

VENTURE CORPORATION LIMITED

First Quarter Financial Statements And Dividend Announcement

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

Quarterly financial statements on consolidated results for the quarter ended March 31, 2010. These figures have not been audited or reviewed.

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

	Group		
	3 months ended 31.03.2010 S\$'000	3 months ended 31.03.2009 S\$'000	% increase/ (decrease)
Revenue	639,531	725,519	(11.9)
Other operating income	511	395	29.4
Changes in inventories of finished goods and work in progress	9,613	(1,787)	n.m.
Raw materials and consumables used	(511,336)	(595,582)	(14.1)
Employee benefits expense	(55,876)	(52,182)	7.1
Depreciation and amortisation expense (Note 1)	(13,757)	(15,644)	(12.1)
Research and development expense	(4,789)	(4,729)	1.3
Foreign currency exchange adjustment (loss) gain	(808)	9,089	n.m.
Other expenses (Note 2)	(24,885)	(37,188)	(33.1)
Investment revenue	334	2,026	(83.5)
Finance costs (interest on bank borrowings)	(426)	(987)	(56.8)
Share of profit (loss) of associates	112	(1,134)	n.m.
Profit before tax	38,224	27,796	37.5
Income tax	1,255	(207)	n.m.
Profit for the period	39,479	27,589	43.1

Other comprehensive income:

Exchange differences arising on translation foreign operations	(4,451)	47,247	n.m.
(Loss) gain on available-for-sale investments taken to equity	(6,143)	5,109	n.m.
Total comprehensive income for the period	28,885	79,945	(63.9)

Profit attributable to:

Owners of the Company	39,457	27,728	42.3
Minority interests	22	(139)	n.m.
	39,479	27,589	43.1

Total comprehensive income attributable to:

Owners of the Company	28,879	79,903	(63.9)
Minority interests	6	42	(85.7)
	28,885	79,945	(63.9)

Note 1

This includes amortisation of customer relationships amounting to S\$4.2million (March 31, 2009: S\$4.2million).

Note 2

In 1Q 2009, this included fair value loss on derivative financial instruments of S\$12.6million.

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

	Group		
	3 months ended 31.03.2010 S\$'000	3 months ended 31.03.2009 S\$'000	% increase/ (decrease)
Over-provision (Under-provision) of tax in respect of prior years	290	(407)	n.m.
Allowance for doubtful trade receivables	(364)	-	n.m.
Bad debt written off	(8)	(152)	(94.7)
Loss on disposal of property, plant and equipment, net	(9)	(21)	(57.1)
Fair value loss on derivative financial instruments	-	(12,575)	(100.0)
Reversal of allowance for inventories	331	-	n.m.
Inventories written back (off)	19	(200)	n.m.
Impairment of plant and equipment	(6)	-	n.m.

Note:

n.m. - not meaningful

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

	Group		Company	
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	492,724	567,068	143,679	252,539
Available-for-sale investments	5,015	5,038	5,015	5,038
Trade receivables	413,307	588,449	86,435	100,141
Other receivables and prepayments	30,989	41,775	5,726	22,273
Inventories	534,625	475,832	74,398	62,253
Trade receivables due from subsidiaries	-	-	32,054	21,721
Other receivables due from subsidiaries	-	-	9,270	2,338
Income tax recoverable	2,250	5,057	-	-
Total current assets	1,478,910	1,683,219	356,577	466,303
Non-current assets:				
Investments in subsidiaries	-	-	1,230,549	1,234,726
Investments in associates	18,224	17,979	-	-
Available-for-sale investments	99,406	104,617	88,134	94,338
Property, plant and equipment	158,647	165,367	6,757	7,450
Intangible assets	130,268	131,705	16,330	13,335
Goodwill	640,593	640,593	-	-
Deferred tax assets	1,377	1,006	-	-
Total non-current assets	1,048,515	1,061,267	1,341,770	1,349,849
Total assets	2,527,425	2,744,486	1,698,347	1,816,152
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	122,965	223,688	121,287	221,578
Trade payables	397,305	509,115	76,868	92,187
Other payables and accrued expenses	85,366	118,141	19,603	24,448
Trade payables due to subsidiaries	-	-	17,705	17,114
Other payables due to subsidiaries	-	-	7,253	7,259
Trade payables due to associates	766	838	-	-
Income tax payable	3,364	2,490	1,400	1,295
Total current liabilities	609,766	854,272	244,116	363,881
Non-current liabilities:				
Deferred tax liabilities	23,167	24,607	-	-
Total non-current liabilities	23,167	24,607	-	-
Capital and reserves:				
Share capital	671,906	671,906	671,906	671,906
Share options reserve	31,703	32,185	31,036	31,518
Investments revaluation reserve	(37,707)	(31,564)	(35,676)	(29,497)
Translation reserve	(165,388)	(160,953)	-	-
Reserve fund	920	924	-	-
Accumulated profits	1,390,195	1,350,252	786,965	778,344
Equity attributable to owners of the Company	1,891,629	1,862,750	1,454,231	1,452,271
Minority interests	2,863	2,857	-	-
Total equity	1,894,492	1,865,607	1,454,231	1,452,271
Total Liabilities and Equity	2,527,425	2,744,486	1,698,347	1,816,152

