internal controls and safeguards within the Group to ensure independent decision-making.

Board Chairman's Role

The Chairman 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; proposing meeting agendas, giving adequate time for all items, in particular, strategic issues; providing Directors complete, adequate and timely information; and promoting effective communication with shareholders.

CEO's Role

The CEO's responsibility encompasses: providing strong leadership and effective day-to-day management of the Company; developing a consensus for the Company's vision and mission; implementing, with Senior Management, the strategic plan approved by the Board; driving a culture of compliance and ethical behavior; ensuring that an appropriate talent management programme and remuneration framework are established; organising the Company's structure and personnel assignments for orderly conduct and operations of the Group; and ensuring that the Board is informed about key developments and issues in a timely manner.

Executive Strategic Committee ("ESCO")

The Company's ESCO is chaired by Executive Chairman and comprises the CEO, COO and select Key Management Personnel ("**KMP**")*. 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 leaders of business units are invited to attend the ESCO meetings to address matters under their purview and aid decision-making.

* In this Corporate Governance Report, wherever the term "**Key Management Personnel/KMP**" appears, it refers to CEO, COO, CFO and any other senior executive who is designated as a KMP on account of the authority and responsibility vested in him/her for planning, directing and controlling the activities of the Group.

Independent Directors Constitute Majority of the Board & Board Committees

In FY2022, Independent Directors constituted 75% majority of the Board, exceeding the one-third independence requirement under LR 210(5)(c). This ensured an appropriate balance of power, accountability and independent decision-making. The presence of a Lead Independent Director also added to the independent element on the Board.

During meetings, Independent Directors constructively challenge and review implementation of proposals presented by Management, including matters addressing the Group's strategy.

The Chairpersons of the Audit & Risk Committee, the Nominating Committee and the Remuneration Committee are Independent Directors. In FY2022, the Audit & Risk Committee comprised entirely Independent Directors and the Remuneration Committee and the Nominating Committee comprised a majority of Independent Directors.

Corporate Governance Report

PRINCIPLE 4 – BOARD MEMBERSHIP

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 combination or on all of the following areas of 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 6, 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, and is satisfied that for FY2022, 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.

Nominating Committee

The Nominating Committee comprises the following members:

Ms Kay Kuok Oon Kwong, Chairperson
Mr Wong Ngit Liong
Mr Han Thong Kwang

The Nominating Committee met twice in FY2022 and had informal discussions on other occasions. The role of the Nominating Committee is:

a. to ensure there is a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board; and

b. to ensure that the Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors, and to make recommendations to the Board on the same,

and its responsibilities include, *inter alia*:

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;

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c. to be responsible for assessing candidates for appointment or election to the Board, determining whether or not such candidates have the requisite qualifications and whether or not he/she is independent;

d. to review and recommend to the Board plans for succession, in particular for the Chairman, CEO and KMP;

e. to determine, on an annual basis and as and when required, the independence of a Director in accordance with the criteria set out in the 2018 Code and the Listing Rules;

f. to recommend Directors who are retiring by rotation to be put forward for re-election;

g. to determine whether or not a Director is able to and has been adequately carrying out his/her duties and to recommend to the Board the maximum number of listed company board representations which a Director may hold;

h. to make recommendations to the Board on the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors, and to be responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of each individual Director to the effectiveness of the Board. The review of Board diversity forms part of its annual evaluation of the Board's performance and effectiveness. This assessment process is disclosed annually;

i. to recommend to the Board the appointment of an Independent Director to be the Lead Independent Director;

j. to monitor the implementation of the Board Diversity Policy; and

k. to review the training and professional development programmes for the Board and to ensure that new Directors are aware of their duties and obligations.

The Nominating Committee regularly reviews the composition of the Board and Board Committees and makes recommendations to the Board to refresh the composition based on the Company's needs.

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.

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 meetings of the Board and Board Committees, as well as the proficiency with which they have discharged their responsibilities.

Pursuant to Regulation 106 of the Constitution and Listing Rule 720(5), all Directors subject themselves for re-nomination and re-election at least once every 3 years. For the 2023 AGM, the Board has accepted the Nominating Committee's recommendation for Mr Han Thong Kwang and Mr Jonathan S. Huberman to retire by rotation. While Mr Han will seek re-election, Mr Jonathan S. Huberman will retire at the close of the 2023 AGM.

Mr Han abstained from the discussion and taking a decision in respect of his own nomination. Additional information on Mr Han can be found on pages 182 to 185 of the Annual Report.

Corporate Governance Report

PRINCIPLE 5 – BOARD PERFORMANCE

Board Performance Evaluation

The Board has a formal process, incorporating objective performance criteria, for assessing the effectiveness of the Board as a whole and that of the Board Committees. It is carried out annually by the Nominating Committee and reviewed by the Board.

This is the Company's 20th year of evaluating the performance of the Board and the 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 anticipate and shape the Company's future.

The Board Performance Evaluation ("**BPE**") is based on a set of performance factors benchmarked against the criteria of other listed companies. Reference is also made to the BPE template in the Nominating Committee Guide by the SID.

The BPE is undertaken by the Nominating Committee via a questionnaire seeking feedback and comments of each Director. 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, Board's understanding of the Group's strategic objectives, risk management & internal controls, sustainability, Board culture and dynamics, Board's partnership with Management and other key issues.

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

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

The BPE conducted for FY2022 concluded, *inter alia*, that:

a. the Board is of 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; and

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

Corporate Governance Report

REMUNERATION MATTERS – PRINCIPLES 6 TO 8

PRINCIPLE 6 – PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Remuneration Committee

The Remuneration Committee comprises the following members:

Ms Kay Kuok Oon Kwong, Chairperson
Ms Tan Seok Hoong @Mrs Audrey Liow
Mr Wong Yew Meng
Ms Yeo Siew Eng

The majority of the members of the Remuneration Committee, including its Chairperson, are independent. The Remuneration Committee met twice in FY2022 and is guided by written Terms of Reference.

The primary role of the Remuneration Committee is:

a. to ensure there is a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and KMP, and that no Director is involved in deciding his/her own remuneration; and

b. to ensure that the level and structure of remuneration of the Directors and KMP are appropriate and proportionate to the sustained performance and value creation of the Company,

and the principal duties and responsibilities of the Remuneration Committee are:

a. to review and recommend to the Board, in consultation with the Chairman of the Board, a general framework of remuneration and the individual remuneration of Directors and 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 function as the committee referred to in the employee share schemes of the Company and have all the powers as set out in the schemes;

c. to review the Company's obligations arising in the event of termination of the Executive Directors' and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

d. to review whether Executive Directors and KMP should be eligible for benefits under long-term incentive schemes, and carefully evaluate the costs and benefits of such schemes.

As appropriate, the Remuneration Committee will seek expert advice inside and/or outside the Company 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 FY2022.

Corporate Governance Report

PRINCIPLE 7 – LEVEL AND MIX OF REMUNERATION
PRINCIPLE 8 – DISCLOSURE ON REMUNERATION

The Remuneration Committee recommends the annual fees for the Directors and ensures that the remuneration framework of KMP is aligned with 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

Non-Executive Directors' fees require shareholders' approval at the AGM. There has been no revision to the Non-Executive Directors' fee structure since FY2017. The fees are benchmarked against listed companies of comparable size, complexities of operation, global presence and industry, taking into account the demanding responsibilities, workload and time commitment arising from the increasing complexities of the Group's activities.

The Board has endorsed the Remuneration Committee's fee proposal of S$817,479 for FY2022 for approval at the 2023 AGM. The slight reduction from the FY2021 Directors' fees of S$857,536 is due to changes in the Board and Board Committees' composition. Directors' fees continue to be paid in arrears upon shareholders' approval. The Executive Director does not receive any Directors' fees. There is no scheme or arrangement for payment of Directors' fees in the form of equity. The Directors had each abstained from the discussion and taking a decision in respect of their own fees. Details of the fee structure and the proposed fees for each Non-Executive Director are set out below.

The Directors' fee structure of the Board and Committees for FY2022 is as follows:

	S$	
Annual Fee	**Chairman**	**Member**
Board	Not applicable*	60,000
Audit & Risk Committee	35,000	25,000
Nominating Committee	30,000	25,000
Remuneration Committee	30,000	25,000
IVC	Not applicable*	25,000
STEC	Not applicable*	25,000

* Chairman of the Board, the IVC and the STEC is an Executive Director

A breakdown showing the proposed Directors' fees of each Non-Executive Director for FY2022 is as follows:

Name of Director	Directors' Fees S$	Fixed %	Variable %	Total %
Koh Lee Boon [1]	27,479	100	–	100
Tan Seok Hoong @Mrs Audrey Liow	120,000	100	–	100
Kay Kuok Oon Kwong	120,000	100	–	100
Wong Yew Meng	110,000	100	–	100
Jonathan S. Huberman	110,000	100	–	100
Han Thong Kwang	110,000	100	–	100
Yeo Siew Eng	110,000	100	–	100
Chua Kee Lock	110,000	100	–	100

Note:

Mr Koh Lee Boon retired as Non-Independent Non-Executive Director of the Company on 28 April 2022 at the conclusion of the 2022 AGM.

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.

Corporate Governance Report

Executive Chairman's Remuneration

Being an Executive Director, Mr Wong Ngit Liong does not receive Directors' 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, 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 adopted by the Company in 2021 ("**RSP 2021**") are set out below.

Executive Chairman	Remuneration				2015 Scheme	RSP 2021
	Total S$	Fixed (1) %	Variable (2) %	Total (3) %	Number of options granted in FY2022 (4)	Number of shares awarded in FY2022 (4)
Wong Ngit Liong	9,919,204	16	84	100	28,000	14,000

Notes:

(1) The fixed remuneration includes base salary, fixed allowances and annual wage supplement.

(2) The variable remuneration includes performance-based bonus and benefits-in-kind.

(3) The total remuneration includes applicable employer CPF contributions.

(4) 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.

CEO's Remuneration

Mr Lee Ghai Keen's remuneration, which comprises cash-based and share-based components, is reviewed by the Remuneration Committee. Information on Mr Lee's remuneration, including share options granted pursuant to the 2015 Scheme and awards granted pursuant to the RSP 2021, are set out below.

CEO	Remuneration				2015 Scheme	RSP 2021
	Total S$	Fixed (1) %	Variable (2) %	Total (3) %	Number of options granted in FY2022 (4)	Number of shares awarded in FY2022 (4)
Lee Ghai Keen	1,955,370	54	46	100	26,000	12,000

Notes:

(1) The fixed remuneration includes base salary, fixed allowances and annual wage supplement.

(2) The variable remuneration includes performance bonus and benefits-in-kind.

(3) The total remuneration includes applicable employer CPF contributions.

(4) 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.

Corporate Governance Report

Human Capital Management & 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 on-going 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 key executives, Heads of Departments/Business Units and KMP. As stated earlier, the term "Key Management Personnel/KMP" refers to CEO, COO, CFO and any other senior executive designated as a KMP.

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 commensurate with the contributions of each employee to the Group's strategic objectives;
- is aligned with the financial performance of the Group and measured against pre-determined 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 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

In particular, the evaluation of Heads of Departments/Business Units and KMP is based, *inter alia*, on the following qualitative and quantitative criteria:

a.	Achievement of Goals and Targets	
	i.	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
	ii.	Management and execution of the needs of new and existing customers
	iii.	Operational excellence
	iv.	Leadership development / succession planning
	v.	Innovation / creativity / IP content
	vi.	Work improvement programmes
	vii.	Operational control / business processes control
	viii.	Risk management
b.	Leadership Capabilities, Core Values & Code of Conduct	
Leadership Capabilities:		
	i.	Vision
	ii.	Judgement
	iii.	Strategic focus
	iv.	Accountability
	v.	Talent management
	vi.	Customer focus and relationship management
	vii.	Communication
	viii.	Teamwork
	ix.	Problem solving and creativity
Core Values:		
	i.	Relentless Pursuit of Excellence
	ii.	Rendering The Highest Level of Total Customer Satisfaction
	iii.	Encouraging Employee to Realize Their Full Potential
	iv.	Building Strong Cohesion & Teamwork
	v.	Fostering Creativity & Innovation
Code of Conduct Demonstrates the 5 core values of the Company's Code of Conduct:		
	i.	Leads by example
	ii.	Seeks clarification when in doubt
	iii.	Treats employees with respect and dignity
	iv.	Manages business with integrity and responsibility
	v.	Reports concerns or potential misconduct

Key Management Personnel

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

Corporate Governance Report

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. 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 two share plans, which aim to increase the performance orientation and retention factor in the remuneration of employees, and foster an ownership culture within the organisation. The two share plans are the 2015 Scheme and the RSP 2021. 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.

