



Condensed Consolidated Statement of Profit Or Loss and Other Comprehensive Income
For the Six Months and Full Year Ended 31 December 2023

	Notes to Financial Statements	Group			Group		
		31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	% increase/ (decrease)	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	% increase/ (decrease)
Revenue (Note A)	5	1,442,808	2,067,600	(30.2)	3,025,028	3,863,721	(21.7)
Other income (Note B)		3,841	1,499	156.2	4,745	2,072	129.0
Changes in finished goods, work in progress and raw materials used (Note A)		(1,069,494)	(1,577,561)	(32.2)	(2,255,015)	(2,923,640)	(22.9)
Employee benefits expense (Note C)		(160,148)	(189,396)	(15.4)	(323,120)	(361,613)	(10.6)
Depreciation and amortisation expense		(15,842)	(16,375)	(3.3)	(31,481)	(32,851)	(4.2)
Research and development expense (Note D)		(17,355)	(9,234)	87.9	(29,699)	(16,700)	77.8
Foreign currency exchange gain (Note E)		2,186	899	143.2	2,303	3,447	(33.2)
Other operating expenses (Note F)		(42,194)	(47,365)	(10.9)	(89,676)	(94,576)	(5.2)
Investment revenue (Note G)		15,678	6,077	158.0	28,160	9,232	205.0
Finance costs		(344)	(370)	(7.0)	(724)	(517)	40.0
Share of profit of associate		240	321	(25.2)	240	321	(25.2)
Profit before tax		159,376	236,095	(32.5)	330,761	448,896	(26.3)
Income tax expense		(28,935)	(40,477)	(28.5)	(60,034)	(78,782)	(23.8)
Profit for the period	3	130,441	195,618	(33.3)	270,727	370,114	(26.9)
Other comprehensive income:							
- Items that will not be reclassified subsequently to profit or loss							
Fair value gain (loss) on other financial assets, through other comprehensive income (FVTOCI)		777	788	(1.4)	422	(1,393)	(130.3)
Other comprehensive income:							
- Items may be reclassified subsequently to profit or loss							
Exchange differences on translation of foreign operations		(30,769)	(50,600)	(39.2)	(52,957)	(30,629)	72.9
Total comprehensive income for the period		100,449	145,806	(31.1)	218,192	338,092	(35.5)
Profit attributable to:							
Owners of the Company		130,011	195,338	(33.4)	270,017	369,617	(26.9)
Non-controlling interests		430	280	53.6	710	497	42.9
		130,441	195,618	(33.3)	270,727	370,114	(26.9)
Total comprehensive income attributable to:							
Owners of the Company		100,050	145,766	(31.4)	217,652	337,983	(35.6)
Non-controlling interests		399	40	n.m	540	109	n.m
		100,449	145,806	(31.1)	218,192	338,092	(35.5)
Basic earnings per share		44.7	67.1		92.8	127.1	
Fully diluted earnings per share		44.6	67.0		92.6	126.8	



Note A

Group revenue for 2023 decreased due to softer market demand attributable to weaker macroeconomic conditions and customers' inventory destocking. Changes in finished goods, work-in-progress and raw materials used decreased in tandem with the lower revenue.

Note B

Other income for 2023 was higher year-on-year due to higher government grants received in the current year.

Note C

Employee benefits expense for 2023 decreased year-on-year driven mainly by reduction in subcontract labour and lower overtime charges. The Group continues to actively manage the impact of the rising cost of operations due to global inflationary pressures through lean initiatives and improvement in productivity.

Note D

Research and development (R&D) expenses (which comprised prototyping, tooling, non-recurring engineering (NRE), materials and related services) for 2023 were higher driven by customers' requirements. R&D manpower costs are separately recorded under Employee benefits expense.

Note E

Foreign currency exchange gains were lower year-on-year as the US dollar softened in 2023 after the aggressive rate hikes implemented in 2022. Notwithstanding that, the Group continued to maintain positive foreign currency exchange returns.

Note F

Other operating expenses for 2023 were lower year-on-year due to reductions in freight & storage, repairs & maintenance and rental costs. The reductions were offset mainly by an increase in utilities due to higher rates. The Group continues to drive cost control initiatives to maintain a lean cost structure.

