

Third Quarter and Year-to-Date Financial Statements And Dividend Announcement

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

Third Quarter and Year-to-date financial statements on consolidated results for the period ended September 30, 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			Group		
	3 months ended 30.09.2010 S\$'000	3 months ended 30.09.2009 S\$'000	% Increase/ (decrease)	9 months ended 30.09.2010 S\$'000	9 months ended 30.09.2009 S\$'000	% Increase/ (decrease)
Revenue	677,936	927,762	(26.9)	1,970,371	2,499,314	(21.2)
Other operating income	191	209	(8.6)	955	1,029	(7.2)
Changes in inventories of finished goods and work in progress	(490)	(837)	(41.5)	(27,028)	(61,243)	(55.9)
Raw materials and consumables used	(520,063)	(788,621)	(34.1)	(1,495,974)	(2,040,219)	(26.7)
Employee benefits expense	(61,763)	(58,712)	5.2	(180,204)	(161,385)	11.7
Depreciation and amortisation expense (Note 1)	(12,788)	(14,962)	(14.5)	(39,808)	(45,543)	(12.6)
Research and development expense	(5,528)	(1,808)	205.8	(15,716)	(9,914)	58.5
Foreign currency exchange adjustment (loss) gain	(1,977)	(2,577)	(23.3)	(2,801)	2,229	n.m.
Other expenses (Note 2)	(25,359)	(24,573)	3.2	(76,492)	(61,396)	24.6
Investment revenue	111	1,577	(93.0)	502	5,528	(90.9)
Finance costs (interest on bank borrowings)	(391)	(902)	(56.7)	(1,181)	(2,632)	(55.1)
Share of profit (loss) of associates	257	675	(61.9)	1,051	(1,317)	n.m.
Profit before tax	50,136	37,231	34.7	133,675	124,451	7.4
Income tax	(1,458)	942	n.m.	420	2,172	(80.7)
Profit for the period	48,678	38,173	27.5	134,095	126,623	5.9
Other comprehensive income:						
Exchange differences arising on translation foreign operations	(40,354)	(24,204)	66.7	(53,733)	(12,014)	347.3
Gain (loss) on available-for-sale investments taken to equity	13,820	1,331	938.3	4,652	(9,309)	n.m.
Total comprehensive income for the period	22,144	15,300	44.7	85,014	105,300	(19.3)
Profit attributable to:						
Owners of the Company	48,624	38,226	27.2	133,884	126,901	5.5
Non-controlling interests	54	(53)	n.m.	211	(278)	n.m.
	48,678	38,173	27.5	134,095	126,623	5.9
Total comprehensive income attributable to:						
Owners of the Company	22,180	15,421	43.8	84,904	105,591	(19.6)
Non-controlling interests	(36)	(121)	(70.2)	110	(291)	n.m.
	22,144	15,300	44.7	85,014	105,300	(19.3)

Note 1

This includes amortisation of customer relationships amounting to S\$4.2million per quarter and S\$12.6million for nine months.

Note 2

This includes fair value gain on derivative financial instruments of S\$12.4million for the nine months ended September 30, 2009.