Before each grant/award, the ESCO reviews the allocation of share-based components to eligible employees, and thereafter tables it 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.

a. 2015 Scheme (approved and adopted by the Company at the Extraordinary General Meeting ("EGM") held on 25 April 2014)

i. Objectives

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

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

(b) optimise their performance and maintain high levels of contribution to the Group's performance and profitability; and

(c) attract and retain critical talent who can contribute value to the Group.

Corporate Governance Report

ii. Vesting Period and Premium

With effect from FY2022, share options granted under the 2015 Scheme 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.

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

iii. Employees eligible to receive 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.

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

At the 2023 AGM, the Company will seek shareholders' approval to:

"(a) offer and grant Options and/or Awards pursuant to the provisions of the 2015 Scheme and RSP 2021, respectively, during the Relevant Period; and

(b) 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 (a) 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 0.4% 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 this 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 83 to 85 of the Directors' Statement and Note 24 to the financial statements.

v. 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 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.

Please refer to Explanatory Notes in respect of Resolution 7 under the Notice of AGM for more information.

Corporate Governance Report

b. Restricted Share Plan

RSP 2021 was approved and adopted at the 2021 AGM. The first Award under RSP 2021, Award B1, was made on 30 June 2022.

i. Objectives of awarding RSP

(a) To encourage sustained commitment from key leaders to grow shareholder value over a long period of time through a sense of ownership in Venture.

(b) To align the interests of key leaders as stakeholders of Venture.

ii. 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 86 to 88 of the Directors' Statement and Note 24 to the financial statements.

iii. 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, 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.

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 CEO whose remuneration package is disclosed in full, in bands no wider than S$250,000 and also disclose their aggregate cash-based remuneration for FY2022. 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 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 COO Wong Chee Kheong, CFO William Ng Wai Lim, ex-CFO Alvin Ng (who left the Company on 31 March 2022) and ex-CHRO Lim Sita is reported in bands of S$250,000. After stepping down as CHRO on 30 April 2022, Sita Lim continued to provide services under a consultancy contract.

Corporate Governance Report

The aggregate cash-based remuneration of the aforementioned KMP in FY2022 is S$2,348,846. 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	RSP 2021
	Fixed [1] %	Variable [2] %	Total [3] %	Share options granted in FY2022 [4]	RSP shares awarded in FY2022 [4]
Between S$1,000,000 - S$1,249,999					
1	53	47	100	24,000	10,000
Between S$750,000 - S$999,999					
1	64	36	100	0	0
Between S$250,000 - S$499,999					
1	100	0	100	0	0
Below S$250,000					
1	100	0	100	0	0

Notes:

(1) The fixed remuneration includes base salary, fixed allowances and annual wage supplement.

(2) The variable remuneration includes performance bonus and benefits-in-kind.

(3) The total remuneration includes applicable employer CPF contributions.

(4) 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 the KMP in FY2022.

There are no employees who are substantial shareholders of the Company or are immediate family members of a Director, the CEO 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 FY2022.

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 the significant risks which the Company is willing to take. 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 Integrated Framework ("**ERM Framework**"). The ERM Framework sets out the formal, systematic and comprehensive guidelines and rules to identify and manage significant risks that might affect the Group's achievement of its business objectives. The risk management process has been integrated throughout the Group and is an essential part of its business planning and monitoring process. Policy and methodology have been introduced detailing procedures, methodologies and evaluation criteria to ensure clarity and consistency in the application of the risk management process across the Group. Key risks, control measures and Management actions are continually identified and monitored by the operational units and reviewed by Management. 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.

Corporate Governance Report

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. The self-assessments performed by such functional managers provide the assurance that key controls to address the financial, operational, compliance and information technology risks identified to be relevant and important to the Company's operations are adequate and effective.

Leveraging on the results of the ERM Framework, the CSA, the external auditors' report, internal audits and quality certifications of the Group's management systems, the CEO 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 assessment programmes and internal control processes. For FY2022, the Board and the Audit & Risk Committee have received and have reviewed the assurance from:

a. the CEO 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. the CEO and the relevant KMP, that the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) were adequate and effective.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and various Board Committees, and the assurance from the CEO, the CFO and the relevant KMP, the Board is satisfied, and the Audit & Risk Committee concurs with the Board, that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, were adequate and effective as at 31 December 2022.

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.

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 reviews and approves the financial results before its dissemination, as well as any media release regarding the Group's financial results. 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 the SGXNet and are also available on the Company's website. The Company's Annual Reports may be viewed or downloaded from the corporate website.

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

Corporate Governance Report

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 Venture 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 Venture 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 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. A recent review and update of the whistle-blowing policy was undertaken by the Audit & Risk Committee in December 2022.

Although the Company's preceding whistle-blowing policy substantially addressed LR 1207(18A&B), the following processes were enhanced and streamlined under the updated policy:

- Handling of whistle-blowing reports
- Dealing with conflicts of interest
- Updating the Audit & Risk Committee quarterly on whistle-blowing reports, including NIL complaints
- Regularly reviewing the whistle-blowing policy

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 ARC Chair. Reports can also be lodged by calling the hotline at +65 6484 8096 or via email at whistleblow@venture.com.sg. These channels for reporting wrongdoings are clearly communicated to employees and information on the reporting channels is available on the Company's website at https://www.venture.com.sg/sustainability-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 whistle-blowing 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. Substantive changes are submitted to the Audit & Risk Committee for their review and approval.

PRINCIPLE 10 – AUDIT & RISK COMMITTEE

The composition of the Audit & Risk Committee is as follows:

Ms Tan Seok Hoong @Mrs Audrey Liow, Chairperson
Mr Jonathan S. Huberman
Ms Yeo Siew Eng
Mr Chua Kee Lock

Mr Koh Lee Boon ceased to be a member of the Audit & Risk Committee upon his retirement as Director at the close of the 2022 AGM.

Corporate Governance Report

For FY2022, all members of the Audit & Risk Committee, including the Chairperson, were Independent. The Audit & Risk Committee has performed duties in compliance with the Companies Act, the Listing Rules and the 2018 Code and is guided by written Terms of Reference. The Audit & Risk Committee met 4 times in FY2022. 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 keeps abreast of changes to financial reporting standards and best practices and guidelines relating to current topics which have a direct impact on financial statements, through briefings provided by professionals or external consultants as necessary.

The Company's systems of risk management and internal controls are intended to safeguard the Group's interest, assets and integrity of financial reporting. The Board is responsible for the governance of risk. The Audit & Risk Committee assists the Board in this regard by maintaining oversight of these systems of risk management and internal controls and the results from audits of these systems and internal controls. Its other responsibilities include the following:

a. to review with the external auditors the audit plan, including the nature and scope of the audit before the audit commences, and their evaluation of the system of internal accounting controls, audit report and Management Letter and Management's response;

b. to review the half-yearly and annual financial announcements, and the executive summary of key financial information, business commentary and outlook for voluntary disclosure in respect of the first and third quarter performance before submission to the Board for approval, focusing on adherence to current financial reporting standards, accounting policies and practices, major risk areas and judgements, significant adjustments to results of the audit, the going concern statement, and compliance with stock exchange and statutory or regulatory requirements;

c. to discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the external auditors and the internal auditors where necessary; to review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;

d. to meet (a) with the external auditors and (b) with the 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 annually the scope and results of the external audit and its cost effectiveness as well as the independence and objectivity of the external auditors;

f. where the auditors also provide non-audit services to the Company, to review the nature and extent of such services to assess their continued objectivity and fees received for such services, value for money, and to ensure that the independence and effectiveness of the auditors would not be affected;

g. to review the Internal Audit programme, the scope and results of internal audit, and co-ordination between the internal and external auditors; and to ensure that the Internal Audit function is adequately resourced with qualified and experienced staff, receives cooperation from Management and discharges its functions effectively;

h. to review the consolidated statement of financial position, profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statement of financial position and changes in equity of the Company, before approval by the Board;

Corporate Governance Report

i. to investigate any matter within its Terms of Reference, with full access to and co-operation 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 Listing Rules;

k. to undertake such other reviews and projects as may be requested by the Board and such other functions and duties as may be required by statute or the Listing Rules, and by such amendments made thereto from time to time;

l. to consider and recommend to the Board, the proposal to shareholders on the appointment and re-appointment of the external auditor, after evaluating the performance of the external auditor, taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA; and recommend to the Board their remuneration and terms of engagement;

m. 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);

n. 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

o. to approve the hiring, removal, evaluation and compensation of the Head of the Internal Audit function, 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 2022.

In FY2022, 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.

Under the Terms of Reference of the Audit & Risk Committee, a former partner or director of the Company's existing auditing firm or auditing corporation should not act as a member of the Audit & Risk Committee: (a) within a period of 2 years commencing on the date of his/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/she has any financial interest in the auditing firm or auditing corporation. Although Ms Yeo Siew Eng was previously a partner of the Company's existing external auditors, more than 4 years have passed since her retirement as a partner and she has confirmed that she does not have any financial interest in Messrs Deloitte & Touche LLP. She had never been involved in the audit of the Company when she was a partner in Deloitte & Touche LLP. The remaining Audit & Risk Committee members do not have any relationship with the Company's existing auditors.

Corporate Governance Report

In line with the notice issued on 24 January 2017 by ACRA, Monetary Authority of Singapore and SGX-ST, the Audit & Risk Committee is to provide its own commentary on the key audit matters ("**KAM**") reported by the external auditors. During the audit of the financial statements for FY2022, one KAM was reported by the external auditors, set out on page 92 of this Annual Report. The Audit & Risk Committee's commentary on the reported KAM is set out below.

KAM	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 15% 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 2022.

External Auditors

The Audit & Risk Committee oversees the Company's relationship with its external auditors, and among other things recommends to the Board the appointment and re-appointment of the external auditors. 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 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 have also 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 147 to 151 of this Annual Report) would not compromise the standard and effectiveness of the audit of the Company and the Group. None of the Company's subsidiaries are listed on a stock exchange. The 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 the Internal Audit reports directly to the Audit & Risk Committee Chair on audit matters and to the CFO on administrative matters.

Corporate Governance Report

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.

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
- 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.
- 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 function'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 to perform its functions.

The Audit & Risk Committee is satisfied that the Head of the Internal Audit has the relevant experience and qualifications. He has more than 18 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.

Corporate Governance Report

Investment Committee

The members of the Investment Committee are:

Mr Wong Ngit Liong, Chairperson
Mr Wong Yew Meng
Mr Jonathan S. Huberman
Mr Chua Kee Lock

The Investment Committee, a non-mandated Board Committee, provides feedback and advice to Management on investment decisions. It also oversees the Company's exercise of the Share Buy-Back Mandate ("**Mandate**") in accordance with the terms and conditions set out in the Mandate. The Investment Committee is supported by the Investment Office, which comprises members of Senior Management who execute the decisions of the Investment Committee.

PRINCIPLE 11 – SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS
PRINCIPLE 12 – ENGAGEMENT WITH SHAREHOLDERS

Communications

The Company is committed to upholding 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 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. The Company continues with its regular shareholder communication via the various channels listed below, and endeavours to provide an executive summary of key financial information as well as a business commentary and outlook for the first and third quarter performance of the Group.

The Company holds briefing sessions for analysts who cover Venture, after the release of its financial results or business updates. Relevant KMPs preside over the briefing sessions and offer a comprehensive review of the Company's performance. An information package comprising the financial statements, press announcement and a set of presentation slides are shared with all participants. The same information package is disseminated through the SGXNet and also made available on the Company's corporate website for ease of access.

General Meetings

Shareholders are encouraged to attend the Company's general meetings. The Constitution allows a shareholder who is unable to attend, to appoint up to 2 proxies to attend, speak and vote on his/her behalf at the Company's general meetings. Shareholders who are relevant intermediaries (as defined in the Companies Act), may appoint more than 2 proxies.

