



VENTURE CORPORATION LIMITED
(CO REG. NO. 198402886H)

ANNUAL GENERAL MEETING TO BE HELD ON 24 APRIL 2025

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Singapore, 17 April 2025 – Venture Corporation Limited (“**Venture**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting questions ahead of the Company’s Annual General Meeting (“**AGM**”) to be held on Thursday, 24 April 2025 at 10.30 a.m. (Singapore time).

We provide our responses to the substantial and relevant questions as set out below. Due to some overlap of questions, the Company has grouped its responses accordingly, including responses to questions received from the Securities Investors Association (Singapore) (“**SIAS**”).

By Order of the Board

Juliana Zhang
Company Secretary

17 April 2025

1. What are the implications of the US tariffs for Venture?

The tariff situation has created volatility and uncertainty for global trade and economic growth. The significant tariff changes announced in the recent weeks have created an unpredictable and unstable business environment for global businesses like Venture.

Venture is closely monitoring the evolving rules and the impact on our businesses worldwide. Although Venture does not directly bear the costs of US tariffs, as they are pass-through costs to our customers, the increased tariffs and volatility is expected to dampen the global economy in the short-term. We are proactively engaging with all of our corporate customers to assess the impact on their supply chains and developing tailored solutions.

Venture manufactures a wide variety of products across multiple technology domains and these are manufactured for, and shipped to, a global market. For FY2024, products shipped to the US accounted for less than 20% of our total product output in value.

Venture will also actively capture the opportunities arising from this situation. One of Venture's key strengths lies in our ability to support customers through geopolitical uncertainties through our extensive supply chain diversification capabilities:

- **Strategic Manufacturing Locations**

We operate manufacturing facilities in Singapore, Malaysia, China, USA and Spain, providing multiple supply chain routing options for our customers.

- **Onshore Solutions**

We have a sizable manufacturing facility in the USA to offer attractive onshore solutions at competitive pricing for certain classes or types of products.

- **Strategic Business Partnership with Broad Based Competencies to Provide Outsourcing Solutions**

Our broad-based competencies including R&D, design services, advanced engineering capabilities, precision engineering and plastics, and our extensive supply chain network, positions Venture well as a strong strategic partner to help customers improve resiliency in their business model.

2. What is Venture's growth outlook in 2025, in light of the tariff situation?

The recent tariff changes, if continued unabatedly, are expected to have significant implications for global trade. We expect the global economy to be impacted in the short-term, but the situation is evolving so the extent of the impact on each of our technology domains, the country of origin of the manufactured product, and on the Group as a whole, remains to be ascertained. We will provide further updates as appropriate.

3. How confident is management that its current growth initiatives are scalable and sustainable, and will translate into long-term revenue and profit growth? Within the six major technology domains, which areas are being prioritised for resource allocation and management focus, and why?

Over the years, Venture has established an EMS++ business that excels in high-mix, complex manufacturing processes, delivering innovative products and solutions that exceed the most rigorous demands. We pride ourselves as a trusted partner to global leaders across multiple technology domains.

Having established a strong foundation, Venture is well honed to navigate challenges and leverage our unique capabilities to drive long-term revenue and profit growth.

We continue to build on our existing strengths to further capitalise on emerging trends and opportunities in key ecosystems.

Our focus areas within our major technology domains include:

- **Networking & Communications:** Supported by secular demand for hyperscale data centers, which comprises computing modules, storage or memory solutions, semiconductor components, and interconnect and networking systems. There are many areas for growth within this ecosystem.
- **Life Science and Medical:** Driven by long-term secular growth trends in healthcare, including growth in cell and gene therapy, diagnostics, and drug discovery.

- **Test & Measurement and Semiconductor-Related Equipment:** These remain important focus areas as technological advancements fuel demand for precision instrumentation and advanced semiconductor-related equipment.

In addition, we deploy *kaizen* across our business activities to drive impactful productivity improvements for the mutual benefit of Venture and our customers.

Further, Venture remains focused on optimising returns on our assets. This includes driving investment revenue through maximising returns on our cash. Our strong net cash position also places the Group in an advantageous position to make investments for inorganic growth when the opportunity arises.

