

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, 2013.
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 31.03.2013 S\$'000	3 months ended 31.03.2012 S\$'000	% increase/ (decrease)
Revenue	530,497	574,273	(7.6)
Other operating income	244	180	35.6
Changes in inventories of finished goods and work in progress	(25,319)	(20,743)	22.1
Raw materials and consumables used	(384,966)	(423,646)	(9.1)
Employee benefits expense	(58,412)	(58,868)	(0.8)
Depreciation and amortisation expense	(10,639)	(11,552)	(7.9)
Research and development expense	(5,052)	(6,315)	(20.0)
Foreign currency exchange adjustment gain	1,874	538	248.3
Other expenses	(19,977)	(21,796)	(8.3)
Investment revenue	312	562	(44.5)
Finance costs (interest on bank borrowings)	(302)	(447)	(32.4)
Share of profit of associates	210	1,459	(85.6)
Profit before tax	28,470	33,645	(15.4)
Income tax	(511)	1,748	n.m.
Profit for the period	27,959	35,393	(21.0)

**Other comprehensive income:
- Items may be reclassified subsequently to profit or loss**

Exchange differences arising on translation of foreign operations	13,513	(27,852)	n.m.
Gain (loss) on available-for-sale investments taken to equity	115	(679)	n.m.
Total comprehensive income for the period	41,587	6,862	506.0

Profit attributable to:

Owners of the Company	28,012	35,506	(21.1)
Non-controlling interests	(53)	(113)	(53.1)
	27,959	35,393	(21.0)

Total comprehensive income attributable to:

Owners of the Company	41,616	7,062	489.3
Non-controlling interests	(29)	(200)	(85.5)
	41,587	6,862	506.0

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

	Group		
	3 months ended 31.03.2013 S\$'000	3 months ended 31.03.2012 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	698	451	54.8
Allowance for doubtful trade receivables	(72)	(117)	(38.5)
Bad debt written back	-	1	(100.0)
Gain (loss) on disposal of property, plant and equipment, net	109	(37)	n.m.
Allowance for inventories	(390)	(67)	482.1
Inventories written off	(1)	(94)	(98.9)

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	
	31.03.2013 S\$'000	31.12.2012 S\$'000	31.03.2013 S\$'000	31.12.2012 S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	429,400	453,424	169,258	82,533
Trade receivables	419,318	433,831	57,686	51,893
Other receivables and prepayments	37,366	29,225	3,680	3,185
Inventories	525,957	497,352	57,108	46,393
Trade receivables due from subsidiaries	-	-	21,608	34,251
Other receivables due from subsidiaries	-	-	7,802	7,788
Trade receivables due from associates	-	2	-	-
Income tax recoverable	6	234	-	-
Total current assets	1,412,047	1,414,068	317,142	226,043
Non-current assets:				
Investments in subsidiaries	-	-	1,228,711	1,228,711
Investments in associates	70,438	70,492	51,300	51,300
Available-for-sale investments	26,391	25,840	16,850	16,209
Property, plant and equipment	138,026	138,568	2,409	2,556
Intangible assets	75,754	78,651	11,070	10,089
Goodwill	639,708	639,708	-	-
Deferred tax assets	6,412	5,315	-	-
Total non-current assets	956,729	958,574	1,310,340	1,308,865
Total assets	2,368,776	2,372,642	1,627,482	1,534,908
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	135,260	167,402	47,189	117,388
Trade payables	286,985	288,592	40,041	34,828
Other payables and accrued expenses	82,213	95,665	15,349	18,388
Trade payables due to subsidiaries	-	-	10,552	8,484
Other payables due to subsidiaries	-	-	185	191
Income tax payable	7,817	7,601	677	685
Total current liabilities	512,275	559,260	113,993	179,964
Non-current liabilities:				
Deferred tax liabilities	12,677	13,580	-	-
Total non-current liabilities	12,677	13,580	-	-
Capital and reserves:				
Share capital	674,914	673,223	674,914	673,223
Treasury shares	(776)	(569)	(776)	(569)
Share-based awards reserve	42,071	41,190	41,404	40,523
Investments revaluation reserve	(39,786)	(39,901)	(37,589)	(37,704)
Translation reserve	(264,187)	(277,676)	-	-
Reserve fund	1,592	1,592	-	-
Capital reserve	42	42	-	-
Accumulated profits	1,427,533	1,399,451	835,536	679,471
Equity attributable to owners of the Company	1,841,403	1,797,352	1,513,489	1,354,944
Non-controlling interests	2,421	2,450	-	-
Total equity	1,843,824	1,799,802	1,513,489	1,354,944
Total liabilities and equity	2,368,776	2,372,642	1,627,482	1,534,908

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 31.03.2013		As at 31.12.2012		As at 31.03.2013		As at 31.12.2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	135,260	-	167,402	-	47,189	-	117,388

(b) Amount repayable after one year
Not applicable.