The Company's general meetings are attended by all Directors, external auditors, the Company Secretary and Senior Management. Please refer to page 51 of the Annual Report on the Directors' attendance for the 2022 AGM. Shareholders are given the opportunity to share their views and put their questions to the meeting(s). 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.

Corporate Governance Report

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).

Further to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Order**"), the Company conducted its 2022 AGM via electronic means, including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing substantial and relevant questions prior to the voting, and by appointing the Chairman of the Meeting as proxy at the AGM.

Minutes of the 2022 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 corporate website (www.venture.com.sg).

The 2023 AGM will be held in a wholly physical format, 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 corporate website.

Investor Relations

The Company's corporate website (www.venture.com.sg) has a dedicated "Investor Relations" link which features the latest and past financial results and related information. The contact details of the Investor Relations and Corporate Communications team are available on the dedicated link, as well as in the Annual Report, to enable shareholders to readily contact the Company. The Investor Relations and Corporate Communications team has procedures in place for addressing investors' queries. requests or feedback as soon as possible.

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 is committed to making timely, transparent and accurate disclosure in accordance with the relevant regulations. The Investor Relations and Corporate Communications team handles queries by analysts, investors and shareholders expeditiously. In addition, explanations and clarifications are provided to all interested parties on an equal-opportunity basis. This practice by the Company is in line with its commitment towards fair disclosure and the Listing Rules.

The Company continues to receive 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.

Corporate Governance Report

The Company's Annual Report is published annually. The Annual Report, together with the 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 provides avenues for communication with shareholders, which allow for an ongoing exchange of views. 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.

Payment of Dividends

As a matter of practice, 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 via its financial results announcements that are made to SGX-ST via the SGXNet.

The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for FY2022. This is in addition to the interim dividend of 25 cents per share paid on 15 September 2022 on a one-tier tax-exempt basis.

The proposed dividend is subject to shareholders' approval at the 2023 AGM. The dividend payment date and the book closure date are set out in the Notice of AGM.

PRINCIPLE 13 – ENGAGEMENT WITH STAKEHOLDERS

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 31 of the Annual Report summarises the Company's approach to its stakeholder engagement. The Company's corporate website is also used as a platform to communicate and engage with all stakeholders.

Responsible Business Alliance ("RBA") Code

The Company has adopted the RBA Code, which builds on the Group's commitment to sound management philosophy, good employment and workplace-related practices, among other desirable corporate practices. These principles are embedded in the Group's Code of Conduct.

The Company completed the RBA validated audit process achieving PLATINUM status with zero findings in both non-conformance and areas for improvement.

Corporate Governance Report

Dealings in Securities

The Company has a Share Trading Policy on dealings in securities to comply with LR 1207(19). Directors and officers are reminded 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 in the Company's securities by himself/herself and their related persons 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 FY2022.

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 CEO, 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 ("2018 Code")

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

BOARD MATTERS

The Board's Conduct of Affairs
Principle 1

Provision	Page(s)
1.1	50 and 51
1.2	52
1.3	50
1.4	51, 58 to 61, 71 to 76
1.5	51
1.6	53
1.7	53

Board Composition and Guidance
Principle 2

Provision	Page(s)
2.1	14 to 19, 54 to 55
2.2	54 and 57
2.3	54
2.4	56
2.5	53

Chairman and Chief Executive Officer
Principle 3

Provision	Page(s)
3.1	57
3.2	57
3.3	55

Board Membership
Principle 4

Provision	Page(s)
4.1	58 and 59
4.2	58 and 59
4.3	58 and 59
4.4	54 and 55
4.5	15 to 19, 60

Board Performance
Principle 5

Provision	Page(s)
5.1	60
5.2	60

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 6

Provision	Page(s)
6.1	61
6.2	61
6.3	61
6.4	61

Level and Mix of Remuneration
Principle 7

Provision	Page(s)
7.1	63 to 69
7.2	62 and 63
7.3	62 to 69

Disclosure on Remuneration
Principle 8

Provision	Page(s)
8.1	62 to 63, 69
8.2	69 and 177
8.3	62 to 69

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls
Principle 9

Provision	Page(s)
9.1	69 and 70
9.2	70

Audit Committee
Principle 10

Provision	Page(s)
10.1	72 and 73
10.2	72
10.3	73
10.4	74 and 75
10.5	73

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings
Principle 11

Provision	Page(s)
11.1	76 and 77
11.2	77
11.3	51 and 76
11.4	77
11.5	77
11.6	78

Engagement with Shareholders
Principle 12

Provision	Page(s)
12.1	78 and 79
12.2	77 and 78
12.3	77 and 78

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders
Principle 13

Provision	Page(s)
13.1	78
13.2	31 and 78
13.3	13 and 78

Statutory Accounts & Information for Shareholders

CONTENTS

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 2022.

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 96 to 175 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 2022, 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
Kay Kuok Oon Kwong
Wong Yew Meng
Jonathan S. Huberman
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 At 1 January 2022	Held in the name of the Director or nominee At 31 December 2022	Deemed interest At 1 January 2022	Deemed interest At 31 December 2022
Ordinary shares of the Company				
Wong Ngit Liong	20,645,219	20,695,219	–	–
Tan Seok Hoong @Mrs Audrey Liow	3,000	3,000	–	–
Share options to subscribe for shares of the Company				
Wong Ngit Liong	65,000	93,000	–	–
Restricted shares of the Company granted				
Wong Ngit Liong	102,000	66,000	–	–

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 2023.

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 2022 are as follows:

		Number of options to subscribe for ordinary shares of the Company						
Date of grant	Grant No.	Outstanding at 1 January 2022	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2022	Subscription price per share	Exercisable period
16 June 2017	2015 Grant 3	272,000	–	(272,000)	–	–	$15.50[(a)] $14.26[(b)] $12.40[(c)]	16 June 2018 to 15 June 2022
–	2015 Grant 4*	–	–	–	–	–	–	–
19 June 2019	2015 Grant 5	952,000	–	(118,000)	(135,000)	699,000	$20.64[(d)] $18.99[(e)] $16.51[(f)]	19 June 2020 to 18 June 2024
30 June 2020	2015 Grant 6	788,500	–	–	(128,500)	660,000	$20.18[(g)] $18.56[(h)] $16.14[(i)]	30 June 2021 to 29 June 2025
–	2015 Grant 7*	–	–	–	–	–	–	–
30 June 2022	2015 Grant 8	–	752,500	–	(21,600)	730,900	$17.59[(j)] $16.75[(k)]	30 June 2025 to 29 June 2027
		2,012,500	752,500	(390,000)	(285,100)	2,089,900		

(a) If exercised between 16 June 2018 and 15 June 2019
(b) If exercised between 16 June 2019 and 15 June 2020
(c) If exercised between 16 June 2020 and 15 June 2022
(d) If exercised between 19 June 2020 and 18 June 2021
(e) If exercised between 19 June 2021 and 18 June 2022
(f) If exercised between 19 June 2022 and 18 June 2024
(g) If exercised between 30 June 2021 and 29 June 2022
(h) If exercised between 30 June 2022 and 29 June 2023
(i) If exercised between 30 June 2023 and 29 June 2025
(j) If exercised between 30 June 2025 and 29 June 2026
(k) If exercised between 30 June 2026 and 29 June 2027

* There were no options granted during the financial years ended 31 December 2018 and 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:

		Number of options to subscribe for ordinary shares of the Company				
Name of participant		**Options granted during the financial year**	**Aggregate options granted since commencement of Scheme to end of the financial year**	**Aggregate options exercised since commencement of Scheme to end of the financial year**	**Aggregate options cancelled/ lapsed since commencement of Scheme to end of the financial year**	**Aggregate options outstanding as at end of the financial year**
(i)	Director of the Company:					
	Wong Ngit Liong	28,000	310,000	(217,000)	–	93,000
(ii)	Other Employees	724,500	10,053,000	(7,017,000)	(1,039,100)	1,996,900
		752,500	10,363,000	(7,234,000)	(1,039,100)	2,089,900

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

Kay Kuok Oon Kwong
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 [(a)] during the financial year	Aggregate awards granted since commencement of RSP to end of the financial year	Aggregate awards vested [(a)] 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	50,000	232,000	180,000	-	52,000
(ii)	Other Employees	160,000	1,478,000	690,000	486,000	302,000
		210,000	1,710,000	870,000	486,000	354,000

(a) Through delivery of existing shares

The 10th 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	–	14,000	–	–	14,000
(ii)	Other Employees	112,000	–	112,000	–	–	112,000
		126,000	–	126,000	–	–	126,000

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:

	2022	2021
At 1 January	653,000	832,000
Granted	–	148,000
Lapsed	(89,000)	(107,000)
Vested	(210,000)	(220,000)
At 31 December	354,000	653,000

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

	2022	2021
At 1 January	–	–
Granted	126,000	–
Lapsed	–	–
Vested	–	–
At 31 December	126,000	–

Directors' Statement

6 AUDIT & RISK COMMITTEE

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

Tan Seok Hoong @Mrs Audrey Liow (Chairperson)
Jonathan S. Huberman
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

20 March 2023

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 2022, 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 a summary of significant accounting policies, as set out on pages 96 to 175.

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 2022 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	How the matter was addressed in the audit
Impairment review of goodwill allocated to GES International Group's cash-generating unit ("CGU") The aggregated goodwill of $639.7 million constituted 17% of the Group's total assets as at 31 December 2022. 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 15% 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 2022.	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.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

20 March 2023

Statements of Financial Position

31 December 2022

	Note	The Group		The Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
ASSETS					
Current assets					
Cash and bank balances	6	812,593	807,934	93,161	379,953
Trade receivables	7	906,378	829,245	13,918	12,495
Other receivables and prepayments	8	37,900	30,880	5,934	5,507
Contract assets	9	10,735	20,033	–	–
Inventories	10	1,065,300	1,049,429	91,116	83,950
Trade receivables due from subsidiaries	11	–	–	162,912	84,467
Other receivables due from subsidiaries	11	–	–	519	467
Total current assets		2,832,906	2,737,521	367,560	566,839
Non-current assets					
Investments in subsidiaries	11	–	–	1,227,849	1,227,849
Investment in associate		799	628	–	–
Other financial assets	12	25,429	25,454	9,041	8,760
Property, plant and equipment	13	224,934	215,169	34,383	34,084
Right-of-use assets	14	22,745	12,444	10,327	3,430
Intangible assets	15	1,053	623	–	–
Goodwill	16	639,708	639,708	–	–
Deferred tax assets	17	3,829	3,714	–	–
Total non-current assets		918,497	897,740	1,281,600	1,274,123
Total assets		3,751,403	3,635,261	1,649,160	1,840,962

See accompanying notes to financial statements.