Note G

Investment revenue for 2023 increased year-on-year on the back of strong interest income growth, as the Group capitalized on a favourable high interest rate environment.

Condensed Statement Of Financial Position
As at 31 December 2023

	Notes to Financial Statements	Group		Company	
		31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
ASSETS					
Current assets:					
Cash and bank balances		1,056,303	812,593	294,576	93,161
Trade receivables		677,425	906,378	11,705	13,918
Other receivables and prepayments		35,701	37,900	7,205	5,934
Contract assets		12,904	10,735	195	-
Inventories		822,895	1,065,300	70,607	91,116
Trade receivables due from subsidiaries		-	-	95,168	162,912
Other receivables due from subsidiaries		-	-	1,426	519
Total current assets		2,605,228	2,832,906	480,882	367,560
Non-current assets:					
Investments in subsidiaries		-	-	1,228,809	1,227,849
Investment in associate		889	799	-	-
Other financial assets	4	25,458	25,429	9,181	9,041
Property, plant and equipment		247,502	224,934	32,565	34,383
Right-of-use assets		25,871	22,745	3,951	10,327
Intangible assets		982	1,053	140	-
Goodwill		639,708	639,708	-	-
Deferred tax assets		9,145	3,829	560	-
Total non-current assets		949,555	918,497	1,275,206	1,281,600
Total assets		3,554,783	3,751,403	1,756,088	1,649,160
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables		391,577	533,137	42,644	42,973
Other payables and accrued expenses		154,620	173,424	26,368	31,157
Contract liabilities		94,731	121,211	3,748	9,155
Lease liabilities	6	8,981	10,800	4,212	6,299
Trade payables due to subsidiaries		-	-	7,265	931
Other payables due to subsidiaries		-	-	17,642	17,852
Income tax payable		46,805	54,567	8,342	6,753
Total current liabilities		696,714	893,139	110,221	115,120
Non-current liabilities:					
Deferred tax liabilities		1,670	1,888	-	-
Lease liabilities	6	18,545	13,485	1,250	5,462
Total non-current liabilities		20,215	15,373	1,250	5,462
Capital and reserves:					
Share capital	7	838,055	838,280	838,055	838,280
Treasury shares	7	(22,429)	(15,535)	(22,429)	(15,535)
Share-based awards reserve		5,920	3,827	5,920	3,827
Investments revaluation reserve		2,336	1,914	3,397	3,259
Foreign exchange translation reserve		(140,002)	(87,215)	-	-
Other reserves		1,533	28	(7,306)	(7,306)
Accumulated profits		2,148,694	2,098,385	826,980	706,053
Equity attributable to owners of the Company		2,834,107	2,839,684	1,644,617	1,528,578
Non-controlling interests		3,747	3,207	-	-
Total equity		2,837,854	2,842,891	1,644,617	1,528,578
Total liabilities and equity		3,554,783	3,751,403	1,756,088	1,649,160