(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 31.03.2013 S\$'000	3 months ended 31.03.2012 S\$'000
Operating activities:		
Profit before tax	28,470	33,645
Adjustments for:		
Share of profit of associates	(210)	(1,459)
Allowance for inventories	390	67
Inventories written off	1	94
Depreciation expense	6,312	7,151
Bad debt written back	-	(1)
Allowance for doubtful trade receivables	72	117
Amortisation of intangible assets	4,704	6,217
Interest income	(312)	(562)
Dividend income	(17)	-
Interest expense	302	447
Share-based payments expense	951	754
Amortisation of investment in associate	114	-
(Gain) loss on disposal of plant and equipment, net	(109)	37
Operating profit before working capital changes	40,668	46,507
Trade receivables	20,344	44,531
Other receivables and prepayments	(7,682)	(2,604)
Inventories	(22,215)	(37,006)
Amount due to associates	2	75
Trade payables	(4,314)	(7,057)
Other payables and accrued expenses	(14,740)	(34,670)
Cash generated from operations	12,063	9,776
Interest paid	(239)	(385)
Income tax (paid) refunded	(2,091)	49
Net cash from operating activities	9,733	9,440
Investing activities:		
Interest received	312	610
Dividend received from an associate	150	-
Dividend received from an equity investment	17	-
Purchase of property, plant and equipment	(4,007)	(3,674)
Proceeds on disposal of plant and equipment	468	123
Addition of intangible assets	(1,762)	(1,363)
Proceeds on disposal of an available-for-sale investment	87	-
Purchase of an available-for-sale investment	(526)	-
Net cash used in investing activities	(5,261)	(4,304)
Financing activities:		
Repayment of bank loans	(71,010)	(32,460)
Proceeds from new bank loans	37,089	-
Proceeds from issue of shares	1,691	-
Purchase of treasury shares	(207)	-
Net cash used in financing activities	(32,437)	(32,460)
Net decrease in cash and cash equivalents	(27,965)	(27,324)
Cash and cash equivalents at beginning of period	453,424	513,218
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	3,941	(9,469)
Cash and cash equivalents at end of period	429,400	476,425
Cash and cash equivalents at end of period includes the following:		
Cash	413,385	461,556
Fixed deposits	16,015	14,869
Cash and cash equivalents at the end of the period	429,400	476,425

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

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards 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, 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
Balance at January 1, 2013	673,223	(569)	41,190	(39,901)	(277,676)	1,592	42	1,399,451	1,797,352	2,450	1,799,802
Issue of shares	1,691	-	-	-	-	-	-	-	1,691	-	1,691
Purchase of treasury shares	-	(207)	-	-	-	-	-	-	(207)	-	(207)
Total comprehensive income for the period	-	-	-	115	13,489	-	-	28,012	41,616	(29)	41,587
Recognition of share-based payments	-	-	951	-	-	-	-	-	951	-	951
Share options lapsed	-	-	(70)	-	-	-	-	70	-	-	-
Balance at March 31, 2013	674,914	(776)	42,071	(39,786)	(264,187)	1,592	42	1,427,533	1,841,403	2,421	1,843,824

The Company

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
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
Balance at January 1, 2013	673,223	(569)	40,523	(37,704)	679,471	1,354,944
Issue of shares	1,691	-	-	-	-	1,691
Purchase of treasury shares	-	(207)	-	-	-	(207)
Total comprehensive income for the period	-	-	-	115	155,995	156,110
Recognition of share-based payments	-	-	951	-	-	951
Share options lapsed	-	-	(70)	-	70	-
Balance at March 31, 2013	674,914	(776)	41,404	(37,589)	835,536	1,513,489

1.(d)(ii) Share capital and treasury shares

As at March 31, 2013, the total number of ordinary shares in issue was 274,598,577 (December 31, 2012: 274,396,577), of which 100,000 were treasury shares (December 31, 2012: 74,000).