Statements of Financial Position

31 December 2022

	Note	The Group 2022 $'000	The Group 2021 $'000	The Company 2022 $'000	The Company 2021 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	18	533,137	643,591	42,973	53,102
Other payables and accrued expenses	19	173,424	156,361	31,157	27,161
Contract liabilities	20	121,211	73,052	9,155	9,182
Lease liabilities	21	10,800	8,731	6,299	4,360
Trade payables due to subsidiaries	11	–	–	931	1,795
Other payables due to subsidiaries	11	–	–	17,852	17,865
Income tax payable		54,567	25,764	6,753	4,837
Total current liabilities		893,139	907,499	115,120	118,302
Non-current liabilities					
Deferred tax liabilities	17	1,888	3,512	–	–
Lease liabilities	21	13,485	4,800	5,462	42
Total non-current liabilities		15,373	8,312	5,462	42
Capital and reserves					
Share capital	22	838,280	832,827	838,280	832,827
Treasury shares	22	(15,535)	(16,061)	(15,535)	(16,061)
Share-based awards reserve	22	3,827	5,077	3,827	5,077
Investments revaluation reserve	22	1,914	3,307	3,259	2,978
Foreign exchange translation reserve	23	(87,215)	(56,974)	–	–
Other reserves	22	28	(173)	(7,306)	(5,891)
Accumulated profits		2,098,385	1,948,349	706,053	903,688
Equity attributable to owners of the Company		2,839,684	2,716,352	1,528,578	1,722,618
Non-controlling interests		3,207	3,098	–	–
Total equity		2,842,891	2,719,450	1,528,578	1,722,618
Total liabilities and equity		3,751,403	3,635,261	1,649,160	1,840,962

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2022

	Note	The Group 2022 $'000	The Group 2021 $'000
Revenue	25	3,863,721	3,107,457
Changes in finished goods, work in progress and raw materials used		(2,923,640)	(2,297,894)
Employee benefits expense	29	(361,613)	(327,350)
Depreciation and amortisation expense		(32,851)	(36,879)
Research and development expense		(16,700)	(19,328)
Foreign currency exchange gain		3,447	4,215
Other operating expenses		(94,576)	(79,588)
Other income	26	2,072	2,410
Investment revenue	27	9,232	6,769
Finance costs		(517)	(423)
Share of profit of associate		321	199
Profit before income tax		448,896	359,588
Income tax expense	28	(78,782)	(47,266)
Profit for the year	29	370,114	312,322
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Fair value (loss) gain on other financial assets, through other comprehensive income (FVTOCI)		(1,393)	1,508
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	23	(30,629)	29,385
Other comprehensive income for the year, net of tax		(32,022)	30,893
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		338,092	343,215

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2022

	Note	The Group	
		2022	2021
		$'000	$'000
Profit attributable to:			
Owners of the Company		369,617	312,051
Non-controlling interests		497	271
		370,114	312,322
Total comprehensive income attributable to:			
Owners of the Company		337,983	342,796
Non-controlling interests		109	419
		338,092	343,215
		Cents	
Basic earnings per share	30	127.1	107.5
Fully diluted earnings per share	30	126.8	107.0

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended 31 December 2022

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 2021		826,980	(16,674)	5,137	1,799	(86,211)	1,016	1,854,403	2,586,450	2,679	2,589,129
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	312,051	312,051	271	312,322
Other comprehensive income for the year		–	–	–	1,508	29,237	–	–	30,745	148	30,893
Total		–	–	–	1,508	29,237	–	312,051	342,796	419	343,215
Transactions with owners, recognised directly in equity											
Issue of shares	22	5,847	–	(123)	–	–	–	–	5,724	–	5,724
Treasury shares reissued pursuant to equity compensation plans	22	–	3,497	(1,362)	–	–	(2,135)	–	–	–	–
Purchase of treasury shares	22	–	(2,884)	–	–	–	–	–	(2,884)	–	(2,884)
RSP/Share options lapsed		–	–	(533)	–	–	–	533	–	–	–
Recognition of share-based payments	24	–	–	1,958	–	–	–	–	1,958	–	1,958
Final tax-exempt dividend paid in respect of the previous financial year	33	–	–	–	–	–	–	(145,182)	(145,182)	–	(145,182)
Interim tax-exempt dividend paid in respect of the current financial year	33	–	–	–	–	–	–	(72,640)	(72,640)	–	(72,640)
Appropriation to reserve fund		–	–	–	–	–	946	(816)	130	–	130
Total		5,847	613	(60)	–	–	(1,189)	(218,105)	(212,894)	–	(212,894)
Balance at 31 December 2021		832,827	(16,061)	5,077	3,307	(56,974)	(173)	1,948,349	2,716,352	3,098	2,719,450
Total comprehensive income for the year											
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
Transactions with owners, recognised directly in equity											
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		–	–	–	–	–	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 2022

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 2021		826,980	(16,674)	5,137	1,329	(3,886)	799,772	1,612,658
Total comprehensive income for the year								
Profit for the year		–	–	–	–	–	321,205	321,205
Other comprehensive income for the year		–	–	–	1,649	–	–	1,649
Total		–	–	–	1,649	–	321,205	322,854
Transactions with owners, recognised directly in equity								
Issue of shares	22	5,847	–	(123)	–	–	–	5,724
Treasury shares reissued pursuant to equity compensation plans	22	–	3,497	(1,362)	–	(2,135)	–	–
Purchase of treasury shares	22	–	(2,884)	–	–	–	–	(2,884)
RSP/Share options lapsed	22	–	–	(533)	–	–	533	–
Recognition of share-based payments	24	–	–	1,958	–	–	–	1,958
Appropriation to reserve fund		–	–	–	–	130	–	130
Final tax-exempt dividend paid in respect of the previous financial year	33	–	–	–	–	–	(145,182)	(145,182)
Interim tax-exempt dividend paid in respect of the current financial year	33	–	–	–	–	–	(72,640)	(72,640)
Total		5,847	613	(60)	–	(2,005)	(217,289)	(212,894)
Balance at 31 December 2021		832,827	(16,061)	5,077	2,978	(5,891)	903,688	1,722,618
Total comprehensive income for the year								
Profit for the year		–	–	–	–	–	20,330	20,330
Other comprehensive income for the year		–	–	–	281	–	–	281
Total		–	–	–	281	–	20,330	20,611
Transactions with owners, recognised directly in equity								
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 2022

	The Group	
	2022 $'000	2021 $'000
Operating activities		
Profit before income tax	448,896	359,588
Adjustments for:		
Share of profit of associate	(321)	(199)
Allowance for inventory provisions	767	7,948
Depreciation of property, plant and equipment	21,335	25,863
Depreciation of right-of-use assets	11,097	10,768
Amortisation of intangible assets	419	248
Net re-measurement of expected credit loss	405	162
Interest income	(8,918)	(5,443)
Dividend income	(1,048)	(791)
Interest expense	517	423
Share-based payments expense	1,008	1,958
Fair value adjustment on derivative instrument	(676)	645
Loss (Gain) on disposal of plant and equipment, net	55	(115)
Gain on disposal of other financial assets	(314)	(1,326)
Operating profit before working capital changes	473,222	399,729
Trade receivables	(82,408)	(112,477)
Other receivables, prepayments and contract assets	2,514	(14,507)
Inventories	(29,798)	(382,489)
Trade payables	(110,657)	236,738
Other payables, accrued expenses and contract liabilities	67,783	31,192
Cash generated from operations	320,656	158,186
Interest paid	(517)	(423)
Income tax paid	(51,054)	(55,928)
Net cash from operating activities	269,085	101,835

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	The Group	
	2022	2021
	$'000	$'000
Investing activities		
Interest received	8,364	5,162
Dividend received from associate	150	300
Dividend received from other equity investments	1,048	791
Purchase of property, plant and equipment	(32,724)	(10,793)
Proceeds on disposal of plant and equipment	195	367
Addition of intangible assets	(872)	(567)
Proceeds from disposal of other financial assets	314	2,651
Purchase of other financial assets	(1,353)	–
Net cash used in investing activities	(24,878)	(2,089)
Financing activities		
Dividends paid	(218,115)	(217,822)
Repayments of lease liabilities (Note A)	(11,069)	(10,858)
Proceeds from issuance of shares	5,320	5,724
Purchase of treasury shares	(2,864)	(2,765)
Net cash used in financing activities	(226,728)	(225,721)
Net increase (decrease) in cash and cash equivalents	17,479	(125,975)
Cash and cash equivalents at beginning of year	807,934	928,740
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(12,820)	5,169
Cash and cash equivalents at end of year (Note 6)	812,593	807,934

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2022

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.

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

		Non-cash changes			
	1 January 2021 $'000	Net lease liabilities additions $'000	Foreign exchange movement $'000	Financing cash flows $'000	31 December 2021 $'000
Lease liabilities (Note 21)	20,950	2,790	649	(10,858)	13,531

See accompanying notes to financial statements.

Notes to Financial Statements

31 December 2022

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 2022 were authorised for issue by the Board of Directors on 20 March 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING – 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").

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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) ADOPTION OF NEW AND REVISED STANDARDS – On 1 January 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

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

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

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

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

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

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

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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) BASIS OF CONSOLIDATION (cont'd)

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments: Recognition and Measurement*, or when applicable, the cost on initial recognition of an investment in an associate.

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.

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

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

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

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) BUSINESS COMBINATIONS (cont'd)

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

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

(e) FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised 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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

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.

<u>Classification of financial assets</u>

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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial assets (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 and at FVTOCI. 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).

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

Equity instruments designated as at FVTOCI (cont'd)

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.

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.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically:

- For financial assets measured at amortised cost and financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "foreign currency exchange gain (loss)" line item;

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

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 or at FVTOCI, 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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial assets (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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

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.

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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

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.

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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial assets (cont'd)

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.

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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (cont'd)

Financial liabilities and equity instruments (cont'd)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "foreign currency exchange gain (loss)" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

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.

(f) 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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) LEASES (cont'd)

The Group as lessee (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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) LEASES (cont'd)

The Group as lessee (cont'd)

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.

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(k).

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' to 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.

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

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

Factory buildings	–	25 to 60 years
Leasehold land and buildings	–	25 to 60 years (term of lease)
Machinery and equipment	–	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.

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.

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

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

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) 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.

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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) 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.

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

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

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

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

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) ASSOCIATES (cont'd)

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

The requirements of SFRS(I) 1-36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9 *Financial Instruments: Recognition and Measurement*. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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

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

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

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

The proceeds received net of any directly attributable transactions costs are credited to share capital when the equity instruments are exercised. When the equity instruments are exercised, the carrying value of such instrument is transferred from the share-based awards reserve to share capital. When the vested equity instruments lapsed or are cancelled, the carrying value of such instrument is transferred from the share-based awards reserve to accumulated profits.

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

(o) GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) REVENUE RECOGNITION (cont'd)

(i) Manufacturing services (cont'd)

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.

<u>Dividend income</u>

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

<u>Interest income</u>

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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of 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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) INCOME TAX (cont'd)

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.

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

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. 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.

Notes to Financial Statements

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings, 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.

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

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

(i) Income tax

Management has assessed the achievability of the qualifying terms and conditions of the tax incentives awarded to the Company and some of its subsidiaries in the current and previous financial years, and is of the view that the Company and its subsidiaries will 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.

As at 31 December 2022, income tax payable amounted to $54,567,000 (2021 : $25,764,000).

(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) Calculation of loss allowance

When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

An estimate of the loss arising on default is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the expected credit loss rate is increased (decreased) by 10%, as reflected by a change in credit provision rates by a factor of 1.1 in the case of an increase and 0.9 in the case of a decrease, expected credit loss allowance on trade receivables will increase (decrease) by $199,000 (2021 : $161,000).

The carrying amounts of trade and other receivables are disclosed in Notes 7, 8 and 11 respectively.

Notes to Financial Statements

31 December 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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

(ii) 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.

(iii) Allowances for inventories

In determining the net realisable value of the Group's inventories, an estimation of the recoverable amount of inventories on hand is performed based on the most reliable evidence available at the time the estimates are made. This represents the value of the inventories which are expected to 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.

(iv) Provision for warranty

Provision for warranty is estimated by the Group based on historical claim experience and estimated potential rectification costs for the products sold that qualify under the contractual warranty periods. These are assessed as a percentage of sales and determined based on the claim experience, the likelihood of claims and risks arising from the contracts covered by the warranty. Other factors such as industry benchmarks and technological failure rates are also taken into consideration in the assessment. Significant judgement is involved in estimating the provision for warranty, especially for relatively new products.

The provision for warranty is disclosed in Note 19.

(v) 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.

Notes to Financial Statements

31 December 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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

(v) Stage of completion in relation to revenue recognised over time (cont'd)

- 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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets				
Amortised cost:				
Cash and bank balances	812,593	807,934	93,161	379,953
Trade receivables	906,378	829,245	13,918	12,495
Trade receivables due from subsidiaries	–	–	162,912	84,467
Other receivables	13,242	11,011	3,353	3,664
Other receivables due from subsidiaries	–	–	519	467
	1,732,213	1,648,190	273,863	481,046
Derivative financial instruments (i)	676	–	676	–
Other financial assets at fair value	25,429	25,454	9,041	8,760
Total	1,758,318	1,673,644	283,580	489,806
Financial liabilities				
Amortised cost:				
Trade payables	533,137	643,591	42,973	53,102
Trade payables due to subsidiaries	–	–	931	1,795
Other payables and accrued expenses	162,307	145,296	31,157	27,161
Other payables due to subsidiaries	–	–	17,852	17,865
	695,444	788,887	92,913	99,923
Lease liabilities	24,285	13,531	11,761	4,402
Total	719,729	802,418	104,674	104,325

(i) These pertain to foreign exchange forward contracts.