4. How does the board assess the group's long-term growth potential, and are there structural limitations within the group's business model or industry that constrain further expansion?

The Board continues to be positive about Venture's long-term growth potential. In addition to executing its near-term and long-term strategic initiatives, the Group has a strong balance sheet and the financial flexibility to pursue both organic and inorganic growth opportunities.

There are no inherent structural limitations within the Group's business model that restrict expansion. However, we are selective and disciplined in pursuing healthy growth, ensuring it aligns with our differentiating capabilities and long-term value creation objectives.

5. What are the key risk factors identified by the board over the next 3-5 years and how is the group actively mitigating these risks?

The Group has in place an Enterprise Risk Management Framework which sets out rules and guidelines to identify and manage significant risks that may affect the achievement of the Group's objectives. The Audit & Risk Committee reviews the identified risks on a semi-annual basis, the outcome of which is reported to the Board.

Venture faces a variety of business and operational risks similar to what other companies in the industry face. These include global macroeconomic volatility, supply chain challenges, shifting customer demand and competitive pressures. The Group is actively addressing these risks through comprehensive risk

management practices, robust supply chain strategies, and a strong commitment to continuous improvement and innovation to stay ahead of the pack.

6. What are the reasons for the decline in Group revenue in FY2024, and can you provide more colour on the performance of the Lifestyle Consumer technology domain?

For FY2024, revenue registered a decline year-on-year due to customer demand. Notwithstanding that, the Group achieved an improved net profit margin of 9.0% for FY2024, sustaining our resilient track record of strong margins. This consistent performance reflects the effectiveness of our long-term business strategy.

In the Lifestyle Consumer technology domain, we improved the reliability and longevity for a customer's key products through R&D design innovation. This resulted in lower order quantities from such customer for warranties, exchanges or replacements. This contributed to the decline in revenue for the Lifestyle Consumer technology domain.

7. How did the board determine the final dividend of 50 cents per share (a total of 75 cents per share for FY2024)? Between share buybacks and dividend payouts, what factors influenced the board's capital return decision?

Venture has in practice been consistently paying dividends since the first year of listing, and the dividend per share has steadily increased over the years. The Company strives to pay dividends that are on par or higher than the previous year.

The Board determined the FY2024 final dividend by assessing a wide range of factors, including the Company's capital structure, financial performance, cash flow generation, balance sheet position, future earnings, working capital, capital expenditures and investment plans. The total dividend of 75 cents per share, representing payout ratio of 89%, is the same as what was paid to shareholders last year, demonstrating Venture's commitment to a consistent and sustainable shareholder return based on the Group's performance.

The Board views both share buybacks and dividends as effective tools for enhancing shareholder value. This ensures stability in cash distribution for shareholders, better flexibility for capital management and effective signaling to the market on the positive prospects of the Company to enhance equity value in the long run for shareholders.

8. What is the board’s perspective on the company’s optimal capital structure? Given the significant net cash position, did the board consider a special dividend, capital reduction, or alternative capital deployment to optimise balance sheet efficiency?

The Board is committed to maintaining an optimal capital structure that supports the Company’s objectives, provides financial flexibility and delivers long-term value to shareholders. In addition to capital distributions, other capital allocations include considerations for working capital requirements to support business growth, capital investments to maintain our facilities, R&D and new capabilities building as well as potential acquisition to ensure the Company is well-positioned to seize strategic opportunities.

Given the strong net cash position, the Board has carefully considered several options for shareholder returns, and a decision had been made to accelerate our Share Buyback Plan as a means to improve total shareholder return.

9. What actions are you taking to prevent further drops in the share price?

Venture’s share price is influenced by a variety of factors, including financial performance, macroeconomic trends, geopolitical events, and overall market sentiment.

We remain committed to enhancing the Company’s long-term performance and creating sustainable value for shareholders. While short-term share price fluctuations are expected in the stock market, we believe that executing our strategy and driving growth will positively impact the Company’s valuation over time.