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

	Group			Group		
	3 months ended 30.09.2010 S\$'000	3 months ended 30.09.2009 S\$'000	% increase/ (decrease)	9 months ended 30.09.2010 S\$'000	9 months ended 30.09.2009 S\$'000	% increase/ (decrease)
Over-provision of tax in respect of prior years	29	575	(95.0)	886	1,352	(34.5)
Write-back of deferred tax liabilities	-	-	n.m.	-	1,508	(100.0)
Allowance for doubtful trade receivables	-	(1,447)	(100.0)	(364)	(2,947)	(87.6)
Bad debt written off	-	-	n.m.	(22)	(156)	(85.9)
(Loss) gain on disposal of property, plant and equipment, net	(187)	62	n.m.	(219)	2,029	n.m.
Fair value gain on derivative financial instruments	-	-	n.m.	-	12,401	(100.0)
Reversal of (allowance) for inventories	8	(50)	n.m.	(240)	(75)	220.0
Inventories written off	(67)	(164)	(59.1)	(68)	(380)	(82.1)
Impairment of plant and equipment	-	-	n.m.	(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	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	441,827	567,068	235,663	252,539
Available-for-sale investments	-	5,038	-	5,038
Trade receivables	470,548	588,449	62,301	100,141
Other receivables and prepayments	25,608	41,775	6,524	22,273
Inventories	580,249	475,832	64,932	62,253
Trade receivables due from subsidiaries	-	-	46,716	21,721
Other receivables due from subsidiaries	-	-	9,273	2,338
Income tax recoverable	1,966	5,057	-	-
Total current assets	1,520,198	1,683,219	425,409	466,303
Non-current assets:				
Investments in subsidiaries	-	-	1,230,549	1,234,726
Investments in associates	18,143	17,979	-	-
Available-for-sale investments	109,954	104,617	99,355	94,338
Property, plant and equipment	149,016	165,367	4,626	7,450
Intangible assets	122,355	131,705	17,622	13,335
Goodwill	640,593	640,593	-	-
Deferred tax assets	62	1,006	-	-
Total non-current assets	1,040,123	1,061,267	1,352,152	1,349,849
Total assets	2,560,321	2,744,486	1,777,561	1,816,152
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	84,951	223,688	82,973	221,578
Trade payables	411,858	509,115	48,111	92,187
Other payables and accrued expenses	101,712	118,141	25,554	24,448
Trade payables due to subsidiaries	-	-	31,485	17,114
Other payables due to subsidiaries	-	-	7,249	7,259
Trade payables due to associates	719	838	-	-
Income tax payable	3,477	2,490	593	1,295
Total current liabilities	602,717	854,272	195,965	363,881
Non-current liabilities:				
Bank loans	119,792	-	119,792	-
Deferred tax liabilities	21,626	24,607	-	-
Total non-current liabilities	141,418	24,607	119,792	-
Capital and reserves:				
Share capital	671,906	671,906	671,906	671,906
Share options reserve	33,592	32,185	32,925	31,518
Investments revaluation reserve	(26,912)	(31,564)	(24,375)	(29,497)
Translation reserve	(214,585)	(160,953)	-	-
Reserve fund	920	924	-	-
Accumulated profits	1,348,298	1,350,252	781,348	778,344
Equity attributable to owners of the Company	1,813,219	1,862,750	1,461,804	1,452,271
Non-controlling interests	2,967	2,857	-	-
Total equity	1,816,186	1,865,607	1,461,804	1,452,271
Total Liabilities and Equity	2,560,321	2,744,486	1,777,561	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 30.09.2010		As at 31.12.2009		As at 30.09.2010		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
-	84,951	-	223,688	-	82,973	-	221,578

(b) Amount repayable after one year

Group				Company			
As at 30.09.2010		As at 31.12.2009		As at 30.09.2010		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
-	119,792	-	-	-	119,792	-	-

(c) Details of any collateral
Not applicable.

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

	3 months ended 30.09.2010 S\$'000	3 months ended 30.09.2009 S\$'000	9 months ended 30.09.2010 S\$'000	9 months ended 30.09.2009 S\$'000
Operating activities:				
Profit before tax	50,136	37,231	133,675	124,451
Adjustments for:				
Share of (profit) loss of associates	(257)	(675)	(1,051)	1,317
(Reversal of) allowance for inventories	(8)	50	240	75
Inventories written off	67	164	68	380
Depreciation expense	8,359	10,290	26,517	31,512
Bad debt written off	-	-	22	156
Allowance on doubtful trade receivables	-	1,447	364	2,947
Amortisation of intangible assets	4,429	4,672	13,291	14,031
Amortisation of deferred expenditure	1,912	52	3,133	52
Impairment loss on available-for-sale investments	-	213	-	213
Impairment loss on plant and equipment	-	-	6	-
Interest income	(111)	(1,577)	(502)	(5,528)
Dividend income	(109)	(298)	(403)	(298)
Interest expense	391	902	1,181	2,632
Share-based payments expense	1,435	493	2,692	1,707
Fair value gain on derivative financial instruments	-	-	-	(12,401)
Loss (gain) on disposal of plant and equipment, net	187	(62)	219	(2,029)
Loss on dilution of investment in an associate	9	-	769	-
Operating profit before working capital changes	66,440	52,902	180,221	159,217
Trade receivables	(24,007)	(22,188)	88,986	(60,145)
Other receivables and prepayments	939	11,796	15,377	7,252
Inventories	(63,097)	(36,208)	(135,245)	61,628
Amount due from associates	(91)	(97)	(73)	665
Trade payables	74,722	76,819	(72,056)	98,900
Other payables and accrued expenses	5,244	10,792	(10,353)	120
Cash generated from operations	60,150	93,816	66,857	267,637
Interest paid	(359)	(524)	(1,018)	(1,907)
Income tax (paid) refunded	(1,141)	(960)	1,676	(4,486)
Net cash from operating activities	58,650	92,332	67,515	261,244
Investing activities:				
Interest received	111	1,577	502	5,565
Dividends received from other equity investments	109	298	403	298
Purchase of property, plant and equipment	(13,756)	(1,862)	(20,182)	(13,311)
Proceeds on disposal of plant and equipment	891	33	1,584	3,729
Addition of intangible assets	(1,338)	(6,423)	(7,499)	(10,589)
Proceeds on maturity of available-for-sale investments	40	-	5,040	7,000
Purchase of available-for-sale investments	-	(722)	(913)	(4,797)
Net cash used in investing activities	(13,943)	(7,099)	(21,065)	(12,105)
Financing activities:				
Dividends paid	-	-	(137,127)	(137,127)
Proceeds from new bank loans	255,503	30,000	303,918	120,000
Repayment of bank loans	(217,212)	(89,736)	(317,634)	(236,311)
Net cash from (used in) financing activities	38,291	(59,736)	(150,843)	(253,438)
Net increase (decrease) in cash and cash equivalents	82,998	25,497	(104,393)	(4,299)
Cash and cash equivalents at beginning of period	374,062	484,585	567,068	513,770
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(15,233)	(10,183)	(20,848)	(9,572)
Cash and cash equivalents at end of period	441,827	499,899	441,827	499,899
Cash and cash equivalents at end of period include the following:				
Cash	404,934	308,691	404,934	308,691
Fixed Deposits	36,893	191,208	36,893	191,208
Cash and cash equivalents at the end of the period	441,827	499,899	441,827	499,899