Notes to Financial Statements

31 December 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(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.

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*			
	Assets		Liabilities	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore dollar	19,621	22,835	47,839	24,500
United States dollar#	264,389	192,919	90,048	145,963
Euro	3,513	5,581	2,774	3,666
Swiss francs	563	361	4,872	4,138
Chinese renminbi	1,148	1,636	79	130
Malaysian ringgit	28,840	34,519	47,087	30,840

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

Notes to Financial Statements

31 December 2022

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			
	Assets		Liabilities	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
United States dollar#	182,585	129,677	53,951	101,256
Euro	362	566	93	141

\# 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 $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.

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore dollar impact	(1,411)	(83)	–	–
United States dollar impact	2,966	2,348	681	1,421
Euro impact	37	96	13	21
Swiss franc impact	(215)	(189)	–	–
Chinese renminbi impact	53	75	–	–
Malaysian ringgit impact	(912)	184	–	–

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.

Notes to Financial Statements

31 December 2022

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

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

(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.

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

Notes to Financial Statements

31 December 2022

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)

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, 64% is due from the Group's top ten customers by revenue (2021 : 59%). 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 16% (2021 : 14%) of total assets at any time during the year. Concentration of credit risk to any single counterparty exceeded 5% but not 8% (2021 : 4% but not 7%) 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.

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
The Group						
31 December 2022						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) (i)	907,434	(1,056)	906,378
Trade receivables	7	In default	Lifetime ECL	932	(932)	–
Other receivables	8	Performing	12-month ECL (ii)	13,242	–	13,242
Contract assets	9	Performing	Lifetime ECL (simplified approach) (i)	10,735	–	10,735
					(1,988)	

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31 December 2022

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
The Group						
31 December 2021						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) [i]	830,645	(1,400)	829,245
Trade receivables	7	In default	Lifetime ECL	205	(205)	–
Other receivables	8	Performing	12-month ECL [ii]	11,011	–	11,011
Contract assets	9	Performing	Lifetime ECL (simplified approach) [i]	20,033	–	20,033
					(1,605)	
The Company						
31 December 2022						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) [i]	13,956	(38)	13,918
Other receivables	8	Performing	12-month ECL [ii]	3,353	–	3,353
Trade receivables due from subsidiaries	11	Performing	Lifetime ECL (simplified approach) [i]	162,912	–	162,912
Other receivables due from subsidiaries	11	Performing	12-month ECL [ii]	519	–	519
					(38)	
31 December 2021						
Trade receivables	7	Performing	Lifetime ECL (simplified approach) [i]	12,533	(38)	12,495
Other receivables	8	Performing	12-month ECL [ii]	3,664	–	3,664
Trade receivables due from subsidiaries	11	Performing	Lifetime ECL (simplified approach) [i]	84,467	–	84,467
Other receivables due from subsidiaries	11	Performing	12-month ECL [ii]	467	–	467
					(38)	

Notes to Financial Statements

31 December 2022

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:

(i) 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.

(ii) 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 2022

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)

Liquidity and interest risk analysis (cont'd)

Non-derivative financial assets (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
The Group						
31 December 2022						
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
		1,733,817	21,228	2,847	(1,604)	1,756,288
31 December 2021						
Non-interest bearing	–	1,105,971	22,607	2,847	–	1,131,425
Fixed interest rate instruments	1.02	543,602	–	–	(1,383)	542,219
		1,649,573	22,607	2,847	(1,383)	1,673,644
The Company						
31 December 2022						
Non-interest bearing	–	186,269	9,041	–	–	195,310
Fixed interest rate instruments	3.88	88,443	–	–	(849)	87,594
		274,712	9,041	–	(849)	282,904
31 December 2021						
Non-interest bearing	–	108,289	8,760	–	–	117,049
Fixed interest rate instruments	0.50	373,223	–	–	(466)	372,757
		481,512	8,760	–	(466)	489,806

Notes to Financial Statements

31 December 2022

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)

Liquidity and interest risk analysis (cont'd)

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the 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
The Group						
31 December 2022						
Non-interest bearing	–	695,444	–	–	–	695,444
Lease liabilities	3.51	11,966	10,298	6,964	(4,943)	24,285
		707,410	10,298	6,964	(4,943)	719,729
31 December 2021						
Non-interest bearing	–	788,887	–	–	–	788,887
Lease liabilities	2.53	9,091	5,457	–	(1,017)	13,531
		797,978	5,457	–	(1,017)	802,418
The Company						
31 December 2022						
Non-interest bearing	–	92,913	–	–	–	92,913
Lease liabilities	3.58	6,560	5,510	–	(309)	11,761
		99,473	5,510	–	(309)	104,674
31 December 2021						
Non-interest bearing	–	99,923	–	–	–	99,923
Lease liabilities	1.82	4,412	43	–	(53)	4,402
		104,335	43	–	(53)	104,325

Notes to Financial Statements

31 December 2022

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.

	Fair value as at					
	2022		2021			
Financial assets/ Financial liabilities	**Assets $'000**	**Liabilities $'000**	**Assets $'000**	**Liabilities $'000**	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
Derivative financial instruments (Note 8)						
The Group and the Company						
Foreign exchange forward contract	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
Other financial assets (Note 12)						
The Group						
Quoted equity shares	21,228	–	22,607	–	Level 1	Quoted bid prices in an active market
Unquoted equity shares / debt instrument	4,201	–	2,847	–	Level 2	Net tangible asset of the underlying investment / most recent transacted prices which approximate fair value
The Company						
Quoted equity shares	9,041	–	8,760	–	Level 1	Quoted bid prices in an active market

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

Notes to Financial Statements

31 December 2022

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	
	2022	**2021**
	$'000	**$'000**
Purchase of goods from associate	24	20

Compensation of Directors and key management personnel

The remuneration of Directors and other key management personnel during the year were as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Short-term benefits	19,606	15,656
CPF contributions	286	186
Share-based payments	991	1,219
	20,883	17,061
Directors' fees	817	858
Total	21,700	17,919

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.

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31 December 2022

6 CASH AND BANK BALANCES

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash	246,550	265,715	5,567	7,196
Fixed deposits	566,043	542,219	87,594	372,757
Cash and cash equivalents in the statement of cash flows	812,593	807,934	93,161	379,953

The fixed deposits' interest rates for the Group and the Company range from 1.50% to 4.71% (2021 : 0.50% to 3.35%) per annum with an original maturity of one year or less.

7 TRADE RECEIVABLES

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Outside parties	906,378	829,245	13,918	12,495

The average trade credit period on sales of goods is 82 days (2021 : 90 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.

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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					
		Trade receivables - days past due				
	Not past due $'000	**< 30 days $'000**	**31 – 60 days $'000**	**61 – 90 days $'000**	**> 90 days $'000**	**Total $'000**
31 December 2022						
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
	658	95	99	87	1,049	1,988
31 December 2021						
Expected credit loss rate	0.1%	0.1%	1.0%	3.0%	5.2%	
Lifetime ECL:						
– Not credit-impaired	982	111	105	135	67	1,400
– Credit-impaired	–	–	–	–	205	205
	982	111	105	135	272	1,605

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 2% (2021 : 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 59 days (2021 : 65 days).

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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
	Lifetime ECL			Lifetime ECL
	Collectively assessed: not credit-impaired $'000	Individually assessed: credit-impaired $'000	Total $'000	Collectively assessed: not credit-impaired $'000
Balance at 1 January 2021	1,211	645	1,856	38
Written off	–	(443)	(443)	–
Net re-measurement of loss allowance	162	–	162	–
Foreign exchange loss	27	3	30	–
Balance at 31 December 2021	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

8 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Other receivables	11,256	8,721	3,252	3,205
Derivative financial instruments (Note 4)	676	–	676	–
Deposits	1,986	2,290	101	459
Prepayments	23,982	19,869	1,905	1,843
	37,900	30,880	5,934	5,507

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.

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9 CONTRACT ASSETS

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Contract assets	10,735	20,033	–	–

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 2021, contract assets amounted to $16,759,000.

The decrease in the Group's contract assets between 31 December 2022 and 31 December 2021 was attributable mainly to lower accrued revenue for design services contracts and tooling fabrication, as invoices were raised when billing milestones were met subsequent to 31 December 2021.

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Raw materials	734,709	755,578	42,993	41,723
Work in progress	119,861	112,213	30,768	28,081
Finished goods	210,730	181,638	17,355	14,146
	1,065,300	1,049,429	91,116	83,950

In 2022, the Group recognised an expense of $767,000 (2021 : $7,948,000) in respect of provisions and write-offs of aged inventory determined based on assessments of net realisable value and estimates on forecasted usage.

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11 INVESTMENTS IN SUBSIDIARIES

	The Company 2022 $'000	The Company 2021 $'000
Unquoted equity shares, at cost	1,148,474	1,148,474
Less: Impairment loss	(3,203)	(3,203)
Net carrying amount	1,145,271	1,145,271
Advances to subsidiaries [1]	86,840	86,840
Less: Impairment in advances to subsidiaries	(4,262)	(4,262)
	1,227,849	1,227,849

(1) 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.

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

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held 2022 %	Proportion of ownership interest and voting power held 2021 %	Principal activities
Advanced Products Corporation Pte Ltd	Singapore	100	100	Trading and manufacturing of electronics products and wholesale of computer hardware and peripheral equipment
Cebelian Holdings Pte Ltd	Singapore	100	100	Investment holding
Venture Electronics (Europe) B.V. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) [5]	Netherlands	100	100	Investment holding

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11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2022	2021	
		%	%	
Venture Electronics Spain S.L. (wholly-owned subsidiary of Venture Electronics (Europe) B.V.) [(1)]	Spain	100	100	Manufacture, design, engineering, customisation and logistic services
Venture Electronics (Shanghai) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) [(1)]	People's Republic of China	100	100	Trading and manufacturing of electronic and computer-related products
Venture Electronics (Shenzhen) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) [(4)]	People's Republic of China	100	100	Manufacture and sale of terminal units
VM Services, Inc. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) [(5)]	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.) [(5)]	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.) [(5)]	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.) [(5)]	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 Cebelian Holdings Pte Ltd)	Singapore	100	100	Develop and market colour imaging products for label printing
Advanced Instrument Pte. Ltd. (wholly-owned subsidiary of Advanced Products Corporation Pte Ltd)	Singapore	100	100	Research and experimental development on biotechnology, life and medical science and manufacture and repair of engineering and scientific instruments
Venture International Pte. Ltd.	Singapore	100	100	Import and export of electronic parts, components, equipment, devices and instruments

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11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held 2022 %	2021 %	Principal activities
VIPColor Technologies USA, Inc. (wholly-owned subsidiary of VIPColor Technologies Pte Ltd) [(5)]	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. [(1)]	Malaysia	100	100	Manufacturing and assembly of electronic and other computer products and peripherals
Pintarmas Sdn. Bhd. (wholly-owned subsidiary of Technocom Systems Sdn. Bhd.) [(1)]	Malaysia	100	100	Manufacturing and assembly of electronic and other computer products and peripherals
V-Design Services (M) Sdn. Bhd. (wholly-owned subsidiary of Technocom Systems Sdn. Bhd.) [(1)]	Malaysia	100	100	Design and development of electronic products and services
Venture Electronics Services (Malaysia) Sdn. Bhd. [(1)]	Malaysia	100	100	Manufacturing and sale of sub-assemblies and printed circuit board assemblies for communication/networking equipment and medical and scientific equipment/ instrumentation
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) [(5)]	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

Notes to Financial Statements

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11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held 2022 %	2021 %	Principal activities
Munivac Sdn. Bhd. (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd) (1)	Malaysia	100	100	Manufacture of plastic precision engineering components
Univac Precision, Inc. (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd) (5)	United States of America	100	100	Design, customisation and marketing of tool-making and precision engineering solutions
Univac Design & Engineering Pte Ltd (a subsidiary of Univac Precision Engineering Pte Ltd) (2)(6)	Singapore	81.6	81.6	Investment holding
Univac Precision Plastics (Shanghai) Co., Ltd (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd) (3)(6)	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) (3)(6)	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) (1)	People's Republic of China	100	100	Provision of manufacturing services for original design and manufacture and electronic manufacturing services
GES Manufacturing Services (M) Sdn. Bhd. (wholly-owned subsidiary of GES Investment Pte. Ltd.) (1)	Malaysia	100	100	Manufacture of electronics equipment, computer, data and telecommunications products in industrial electronics industries

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11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2022	2021	
		%	%	
Winza Pte. Ltd. (wholly-owned subsidiary of Advanced Products Corporation 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:

(1) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
(2) Audited by another firm of auditors, BSL Public Accounting Corporation.
(3) Audited by another firm of auditors, Suzhou Wanlong Yongding Certified Public Accountants Co., Ltd.
(4) Audited by another firm of auditors, BDO China Li Xin Da Hua Certified Public Accountants Co., Ltd.
(5) Not required by law to be audited in its country of incorporation and not material to the results of the Group.
(6) The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of these non-wholly owned subsidiaries are individually insignificant to the Group.