Condensed Consolidated Statement of Cash Flow
Period ended 31 December 2023

	2nd Half		Full Year	
	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Operating activities:				
Profit before income tax	159,376	236,095	330,761	448,896
Adjustments for:				
Share of profit of associate	(240)	(321)	(240)	(321)
(Reversal of) Allowance for inventory provisions	(1,456)	(486)	(3,406)	767
Depreciation of property, plant and equipment	9,947	10,303	19,785	21,335
Depreciation of right-of-use assets	5,665	5,851	11,239	11,097
Amortisation of intangible assets	230	221	457	419
Net re-measurement of loss allowance	(499)	381	(483)	405
Interest income	(15,516)	(5,763)	(27,998)	(8,918)
Dividend income	(640)	(571)	(1,350)	(1,048)
Interest expense	344	370	724	517
Share-based payments expense	1,241	475	2,148	1,008
Fair value adjustment on derivative instrument	(738)	(752)	(22)	(676)
Loss (Gain) on disposal of plant and equipment, net	3	87	(50)	55
Gain on disposal of other financial assets	(162)	(314)	(162)	(314)
Operating profit before working capital changes	157,555	245,576	331,403	473,222
Trade receivables	68,244	(78,643)	209,089	(82,408)
Other receivables, prepayments and contract assets	5,462	(524)	1,624	2,514
Inventories	168,111	158,826	220,569	(29,798)
Trade payables	(94,723)	(117,300)	(130,725)	(110,657)
Other payables, accrued expenses and contract liabilities	(778)	41,944	(37,200)	67,783
Cash generated from operating activities	303,871	249,879	594,760	320,656
Interest paid	(344)	(370)	(724)	(517)
Income tax paid	(37,851)	(28,214)	(72,618)	(51,054)
Net cash generated from operating activities	265,676	221,295	521,418	269,085
Investing activities:				
Interest received	12,557	5,224	23,420	8,364
Dividend received from associate	-	150	150	150
Dividend received from other equity investments	640	571	1,350	1,048
Purchase of property, plant and equipment	(21,430)	(24,939)	(47,527)	(32,724)
Proceeds on disposal of plant and equipment	121	126	192	195
Addition of intangible assets	(178)	(733)	(391)	(872)
Proceeds from disposal of other financial assets	162	314	162	314
Purchase of other financial assets	-	-	-	(1,353)
Net cash used in investing activities	(8,128)	(19,287)	(22,644)	(24,878)
Financing activities:				
Dividends paid	(72,728)	(72,778)	(218,233)	(218,115)
Shares purchased and cancelled	(1,026)	-	(1,026)	-
Proceeds from issue of shares	-	1,683	776	5,320
Purchase of treasury shares	(6,217)	(1,925)	(6,894)	(2,864)
Repayments of lease liabilities (Note H)	(5,849)	(6,108)	(11,093)	(11,069)
Net cash used in financing activities	(85,820)	(79,128)	(236,470)	(226,728)
Net increase in cash and cash equivalents	171,728	122,880	262,304	17,479
Cash and cash equivalents at beginning of period	895,580	704,291	812,593	807,934
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(11,005)	(14,578)	(18,594)	(12,820)
Cash and cash equivalents at end of period	1,056,303	812,593	1,056,303	812,593
Cash and cash equivalents comprises:				
Cash	136,944	246,550	136,944	246,550
Fixed deposits	919,359	566,043	919,359	566,043
Cash and cash equivalents on the condensed consolidated cash flow statement	1,056,303	812,593	1,056,303	812,593

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

	31 Dec 2022	Financing Cash Flows	Non-cash changes		31 Dec 2023
			Net lease liabilities additions	Foreign exchange movement	
			S\$'000	S\$'000	
Lease Liabilities	24,285	(11,093)	14,760	(426)	27,526

Condensed Statement Of Changes In Equity For The Period Ended 31 December 2022

	Notes to Financial Statements	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation reserve S\$'000	Foreign exchange translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
The Group											
Balance at 1 January 2022		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 period											
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	7	5,453	-	(133)	-	-	-	-	5,320	-	5,320
Appropriation to reserve fund		-	-	-	-	-	1,616	(1,616)	-	-	-
Interim tax exempt dividend paid in respect of the current financial year	9, 10	-	-	-	-	-	-	(72,778)	(72,778)	-	(72,778)
Treasury shares reissued pursuant to equity compensation plans	7	-	3,390	(1,975)	-	-	(1,415)	-	-	-	-
Purchase of treasury shares	7	-	(2,864)	-	-	-	-	-	(2,864)	-	(2,864)
Final tax exempt dividend paid in respect of the previous financial year	9, 10	-	-	-	-	-	-	(145,337)	(145,337)	-	(145,337)
Share options lapsed	7	-	-	(150)	-	-	-	150	-	-	-
Recognition of share-based payments	7	-	-	1,008	-	-	-	-	1,008	-	1,008
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