Further, the Group has consistently paid dividends since listing, which contributes to total shareholder return. Cumulatively, the Group has paid over S\$3.4 billion in dividends from 1992 to 2024.

10. Can the Nominating Committee help shareholders better understand the succession plan of the board? Will the redesignation of Mr Han Thong Kwang delay the board’s progressive renewal?

The Nominating Committee (“**NC**”) remains committed to the progressive renewal of the Board to ensure it continues to comprise individuals with the right mix of

skills, experience, independence and diversity to support the Company's long-term success.

The redesignation of Mr Han Thong Kwang as a Non-Independent Non-Executive Director, effective upon the conclusion of the 2025 Annual General Meeting, was rigorously considered by the Board, taking into account the NC's assessment of Mr Han's contributions, experience, and understanding of Venture's operations. In particular, his knowledge and experience in the technology industry remains highly relevant to Venture's businesses and augments the collective skillset of the Board.

The Board will continue to have a majority of Independent Non-Executive Directors following such redesignation.

The Board has been renewing its composition progressively in the past years, including the appointment of new independent directors with diverse backgrounds, such as Ms Chong Siak Ching in June 2024. The NC continues to assess and plan for renewal at least annually, ensuring that the Board composition remains aligned with the Company's strategic direction and needs.

11. Has the NC reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?

The NC reviews the composition of the Board and the Board Committees using a Board skills matrix to map out the collective skills, diversity and independence of the Board given its evolving business needs. This review is conducted annually and also when there are proposed changes to the Board, such as the appointment of new Directors.

The NC does not see any significant gaps so far. However, the Board continues to actively explore candidates, particularly those with strong experience in high-growth technology domains, to strengthen its pipeline of future Directors.

12. Would the NC elaborate further on the rationale, selection criteria, board diversity considerations and search and nomination process, that led to the nomination and appointment of Ms Chong Siak Ching, as required in the SGX template?

The NC followed a structured process in recommending the appointment of Ms Chong Siak Ching as an Independent Non-Executive Director, effective 1 June 2024, and as a member of the NC and the Audit & Risk Committee (“**ARC**”), effective 7 August 2024. This process involved evaluating potential candidates, including internal recommendations, interviews, and an assessment of each candidate’s qualifications and fit with the Board’s needs.

The NC was of the view that Ms Chong has the requisite independence, qualifications, professionalism, integrity and time commitment to effectively discharge her role, and that her skills and attributes will complement and expand the skillset and expertise of Board, the ARC and the NC. Her appointment aligns with Venture’s Diversity Policy, promoting a balanced and high-performing Board.

13. To facilitate informed voting, can the director share how she plans to leverage her expertise and experience to enhance board’s effectiveness in overseeing a global provider of technology solutions, products, and services?

Ms Chong Siak Ching brings a wealth of experience in leading complex organisations, driving innovation, managing transformation, sustainability, and stakeholder engagement, all of which are highly relevant to Venture’s business as a global provider of technology solutions, products, and services.

In this challenging macroeconomic environment, her understanding of international business dynamics and her deep experience in navigating global business environments will augment the Board’s strengths in providing direction and guidance to the Venture management team. The Board is fully confident that Ms Chong will contribute meaningfully to the overall effectiveness of the Board.

14. Some companies organise an informal pre-AGM dialogue with shareholders via SIAS. Will Venture consider this arrangement as another channel to engage with shareholders?

Venture is committed to fostering strong engagement with our shareholders.

In advance of the Annual General Meeting, we will hold an informal briefing where the Chief Financial Officer provides a briefing on, and addresses shareholder questions regarding, the Company's financial results for FY2024. This session is open to all shareholders.

Accordingly, we do not plan to have a separate pre-AGM dialogue via SIAS. We remain open to exploring new avenues for enhancing shareholder communication and engagement.

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This announcement is also available at www.venture.com.sg.

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ABOUT VENTURE

Venture Corporation Limited ("**Venture**" and together with its subsidiaries, the "**Group**") was formed in 1989 as an electronic services provider following the merger of three companies. With over three decades of consistent growth and about 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 40 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, semiconductor equipment, 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.