

**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, 2014. 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 31.03.2014 S\$'000	3 months ended 31.03.2013 S\$'000	% increase/ (decrease)
<b>Revenue</b>	590,989	530,497	11.4
Other operating income	182	244	(25.4)
Changes in inventories of finished goods and work in progress	(4,452)	(25,319)	(82.4)
Raw materials and consumables used	(452,299)	(384,966)	17.5
Employee benefits expense	(62,703)	(58,412)	7.3
Depreciation and amortisation expense	(10,190)	(10,639)	(4.2)
Research and development expense	(4,775)	(5,052)	(5.5)
Foreign currency exchange adjustment (loss) gain	(95)	1,874	n.m.
Other expenses	(23,025)	(19,977)	15.3
Investment revenue	379	312	21.5
Finance costs (interest on bank borrowings)	(244)	(302)	(19.2)
Share of profit of associates	2	210	(99.0)
<b>Profit before tax</b>	<b>33,769</b>	<b>28,470</b>	<b>18.6</b>
Income tax	(2,984)	(511)	484.0
<b>Profit for the period</b>	<b>30,785</b>	<b>27,959</b>	<b>10.1</b>

**Other comprehensive income:**

- Items may be reclassified subsequently to profit or loss

Exchange differences arising on translation of foreign operations	(4,731)	13,513	n.m.
(Loss) Gain on available-for-sale investments taken to equity	(65)	115	n.m.
<b>Total comprehensive income for the period</b>	<b>25,989</b>	<b>41,587</b>	<b>(37.5)</b>

**Profit attributable to:**

Owners of the Company	30,770	28,012	9.8
Non-controlling interests	15	(53)	n.m.
	<b>30,785</b>	<b>27,959</b>	<b>10.1</b>

**Total comprehensive income attributable to:**

Owners of the Company	26,067	41,616	(37.4)
Non-controlling interests	(78)	(29)	169.0
	<b>25,989</b>	<b>41,587</b>	<b>(37.5)</b>

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

	Group		
	3 months ended 31.03.2014 S\$'000	3 months ended 31.03.2013 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	95	698	(86.4)
Allowance for doubtful trade receivables	-	(72)	(100.0)
Bad debt written off	(3)	-	n.m.
(Loss) gain on disposal of property, plant and equipment, net	(49)	109	n.m.
Reversal of (allowance) for inventories	124	(390)	n.m.
Inventories written back (off)	19	(1)	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	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	416,148	390,889	223,998	207,762
Trade receivables	506,995	520,282	64,316	78,069
Other receivables and prepayments	35,715	42,186	1,353	6,416
Inventories	533,084	527,923	50,507	49,489
Trade receivables due from subsidiaries	-	-	32,942	28,012
Other receivables due from subsidiaries	-	-	6,972	6,926
Trade receivables due from associates	-	4	-	-
Income tax recoverable	1,073	62	-	-
<b>Total current assets</b>	<b>1,493,015</b>	<b>1,481,346</b>	<b>380,088</b>	<b>376,674</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	74,758	75,160	51,300	51,300
Available-for-sale investments	10,664	25,733	1,244	16,309
Property, plant and equipment	189,395	152,644	40,977	2,017
Intangible assets	56,178	60,889	7,536	8,235
Goodwill	639,708	639,708	-	-
Deferred tax assets	6,874	6,885	-	-
<b>Total non-current assets</b>	<b>977,577</b>	<b>961,019</b>	<b>1,328,906</b>	<b>1,305,710</b>
<b>Total assets</b>	<b>2,470,592</b>	<b>2,442,365</b>	<b>1,708,994</b>	<b>1,682,384</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans	178,495	161,795	73,190	68,337
Trade payables	342,191	335,124	43,890	45,002
Other payables and accrued expenses	78,202	100,121	15,646	24,833
Trade payables due to subsidiaries	-	-	4,038	4,150
Other payables due to subsidiaries	-	-	21,351	21,356
Trade payables due to associates	10	-	-	-
Income tax payable	6,935	6,098	861	1,030
<b>Total current liabilities</b>	<b>605,833</b>	<b>603,138</b>	<b>158,976</b>	<b>164,708</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	9,194	9,981	-	-
<b>Total non-current liabilities</b>	<b>9,194</b>	<b>9,981</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>				
Share capital	678,370	678,370	678,370	678,370
Treasury shares	(2,081)	(2,081)	(2,081)	(2,081)
Share-based awards reserve	41,682	41,719	41,015	41,052
Investments revaluation reserve	(40,611)	(40,546)	(38,414)	(38,349)
Translation reserve	(250,818)	(246,180)	-	-
Reserve fund	1,916	1,592	-	-
Capital reserve	17	17	-	-
Accumulated profits	1,424,751	1,393,938	871,128	838,684
<b>Equity attributable to owners of the Company</b>	<b>1,853,226</b>	<b>1,826,829</b>	<b>1,550,018</b>	<b>1,517,676</b>
Non-controlling interests	2,339	2,417	-	-
<b>Total equity</b>	<b>1,855,565</b>	<b>1,829,246</b>	<b>1,550,018</b>	<b>1,517,676</b>
<b>Total liabilities and equity</b>	<b>2,470,592</b>	<b>2,442,365</b>	<b>1,708,994</b>	<b>1,682,384</b>