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

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

Group				Company			
As at 31.03.2010		As at 31.12.2009		As at 31.03.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	122,965	-	223,688	-	121,287	-	221,578

(b) Amount repayable after one year

Group				Company			
As at 31.03.2010		As at 31.12.2009		As at 31.03.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-	-	-	-	-

(c) Details of any collateral
Not applicable.

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

	3 months ended 31.03.2010 S\$'000	3 months ended 31.03.2009 S\$'000
Operating activities:		
Profit before tax	38,224	27,796
Adjustments for:		
Share of (profit) loss of associates	(112)	1,134
Reversal of allowance for inventories	(331)	-
Inventories written (back) off	(19)	200
Depreciation expense	9,324	10,757
Bad debt written off	8	152
Allowance on doubtful trade receivables	364	-
Amortisation of intangible assets	4,433	4,887
Amortisation of deferred expenditure	568	-
Impairment loss on plant and equipment	6	-
Interest income	(334)	(2,026)
Interest expense	426	987
Share-based payments expense	-	614
Fair value loss on derivative financial instruments	-	12,575
Loss on disposal of plant and equipment, net	9	21
Operating profit before working capital changes	52,566	57,097
Trade receivables	171,928	92,367
Other receivables and prepayments	10,656	(269)
Inventories	(60,751)	39,618
Amount due (to) from associates	(70)	259
Trade payables	(109,236)	(73,731)
Other payables and accrued expenses	(32,312)	(14,244)
Cash generated from operations	32,781	101,097
Interest paid	(342)	(772)
Income tax refunded (paid)	3,123	(1,279)
Net cash from operating activities	35,562	99,046
Investing activities:		
Interest received	334	2,026
Purchase of property, plant and equipment	(3,528)	(2,264)
Proceeds on disposal of plant and equipment	260	392
Addition of intangible assets	(3,592)	(1,772)
Proceeds on disposal of available-for-sale investment	-	5,000
Purchase of available-for-sale investments	(913)	(4,075)
Net cash used in investing activities	(7,439)	(693)
Financing activities:		
Repayment of bank loans	(100,422)	(38,199)
Net cash used in financing activities	(100,422)	(38,199)
Net (decrease) increase in cash and cash equivalents	(72,299)	60,154
Cash and cash equivalents at beginning of period	567,068	513,770
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(2,045)	14,313
Cash and cash equivalents at end of period	492,724	588,237
Cash and cash equivalents at end of period include the following:		
Cash	401,941	244,245
Fixed Deposits	90,783	343,992
Cash and cash equivalents at the end of the period	492,724	588,237

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

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserve S\$'000	Translation reserves S\$'000	Reserve Fund S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Minority interests S\$'000	Total equity S\$'000
The Group									
Balance at January 1, 2009	671,906	31,805	(15,611)	(136,015)	690	1,342,865	1,895,640	3,208	1,898,848
Total comprehensive income for the period	-	-	5,109	47,066	-	27,728	79,903	42	79,945
Recognition of share-based payments	-	614	-	-	-	-	614	-	614
Share options lapsed	-	(164)	-	-	-	164	-	-	-
Balance at March 31, 2009	671,906	32,255	(10,502)	(88,949)	690	1,370,757	1,976,157	3,250	1,979,407
Balance at January 1, 2010	671,906	32,185	(31,564)	(160,953)	924	1,350,252	1,862,750	2,857	1,865,607
Total comprehensive income for the period	-	-	(6,143)	(4,435)	-	39,457	28,879	6	28,885
Share options lapsed	-	(482)	-	-	-	482	-	-	-
Adjustment to reserve fund	-	-	-	-	(4)	4	-	-	-
Balance at March 31, 2010	671,906	31,703	(37,707)	(165,388)	920	1,390,195	1,891,629	2,863	1,894,492

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

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company					
Balance at January 1, 2009	671,906	30,853	(14,777)	630,847	1,318,829
Total comprehensive income for the period	-	-	5,266	117,590	122,856
Recognition of share-based payments	-	614	-	-	614
Share options lapsed	-	(164)	-	164	-
Balance at March 31, 2009	<u>671,906</u>	<u>31,303</u>	<u>(9,511)</u>	<u>748,601</u>	<u>1,442,299</u>
Balance at January 1, 2010	671,906	31,518	(29,497)	778,344	1,452,271
Total comprehensive income for the period	-	-	(6,179)	8,139	1,960
Share options lapsed	-	(482)	-	482	-
Balance at March 31, 2010	<u>671,906</u>	<u>31,036</u>	<u>(35,676)</u>	<u>786,965</u>	<u>1,454,231</u>