The net assets of the subsidiaries referred to in Notes (2), (3), (4) 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 $42,273,000 (2021 : $42,276,000) 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

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12 OTHER FINANCIAL ASSETS

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Debt instrument measured at fair value through profit or loss (FVTPL)				
Unquoted debt instrument [a]	1,354	–	–	–
Equity instruments measured at fair value through other comprehensive income (FVTOCI)				
Quoted equity shares [b]	21,228	22,607	9,041	8,760
Unquoted equity shares	2,847	2,847	–	–
	25,429	25,454	9,041	8,760

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).

(a) Unquoted debt instrument comprises of a convertible loan with face value of US$1,000,000, which bears 5% interest per annum and matures on 30 June 2023.

(b) 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.

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13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Factory buildings $'000	Leasehold land and buildings [i] $'000	Machinery and equipment $'000	Leasehold improvements and renovations $'000	Office equipment, furniture and fittings $'000	Computer hardware $'000	Motor vehicles $'000	Asset under construction $'000	Total $'000
The Group										
Cost:										
At 1 January 2021	28,160	43,716	161,896	304,827	68,787	48,184	4,450	2,458	–	662,478
Exchange differences	524	814	2,619	5,588	1,415	745	–	26	–	11,731
Additions	–	–	–	4,600	4,554	1,639	–	–	–	10,793
Disposals	–	–	–	(6,176)	(167)	(680)	–	(296)	–	(7,319)
At 31 December 2021	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
Accumulated depreciation:										
At 1 January 2021	–	9,247	73,138	268,584	36,674	41,680	4,234	1,930	–	435,487
Exchange differences	–	186	1,402	4,892	806	635	–	23	–	7,944
Depreciation	–	1,151	4,276	12,954	4,065	3,208	3	206	–	25,863
Disposals	–	–	–	(6,047)	(152)	(574)	–	(294)	–	(7,067)
At 31 December 2021	–	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
Impairment:										
At 1 January 2021, 31 December 2021 and 31 December 2022	–	–	–	18	36	190	–	43	–	287
Carrying amount:										
At 31 December 2022	28,714	32,815	81,892	28,003	31,428	4,341	1,064	119	16,558	224,934
At 31 December 2021	28,684	33,946	85,699	28,438	33,160	4,749	213	280	–	215,169

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31 December 2022

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and building [i] $'000	Machinery and equipment $'000	Leasehold improvements and renovations $'000	Office equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company						
Cost:						
At 1 January 2021	39,166	42,805	3,974	8,329	1,090	95,364
Additions	–	169	63	186	–	418
Disposals	–	(4)	(18)	(45)	–	(67)
At 31 December 2021	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
Accumulated depreciation:						
At 1 January 2021	6,956	40,078	3,217	7,705	818	58,774
Depreciation	1,031	1,145	288	346	113	2,923
Disposals	–	(4)	(18)	(44)	–	(66)
At 31 December 2021	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
Carrying amount:						
At 31 December 2022	30,149	1,917	1,818	453	46	34,383
At 31 December 2021	31,179	1,751	532	463	159	34,084

(i) 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.

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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 7.2 years (2021 : 5.8 years).

	Leasehold land and buildings [i] $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
The Group				
Cost:				
At 1 January 2021	39,250	208	–	39,458
Exchange differences	541	2	–	543
Additions	2,522	330	49	2,901
Disposals	(4,976)	–	–	(4,976)
At 31 December 2021	37,337	540	49	37,926
Exchange differences	(835)	2	1	(832)
Additions	3,957	–	–	3,957
Lease modification	17,819	–	–	17,819
At 31 December 2022	58,278	542	50	58,870
Accumulated depreciation:				
At 1 January 2021	19,235	96	–	19,331
Exchange differences	247	1	–	248
Depreciation	10,705	51	12	10,768
Disposals	(4,865)	–	–	(4,865)
At 31 December 2021	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
Carrying amount:				
At 31 December 2022	22,507	217	21	22,745
At 31 December 2021	12,015	392	37	12,444

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14 RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land and buildings (i) $'000
The Company	
Cost:	
At 1 January 2021	18,431
Additions	118
At 31 December 2021	18,549
Additions	280
Lease modification	12,919
At 31 December 2022	31,748
Accumulated depreciation:	
At 1 January 2021	8,938
Depreciation	6,181
At 31 December 2021	15,119
Depreciation	6,302
At 31 December 2022	21,421
Carrying amount:	
At 31 December 2022	10,327
At 31 December 2021	3,430

(i) 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.

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15 INTANGIBLE ASSETS

	Customer relationships $'000	Development expenditure $'000	Computer software $'000	Total $'000
The Group				
Cost:				
At 1 January 2021	168,483	58,099	24,553	251,135
Exchange differences	–	160	(11)	149
Additions	–	–	567	567
Written off	–	(49,277)	–	(49,277)
At 31 December 2021	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
Accumulated amortisation:				
At 1 January 2021	168,483	58,098	24,242	250,823
Exchange differences	–	160	(3)	157
Amortisation	–	1	247	248
Written off	–	(49,277)	–	(49,277)
At 31 December 2021	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
Carrying amount:				
At 31 December 2022	–	–	1,053	1,053
At 31 December 2021	–	–	623	623

	Development expenditure $'000
The Company	
Cost:	
At 1 January 2021	32,533
Written off	(29,271)
As at 31 December 2021 and 31 December 2022	3,262
Accumulated amortisation:	
At 1 January 2021	32,533
Written off	(29,271)
As at 31 December 2021 and 31 December 2022	3,262
Carrying amount:	
At 1 January 2021, 31 December 2021 and 31 December 2022	–

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31 December 2022

15 INTANGIBLE ASSETS (CONT'D)

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 and Company wrote off development expenditure that has been fully amortised and has no future economic benefits. In the current financial year, the Group wrote off computer software that 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 2021 and 2022.

16 GOODWILL

	The Group $'000
Cost:	
At 1 January 2021, 31 December 2021 and 31 December 2022	640,593
Impairment:	
At 1 January 2021, 31 December 2021 and 31 December 2022	(885)
Carrying amount:	
At 1 January 2021, 31 December 2021 and 31 December 2022	639,708

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:

	2022 $'000	2021 $'000
Technology Products and Design Solutions		
(a) GES International Limited and its subsidiaries ("GES International Group") (single CGU)	573,568	573,568
Advanced Manufacturing and Design Solutions		
(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.

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16 GOODWILL (CONT'D)

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% (2021 : 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 11.5% (2021 : 11.0%).

(b) The rate used to discount the cash flows from Univac Precision Engineering Pte Ltd and its subsidiaries is 11.6% (2021 : 11.5%).

(c) The rate used to discount the cash flows from Technocom Systems Sdn Bhd is 12.0% (2021 : 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.

17 DEFERRED TAX ASSETS/LIABILITIES

	The Group	
	2022 $'000	2021 $'000
Deferred tax assets:		
Balance at beginning of year	3,714	3,607
Credit to profit or loss	114	–
Exchange differences	1	107
Balance at end of year	3,829	3,714

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

	The Group	
	2022 $'000	2021 $'000
Deferred tax liabilities:		
Balance at beginning of year	3,512	3,365
(Credit) Charge to profit or loss	(1,649)	113
Exchange differences	25	34
Balance at end of year	1,888	3,512

The deferred tax liabilities comprise the tax effect of temporary differences associated with accelerated tax depreciation.

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18 TRADE PAYABLES

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Outside parties	533,137	643,591	42,973	53,102

The average credit period on purchases of goods is 73 days (2021 : 83 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.

19 OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Other payables	25,489	18,252	584	841
Salary related accruals	68,825	62,970	22,362	18,749
Accrued expenses	79,110	75,139	8,211	7,571
	173,424	156,361	31,157	27,161

Salary related accruals for both the Group and the Company include $8,451,000 (2021 : $6,116,000) 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 $11,117,000 (2021 : $11,065,000). 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.

Notes to Financial Statements

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20 CONTRACT LIABILITIES

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Contract liabilities	121,211	73,052	9,155	9,182

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 increase in the Group's contract liabilities in 2022 result from customer advance payments for procurement of materials.

As at 1 January 2021, contract liabilities amounted to $36,152,000.

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

$56,775,000 (2021 : $26,775,000) of brought-forward contract liabilities were recognised in revenue in the current reporting period.

21 LEASE LIABILITIES

(Group and Company as a lessee)

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Maturity analysis:				
Within one year	11,966	9,091	6,560	4,412
In the second to fifth year inclusive	10,298	5,457	5,510	43
After five years	6,964	–	–	–
	29,228	14,548	12,070	4,455
Less: Unearned interest	(4,943)	(1,017)	(309)	(53)
	24,285	13,531	11,761	4,402
Analysed as:				
Current	10,800	8,731	6,299	4,360
Non-current	13,485	4,800	5,462	42
	24,285	13,531	11,761	4,402

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities.

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22 SHARE CAPITAL, TREASURY SHARES AND RESERVES

SHARE CAPITAL

	The Group and the Company			
	2022	2021	2022	2021
	Number of ordinary shares		$'000	$'000
	'000	'000		
Issued and paid up:				
At beginning of year	291,568	291,088	832,827	826,980
Issuance of shares	390	480	5,453	5,847
At end of year	291,958	291,568	838,280	832,827

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			
	2022	2021	2022	2021
	Number of ordinary shares		$'000	$'000
	'000	'000		
At beginning of year	1,000	1,055	16,061	16,674
Repurchased during the year	164	165	2,864	2,884
Reissuance pursuant to equity compensation plans	(210)	(220)	(3,390)	(3,497)
At end of year	954	1,000	15,535	16,061

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 $7,334,000 (2021 : $5,718,000) offset by other reserves of $7,306,000 (2021 : $5,891,000).

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.

Notes to Financial Statements

31 December 2022

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 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.

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

	The Group and the Company			
	2022		2021	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at beginning of year	2,012,500	18.56	2,652,500	18.06
Granted during the year	752,500	17.17	–	–
Exercised during the year	(390,000)	13.64	(480,000)	11.92
Cancelled during the year	(285,100)	16.88	(160,000)	19.56
Outstanding at end of year	2,089,900	16.88	2,012,500	18.56
Exercisable at end of year	1,359,000	17.51	2,012,500	18.56

The weighted average share price at the date of exercise for share options exercised during the year was $17.66 (2021 : $19.82). The options outstanding at the end of the year have a weighted average remaining exercisable period of 2.9 years (2021 : 2.6 years).

The Group recognised total expenses of $245,000 (2021 : $250,000) relating to the share options transactions during the year.

Notes to Financial Statements

31 December 2022

24 SHARE-BASED PAYMENTS (CONT'D)

Options granted

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

	Options granted on 30 June 2022 under the 2015 Scheme
Grant Ref No.	2015 Grant 8
Estimated fair value of options granted on above dates	$2.01 per option
Share price at valuation date	$16.63
Exercise price	$17.59 (1) $16.75 (2)
Expected volatility	25.08% (3)
Exercise multiple (times)	1.03
Risk free rate	2.809%
Expected dividend yield	4.50%

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

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

(3) 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.

No options were granted under the 2015 Scheme during the financial year ended 31 December 2021.

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.

Notes to Financial Statements

31 December 2022

24 SHARE-BASED PAYMENTS (CONT'D)

Restricted Share Plan (RSP) (cont'd)

Movement in the awards under the RSP 2011 by the Company during the year was as follows:

	The Group and the Company	
	2022	**2021**
At 1 January	653,000	832,000
Granted	–	148,000
Lapsed	(89,000)	(107,000)
Vested	(210,000)	(220,000)
At 31 December	354,000	653,000

Movement in the awards under the RSP 2021 by the Company during the year was as follows:

	The Group and the Company	
	2022	**2021**
At 1 January	–	–
Granted	126,000	–
Lapsed	–	–
Vested	–	–
At 31 December	126,000	–

The Group recognised total expenses of $763,000 (2021 : $1,708,000) relating to RSP 2011 and RSP 2021 transactions during the year.