Condensed Statement Of Changes In Equity For The Period Ended 31 December 2023

	Notes to Financial Statements	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation reserve S\$'000	Foreign exchange translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
The Group											
Balance at 1 January 2023		838,280	(15,535)	3,827	1,914	(87,215)	28	2,098,385	2,839,684	3,207	2,842,891
Total comprehensive income for the period											
Profit for the period		-	-	-	-	-	-	270,017	270,017	710	270,727
Other comprehensive income for the period		-	-	-	422	(52,787)	-	-	(52,365)	(170)	(52,535)
Total		-	-	-	422	(52,787)	-	270,017	217,652	540	218,192
Transactions with owners, recognised directly in equity											
Issue of shares	7	801	-	(25)	-	-	-	-	776	-	776
Appropriation to reserve fund		-	-	-	-	-	1,505	(1,505)	-	-	-
Interim tax exempt dividend paid in respect of the current financial year	9, 10	-	-	-	-	-	-	(72,728)	(72,728)	-	(72,728)
Purchase of treasury shares	7	-	(6,894)	-	-	-	-	-	(6,894)	-	(6,894)
Final tax exempt dividend paid in respect of the previous financial year	9, 10	-	-	-	-	-	-	(145,505)	(145,505)	-	(145,505)
Share options lapsed	7	-	-	(30)	-	-	-	30	-	-	-
Recognition of share-based payments	7	-	-	2,148	-	-	-	-	2,148	-	2,148
Shares purchased and cancelled	7	(1,026)	-	-	-	-	-	-	(1,026)	-	(1,026)
Total		(225)	(6,894)	2,093	-	-	1,505	(219,708)	(223,229)	-	(223,229)
Balance at 31 December 2023		838,055	(22,429)	5,920	2,336	(140,002)	1,533	2,148,694	2,834,107	3,747	2,837,854

Condensed Statement Of Changes In Equity For The Period Ended 31 December 2022

	Notes to Financial Statements	Share capital S\$'000	Treasury shares S\$'000	Share- based awards reserve S\$'000	Investments revaluation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company								
Balance at 1 January 2022		832,827	(16,061)	5,077	2,978	(5,891)	903,688	1,722,618
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	20,330	20,330
Other comprehensive income for the period		-	-	-	281	-	-	281
Total		-	-	-	281	-	20,330	20,611
Transactions with owners, recognised directly in equity								
Issue of shares	7	5,453	-	(133)	-	-	-	5,320
Treasury shares reissued pursuant to equity compensation plans	7	-	3,390	(1,975)	-	(1,415)	-	-
Purchase of treasury shares	7	-	(2,864)	-	-	-	-	(2,864)
Interim tax exempt dividend paid in respect of the current financial year	9, 10	-	-	-	-	-	(72,778)	(72,778)
Final tax exempt dividend paid in respect of the previous financial year	9, 10	-	-	-	-	-	(145,337)	(145,337)
Share options lapsed	7	-	-	(150)	-	-	150	-
Recognition of share-based payments	7	-	-	1,008	-	-	-	1,008
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

Condensed Statement Of Changes In Equity For The Period Ended 31 December 2023

	Notes to Financial Statements	Share capital S\$'000	Treasury shares S\$'000	Share- based awards reserve S\$'000	Investments revaluation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company								
Balance at 1 January 2023		838,280	(15,535)	3,827	3,259	(7,306)	706,053	1,528,578
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	339,130	339,130
Other comprehensive income for the period		-	-	-	138	-	-	138
Total		-	-	-	138	-	339,130	339,268
Transactions with owners, recognised directly in equity								
Issue of shares	7	801	-	(25)	-	-	-	776
Purchase of treasury shares	7	-	(6,894)	-	-	-	-	(6,894)
Interim tax exempt dividend paid in respect of the current financial year	9, 10	-	-	-	-	-	(72,728)	(72,728)
Final tax exempt dividend paid in respect of the previous financial year	9, 10	-	-	-	-	-	(145,505)	(145,505)
Share options lapsed	7	-	-	(30)	-	-	30	-
Recognition of share-based payments	7	-	-	2,148	-	-	-	2,148
Shares purchased and cancelled	7	(1,026)	-	-	-	-	-	(1,026)
Total		(225)	(6,894)	2,093	-	-	(218,203)	(223,229)
Balance at 31 December 2023		838,055	(22,429)	5,920	3,397	(7,306)	826,980	1,644,617

SELECTED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Venture Corporation Limited (Registration No. 198402886H) is incorporated in the Republic of Singapore with its principal place of business and registered office at 5006 Ang Mo Kio Avenue 5, #05-01/12 TECHplace II, Singapore 569873. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group). The Company is a leading global provider of technology solutions, products and services.