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 31.03.2014		As at 31.12.2013		As at 31.03.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	178,495	-	161,795	-	73,190	-	68,337

(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 31.03.2014 S\$'000	3 months ended 31.03.2013 S\$'000
<b>Operating activities:</b>		
Profit before tax	33,769	28,470
Adjustments for:		
Share of profit of associates	(2)	(210)
(Reversal) of allowance for inventories	(124)	390
Inventories written (back) off	(19)	1
Depreciation expense	5,867	6,312
Bad debt written off	3	-
Allowance for doubtful trade receivables	-	72
Amortisation of intangible assets	5,023	4,704
Interest income	(379)	(312)
Dividend income	(306)	(17)
Interest expense	244	302
Share-based payments expense	330	951
Write off of investment in associate	23	114
Loss (gain) on disposal of plant and equipment, net	49	(109)
<b>Operating profit before working capital changes</b>	<b>44,478</b>	<b>40,668</b>
Trade receivables	13,910	20,344
Other receivables and prepayments	3,524	(7,682)
Inventories	(6,984)	(22,215)
Amount due from associates	14	2
Trade payables	1,602	(4,314)
Other payables and accrued expenses	(14,772)	(14,740)
<b>Cash generated from operations</b>	<b>41,772</b>	<b>12,063</b>
Interest paid	(290)	(239)
Income tax paid	(3,918)	(2,091)
<b>Net cash from operating activities</b>	<b>37,564</b>	<b>9,733</b>
<b>Investing activities:</b>		
Interest received	379	312
Dividend received from associates	60	150
Dividend received from other equity investments	306	17
Purchase of property, plant and equipment	(44,327)	(4,007)
Proceeds on disposal of plant and equipment	1,158	468
Addition of intangible assets	(332)	(1,762)
Proceeds on disposal of an available-for-sale investments	15,000	87
Purchase of an available-for-sale investment	-	(526)
<b>Net cash used in investing activities</b>	<b>(27,756)</b>	<b>(5,261)</b>
<b>Financing activities:</b>		
Repayment of bank loans	(508)	(71,010)
Proceeds from new bank loans	17,791	37,089
Proceeds from issue of shares	-	1,691
Purchase of treasury shares	-	(207)
<b>Net cash from (used in) financing activities</b>	<b>17,283</b>	<b>(32,437)</b>
Net increase (decrease) in cash and cash equivalents	27,091	(27,965)
Cash and cash equivalents at beginning of period	390,889	453,424
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,832)	3,941
<b>Cash and cash equivalents at end of period</b>	<b>416,148</b>	<b>429,400</b>
<b>Cash and cash equivalents at end of period includes the following:</b>		
Cash	349,472	413,385
Fixed deposits	66,676	16,015
<b>Cash and cash equivalents at the end of the period</b>	<b>416,148</b>	<b>429,400</b>

