

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, 2012.
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 31.03.2012 S\$'000	3 months ended 31.03.2011 S\$'000	% increase/ (decrease)
Revenue	574,273	587,644	(2.3)
Other operating income	180	197	(8.6)
Changes in inventories of finished goods and work in progress	(20,743)	(49,309)	(57.9)
Raw materials and consumables used	(423,646)	(392,345)	8.0
Employee benefits expense	(58,868)	(61,289)	(4.0)
Depreciation and amortisation expense	(11,552)	(11,932)	(3.2)
Research and development expense	(6,315)	(6,511)	(3.0)
Foreign currency exchange adjustment gain	538	278	93.5
Other expenses	(21,796)	(24,735)	(11.9)
Investment revenue	562	482	16.6
Finance costs (interest on bank borrowings)	(447)	(427)	4.7
Share of profit of associates	1,459	146	899.3
Profit before tax	33,645	42,199	(20.3)
Income tax benefit (expense)	1,748	(979)	n.m.
Profit for the period	35,393	41,220	(14.1)
Other comprehensive income:			
Exchange differences arising on translation of foreign operations	(27,852)	(23,401)	19.0
Loss on available-for-sale investments taken to equity	(679)	(7,117)	(90.5)
Total comprehensive income for the period	6,862	10,702	(35.9)
Profit attributable to:			
Owners of the Company	35,506	41,159	(13.7)
Non-controlling interests	(113)	61	n.m.
	35,393	41,220	(14.1)
Total comprehensive income attributable to:			
Owners of the Company	7,062	10,680	(33.9)
Non-controlling interests	(200)	22	n.m.
	6,862	10,702	(35.9)

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

	Group		
	3 months ended 31.03.2012 S\$'000	3 months ended 31.03.2011 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	451	65	593.8
Allowance for doubtful trade receivables	(117)	-	n.m.
Bad debt written back (off)	1	(96)	n.m.
Loss on disposal of property, plant and equipment, net	(37)	(71)	(47.9)
Allowance for inventories	(67)	(100)	(33.0)
Inventories written off	(94)	(167)	(43.7)

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	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	476,425	513,218	202,457	195,778
Trade receivables	422,737	479,280	57,671	67,625
Other receivables and prepayments	26,302	24,312	4,112	4,650
Inventories	535,602	513,660	46,487	44,051
Trade receivables due from subsidiaries	-	-	31,945	39,072
Other receivables due from subsidiaries	-	-	8,299	8,357
Income tax recoverable	1,275	1,798	-	-
Total current assets	1,462,341	1,532,268	350,971	359,533
Non-current assets:				
Investments in subsidiaries	-	-	1,234,476	1,234,476
Investments in associates	74,168	72,714	51,300	51,300
Available-for-sale investments	65,724	66,480	53,279	54,006
Property, plant and equipment	135,995	143,895	3,288	3,564
Intangible assets	91,510	96,413	11,067	11,848
Goodwill	639,708	639,708	-	-
Deferred tax assets	5,469	3,957	-	-
Total non-current assets	1,012,574	1,023,167	1,353,410	1,355,194
Total assets	2,474,915	2,555,435	1,704,381	1,714,727
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	50,139	84,198	47,749	81,733
Trade payables	315,277	331,592	35,032	37,103
Other payables and accrued expenses	86,852	123,949	17,862	24,670
Trade payables due to subsidiaries	-	-	2,155	2,699
Other payables due to subsidiaries	-	-	7,224	7,225
Trade payables due to associates	727	678	-	-
Income tax payable	7,575	6,900	465	735
Total current liabilities	460,570	547,317	110,487	154,165
Non-current liabilities:				
Bank loans	119,893	119,881	119,893	119,881
Deferred tax liabilities	16,102	17,503	-	-
Total non-current liabilities	135,995	137,384	119,893	119,881
Capital and reserves:				
Share capital	673,223	673,223	673,223	673,223
Share options reserve	39,936	39,404	39,269	38,737
Investments revaluation reserve	(35,981)	(35,302)	(33,865)	(33,186)
Translation reserve	(248,602)	(220,837)	-	-
Reserve fund	1,592	1,589	-	-
Capital reserve	(142)	(142)	-	-
Accumulated profits	1,445,352	1,409,627	795,374	761,907
Equity attributable to owners of the Company	1,875,378	1,867,562	1,474,001	1,440,681
Non-controlling interests	2,972	3,172	-	-
Total equity	1,878,350	1,870,734	1,474,001	1,440,681
Total liabilities and equity	2,474,915	2,555,435	1,704,381	1,714,727

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 31.03.2012		As at 31.12.2011		As at 31.03.2012		As at 31.12.2011	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	50,139	-	84,198	-	47,749	-	81,733

(b) Amount repayable after one year

Group				Company			
As at 31.03.2012		As at 31.12.2011		As at 31.03.2012		As at 31.12.2011	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	119,893	-	119,881	-	119,893	-	119,881

