

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, 2011.
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 31.03.2011 S\$'000	3 months ended 31.03.2010 S\$'000	% increase/ (decrease)
Revenue	587,644	639,531	(8.1)
Other operating income	197	511	(61.4)
Changes in inventories of finished goods and work in progress	(49,309)	9,613	n.m.
Raw materials and consumables used	(392,345)	(511,336)	(23.3)
Employee benefits expense	(61,289)	(55,876)	9.7
Depreciation and amortisation expense (Note 1)	(11,932)	(13,757)	(13.3)
Research and development expense	(6,511)	(4,789)	36.0
Foreign currency exchange adjustment gain (loss)	278	(808)	n.m.
Other expenses	(24,735)	(24,885)	(0.6)
Investment revenue	482	334	44.3
Finance costs (interest on bank borrowings)	(427)	(426)	0.2
Share of profit of associates	146	112	30.4
Profit before tax	42,199	38,224	10.4
Income tax (expense) benefit	(979)	1,255	n.m.
Profit for the period	41,220	39,479	4.4

Other comprehensive income:

Exchange differences arising on translation of foreign operations	(23,401)	(4,451)	425.7
Loss on available-for-sale investments taken to equity	(7,117)	(6,143)	15.9
Total comprehensive income for the period	10,702	28,885	(62.9)

Profit attributable to:

Owners of the Company	41,159	39,457	4.3
Non-controlling interests	61	22	177.3
	41,220	39,479	4.4

Total comprehensive income attributable to:

Owners of the Company	10,680	28,879	(63.0)
Non-controlling interests	22	6	266.7
	10,702	28,885	(62.9)

Note 1

This includes amortisation of customer relationships amounting to S\$4.2million (March 31, 2010: S\$4.2million).

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

	Group		
	3 months ended 31.03.2011 S\$'000	3 months ended 31.03.2010 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	65	290	(77.6)
Allowance for doubtful trade receivables	-	(364)	(100.0)
Bad debt written off	(96)	(8)	1,100.0
Loss on disposal of property, plant and equipment, net	(71)	(9)	688.9
(Allowance) reversal of allowance for inventories	(100)	331	n.m.
Inventories written (off) back	(167)	19	n.m.
Impairment of plant and equipment	-	(6)	(100.0)

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	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents				
Trade receivables	454,471	441,700	230,399	249,725
Other receivables and prepayments	451,616	524,026	58,230	76,903
Inventories	19,696	21,382	1,281	2,466
Trade receivables due from subsidiaries	598,093	513,126	53,567	49,603
Other receivables due from subsidiaries	-	-	69,606	57,820
Income tax recoverable	-	-	9,264	9,311
	1,938	1,657	-	-
Total current assets	1,525,814	1,501,891	422,347	445,828
Non-current assets:				
Investments in subsidiaries	-	-	1,257,522	1,231,522
Investments in associates	18,348	18,382	-	-
Available-for-sale investments	114,138	121,671	102,919	110,087
Property, plant and equipment	137,668	144,987	4,029	4,636
Intangible assets	114,549	117,847	16,541	17,135
Goodwill	640,593	640,593	-	-
Deferred tax assets	59	61	-	-
Total non-current assets	1,025,355	1,043,541	1,381,011	1,363,380
Total assets	2,551,169	2,545,432	1,803,358	1,809,208
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	79,754	83,418	79,376	81,731
Trade payables	372,448	352,948	41,133	44,367
Other payables and accrued expenses	81,717	104,882	16,227	25,032
Trade payables due to subsidiaries	-	-	15,488	33,205
Other payables due to subsidiaries	-	-	7,240	7,242
Trade payables due to associates	466	536	-	-
Income tax payable	6,046	5,557	846	602
Total current liabilities	540,431	547,341	160,310	192,179
Non-current liabilities:				
Bank loans	119,828	119,810	119,828	119,810
Deferred tax liabilities	19,907	20,687	-	-
Total non-current liabilities	139,735	140,497	119,828	119,810
Capital and reserves:				
Share capital	672,090	671,952	672,090	671,952
Share options reserve	38,210	35,929	37,543	35,262
Investments revaluation reserve	(37,763)	(30,646)	(35,715)	(28,596)
Translation reserve	(249,675)	(226,313)	-	-
Reserve fund	1,414	1,414	-	-
Accumulated profits	1,443,701	1,402,254	849,302	818,601
Equity attributable to owners of the Company	1,867,977	1,854,590	1,523,220	1,497,219
Non-controlling interests	3,026	3,004	-	-
Total equity	1,871,003	1,857,594	1,523,220	1,497,219
Total Liabilities and Equity	2,551,169	2,545,432	1,803,358	1,809,208