The principal activities of the Group can be found in Note 11 to annual financial statements for the year ended 31 December 2022.

2. Basis of Preparation

The condensed financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. Standards issued but not effective can be found in Note 34 to annual financial statements for the full year ended 31 December 2022.

The condensed financial statements for the six months and full year ended 31 December 2023 have not been audited or reviewed.

2.1 Use of Judgements and Estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In applying the Group's accounting policies, the judgements and the key sources of estimation uncertainty made were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022. Details can be found in Note 3 to annual financial statements for the year ended 31 December 2022.

3. Profit after Income Tax

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

	Group		Group	
	2nd Half		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
(Under) Overprovision of tax in respect of prior years	(730)	97	(95)	992
Net re-measurement of loss allowance	499	(381)	483	(405)
Recovery of loss allowance	-	68	-	68
(Loss) Gain on disposal of property, plant and equipment, net	(3)	(87)	50	(55)
Gain on disposal of other financial assets	162	314	162	314
Reversal of (allowance for) inventory provisions	1,456	486	3,406	(767)

4. Financial Assets measured at Fair Value

4.1 Fair Value Measurement

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

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

Fair value of financial assets and financial liabilities

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

Financial Assets/Liabilities	Fair Value as at				Fair Value Hierarchy	Valuation Technique(s) and Key Input(s)
	31 Dec 2023 Assets S\$'000	31 Dec 2023 Liabilities S\$'000	31 Dec 2022 Assets S\$'000	31 Dec 2022 Liabilities S\$'000		

Derivative Financial Instruments

The Group and the Company

Foreign exchange forward contract	698	-	676	-	Level 2	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date discounted at a rate that reflects credit risk of counterparties
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Other Financial Assets

The Group

Quoted equity shares	21,294	-	21,228	-	Level 1	Quoted bid prices in an active market
Unquoted equity shares / debt instrument	4,164	-	4,201	-	Level 2	Net tangible asset of the underlying investment / most recent transacted prices which approximate fair value

The Company

Quoted equity shares	9,181	-	9,041	-	Level 1	Quoted bid prices in an active market
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There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

5. Segment and Revenue Information

a) By Reportable Segments

In accordance with disclosures under SFRS (I) 8 Operating Segments, the Group's report on its operating segments are based on information shared internally with the Group's chief operating decision makers.

Historically, the Group reported its operating segments as follows: (i) Advanced Manufacturing and Design Solutions (AMDS) and, (ii) Technology Products and Design Solutions (TPS).

In May 2023, the Group announced a reorganization of its business groupings. The Group is predominantly a provider of manufacturing, engineering, design and fulfilment services to the global electronics industry and the nature of the production process and distribution modes of the products for Venture's wide range of customers are fairly similar within EMS++. Hence, in alignment with this restructuring, it is more appropriate to discontinue reporting under AMDS & TPS. This change has been effected from 1H 2023 interim financial statements. The revised disclosure is also consistent with the presentation of the Group's Statement of Comprehensive Income.

Disclosures by geographical locations and technology domains accurately reflect the nature and scope of the Group's current undertakings and provide a clear picture of its diverse global businesses to readers.

b) Revenue By Technology Domains

	2nd Half		Full Year	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	S\$'000	S\$'000	S\$'000	S\$'000
Portfolio A	599,910	887,295	1,291,166	1,700,028
Portfolio B	842,898	1,180,305	1,733,862	2,163,693
	<u>1,442,808</u>	<u>2,067,600</u>	<u>3,025,028</u>	<u>3,863,721</u>

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

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

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

c) Revenue By Geographical Locations

The Group operates in the following principal geographical areas:

	2nd Half		Full Year	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	389,604	501,216	805,498	917,598
Asia-Pacific (excluding Singapore)	967,686	1,467,270	2,047,997	2,751,902
Others	85,518	99,114	171,533	194,221
	<u>1,442,808</u>	<u>2,067,600</u>	<u>3,025,028</u>	<u>3,863,721</u>