(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 31.03.2012 S\$'000	3 months ended 31.03.2011 S\$'000
Operating activities:		
Profit before tax	33,645	42,199
Adjustments for:		
Share of profit of associates	(1,459)	(146)
Allowance for inventories	67	100
Inventories written off	94	167
Depreciation expense	7,151	7,510
Bad debt written (back) off	(1)	96
Allowance for doubtful trade receivables	117	-
Amortisation of intangible assets	6,217	6,734
Interest income	(562)	(482)
Interest expense	447	427
Share-based payments expense	754	2,569
Loss on disposal of plant and equipment, net	37	71
Operating profit before working capital changes	46,507	59,245
Trade receivables	44,531	60,720
Other receivables and prepayments	(2,604)	1,183
Inventories	(37,006)	(100,118)
Amount due to associates	75	(55)
Trade payables	(7,057)	28,723
Other payables and accrued expenses	(34,670)	(21,182)
Cash generated from operations	9,776	28,516
Interest paid	(385)	(385)
Income tax refunded (paid)	49	(1,320)
Net cash from operating activities	9,440	26,811
Investing activities:		
Interest received	610	530
Purchase of property, plant and equipment	(3,674)	(4,300)
Proceeds on disposal of plant and equipment	123	295
Addition of intangible assets	(1,363)	(3,426)
Proceeds on disposal of available-for-sale investment	-	214
Net cash used in investing activities	(4,304)	(6,687)
Financing activities:		
Repayment of bank loans	(32,460)	(1,276)
Proceeds from issue of shares	-	138
Net cash used in financing activities	(32,460)	(1,138)
Net (decrease) increase in cash and cash equivalents	(27,324)	18,986
Cash and cash equivalents at beginning of period	513,218	441,700
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(9,469)	(6,215)
Cash and cash equivalents at end of period	476,425	454,471
Cash and cash equivalents at end of period includes the following:		
Cash	461,556	289,532
Fixed deposits	14,869	164,939
Cash and cash equivalents at the end of the period	476,425	454,471

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 reserve S\$'000	Reserve fund S\$'000	Capital reserve 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, 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>-</u>	<u>1,443,701</u>	<u>1,867,977</u>	<u>3,026</u>	<u>1,871,003</u>
Balance at January 1, 2012	673,223	39,404	(35,302)	(220,837)	1,589	(142)	1,409,627	1,867,562	3,172	1,870,734
Total comprehensive income for the period	-	-	(679)	(27,765)	-	-	35,506	7,062	(200)	6,862
Recognition of share-based payments	-	754	-	-	-	-	-	754	-	754
Share options lapsed	-	(222)	-	-	-	-	222	-	-	-
Share of associate's reserves	-	-	-	-	3	-	(3)	-	-	-
Balance at March 31, 2012	<u>673,223</u>	<u>39,936</u>	<u>(35,981)</u>	<u>(248,602)</u>	<u>1,592</u>	<u>(142)</u>	<u>1,445,352</u>	<u>1,875,378</u>	<u>2,972</u>	<u>1,878,350</u>

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company					
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>
Balance at January 1, 2012	673,223	38,737	(33,186)	761,907	1,440,681
Total comprehensive income for the period	-	-	(679)	33,245	32,566
Recognition of share-based payments	-	754	-	-	754
Share options lapsed	-	(222)	-	222	-
Balance at March 31, 2012	<u>673,223</u>	<u>39,269</u>	<u>(33,865)</u>	<u>795,374</u>	<u>1,474,001</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, no options were exercised (March 31, 2011: 15,000). As at March 31, 2012, there were 12,590,000 unissued shares of the Company under options in the 2004 Scheme (March 31, 2011: 12,675,000).

Since the end of the previous financial quarter, 145,000 options (March 31, 2011: 200,000) have lapsed.

Share Capital

	31.03.2012	31.12.2011	31.03.2012	31.12.2011
	Number of ordinary shares		\$'000	\$'000
Issued and paid-up capital:	<u>274,396,577</u>	<u>274,396,577</u>	<u>673,223</u>	<u>673,223</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, 2012.

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, 2011.

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 31.03.2012	3 months ended 31.03.2011
(a)	12.9	15.0
(b)	12.9	15.0

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

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	
31.03.2012	31.12.2011	31.03.2012	31.12.2011
683.5	680.6	537.2	525.0

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\$574.3 million for the first quarter of 2012, compared to S\$587.6 million for the corresponding quarter of the prior year. Compared to the revenue of S\$632.5 million for the fourth quarter of 2011, the decline was mainly due to seasonal factors.

Profit attributable to shareholders of the Company ("net profit") for the quarter ended 31 March 2012 was S\$35.5 million. The net profit for the corresponding quarter of the previous year was S\$41.2 million and the net profit for the fourth quarter of 2011 was S\$38.0 million. The Group recorded a net margin of 6.2% for the reported quarter.

Diluted Earnings Per Share was 12.9 cents for the quarter ended 31 March 2012.

For the first quarter of 2012, cash generated from operations before working capital changes amounted to S\$46.5 million, compared to S\$59.2 million for the corresponding quarter in the preceding year.

The Group ended the quarter net cash positive at S\$306.4 million. Cash and cash equivalents amounted to S\$476.4 million as at 31 March 2012 with total bank loans of S\$170.0 million.

The working capital of the Group was S\$643.0 million as at 31 March 2012, an improvement over working capital of S\$661.4 million as at the end of 2011. This comprised S\$422.7 million Trade Receivables, S\$315.3 million Trade Payables and S\$535.6 million of Inventories.

Total shareholders' equity of the Group amounted to S\$1.9 billion and the Net Asset Value per share was S\$6.84 as at 31 March 2012.

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**

Business sentiment of the Group's customers remains encouraging with several customers anticipating improvements in the second half of the year. The Group is confident of supporting the business momentum of these customers and to build further traction with several others. These customers span multiple product segments including test and measurement, medical and life sciences, networking, retail store solutions and industrial. The Group expects to capture additional revenue stream from a number of new opportunities. These programmes will likely stream-in towards the end of the year with more meaningful revenue contributions beyond FY 2012. With strong fundamentals and long-term strategy in place, the Group continues to be well-positioned for the future.

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, 2012 is recommended or declared.

13. **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.

BY ORDER OF THE BOARD

Angeline Khoo
Company Secretary
May 3, 2012

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, 2012 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)
Wong Ngit Liong
Director

(signed)
Goon Kok Loon
Director

May 3, 2012