

Second Quarter Financial Statements And Dividend Announcement

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

Second quarter and year-to-date financial statements on consolidated results for the period ended June 30, 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			Group		
	3 months ended 30.06.2012 S\$'000	3 months ended 30.06.2011 S\$'000	% increase/ (decrease)	6 months ended 30.06.2012 S\$'000	6 months ended 30.06.2011 S\$'000	% increase/ (decrease)
Revenue	611,805	628,682	(2.7)	1,186,078	1,216,326	(2.5)
Other operating income	361	226	59.7	541	423	27.9
Changes in inventories of finished goods and work in progress	(12,564)	19,357	n.m	(33,307)	(29,952)	11.2
Raw materials and consumables used	(467,588)	(498,588)	(6.2)	(891,234)	(890,933)	0.0
Employee benefits expense	(62,157)	(64,538)	(3.7)	(121,025)	(125,827)	(3.8)
Depreciation and amortisation expense	(11,319)	(11,603)	(2.4)	(22,871)	(23,535)	(2.8)
Research and development expense	(6,415)	(6,504)	(1.4)	(12,730)	(13,015)	(2.2)
Foreign currency exchange adjustment gain	246	606	(59.4)	784	884	(11.3)
Other expenses	(21,286)	(25,287)	(15.8)	(43,082)	(50,022)	(13.9)
Investment revenue	3,707	573	546.9	4,269	1,055	304.6
Finance costs (interest on bank borrowings)	(391)	(439)	(10.9)	(838)	(866)	(3.2)
Share of profit of associates	633	324	95.4	2,092	470	345.1
Profit before tax	35,032	42,809	(18.2)	68,677	85,008	(19.2)
Income tax (expense) benefit	(1,538)	(803)	91.5	210	(1,782)	n.m
Profit for the period	33,494	42,006	(20.3)	68,887	83,226	(17.2)
Other comprehensive income:						
Exchange differences arising on translation foreign operations	10,019	(18,078)	n.m	(17,833)	(41,479)	(57.0)
Loss on available-for-sale investments taken to equity	(309)	(1,111)	(72.2)	(988)	(8,228)	(88.0)
Reclassification adjustment upon disposal of available-for-sale investments	(3,046)	-	n.m.	(3,046)	-	n.m.
Total comprehensive income for the period	40,158	22,817	76.0	47,020	33,519	40.3
Profit attributable to:						
Owners of the Company	33,614	41,952	(19.9)	69,120	83,111	(16.8)
Non-controlling interests	(120)	54	n.m	(233)	115	n.m
	33,494	42,006	(20.3)	68,887	83,226	(17.2)
Total comprehensive income attributable to:						
Owners of the Company	40,273	22,771	76.9	47,335	33,451	41.5
Non-controlling interests	(115)	46	n.m	(315)	68	n.m
	40,158	22,817	76.0	47,020	33,519	40.3

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

	Group			Group		
	3 months ended 30.06.2012 S\$'000	3 months ended 30.06.2011 S\$'000	% increase/ (decrease)	6 months ended 30.06.2012 S\$'000	6 months ended 30.06.2011 S\$'000	% increase/ (decrease)
(Under) Over-provision of tax in respect of prior years	(276)	(246)	12.2	175	(181)	n.m
Allowance for doubtful trade receivables	-	-	n.m	(117)	-	n.m
Bad debt written off	(80)	-	n.m	(79)	(96)	(17.7)
Gain (Loss) on disposal of plant and equipment, net	2	(132)	n.m.	(35)	(203)	(82.8)
Allowance for inventories	(62)	(82)	(24.4)	(129)	(182)	(29.1)
Inventories written off	(205)	(157)	30.6	(299)	(324)	(7.7)
Gain on disposal of available-for-sale investments	3,220	-	n.m.	3,220	-	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	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	398,474	513,218	112,761	195,778
Trade receivables	445,713	479,280	50,294	67,625
Other receivables and prepayments	27,413	24,312	5,575	4,650
Inventories	545,591	513,660	46,550	44,051
Trade receivables due from subsidiaries	-	-	29,733	39,072
Other receivables due from subsidiaries	-	-	8,337	8,357
Income tax recoverable	1,333	1,798	-	-
Total current assets	1,418,524	1,532,268	253,250	359,533
Non-current assets:				
Investments in subsidiaries	-	-	1,234,476	1,234,476
Investments in associates	73,764	72,714	50,873	51,300
Available-for-sale investments	35,961	66,480	26,259	54,006
Property, plant and equipment	134,044	143,895	3,097	3,564
Intangible assets	87,072	96,413	10,536	11,848
Goodwill	639,708	639,708	-	-
Deferred tax assets	5,544	3,957	-	-
Total non-current assets	976,093	1,023,167	1,325,241	1,355,194
Total assets	2,394,617	2,555,435	1,578,491	1,714,727
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	51,219	84,198	48,413	81,733
Trade payables	339,226	331,592	34,917	37,103
Other payables and accrued expenses	92,915	123,949	17,993	24,670
Trade payables due to subsidiaries	-	-	1,731	2,699
Other payables due to subsidiaries	-	-	7,222	7,225
Trade payables due to associates	656	678	-	-
Income tax payable	6,787	6,900	495	735
Total current liabilities	490,803	547,317	110,771	154,165
Non-current liabilities:				
Bank loans	119,916	119,881	119,916	119,881
Deferred tax liabilities	15,373	17,503	-	-
Total non-current liabilities	135,289	137,384	119,916	119,881
Capital and reserves:				
Share capital	673,223	673,223	673,223	673,223
Share options reserve	40,279	39,404	39,612	38,737
Investments revaluation reserve	(39,336)	(35,302)	(37,140)	(33,186)
Translation reserve	(238,588)	(220,837)	-	-
Reserve fund	1,592	1,589	-	-
Capital reserve	97	(142)	-	-
Accumulated profits	1,328,401	1,409,627	672,109	761,907
Equity attributable to owners of the Company	1,765,668	1,867,562	1,347,804	1,440,681
Non-controlling interests	2,857	3,172	-	-
Total equity	1,768,525	1,870,734	1,347,804	1,440,681
Total liabilities and equity	2,394,617	2,555,435	1,578,491	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 30.06.2012		As at 31.12.2011		As at 30.06.2012		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
-	51,219	-	84,198	-	48,413	-	81,733