A breakdown of sales:

	The Group		
	Year ending 31 Dec 2023	Year ending 31 Dec 2022	Increase/ (Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	1,582,220	1,796,121	(12%)
Operating profit after tax before deducting non-controlling interests reported for first half year	140,286	174,496	(20%)
Sales reported for second half year	1,442,808	2,067,600	(30%)
Operating profit after tax before deducting non-controlling interests reported for second half year	130,441	195,618	(33%)

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

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

	Group				Company			
	As at 31 Dec 2023		As at 31 Dec 2022		As at 31 Dec 2023		As at 31 Dec 2022	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	8,981	-	10,800	-	4,212	-	6,299	-

(b) Amount repayable after one year

	Group				Company			
	As at 31 Dec 2023		As at 31 Dec 2022		As at 31 Dec 2023		As at 31 Dec 2022	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	18,545	-	13,485	-	1,250	-	5,462	-

(c) Details of any collateral

Not applicable.

7. Share Capital and Treasury Shares

As at 31 December 2023, the total number of ordinary shares in issue was 291,924,577 (31 December 2022: 291,957,577), of which 1,494,000 were treasury shares (31 December 2022: 954,000).

The Company purchased 580,000 ordinary shares during 2H 2023 (2H 2022: 111,000). 500,000 ordinary shares purchased by the Company are held as treasury shares which can, in accordance with the Companies Act, be sold for cash, transferred for the purposes of or pursuant to an employee's share-based scheme; transferred as consideration for the acquisition of shares in or assets of another company or assets of a person; or cancelled. 80,000 ordinary shares purchased were cancelled. Except as disclosed below, there were no other sales, transfers, cancellation and/or use of treasury shares during the period.

	No. of Ordinary Shares in Issue	S\$'000
As at 1 January 2023	291,957,577	838,280
No. of share options exercised in 1H 2023	47,000	801
As at 30 June 2023	292,004,577	839,081
No. of shares purchased and cancelled in 2H 2023	(80,000)	(1,026)
As at 31 December 2023	<u>291,924,577</u>	<u>838,055</u>

	No. of Treasury Shares	S\$'000
As at 1 January 2023	954,000	15,535
Treasury shares repurchased in 1H 2023	40,000	677
As at 30 June 2023	994,000	16,212
Treasury shares repurchased in 2H 2023	500,000	6,217
As at 31 December 2023	<u>1,494,000</u>	<u>22,429</u>

	As at 31 December 2023	As at 31 December 2022
% of treasury shares against the total ordinary shares in issue	0.5%	0.3%

	No. of shares	S\$'000
Issued shares excluding treasury shares as at 1 January 2023	291,003,577	822,745
Issued shares excluding treasury shares as at 30 June 2023	291,010,577	822,869
Issued shares excluding treasury shares as at 31 December 2023	<u>290,430,577</u>	<u>815,626</u>

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

Since the end of 30 June 2023, no options (2H 2022: 102,000) were exercised and 36,200 options (2H 2022: 118,100) have lapsed.

As at 31 December 2023, there were 2,624,500 unissued shares of the Company under options in the 2015 Scheme. (31 December 2022: 2,089,900).

Venture Corporation Restricted Share Plan ("RSP")

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

As at 31 December 2023, the number of RSP shares stood at 617,500 (31 December 2022: 480,000).

8. Net Asset Value

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

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	975.8	975.8	566.3	525.3



9. Dividend

(a) Current Financial Period Reported On

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

*subject to shareholder's approval at the forthcoming AGM

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date Payable

21 May 2024

(d) Books Closure Date

5pm on 8 May 2024

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

	Latest Full Year (Proposed) S\$'000	Previous Full Year (Paid) S\$'000
Final ordinary dividend for 2022 (Paid)	-	145,505
Interim ordinary dividend (Paid)	72,728	72,778
Proposed final ordinary dividend for 2023*	145,215	-
	217,943	218,283

*Based on 290,430,577 issued shares excluding treasury shares as at 31 December 2023.