1.(d)(ii) **Details of any changes in the Company's issued share capital**

Venture Manufacturing (Singapore) Ltd Executives' Share Option Scheme ("The 1993 Scheme")

As at March 31, 2010, there were no unissued shares of the Company under options in the 1993 Scheme as all have expired (March 31, 2009: Nil)

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

Since the end of the previous financial quarter, no option was exercised (March 31, 2009: Nil). As at March 31, 2010, there were 9,033,000 unissued shares of the Company under options in the 2004 Scheme (March 31, 2009: 9,709,000).

Since the end of the previous financial quarter, 226,000 options (March 31, 2009: 75,000) have lapsed.

Share Capital

	31.03.2010	31.12.2009	31.03.2010	31.12.2009
	Number of ordinary shares		\$'000	\$'000
Issued and paid-up capital	<u>274,253,577</u>	<u>274,253,577</u>	<u>671,906</u>	<u>671,906</u>

1.(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to 1.(d)(ii). There were no treasury shares as at March 31, 2010.

1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended December 31, 2009.

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

There are no changes in accounting policies and methods of computation.

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

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

	3 months ended 31.03.2010	3 months ended 31.03.2009
(a)	14.4	10.1
(b)	14.4	10.1

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

Net asset value per ordinary share based on issued share capital at the end of the financial period reported on (cents)

Group		Company	
31.03.2010	31.12.2009	31.03.2010	31.12.2009
689.7	679.2	530.3	529.5

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

The Group registered revenue of S\$639.5 million for the first quarter of 2010.

The decline in Group's revenue for the quarter was mainly due to an anticipated paring down of the lower value-added portion of the Printing and Imaging ("P&I") business. Apart from the revenue decline in this segment and related P&I peripherals and accessories classified under the Computer Peripherals and Data Storage segment, revenue contributions from all other segments registered double-digit year-on-year improvement ranging from 12% to 23%.

Profit After Tax and Minority Interests ("PATMI") for the quarter ended 31 March 2010 was S\$39.5 million, 42.3% higher than the S\$27.7 million recorded in the corresponding quarter of the prior year. Included in 1Q 2009's PATMI were a foreign exchange gain of S\$9.1 million and a charge related to fair value loss on its derivative financial instrument of S\$12.6 million. The derivative financial instrument matured in December 2009.

Despite recording a lower revenue, Group's PATMI improved by S\$11.8 million, yielding a net margin in excess of 6%.

Earnings Per Share was 14.4 cents for the three months ended 31 March 2010.

For the first quarter of 2010, cash generated from operations amounted to S\$32.8 million.

As at 31 March 2010, cash and cash equivalent balances stood at S\$492.7 million. Excluding bank loans of S\$123.0 million, the Group remained net cash positive at S\$369.7 million.

Trade Receivables decreased to S\$413.3 million in the first quarter of 2010 from S\$588.4 million in the previous quarter. Trade Payables declined to S\$397.3 million in the reporting quarter from S\$509.1 million in the fourth quarter of 2009.

In response to customers' needs and the current industry-wide assurance of supply of components, the Group has positioned itself to carry a higher amount of raw materials for the quarter ended 31 March 2010. Inventories stood at S\$534.6 million as at the end of 31 March 2010.

As at 31 March 2010, total shareholders' equity of the Group amounted to S\$1.9 billion.

The Net Asset Value per share of the Group was S\$6.90 at the end of the financial period reported on.

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

Not applicable.

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

Going forward, the Group has opportunities to focus on building quality growth and to further strengthen its fundamentals.

It will continue to devote efforts and resources to deepen and diversify its technical capabilities, as well as leverage existing and new technology within and outside of the Group to enhance its value propositions to its customers and partners.

The Group continues to extend its collaborative alliances with its partners to broaden its market access and penetration.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend	Nil
Dividend Type	Nil
Dividend Amount per Share (in cents)	Nil
Dividend Rate	Nil
Par value of shares	Nil
Tax Rate	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Nil
Dividend Type	Nil
Dividend Amount per Share (in cents)	Nil
Dividend Rate	Nil
Par value of shares	Nil
Tax Rate	Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend for the period ended March 31, 2010 is recommended or declared.

BY ORDER OF THE BOARD

Angeline Khoo
Company Secretary
April 29, 2010

VENTURE CORPORATION LIMITED
Company Registration Number 198402886H

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended March 31, 2010 to be false or misleading.

On behalf of the Directors

(signed)
Wong Ngit Liang
Director

(signed)
Cecil Vivian Richard Wong
Director

April 29, 2010