

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, 2015. 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 31.03.2015 S\$'000	3 months ended 31.03.2014 S\$'000	% increase/ (decrease)
Revenue	608,654	590,989	3.0
Other income	248	182	36.3
Changes in inventories and consumables used	(463,015)	(456,751)	1.4
Employee benefits expense	(64,126)	(62,703)	2.3
Depreciation and amortisation expense	(10,754)	(10,190)	5.5
Research and development expense (Note 1)	(13,418)	(4,775)	181.0
Foreign currency exchange gain (loss)	2,286	(95)	n.m.
Other operating expenses	(22,258)	(23,025)	(3.3)
Investment revenue (Note 2)	980	379	158.6
Finance costs (interest expense on bank loans)	(242)	(244)	(0.8)
Share of profit of associates	-	2	n.m.
Profit before tax	38,355	33,769	13.6
Income tax expense	(5,723)	(2,984)	91.8
Profit for the period	32,632	30,785	6.0

Other comprehensive income:

- Items may be reclassified subsequently to profit or loss

Exchange differences arising on translation of foreign operations	39,189	(4,731)	n.m.
Fair value gain (loss) on available-for-sale investments	78	(65)	n.m.
Total comprehensive income for the period	71,899	25,989	176.7

Profit attributable to:

Owners of the Company
Non-controlling interests

32,563	30,770	5.8
69	15	360.0
32,632	30,785	6.0

Total comprehensive income attributable to:

Owners of the Company
Non-controlling interests

71,735	26,067	175.2
164	(78)	n.m.
71,899	25,989	176.7

Note 1: Research and development expense which comprised tooling and prototyping costs increased for the period mainly due to customer's requirements.

Note 2: Investment revenue increased mainly due to higher interest income.

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

	Group		
	3 months ended 31.03.2015 S\$'000	3 months ended 31.03.2014 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	864	95	809.5
Allowance for doubtful trade receivables	(53)	-	n.m.
Bad debt written off	-	(3)	n.m.
Loss on disposal of property, plant and equipment, net	(193)	(49)	293.9
Inventories written (off) back	(234)	143	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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	440,880	393,256	194,000	159,728
Trade receivables	530,339	556,991	79,252	87,994
Other receivables and prepayments	38,527	36,242	2,513	1,919
Inventories	611,777	552,747	61,886	50,205
Trade receivables due from subsidiaries	-	-	27,886	22,589
Other receivables due from subsidiaries	-	-	7,035	7,035
Trade receivables due from associates	10	-	-	-
Income tax recoverable	102	16	-	-
Total current assets	1,621,635	1,539,252	372,572	329,470
Non-current assets:				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	81,144	81,343	51,300	51,300
Available-for-sale investments	11,464	11,389	2,195	2,116
Other receivables	20,779	20,035	-	-
Property, plant and equipment	190,360	187,691	40,110	40,192
Intangible assets	36,311	41,392	4,327	5,116
Goodwill	639,708	639,708	-	-
Deferred tax assets	7,735	7,401	-	-
Total non-current assets	987,501	988,959	1,325,781	1,326,573
Total assets	2,609,136	2,528,211	1,698,353	1,656,043
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	176,000	169,000	82,278	78,696
Trade payables	380,519	385,683	53,081	43,103
Other payables and accrued expenses	94,653	92,911	25,708	28,043
Trade payables due to subsidiaries	-	-	4,304	3,429
Other payables due to subsidiaries	-	-	21,333	21,334
Trade payables due to associates	-	4	-	-
Income tax payable	9,163	9,571	1,921	2,355
Total current liabilities	660,335	657,169	188,625	176,960
Non-current liabilities:				
Deferred tax liabilities	5,670	6,237	-	-
Total non-current liabilities	5,670	6,237	-	-
Capital and reserves:				
Share capital	685,681	678,579	685,681	678,579
Treasury shares	(2,081)	(2,081)	(2,081)	(2,081)
Share-based awards reserve	37,951	42,336	37,284	41,669
Investments revaluation reserve	(40,333)	(40,411)	(38,136)	(38,214)
Translation reserve	(175,879)	(214,973)	-	-
Reserve fund	2,398	1,916	-	-
Capital reserve	17	17	-	-
Accumulated profits	1,432,747	1,396,956	826,980	799,130
Equity attributable to owners of the Company	1,940,501	1,862,339	1,509,728	1,479,083
Non-controlling interests	2,630	2,466	-	-
Total equity	1,943,131	1,864,805	1,509,728	1,479,083
Total liabilities and equity	2,609,136	2,528,211	1,698,353	1,656,043