1.(d)(i) Statement of changes in equity for the period ended September 30, 2009

	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	Non- controlling 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
Total comprehensive income for the period	-	-	(15,749)	(34,931)	-	60,947	10,267	(212)	10,055
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(137,127)	(137,127)	-	(137,127)
Recognition of share-based payments	-	600	-	-	-	-	600	-	600
Share options lapsed	-	(208)	-	-	-	208	-	-	-
Balance at June 30, 2009	671,906	32,647	(26,251)	(123,880)	690	1,294,785	1,849,897	3,038	1,852,935
Total comprehensive income for the period	-	-	1,331	(24,136)	-	38,226	15,421	(121)	15,300
Recognition of share-based payments	-	493	-	-	-	-	493	-	493
Share options lapsed	-	(107)	-	-	-	107	-	-	-
Balance at September 30, 2009	671,906	33,033	(24,920)	(148,016)	690	1,333,118	1,865,811	2,917	1,868,728

1.(d)(i) Statement of changes in equity for the period ended September 30, 2010

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
Total comprehensive income for the period	-	-	(3,025)	(8,933)	-	45,803	33,845	140	33,985
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(137,127)	(137,127)	-	(137,127)
Recognition of share-based payments	-	1,257	-	-	-	-	1,257	-	1,257
Share options lapsed	-	(505)	-	-	-	505	-	-	-
Balance at June 30, 2010	671,906	32,455	(40,732)	(174,321)	920	1,299,376	1,789,604	3,003	1,792,607
Total comprehensive income for the period	-	-	13,820	(40,264)	-	48,624	22,180	(36)	22,144
Recognition of share-based payments	-	1,435	-	-	-	-	1,435	-	1,435
Share options lapsed	-	(298)	-	-	-	298	-	-	-
Balance at September 30, 2010	671,906	33,592	(26,912)	(214,585)	920	1,348,298	1,813,219	2,967	1,816,186

1.(d)(i) **Statement of changes in equity for the period ended September 30, 2009**

	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	671,906	31,303	(9,511)	748,601	1,442,299
Total comprehensive income for the period	-	-	(15,807)	33,448	17,641
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	(137,127)	(137,127)
Recognition of share-based payments	-	600	-	-	600
Share options lapsed	-	(208)	-	208	-
Balance at June 30, 2009	671,906	31,695	(25,318)	645,130	1,323,413
Total comprehensive income for the period	-	-	737	4,796	5,533
Recognition of share-based payments	-	493	-	-	493
Share options lapsed	-	(107)	-	107	-
Balance at September 30, 2009	671,906	32,081	(24,581)	650,033	1,329,439

1.(d)(i) **Statement of changes in equity for the period ended September 30, 2010**