1.(d)(i) Statement of changes in equity for the period ended March 31, 2013

	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
<b>The Group</b>											
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
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	28,012	28,012	(53)	27,959
Other comprehensive income for the period	-	-	-	115	13,489	-	-	-	13,604	24	13,628
<b>Total</b>	-	-	-	115	13,489	-	-	28,012	41,616	(29)	41,587
<b>Transactions with owners, recognised directly in equity</b>											
Issue of shares	1,691	-	-	-	-	-	-	-	1,691	-	1,691
Repurchase of shares	-	(207)	-	-	-	-	-	-	(207)	-	(207)
Share options lapsed	-	-	(70)	-	-	-	-	70	-	-	-
Recognition of share-based payments	-	-	951	-	-	-	-	-	951	-	951
<b>Total</b>	1,691	(207)	881	-	-	-	-	70	2,435	-	2,435
Balance at March 31, 2013	<u>674,914</u>	<u>(776)</u>	<u>42,071</u>	<u>(39,786)</u>	<u>(264,187)</u>	<u>1,592</u>	<u>42</u>	<u>1,427,533</u>	<u>1,841,403</u>	<u>2,421</u>	<u>1,843,824</u>

1.(d)(i) Statement of changes in equity for the period ended March 31, 2014

	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
<b>The Group</b>											
Balance at January 1, 2014	678,370	(2,081)	41,719	(40,546)	(246,180)	1,592	17	1,393,938	1,826,829	2,417	1,829,246
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	30,770	30,770	15	30,785
Other comprehensive income for the period	-	-	-	(65)	(4,638)	-	-	-	(4,703)	(93)	(4,796)
<b>Total</b>	-	-	-	(65)	(4,638)	-	-	30,770	26,067	(78)	25,989
<b>Transactions with owners, recognised directly in equity</b>											
Appropriation to reserve fund	-	-	-	-	-	324	-	(324)	-	-	-
Share options lapsed	-	-	(367)	-	-	-	-	367	-	-	-
Recognition of share-based payments	-	-	330	-	-	-	-	-	330	-	330
<b>Total</b>	-	-	(37)	-	-	324	-	43	330	-	330
Balance at March 31, 2014	<u>678,370</u>	<u>(2,081)</u>	<u>41,682</u>	<u>(40,611)</u>	<u>(250,818)</u>	<u>1,916</u>	<u>17</u>	<u>1,424,751</u>	<u>1,853,226</u>	<u>2,339</u>	<u>1,855,565</u>

1.(d)(i) Statement of changes in equity for the period ended March 31, 2013

	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
<b><u>The Company</u></b>						
Balance at January 1, 2013	673,223	(569)	40,523	(37,704)	679,471	1,354,944
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	155,995	155,995
Other comprehensive income for the period	-	-	-	115	-	115
Total	-	-	-	115	155,995	156,110
<b>Transactions with owners, recognised directly in equity</b>						
Issue of shares	1,691	-	-	-	-	1,691
Repurchase of shares	-	(207)	-	-	-	(207)
Share options lapsed	-	-	(70)	-	70	-
Recognition of share-based payments	-	-	951	-	-	951
Total	1,691	(207)	881	-	70	2,435
Balance at March 31, 2013	<u>674,914</u>	<u>(776)</u>	<u>41,404</u>	<u>(37,589)</u>	<u>835,536</u>	<u>1,513,489</u>

1.(d)(i) Statement of changes in equity for the period ended March 31, 2014

	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
<b><u>The Company</u></b>						
Balance at January 1, 2014	678,370	(2,081)	41,052	(38,349)	838,684	1,517,676
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	32,077	32,077
Other comprehensive income for the period	-	-	-	(65)	-	(65)
Total	-	-	-	(65)	32,077	32,012
<b>Transactions with owners, recognised directly in equity</b>						
Share options lapsed	-	-	(367)	-	367	-
Recognition of share-based payments	-	-	330	-	-	330
Total	-	-	(37)	-	367	330
Balance at March 31, 2014	<u>678,370</u>	<u>(2,081)</u>	<u>41,015</u>	<u>(38,414)</u>	<u>871,128</u>	<u>1,550,018</u>

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

As at March 31, 2014, the total number of ordinary shares in issue was 275,011,577 (December 31, 2013: 275,011,577), of which 275,000 were treasury shares (December 31, 2013: 275,000).