The Company purchased 26,000 ordinary shares during Q1 2013 (Q1 2012: Nil).

These are held as treasury shares which can, in accordance with the Companies Act, be sold for cash, transferred for the purposes of or pursuant to an employee's share-based scheme; transferred as consideration for the acquisition of shares in or assets of another company or assets of a person; or cancelled.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the period.

	No. of ordinary shares in issue	S\$'000
As at January 1, 2013	274,396,577	673,223
Add: No. of share options exercised in Q1 2013	202,000	1,691
As at March 31, 2013	<u>274,598,577</u>	<u>674,914</u>
	No. of treasury shares	S\$'000
As at January 1, 2013	74,000	569
Add: No. of treasury shares repurchased in Q1 2013	26,000	207
As at March 31, 2013	<u>100,000</u>	<u>776</u>
	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2013	<u>274,322,577</u>	<u>672,654</u>
Issued shares excluding treasury shares as at March 31, 2013	<u>274,498,577</u>	<u>674,138</u>

1.(d)(iii) Share-based awards

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

Since the end of the previous financial quarter, 202,000 options were exercised (March 31, 2012: Nil). As at March 31, 2013, there were 12,524,000 unissued shares of the Company under options in the 2004 Scheme (March 31, 2012: 12,590,000).

Since the end of the previous financial quarter, 68,000 options (March 31, 2012: 145,000) have lapsed.

Venture Corporation Restricted Share Plan ("RSP")

In May 2012, 180,000 shares were awarded to eligible employees. These awards have a 5-year vesting period and are subject to the rules of the RSP. To date, 30,000 RSP shares have lapsed.

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, 2012.

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 31.3.2013	3 months ended 31.3.2012
(a)	10.2	12.9
(b)	10.2	12.9

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	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	670.8	655.2	551.4	493.9

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.

For the quarter ended 31 March 2013, the Group registered revenue of S\$530.5 million, a decline of 7.6% compared to the corresponding quarter of the prior year. The year-on-year USD/SGD depreciation of approximately 2.7% contributed to the reduction in the Group's revenue for the reported quarter.

The Group registered a net profit of S\$28.0 million for the quarter ended 31 March 2013 compared to S\$35.5 million for the corresponding quarter of the prior year. The decline in net profit is primarily due to a drop in revenue, as well as other factors including an income tax expense and a lower share of profit of associate.

Diluted Earnings Per Share was 10.2 cents (1Q 2012: 12.9 cents) for the quarter ended 31 March 2013.

The Group recorded in its cash flow statement S\$40.7 million of operating profit before working capital changes, S\$5.8 million lower compared to the corresponding period of the prior year. Cash generated from operations for the quarter ended 31 March 2013 was S\$12.1 million, an improvement of S\$2.3 million or 23.4% over the same period of the prior year.

The working capital of the Group was S\$658.3 million as at 31 March 2013, S\$15.7 million higher than the working capital registered as at the end of 2012, primarily due to an increase in inventory days in response to customers' requirements. Inventories stood at S\$526.0 million for the reported quarter (S\$497.4 million as at the end of 2012) with Trade Receivables of S\$419.3 million (S\$433.8 million as at the end of 2012) and Trade Payables of S\$287.0 million (S\$288.6 million as at the end of 2012).

Excluding bank loans of S\$135.3 million (S\$167.4 million as at the end of 2012), the Group remained net cash positive at S\$294.1 million as at 31 March 2013.

Equity attributable to owners of the Company as at 31 March 2013 was S\$1.8 billion and the Net Asset Value per share of S\$6.71 as at 31 March 2013 is 15.6 cents higher compared to the end of 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**

The operating environment for the global electronics industry remains challenging. There is still no clear sign that customers' end market is staging a strong recovery in the near term. The Group continues to sharpen its focus on increasing its market share from existing customers and winning new programmes and customers.

The Group will continue to consider strategic investments that meet its longer term objectives.

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, 2013 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
April 30, 2013

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, 2013 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)
Wong Ngit Liong
Director

(signed)
Goon Kok Loon
Director

April 30, 2013