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	671,906	31,036	(35,676)	786,965	1,454,231
Total comprehensive income for the period	-	-	(2,845)	127,043	124,198
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	(137,127)	(137,127)
Recognition of share-based payments	-	1,257	-	-	1,257
Share options lapsed	-	(505)	-	505	-
Balance at June 30, 2010	671,906	31,788	(38,521)	777,386	1,442,559
Total comprehensive income for the period	-	-	14,146	3,664	17,810
Recognition of share-based payments	-	1,435	-	-	1,435
Share options lapsed	-	(298)	-	298	-
Balance at September 30, 2010	671,906	32,925	(24,375)	781,348	1,461,804

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

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

Since the end of the previous financial quarter, no option was exercised (September 30, 2009: Nil). As at September 30, 2010, there were 10,083,000 unissued shares of the Company under options in the 2004 Scheme (September 30, 2009: 9,540,000).

Since the end of the previous financial quarter, 1,369,000 options (September 30, 2009: Nil) have expired and 231,000 options (September 30, 2009: 62,000) have lapsed.

Share Capital

	30.09.2010	31.12.2009	30.09.2010	31.12.2009
	Number of ordinary shares		\$'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 September 30, 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 30.09.2010	3 months ended 30.09.2009	9 months ended 30.09.2010	9 months ended 30.09.2009
(a)	17.7	13.9	48.8	46.3
(b)	17.7	13.9	48.8	46.3

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	
30.09.2010	31.12.2009	30.09.2010	31.12.2009
661.1	679.2	533.0	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\$677.9 million for the quarter ended 30 September 2010, compared to S\$652.9 million for the prior quarter.

For the first nine months of 2010, the Group registered sequential quarterly improvement in revenue across most segments. Except for the anticipated decline in revenue primarily from a major customer in the P&I segment, the Group's business had registered strong growth year-on-year.

Profit After Tax and Minority Interests ("PATMI") for the quarter ended 30 September 2010 was S\$48.6 million. This translates to Earnings Per Share of 17.7 cents for the quarter.

PATMI for the quarter ended 30 September 2010 is approximately 6% higher than the prior quarter. Compared to PATMI recorded for the corresponding quarter of the prior year, PATMI for the reported quarter is 27% higher.

For the nine months ended 30 September 2010, the Group's PATMI of S\$133.9 million is approximately 6% higher than PATMI reported for the corresponding period of the prior year, which included a positive fair value adjustment of S\$12.4 million on its derivative financial instrument which had since matured in December 2009.

The Group achieved a net margin of 7.2% for the quarter ended 30 September 2010. This compares favourably with the net margin recorded for the prior quarter and the corresponding third quarter of 2009. This progressive improvement is in line and consistent with the Group's strategy to grow a sizable ODM and Solutions Enterprise business.

At the close of the reporting quarter, the Group generated cash in excess of S\$60.0 million from operations resulting in an 18% improvement in its cash position compared to the prior quarter. Cash and cash equivalent balances stood at S\$441.8 million at 30 September 2010. Excluding bank loans of S\$204.7 million, the Group remained net cash positive at S\$237.1 million.

Inventories stood at S\$580.2 million as at the end of 30 September 2010. The Group continued to carry a higher amount of raw materials in response to customers' requirements. At the close of the third quarter of 2010, Trade Receivables stood at S\$470.5 million matched by Trade Payables of S\$411.9 million.

The Net Asset Value per share of the Group was S\$6.61 at the end of the financial period reported on.

As at 30 September 2010, total shareholders' equity of the Group amounted to S\$1.8 billion.

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**

Most customers of the Group maintain their positive sentiment. However a few customers have exercised caution in their demand commitments going into the fourth quarter. Overall, the Group expects sequential revenue growth to continue into the fourth quarter.

Assurance of supply of electronic components and mechanical parts is expected to continue to improve in the coming quarters. Certain components may still experience some supply tightness, however, this is being managed proactively with due consideration to customers' requirements.

In the past three quarters, the Group had registered an improving profitability profile, underpinned largely by a business-mix shift towards technology services, products and solutions with greater design and engineering content; and its ability to sustain an efficient operating structure. Going forward, Venture remains driven to achieve profitable growth, focusing on the continuous pursuit of operational excellence, innovation and technological competencies.

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 September 30, 2010 is recommended or declared.

BY ORDER OF THE BOARD

Angeline Khoo
Company Secretary
October 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 second quarter ended September 30, 2010 to be false or misleading.

On behalf of the Directors

(signed)
Wong Ngit Liong
Director

(signed)
Cecil Vivian Richard Wong
Director

October 29, 2010