The Company did not purchase any ordinary share during Q1 2014 (Q1 2013: 26,000).

Ordinary shares purchased by the Company 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.

	<b>No. of ordinary shares in issue</b>	<b>S\$'000</b>
As at January 1, 2014 and March 31, 2014	<u>275,011,577</u>	<u>678,370</u>
	<b>No. of treasury shares</b>	<b>S\$'000</b>
As at January 1, 2014 and March 31, 2014	<u>275,000</u>	<u>2,081</u>
	<b>No. of shares</b>	<b>S\$'000</b>
Issued shares excluding treasury shares as at January 1, 2014 and 31 March, 2014	<u>274,736,577</u>	<u>676,289</u>

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

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

Since the end of the previous financial quarter, no options were exercised (March 31, 2013: 202,000). As at March 31, 2014, there were 12,683,000 unissued shares of the Company under options in the 2004 Scheme (March 31, 2013: 12,524,000).

Since the end of the previous financial quarter, 367,000 options (March 31, 2013: 68,000) have lapsed.

Venture Corporation Restricted Share Plan ("RSP")

The RSP has a 5-year vesting period and is subject to the rules of the RSP. As at Q1 2014, the number of RSP shares remained unchanged at 270,000.

	<b>No. of RSP shares awarded</b>	<b>Lapsed shares</b>	<b>No. of RSP shares net of lapsed shares</b>
May 2012 Award	180,000	(30,000)	150,000
May 2013 Award	120,000	-	120,000
	<u>300,000</u>	<u>(30,000)</u>	<u>270,000</u>

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, 2013.

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 31.03.2014	3 months ended 31.03.2013
(a)	11.2	10.2
(b)	11.2	10.2

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	
31.03.2014	31.12.2013	31.03.2014	31.12.2013
674.5	664.9	564.2	552.4

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 2014, the Group registered revenue of S\$591.0 million, an increase of 11.4% year-on-year, primarily from new customers.

For the quarter ended 31 March 2014, the Group registered profit attributable to owners of the company ("net profit") of S\$30.8 million, an increase of 9.8% compared to the corresponding quarter of the prior year. The Group recorded an income tax expense of S\$3.0 million for the reported quarter (1Q 2013: S\$0.5 million). This level of tax reflects various changes in tax incentives granted to the Company's subsidiaries. At a pre-tax level, profitability stood at S\$33.8 million with PBT (profit before tax) margin of 5.7% (1Q 2013: 5.4%).

Diluted Earnings Per Share for 1Q 2014 was 11.2 cents (1Q 2013: 10.2 cents).

The Group recorded S\$44.5 million of operating profit before working capital changes (1Q 2013: S\$40.7 million) and generated cash from operations of S\$41.8 million (1Q 2013: S\$12.1 million) for the three months ended 31 March 2014. The working capital of the Group improved marginally to S\$697.9 million for the reported quarter. This comprised S\$507.0 million Trade Receivables (As at 31 December 2013: S\$520.3 million) and S\$342.2 million of Trade Payables (As at 31 December 2013: S\$335.1 million). As at the end of 31 March 2014, Inventories stood at S\$533.1 million (As at 31 December 2013: S\$527.9 million). The slight increase in Inventories is primarily to meet customers' requirements and programmes.

The Group had cash and cash equivalent balances of S\$416.1 million (As at 31 December 2013: S\$390.9 million) and remained net cash positive at S\$237.6 million, compared to S\$229.1 million at the end of the year. Cash used in investing activities included S\$44.3 million of investments in property, plant and equipment to support customers' new programmes.

As at 31 March 2014, equity attributable to owners of the Company was S\$1,853.2 million (As at 31 December 2013: S\$1,826.8 million) and the Net Asset Value per share was S\$6.75 (As at 31 December 2013: S\$6.65).



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 most customers has generally been positive. The Group also expects growing revenue contribution from customers won in recent years, as well as from new programmes with a number of existing customers. However it remains too early to project a broad-based sustainable recovery.

The Group continues to focus on delivering best-in-class services to its customers and sustaining its operational excellence. In line with its long-term direction, the Group continues to invest strategically to augment its core competency and centres of excellence.

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, 2014 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, 2014

**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, 2014 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, 2014