(b) Amount repayable after one year

Group				Company			
As at 30.06.2012		As at 31.12.2011		As at 30.06.2012		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
-	119,916	-	119,881	-	119,916	-	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 30.06.2012 S\$'000	3 months ended 30.06.2011 S\$'000	6 months ended 30.06.2012 S\$'000	6 months ended 30.06.2011 S\$'000
Operating activities:				
Profit before tax	35,032	42,809	68,677	85,008
Adjustments for:				
Share of profit of associates	(633)	(324)	(2,092)	(470)
Allowance for inventories	62	82	129	182
Inventories written off	205	157	299	324
Depreciation expense	7,002	7,098	14,153	14,608
Bad debt written off	80	-	79	96
Allowance on doubtful trade receivables	-	-	117	-
Amortisation of intangible assets	5,851	7,050	12,068	13,784
Interest income	(487)	(573)	(1,049)	(1,055)
Dividend income	(649)	(645)	(649)	(645)
Interest expense	391	439	838	866
Share-based payments expense	696	1,381	1,450	3,950
Gain on disposal of available-for-sale investments	(3,220)	-	(3,220)	-
(Gain) Loss on disposal of plant and equipment, net	(2)	132	35	203
Operating profit before working capital changes	44,328	57,606	90,835	116,851
Trade receivables	(17,510)	463	27,021	61,183
Other receivables and prepayments	(419)	(4,261)	(3,023)	(3,078)
Inventories	(3,743)	36,496	(40,749)	(63,622)
Amount due from associates	(86)	165	(11)	110
Trade payables	19,426	(53,316)	12,369	(24,593)
Other payables and accrued expenses	5,034	5,164	(29,636)	(16,018)
Cash generated from operations	47,030	42,317	56,806	70,833
Interest paid	(355)	(410)	(740)	(795)
Income tax paid	(3,208)	(2,939)	(3,159)	(4,259)
Net cash from operating activities	43,467	38,968	52,907	65,779
Investing activities:				
Interest received	486	620	1,096	1,150
Dividends received from other equity investments	649	645	649	645
Purchase of property, plant and equipment	(3,475)	(4,484)	(7,149)	(8,784)
Proceeds on disposal of plant and equipment	31	174	154	469
Addition of intangible assets	(1,386)	(2,072)	(2,749)	(5,498)
Proceeds on disposal of available-for-sale investments	29,710	181	29,710	395
Net cash from (used in) investing activities	26,015	(4,936)	21,711	(11,623)
Financing activities:				
Dividends paid	(150,918)	(150,918)	(150,918)	(150,918)
Proceeds from new bank loans	385	16,866	385	16,866
Repayment of bank loans	-	(12,311)	(32,460)	(13,587)
Proceeds from issue of shares	-	1,133	-	1,271
Net cash used in financing activities	(150,533)	(145,230)	(182,993)	(146,368)
Net decrease in cash and cash equivalents	(81,051)	(111,198)	(108,375)	(92,212)
Cash and cash equivalents at beginning of period	476,425	454,471	513,218	441,700
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	3,100	(4,989)	(6,369)	(11,204)
Cash and cash equivalents at end of period	398,474	338,284	398,474	338,284
Cash and cash equivalents at end of period includes the following:				
Cash	372,199	329,064	372,199	329,064
Fixed deposits	26,275	9,220	26,275	9,220
Cash and cash equivalents at the end of the period	398,474	338,284	398,474	338,284

1.(d)(i) Statement of changes in equity for the period ended June 30, 2011

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserve S\$'000	Translation reserves 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	672,090	38,210	(37,763)	(249,675)	1,414	-	1,443,701	1,867,977	3,026	1,871,003
Total comprehensive income for the period	-	-	(1,111)	(18,070)	-	-	41,952	22,771	46	22,817
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(150,918)	(150,918)	-	(150,918)
Recognition of share-based payments	-	1,381	-	-	-	-	-	1,381	-	1,381
Share options lapsed	-	(332)	-	-	-	-	332	-	-	-
Issue of shares	1,133	-	-	-	-	-	-	1,133	-	1,133
Balance at June 30, 2011	673,223	39,259	(38,874)	(267,745)	1,414	-	1,335,067	1,742,344	3,072	1,745,416