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 31.03.2011		As at 31.12.2010		As at 31.03.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	79,754	-	83,418	-	79,376	-	81,731

(b) Amount repayable after one year

Group				Company			
As at 31.03.2011		As at 31.12.2010		As at 31.03.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	119,828	-	119,810	-	119,828	-	119,810

(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 31.03.2011 S\$'000	3 months ended 31.03.2010 S\$'000
Operating activities:		
Profit before tax	42,199	38,224
Adjustments for:		
Share of profit of associates	(146)	(112)
Allowance (Reversal of allowance) for inventories	100	(331)
Inventories written off (back)	167	(19)
Depreciation expense	7,510	9,324
Bad debt written off	96	8
Allowance for doubtful trade receivables	-	364
Amortisation of intangible assets	6,734	5,001
Impairment loss on plant and equipment	-	6
Interest income	(482)	(334)
Interest expense	427	426
Share-based payments expense	2,569	-
Loss on disposal of plant and equipment, net	71	9
Operating profit before working capital changes	59,245	52,566
Trade receivables	60,720	171,928
Other receivables and prepayments	1,183	10,656
Inventories	(100,118)	(60,751)
Amount due to associates	(55)	(70)
Trade payables	28,723	(109,236)
Other payables and accrued expenses	(21,182)	(32,312)
Cash generated from operations	28,516	32,781
Interest paid	(385)	(342)
Income tax (paid) refunded	(1,320)	3,123
Net cash from operating activities	26,811	35,562
Investing activities:		
Interest received	530	334
Purchase of property, plant and equipment	(4,300)	(3,528)
Proceeds on disposal of plant and equipment	295	260
Addition of intangible assets	(3,426)	(3,592)
Proceeds on disposal of available-for-sale investment	214	-
Purchase of available-for-sale investments	-	(913)
Net cash used in investing activities	(6,687)	(7,439)
Financing activities:		
Repayment of bank loans	(1,276)	(100,422)
Proceeds from issue of shares	138	-
Net cash used in financing activities	(1,138)	(100,422)
Net increase (decrease) in cash and cash equivalents	18,986	(72,299)
Cash and cash equivalents at beginning of period	441,700	567,068
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(6,215)	(2,045)
Cash and cash equivalents at end of period	454,471	492,724
Cash and cash equivalents at end of period includes the following:		
Cash	289,532	401,941
Fixed deposits	164,939	90,783
Cash and cash equivalents at the end of the period	454,471	492,724

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	Non-controlling interests S\$'000	Total equity S\$'000
The Group									
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	<u>671,906</u>	<u>31,703</u>	<u>(37,707)</u>	<u>(165,388)</u>	<u>920</u>	<u>1,390,195</u>	<u>1,891,629</u>	<u>2,863</u>	<u>1,894,492</u>
Balance at January 1, 2011	671,952	35,929	(30,646)	(226,313)	1,414	1,402,254	1,854,590	3,004	1,857,594
Total comprehensive income for the period	-	-	(7,117)	(23,362)	-	41,159	10,680	22	10,702
Recognition of share-based payments	-	2,569	-	-	-	-	2,569	-	2,569
Share options lapsed	-	(288)	-	-	-	288	-	-	-
Issue of shares	138	-	-	-	-	-	138	-	138
Balance at March 31, 2011	<u>672,090</u>	<u>38,210</u>	<u>(37,763)</u>	<u>(249,675)</u>	<u>1,414</u>	<u>1,443,701</u>	<u>1,867,977</u>	<u>3,026</u>	<u>1,871,003</u>