During the financial year, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.25 per ordinary share totalling \$72,728,000 in respect of the financial year ended 31 December 2023.

In addition, the Directors of the Company propose that a final one-tier tax-exempt dividend of \$0.50 per ordinary share be paid to all shareholders in respect of the financial year ended 31 December 2023. Subject to the approval by the shareholders at the forthcoming Annual General Meeting, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$145,215,000.

In respect of the previous financial year ended 31 December 2022, the Company declared and paid an interim one-tier tax-exempt dividend of \$0.25 per ordinary share totalling \$72,778,000 and a final one-tier tax-exempt dividend of \$0.50 per ordinary share totalling \$145,505,000.

OTHER INFORMATION

1. Subsidiary Holdings

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

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

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

PERFORMANCE REVIEW

For the financial year ended 31 December 2023 (FY2023), the Group registered revenue of S\$3,025.0 million (FY2022: S\$3,863.7 million). For the six months ended 31 December 2023 (2H 2023), the Group registered revenue of S\$1,442.8 million (2H 2022: S\$2,067.6 million). The lower revenue year-on-year (YoY), against a high base last year, was mainly attributable to softening demand across its technology domains and customers' inventory destocking.

The Group recorded profit before tax (PBT) of S\$330.8 million for FY2023 (FY2022: S\$448.9 million) and S\$159.4 million for 2H 2023 (2H 2022: S\$236.1 million). In line with the lower PBT, income tax expense was lower at S\$60.0 million for the full year of 2023 (FY2022: S\$78.8 million) and S\$28.9 million for 2H 2023 (2H 2022: S\$40.5 million).

The Group registered net profit (profit attributable to owners of the Company) of S\$270.0 million for FY2023 (FY2022: S\$369.6 million) and S\$130.0 million for 2H 2023 (2H 2022: S\$195.3 million). This translates to net margin of 8.9% for FY2023 (FY2022: 9.6%) and 9.0% for 2H 2023 (2H 2022: 9.4%).

Diluted Earnings Per Share was 92.6 cents for FY2023 (FY2022: 126.8 cents) and 44.6 cents for 2H 2023 (2H 2022: 67.0 cents).

FINANCIAL POSITION AND CASHFLOW

The Group generated operating cash flow of S\$331.4 million before working capital changes for FY2023 (FY2022: S\$473.2 million). The working capital position for FY2023 improved from concerted efforts to streamline inventory levels while ensuring assurance of supply, and stronger trade receivable collections. For FY2023, the Group achieved strong net cash flow from operations of S\$521.4 million (FY2022: S\$269.1 million), an improvement of 93.8% YoY.

As at 31 December 2023, the Group balance sheet remained robust and healthy, with a net cash position of S\$1,056.3 million (S\$812.6 million as at 31 December 2022). An interim tax-exempt dividend of 25 cents per share amounting to S\$72.7 million was paid on 14 September 2023 (2H 2022: S\$72.8 million).

As at 31 December 2023, equity attributable to owners of the Company was S\$2,834.1 million (S\$2,839.7 million as at 31 December 2022) and net asset value per share was flat at S\$9.76, compared to as at 31 December 2022.

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

Not applicable.

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

Venture ended FY2023 with a strong balance sheet and healthy net cash position exceeding S\$1 billion, demonstrating the underlying strength of our business. Based on customers' feedback, it is expected that the demand schedule will be stronger in the second half of 2024 versus the first half of 2024.

The Venture Group is actively investing and building its manufacturing, engineering and total business excellence to grow further in the Life Sciences, Test & Measurement Instrumentation, Hyperscale Data Centres, Semiconductor Equipment, Advanced Industrial, Networking & Communications and Luxury Lifestyle & Wellness domains. This will deepen collaboration with many of our class-leading customers.

Venture is expanding our participation in our customers' products by providing more services across the design, sourcing, manufacturing and supply chain management process. We are also creating advanced modules that help improve product performance, generating outstanding value for our customers. In addition, we are actively mitigating geopolitical risks for both existing and prospective customers through innovative redesign and supply chain solutions.

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

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

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

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

7. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, Venture Corporation Limited confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.