1.(d)(i) Statement of changes in equity for the period ended June 30, 2012

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	673,223	39,936	(35,981)	(248,602)	1,592	(142)	1,445,352	1,875,378	2,972	1,878,350
Total comprehensive income for the period	-	-	(3,355)	10,014	-	-	33,614	40,273	(115)	40,158
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(150,918)	(150,918)	-	(150,918)
Recognition of share-based payments	-	696	-	-	-	-	-	696	-	696
Share options lapsed	-	(353)	-	-	-	-	353	-	-	-
Share of associate's reserves	-	-	-	-	-	239	-	239	-	239
Balance at June 30, 2012	673,223	40,279	(39,336)	(238,588)	1,592	97	1,328,401	1,765,668	2,857	1,768,525

1.(d)(i) Statement of changes in equity for the period ended June 30, 2011

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<u>The Company</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	672,090	37,543	(35,715)	849,302	1,523,220
Total comprehensive income for the period	-	-	(1,124)	12,010	10,886
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	(150,918)	(150,918)
Recognition of share-based payments	-	1,381	-	-	1,381
Share options lapsed	-	(332)	-	332	-
Issue of shares	1,133	-	-	-	1,133
Balance at June 30, 2011	673,223	38,592	(36,839)	710,726	1,385,702

1.(d)(i) Statement of changes in equity for the period ended June 30, 2012

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	673,223	39,269	(33,865)	795,374	1,474,001
Total comprehensive income for the period	-	-	(3,275)	27,300	24,025
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	(150,918)	(150,918)
Recognition of share-based payments	-	696	-	-	696
Share options lapsed	-	(353)	-	353	-
Balance at June 30, 2012	673,223	39,612	(37,140)	672,109	1,347,804

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 (June 30, 2011: 123,000). As at June 30, 2012, there were 12,300,000 unissued shares of the Company under options in the 2004 Scheme (June 30, 2011: 12,356,000).

Since the end of the previous financial quarter, 290,000 options (June 30, 2011: 196,000) have lapsed.

Venture Corporation Restricted Share Plan ("RSP")

Since the end of the previous financial quarter, 180,000 shares have been awarded. These have a five-year vesting period from the date of grant of 18 May 2012 and are subject to the rules of the RSP

Share Capital

	30.06.2012	31.12.2011	30.06.2012	31.12.2011
	Number of ordinary shares		\$'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 June 30, 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

	3 months ended 30.06.2012	3 months ended 30.06.2011	6 months ended 30.06.2012	6 months ended 30.06.2011
(a) Based on the weighted average number of ordinary shares on issue (cents)	12.3	15.3	25.2	30.3
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	12.2	15.3	25.2	30.2

7. Net asset value per ordinary share

	Group		Company	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
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)	643.5	680.6	491.2	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\$611.8 million for the quarter ended 30 June 2012, compared to S\$628.7 million for the corresponding quarter of the prior year. The revenue for the quarter was 6.5% higher than the revenue of S\$574.3 million recorded for the first quarter of this year.

Profit attributable to shareholders of the Company ("net profit") for the quarter ended 30 June 2012 was S\$33.6 million. The net profit for the corresponding quarter of the previous year was S\$42.0 million and the net profit for the first quarter of 2012 was S\$35.5 million. The Group recorded a net margin of 5.5% for the current quarter and 5.8% for the first half of 2012.

Diluted Earnings Per Share was 12.2 cents for the quarter ended 30 June 2012.

The Group generated cash from operations of S\$47.0 million for the quarter ended 30 June 2012, compared to cash generated from operations of S\$42.3 million for the corresponding quarter in the preceding year and S\$9.8 million for the prior quarter.

As at 30 June 2012, cash and cash equivalent balances amounted to S\$398.5 million, after dividend payment of S\$150.9 million in May 2012. Excluding bank loans of S\$171.1 million, the Group remained net cash positive at S\$227.4 million.

The working capital of the Group was S\$652.1 million as at 30 June 2012. This comprised S\$445.7 million Trade Receivables, S\$339.2 million Trade Payables and S\$545.6 million of Inventories.

Total shareholders' equity of the Group amounted to S\$1.8 billion and the Net Asset Value per share was S\$6.44 as at 30 June 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**

Customers' demand forecast and commitment continue to be impacted by current global economic conditions. The Group will increase its focus on several initiatives to augment its share of the market. It will intensify its unique alliance and TCS (total customer satisfaction) management for its diverse customer base. It will also engage customers strategically to provide superior support and operational excellence across the entire value-chain.

The Group expects to launch several new products from existing and new customers (mainly from networking and communications, industrial and life sciences) towards the end of the year with growing contributions beyond FY 2012.

Management will continue to harness the collective strength and competency of the Group to achieve healthy growth.

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 June 30, 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
August 8, 2012