	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, 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>
Balance at January 1, 2011	671,952	35,262	(28,596)	818,601	1,497,219
Total comprehensive income for the period	-	-	(7,119)	30,413	23,294
Recognition of share-based payments	-	2,569	-	-	2,569
Share options lapsed	-	(288)	-	288	-
Issue of shares	138	-	-	-	138
Balance at March 31, 2011	<u>672,090</u>	<u>37,543</u>	<u>(35,715)</u>	<u>849,302</u>	<u>1,523,220</u>

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, 15,000 options were exercised (March 31, 2010: Nil). As at March 31, 2011, there were 12,675,000 unissued shares of the Company under options in the 2004 Scheme (March 31, 2010: 9,033,000).

Since the end of the previous financial quarter, 200,000 options (March 31, 2010: 226,000) have lapsed.

Share Capital

	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	Number of ordinary shares		\$'000	\$'000
Issued and paid-up capital:				
At beginning of year	274,258,577	274,258,577	671,952	671,952
Issue of shares	15,000	-	138	-
At end of year	<u>274,273,577</u>	<u>274,258,577</u>	<u>672,090</u>	<u>671,952</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, 2011.

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, 2010.

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**

	3 months ended 31.03.2011	3 months ended 31.03.2010
(a) Based on the weighted average number of ordinary shares on issue (cents)	15.0	14.4
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	15.0	14.4

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	
31.03.2011	31.12.2010	31.03.2011	31.12.2010
681.1	676.2	555.4	545.9

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\$587.6 million for the first quarter of 2011, a decline of 8.1% compared to the corresponding quarter of 2010. The Group registered good growth from most customers for the reported quarter. Revenue for the first quarter of 2010 included lower value-added business in the Printing and Imaging segment which has since been phased out. A declining US dollar also contributed to the reduction in the Group's revenue.

Despite the lower revenue, the Group turned in a net profit (profit attributable to shareholders of the Company) of S\$41.2 million, a year-on-year improvement of 4.3%. This translates to a net margin of 7.0% for the reported quarter.

Diluted EPS is 15.0 cents for the quarter ended 31 March 2011 compared to 14.4 cents for the corresponding quarter of 2010.

For the first quarter of 2011, cash generated from operations before working capital changes amounted to S\$59.2 million.

As at 31 March 2011, cash and cash equivalent balances stood at S\$454.5 million. Excluding bank loans of S\$199.6 million, the Group remained net cash positive at S\$254.9 million.

Trade Receivables decreased to S\$451.6 million in the first quarter of 2011 from S\$524.0 million in the previous quarter. Trade Payables increased slightly to S\$372.4 million in the reported quarter from S\$352.9 million in the fourth quarter of 2010.

Inventories stood at S\$598.1 million as at the end of 31 March 2011, S\$85.0 million higher than inventories as at the end of 2010. The increase in inventories is a response to customers' orders and requirements.

As at 31 March 2011, total shareholders' equity of the Group amounted to S\$1.9 billion.

The Net Asset Value per share of the Group was S\$6.81 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**

Generally, the market continues to be cautious. Demand from the Group's customers in the Test and Measurement, Retail Store Solutions and Industrial segments is expected to improve over the next few quarters. In addition, several new products and programmes are scheduled to be launched in the second half of 2011.

The value of the US dollar will continue to impact the Group's revenue.

The Group will continue to actively manage its business portfolio and remains driven to meet customers' expectation.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend	Nil
Dividend Type	Nil
Dividend Amount per Share (in cents)	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
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, 2011 is recommended or declared.

BY ORDER OF THE BOARD

Angeline Khoo
Company Secretary
May 5, 2011

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, 2011 to be false or misleading.

On behalf of the Directors

(signed)
Wong Ngit Liong
Director

(signed)
Goon Kok Loon
Director

May 5, 2011