Awards granted under the RSP 2011 and 2021

	2022	**2021**
Vest on	30 June 2027	19 January 2026
Risk-free interest rate	2.809%	0.974%
Share price at valuation date	$16.63	$20.21
Expected dividend yield	4.50%	4.00%
Fair value of the contingent award of shares at grant date using the above inputs (per share)	$13.28	$16.55

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 10th and final Award of the RSP shares under RSP 2011 was made on 19 January 2021.

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25 REVENUE

	The Group	
	2022 $'000	2021 $'000
Manufacturing, engineering, design and fulfilment services revenue	3,862,673	3,106,666
Dividend income	1,048	791
Total	3,863,721	3,107,457

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	
	2022 $'000	2021 $'000
Design services	1,405	1,989
Non-recurring engineering services and tooling	4,357	442
Total	5,762	2,431

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognised as revenue during the next reporting period.

26 OTHER INCOME

	The Group	
	2022 $'000	2021 $'000
Government grants	871	1,504
Other income	1,201	906
Total	2,072	2,410

Notes to Financial Statements

31 December 2022

27 INVESTMENT REVENUE

	The Group	
	2022 $'000	2021 $'000
Interest income on bank deposits	8,918	5,443
Gain on disposal of financial asset	314	1,326
Total	9,232	6,769

28 INCOME TAX

	The Group	
	2022 $'000	2021 $'000
Income tax on profit for the year:		
Current year	81,537	49,584
Overprovision in prior years	(992)	(2,431)
Deferred income tax (Note 17):		
Current year	(253)	113
Overprovision in prior years	(1,510)	–
Total	78,782	47,266

Domestic income tax of the Company is calculated at 17% (2021 : 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	
	2022 $'000	2021 $'000
Profit before income tax	448,896	359,588
Income tax expense at statutory tax rate	76,312	61,130
Non-allowable (Non-taxable) items	2,745	(3,491)
Overprovision of income tax in prior years, net	(992)	(2,431)
Overprovision of deferred income tax in prior years, net	(1,510)	–
Deferred tax benefits not recognised	477	483
Effect of different tax rates of overseas operations	12,897	13,060
Tax-exempt income / Income under concessionary tax rate	(10,534)	(21,185)
Utilisation of deferred tax benefits previously not recognised	(431)	(394)
Other items	(182)	94
Total income tax	78,782	47,266

Notes to Financial Statements

31 December 2022

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:

	Tax losses carryforward $'000	Capital allowance carryforward $'000	Total $'000
Balance at 1 January 2021	14,859	1,188	16,047
Amount in current year	2,443	789	3,232
Amount utilised in current year	(2,605)	(362)	(2,967)
Balance at 31 December 2021	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
Deferred tax benefit on above not recorded:			
At 31 December 2022	2,816	2	2,818
At 31 December 2021	2,498	275	2,773

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 $26,673,000 (2021 : $23,118,000). 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

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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):

	The Group	
	2022 $'000	2021 $'000
Cost of inventories recognised as expense	2,923,640	2,297,894
Loss (Gain) on disposal of plant and equipment, net	55	(115)
Allowance for inventory provisions (Note 10)	767	7,948
Directors' remuneration:		
– Directors of the Company	10,138	7,790
– Directors of the subsidiaries	10,745	9,271
– Directors' fees payable to Directors of the Company	817	858
Total Directors' remuneration	21,700	17,919
Employee benefits expense (including Directors' remuneration):		
– Equity settled share-based payments	1,008	1,958
– Defined contribution plans	27,413	25,366
– Salaries	333,192	300,026
Total employee benefits expense (i)	361,613	327,350

(i) In 2021, Job Support Scheme grant income of $1,984,000 was netted against employee benefits expenses.

	2022 $'000	2021 $'000
Impairment loss on financial assets:		
– Loss allowance recovered	(68)	–
– Net re-measurement of loss allowance (Note 7)	405	162
	337	162
Audit fees:		
– Paid to auditors of the Company	423	423
– Paid to other auditors	177	177
Total audit fees	600	600
Non–audit fees:		
– Non-audit fees paid to other auditors	2	4
Aggregate amount of fees paid to auditors	602	604
Interest expense on lease liabilities	517	423
Expense relating to short-term leases and leases of low value assets	3,648	1,565

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30 EARNINGS PER SHARE

	The Group			
	2022		2021	
	Basic $'000	Diluted $'000	Basic $'000	Diluted $'000
Profit for the year attributable to owners of the Company	369,617	369,617	312,051	312,051
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares used to compute earnings per share	290,878	291,528	290,408	291,599
Earnings per share (cents)	127.1	126.8	107.5	107.0

31 CAPITAL EXPENDITURE COMMITMENTS

	The Group	
	2022 $'000	2021 $'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	30,087	32

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. As at 31 December 2022, $16,558,000 had been paid and recorded as Asset under Construction in Note 13.

Notes to Financial Statements

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32 SEGMENT INFORMATION

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

(i) Advanced Manufacturing & Design Solutions ("AMDS").

(ii) Technology Products & Design Solutions ("TPS").

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

Segment revenue and results

	Advanced Manufacturing & Design Solutions $'000	**Technology Products & Design Solutions $'000**	**Eliminations $'000**	**Group $'000**
2022				
Revenue:				
External sales	1,919,450	1,944,271	–	3,863,721
Inter-segment sales	14,337	14,284	(28,621)	–
Total revenue	1,933,787	1,958,555	(28,621)	3,863,721
Results:				
Segment profit	196,492	239,921	–	436,413
Foreign currency exchange gain				3,447
Investment revenue				9,232
Finance costs				(517)
Share of profit of associate				321
Profit before income tax				448,896
Income tax expense				(78,782)
Profit for the year				370,114
2021				
Revenue:				
External sales	1,563,448	1,544,009	–	3,107,457
Inter-segment sales	18,183	17,070	(35,253)	–
Total revenue	1,581,631	1,561,079	(35,253)	3,107,457
Results:				
Segment profit	160,134	188,694	–	348,828
Foreign currency exchange gain				4,215
Investment revenue				6,769
Finance costs				(423)
Share of profit of associate				199
Profit before income tax				359,588
Income tax expense				(47,266)
Profit for the year				312,322

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32 SEGMENT INFORMATION (CONT'D)

Segment revenue and results (cont'd)

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

Segment assets

	Advanced Manufacturing & Design Solutions $'000	Technology Products & Design Solutions $'000	Group $'000
31 December 2022			
Segment assets	1,629,196	2,092,150	3,721,346
Investment in associate			799
Other financial assets			25,429
Deferred tax assets			3,829
Consolidated total assets			3,751,403
31 December 2021			
Segment assets	1,482,367	2,123,098	3,605,465
Investment in associate			628
Other financial assets			25,454
Deferred tax assets			3,714
Consolidated total assets			3,635,261

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

All assets are allocated to reportable segments other than investment in associate, other financial assets (Note 12) and deferred tax assets. Goodwill has been allocated to reportable segments as described in Note 16.

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32 SEGMENT INFORMATION (CONT'D)

Other segment information

	Advanced Manufacturing & Design Solutions $'000	Technology Products & Design Solutions $'000	Group $'000
2022			
Additions to non-current assets (1)	19,815	17,738	37,553
Depreciation and amortisation	13,703	19,148	32,851
Allowance for inventories	160	607	767
Net re-measurement of ECL allowance (reversal)	663	(258)	405
Loss (Gain) on disposal of plant and equipment, net	56	(1)	55
Foreign currency exchange adjustment gain	(2,482)	(965)	(3,447)
2021			
Additions to non-current assets (1)	10,373	3,888	14,261
Depreciation and amortisation	16,727	20,152	36,879
Allowance for inventories	2,927	5,021	7,948
Net re-measurement of ECL allowance (reversal)	167	(5)	162
Gain on disposal of plant and equipment, net	(59)	(56)	(115)
Foreign currency exchange adjustment gain	(2,961)	(1,254)	(4,215)

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

Group's revenue by Technology Domains Segments

	2022 $'000	2021 $'000
Portfolio A (2)	1,700,028	1,288,392
Portfolio B (3)	2,163,693	1,819,065
Consolidated revenue	3,863,721	3,107,457

(2) 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.

(3) 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.

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32 SEGMENT INFORMATION (CONT'D)

Geographical information

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

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

	Revenue from external customers		Non-current assets	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	917,598	753,212	692,363	683,485
Asia-Pacific (excluding Singapore)	2,751,902	2,176,658	136,827	123,788
Others	194,221	177,587	59,250	60,671
Total	3,863,721	3,107,457	888,440	867,944

Information about major customers

The total revenue for the AMDS segment includes revenue from one customer (2021 : one customer) which individually makes up more than 10% of the Group's total revenue.

33 DIVIDENDS

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.

In respect of the financial year ended 31 December 2022, 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 $145,502,000.

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 2023.

In the financial year ended 31 December 2021, 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 $145,182,000 in respect of the financial year ended 31 December 2020; and

(ii) an interim one-tier tax exempt dividend of $0.25 per ordinary share on the ordinary shares of the Company totalling $72,640,000 in respect of the financial year ended 31 December 2021.

Notes to Financial Statements

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 2023

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 8 March 2023

Number of issued and paid-up shares	:	291,958,577
Number of treasury shares	:	994,000
Number of issued and paid-up shares (excluding treasury shares)	:	290,964,577
Class of shares	:	Ordinary
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	35	0.28	619	0.00
100 – 1,000	6,496	51.30	4,513,568	1.55
1,001 – 10,000	5,511	43.52	18,805,021	6.46
10,001 – 1,000,000	611	4.82	25,041,023	8.61
1,000,001 and above	10	0.08	242,604,346	83.38
	12,663	100.00	290,964,577	100.00

Note:

As at 8 March 2023, the Company has no subsidiary holdings.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares held	% (1)
1	CITIBANK NOMINEES SINGAPORE PTE LTD	80,739,615	27.75
2	DBSN SERVICES PTE LTD	48,831,847	16.78
3	RAFFLES NOMINEES (PTE) LIMITED	39,373,465	13.53
4	DBS NOMINEES PTE LTD	32,344,932	11.12
5	HSBC (SINGAPORE) NOMINEES PTE LTD	28,977,849	9.96
6	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,268,444	1.81
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,396,655	1.17
8	PHILLIP SECURITIES PTE LTD	1,336,420	0.46
9	WONG NGIT LIONG	1,231,619	0.42
10	TAN CHOON HUAT	1,103,500	0.38
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	919,633	0.32
12	YONG YING-I	900,000	0.31
13	OCBC SECURITIES PRIVATE LTD	852,501	0.29
14	UOB KAY HIAN PTE LTD	775,515	0.27
15	IFAST FINANCIAL PTE LTD	706,225	0.24
16	YONG WEI-WOO NEE CHEANG WEI-WOO	650,000	0.22
17	MAYBANK SECURITIES PTE. LTD.	558,412	0.19
18	SOO ENG HIONG	534,518	0.18
19	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	409,249	0.14
20	GOODPACK HOLDINGS PTE LTD	399,000	0.14
		249,309,399	85.68

Note:

(1) Based on 290,964,577 Shares in issue as at 8 March 2023 (being 291,958,577 Shares in issue and disregarding 994,000 Shares held in treasury).

Analysis of Shareholdings

As at 8 March 2023

SUBSTANTIAL SHAREHOLDERS

Based on information received by the Company as at 8 March 2023

Name	Direct Interest	% (1)	Deemed Interest (2)	% (1)
BlackRock, Inc. (3)	–	–	17,856,523	6.14
Schroders PLC	–	–	17,709,469	6.09
Wong Ngit Liong	20,695,219	7.11	–	–

Notes:

(1) Based on 290,964,577 Shares in issue as at 8 March 2023 (being 291,958,577 Shares in issue and disregarding 994,000 Shares held in treasury).

(2) Deemed interest refer to interests determined pursuant to Section 7 of the Companies Act 1967.

(3) BlackRock, Inc. is deemed to have an interest in 17,856,523 Shares of the Company held by its various subsidiaries.

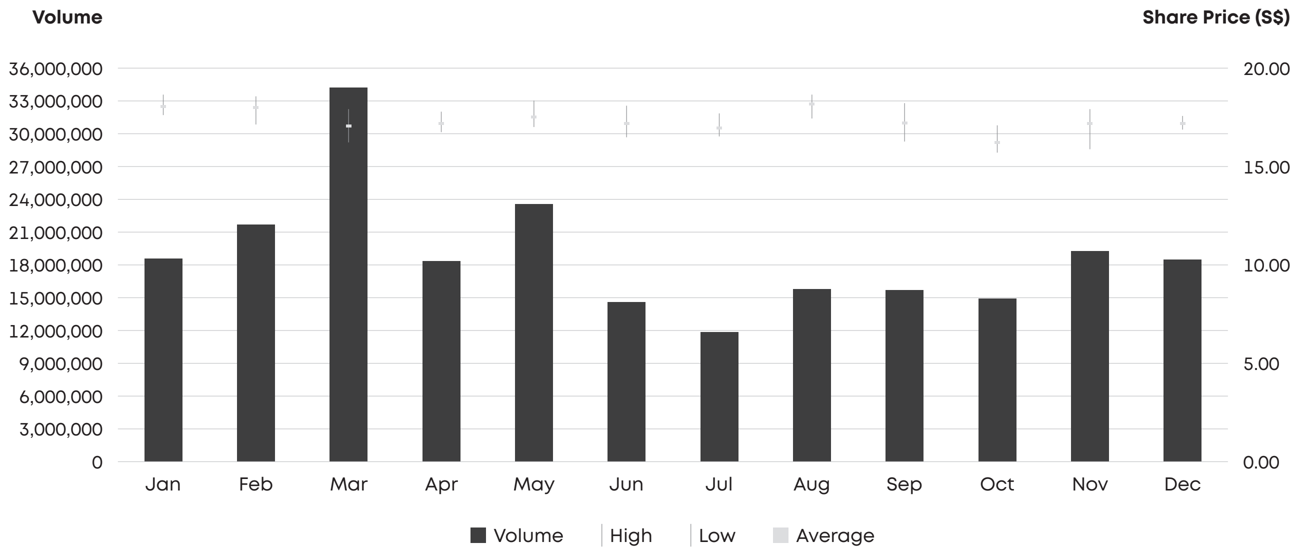
SHARES HELD IN THE HANDS OF THE PUBLIC

Based on information received by the Company as at 8 March 2023, approximately 80.63% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual of the SGX-ST is complied with.

Share Performance

YEAR ENDED 31 DECEMBER 2022

Share Prices	2022 (S$)
Last Transacted	17.06
High	18.65
Low	15.71
Average	17.32
Total Volume for 2022	227,054,780



International Network

SINGAPORE

Venture Corporation Limited
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Advanced Instrument Pte. Ltd.
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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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Scinetic Engineering Pte Ltd
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Univac Precision Engineering Pte Ltd
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Venture Electronics Solutions 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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International Network

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Ventech Investments Ltd
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Additional Information on Director Seeking Re-Election

The following information relating to Mr Han Thong Kwang, who is standing for re-election as a Director at the Company's Annual General Meeting ("**AGM**") to be held on Thursday, 27 April 2023 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	**Mr Han Thong Kwang**
Date of Appointment	1 January 2016
Date of Last Re-Appointment (if applicable)	3 June 2020
Age	60
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered the Nominating Committee's recommendation and assessments of Mr Han's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills, and experience to the Board.
Whether the appointment is executive, and if so, the area of responsibility	No
Job Title (e.g., Lead ID, ARC Chairman, ARC Member etc.)	1. Independent Non-Executive Director 2. Member, Nominating Committee 3. Member, Science, Technology & Engineering Committee
Professional qualifications	• Bachelor in Mechanical Engineering (Honours), National University of Singapore • Master of Science in Management of Technology, National University of Singapore
Working Experience and occupation(s) during the past 10 years	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 centers in Singapore, China and India for 3 years.
Shareholding interest in the listed issuer and its subsidiaries	NIL

Additional Information on Director Seeking Re-Election

Name of Director	**Mr Han Thong Kwang**
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	NIL
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	
Past (for the last 5 years)	Advisor and Shareholder / Adroit Investment Technologies Pte. Ltd.
Present	NIL

Information required

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. **If the answer to any question is "yes", full details must be given.**

(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
(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

Additional Information on Director Seeking Re-Election

Name of Director		Mr Han Thong Kwang
(c)	Whether there is any unsatisfied judgment against him?	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
(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
(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
(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
(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

Additional Information on Director Seeking Re-Election

Name of Director	Mr Han Thong Kwang
(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
(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
(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
(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
(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,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(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?	No

Notice of 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 **Thursday, 27 April 2023 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 2022 ("**FY2022**") 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 FY2022 (FY2021: 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 Han Thong Kwang

To note the retirement of Mr Jonathan S. Huberman as a Director of the Company in accordance with Regulation 106 of the Constitution of the Company.

(Note: Mr Jonathan S. Huberman will not be seeking re-election and will retire as a Director of the Company at the conclusion of the forthcoming Annual General Meeting. Upon his retirement as a Director of the Company, he will cease to be a member of the Company's Audit & Risk Committee and the Investment Committee.)

Resolution 4. To approve the payment of Directors' fees of **S$817,479** for FY2022 (FY2021: S$857,536).

Resolution 5. 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 6. **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

(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,

Notice of Annual General Meeting

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 conclusion of the next Annual General Meeting of the Company or the date by which such Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Notice of Annual General Meeting

Resolution 7. **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 ("**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 0.4%** of the total number of issued Shares in the Company (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 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 8. **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

Notice of Annual General Meeting

(iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Shares for the five (5) consecutive Market Days (as defined in the Letter to Shareholders) 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 he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Devika Rani Davar
Company Secretary

Singapore
5 April 2023

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 FY2022 is 75 cents which comprises the proposed final dividend of 50 cents and the interim dividend of 25 cents paid on 15 September 2022.

Resolution 3 Mr Han Thong Kwang was last re-elected as Director of the Company on 3 June 2020. Mr Han Thong Kwang is considered by the Board of Directors to be an Independent Non-Executive Director.

Upon his re-election as Director of the Company, Mr Han Thong Kwang will continue to serve as a member of the Nominating Committee and the Science, Technology, and Engineering Committee (a non-mandated committee).

The profile and experience of Mr Han Thong Kwang can be found in the "**Board of Directors**" and "**Additional Information on Director Seeking Re-election**" sections of the Company's FY2022 Annual Report.

Resolution 4 Ordinary Resolution 4 is to approve the payment of Directors' fees of S$817,479 for FY2022 (FY2021: S$857,536), for services rendered by the Non-Executive Directors on the Board as well as the Board Committees, i.e., the Audit & Risk Committee, the Nominating Committee, the Remuneration Committee, the Investment Committee and the Science, Technology, and Engineering Committee.

The Directors' fee structure remains the same for FY2022. 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**" section of the Company's FY2022 Annual Report.

Resolution 6 Ordinary Resolution 6, if passed, will authorise the Directors from the date of the above Annual General Meeting until the date of the next Annual General Meeting or the date by which such Annual General Meeting of the Company is required by law to be held, whichever is the earlier (unless varied or revoked by the Company in general meeting), to allot and issue Shares and/or make or grant offers, awards, agreements 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.

Resolution 7 Ordinary Resolution 7, if passed, will authorise the Directors to grant options under the 2015 Scheme pursuant to Grant No. 9 and/or share awards under the RSP 2021 pursuant to Award B2 during the Relevant Period, and allot and issue Shares pursuant to the exercise of such options/awards granted under the 2015 Scheme Grant No. 9 and RSP 2021 Award B2, 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 0.4% 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 8 Ordinary Resolution 8, 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 FY2022 and the assumptions set out in paragraph 2.7 of the Letter to Shareholders. Please refer to the Letter to Shareholders dated 5 April 2023 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.

Notice of Annual General Meeting

Notes:

1. The Annual General Meeting is being convened, and will be held, in a wholly physical format, at 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873 on Thursday, 27 April 2023 at 10.30 a.m. (Singapore time), pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually.** For convenience, printed copies of the Notice of Annual General Meeting and Proxy Form will be mailed to shareholders. This Notice is also published on the Company's website at the URL http://venture.listedcompany.com/ar.html and available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. The Company may implement COVID-19 vaccination-differentiated safe management measures at the Annual General Meeting as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in Singapore. Members should check the Company's website at the URL http://venture.listedcompany.com/ar.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements for the latest updates.

3. Arrangements relating to attendance at the Annual General Meeting, submission of questions to the Chairman of the Meeting in advance of, or at, the Annual General Meeting, addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting, and voting at the Annual General Meeting by the member or his/her/its duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 5 April 2023. This announcement may be accessed at the Company's website at the URL http://venture.listedcompany.com/ar.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the announcement will also be sent by post to members.

4. Each of the resolutions to be put to the vote of members at the Annual General Meeting (and at any adjournment thereof) will be voted on by way of a poll.

5. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

6. A proxy need not be a member of the Company.

7. 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, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited, at gpe@mncsingapore.com,

   in either case, at least 72 hours before the time 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.

8. The instrument appointing a proxy(ies) must be 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 duly authorised officer.

9. 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.

10. 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).

11. 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 seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by the CDP to the Company.

12. The FY2022 Annual Report and the Letter to Shareholders dated 5 April 2023 in relation to the proposed renewal of the share purchase mandate have been published on the Company's website, and may be accessed at the URL http://venture.listedcompany.com/ar.html, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

13. A member may request for a printed copy of the FY2022 Annual Report and the Letter to Shareholders by completing the Request Form which has been sent to the members 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 **9 May 2023** for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 9 May 2023 will be registered to determine shareholders' entitlements to the said dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the capital of the Company as at 5.00 p.m. on 9 May 2023 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the shareholders at the Annual General Meeting to be held on 27 April 2023, will be made on 23 May 2023.

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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:

1. The Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at 5006 Ang Mo Kio Avenue 5, #05-01 TECHplace II, Singapore 569873 on Thursday, 27 April 2023 at 10.30 a.m. (Singapore time), pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually**. For convenience, printed copies of the Notice of AGM dated 5 April 2023 and this proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL http://venture.listedcompany.com/ar.html and SGXNet at the URL https://sgx.com/securities/company-announcements.
2. Arrangements relating to attendance at the AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM, and voting at the AGM by shareholders or (where applicable) their duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 5 April 2023. This announcement may be accessed at the Company's website at the URL http://venture.listedcompany.com/ar.html and SGXNet at the URL https://sgx.com/securities/company-announcements. For convenience, printed copies of the announcement will also be sent by post to shareholders.
3. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
4. 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:
   (a) may vote at the AGM if they are appointed as proxies by their respective 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
   (b) 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 17 April 2023.
5. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2023.

*I/We, ____________________ (Name) ____________ (*NRIC/Passport/Co. Reg No.)

of ____ (Address)

being *a member/members of Venture Corporation Limited (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 for *me/us 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 Thursday, 27 April 2023 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
	Ordinary Business			
1	Adoption of Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and the Auditor's Report thereon			
2	Payment of proposed final one-tier tax-exempt dividend			
3	Re-election of Mr Han Thong Kwang as a Director			
4	Approval of Directors' fees amounting to S$817,479			
5	Re-appointment of Deloitte & Touche LLP as Auditor and authorisation for Directors to fix their remuneration			
	Special Business			
6	Authority to allot and issue Shares			
7	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 0.4% of the total number of issued Shares			
8	Renewal of the Share Purchase Mandate			

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 ____________________ 2023

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.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
3. A proxy need not be a member of the Company.
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, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited, at gpe@mncsingapore.com,

   in either case, not less than 72 hours before the time appointed for holding the AGM.

First fold

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VENTURE CORPORATION LIMITED
c/o M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Second fold

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.

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 under its common seal or under the hand of its 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. 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.

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VENTURE CORPORATION LIMITED

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www.venture.com.sg

VENTURE CORPORATION LIMITED

ADVANCING AHEAD TOGETHER

ANNUAL REPORT 2022