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 31.03.2015		As at 31.12.2014		As at 31.03.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	176,000	-	169,000	-	82,278	-	78,696

(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 31.03.2015 S\$'000	3 months ended 31.03.2014 S\$'000
Operating activities:		
Profit before tax	38,355	33,769
Adjustments for:		
Share of profit of associates	-	(2)
Inventories written off (back)	234	(143)
Depreciation expense	6,285	5,867
Bad debt written off	-	3
Allowance for doubtful trade receivables	53	-
Amortisation of intangible assets	5,261	5,023
Interest income	(980)	(379)
Dividend income	(17)	(306)
Interest expense	242	244
Share-based payments expense	240	330
Write off of investment in associate	20	23
Loss on disposal of plant and equipment, net	193	49
Operating profit before working capital changes	49,886	44,478
Trade receivables	46,245	13,910
Other receivables and prepayments	(114)	3,524
Inventories	(35,319)	(6,984)
Amount due from associates	(14)	14
Trade payables	(19,455)	1,602
Other payables and accrued expenses	(1,248)	(14,772)
Cash generated from operations	39,981	41,772
Interest paid	(242)	(290)
Income tax paid	(7,103)	(3,918)
Net cash from operating activities	32,636	37,564
Investing activities:		
Interest received	491	379
Dividend received from associates	180	60
Dividend received from other equity investments	17	306
Purchase of property, plant and equipment	(2,775)	(44,327)
Proceeds on disposal of plant and equipment	26	1,158
Addition of intangible assets	(7)	(332)
Proceeds on disposal of an available-for-sale investments	-	15,000
Net cash used in investing activities	(2,068)	(27,756)
Financing activities:		
Repayment of bank loans	(718)	(508)
Proceeds from new bank loans	462	17,791
Proceeds from issue of shares	6,187	-
Net cash from financing activities	5,931	17,283
Net increase in cash and cash equivalents	36,499	27,091
Cash and cash equivalents at beginning of period	393,256	390,889
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	11,125	(1,832)
Cash and cash equivalents at end of period	440,880	416,148
Cash and cash equivalents at end of period includes the following:		
Cash	373,839	349,472
Fixed deposits	67,041	66,676
Cash and cash equivalents at the end of the period	440,880	416,148

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
The Group											
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
Total comprehensive income for the period											
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)
Total	-	-	-	(65)	(4,638)	-	-	30,770	26,067	(78)	25,989
Transactions with owners, recognised directly in equity											
Appropriation to reserve fund	-	-	-	-	-	324	-	(324)	-	-	-
Share options lapsed	-	-	(367)	-	-	-	-	367	-	-	-
Recognition of share-based payments	-	-	330	-	-	-	-	-	330	-	330
Total	-	-	(37)	-	-	324	-	43	330	-	330
Balance at March 31, 2014	678,370	(2,081)	41,682	(40,611)	(250,818)	1,916	17	1,424,751	1,853,226	2,339	1,855,565

1.(d)(i) Statement of changes in equity for the period ended March 31, 2015

	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, 2015	678,579	(2,081)	42,336	(40,411)	(214,973)	1,916	17	1,396,956	1,862,339	2,466	1,864,805
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	32,563	32,563	69	32,632
Other comprehensive income for the period	-	-	-	78	39,094	-	-	-	39,172	95	39,267
Total	-	-	-	78	39,094	-	-	32,563	71,735	164	71,899
Transactions with owners, recognised directly in equity											
Issue of shares	7,102	-	(915)	-	-	-	-	-	6,187	-	6,187
Appropriation to reserve fund	-	-	-	-	-	482	-	(482)	-	-	-
Share options lapsed	-	-	(3,710)	-	-	-	-	3,710	-	-	-
Recognition of share-based payments	-	-	240	-	-	-	-	-	240	-	240
Total	7,102	-	(4,385)	-	-	482	-	3,228	6,427	-	6,427
Balance at March 31, 2015	685,681	(2,081)	37,951	(40,333)	(175,879)	2,398	17	1,432,747	1,940,501	2,630	1,943,131

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
The Company						
Balance at January 1, 2014	678,370	(2,081)	41,052	(38,349)	838,684	1,517,676
Total comprehensive income for the period						
Profit for the period	-	-	-	-	32,077	32,077
Other comprehensive income for the period	-	-	-	(65)	-	(65)
Total	-	-	-	(65)	32,077	32,012
Transactions with owners, recognised directly in equity						
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)(i) Statement of changes in equity for the period ended March 31, 2015

	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
The Company						
Balance at January 1, 2015	678,579	(2,081)	41,669	(38,214)	799,130	1,479,083
Total comprehensive income for the period						
Profit for the period	-	-	-	-	24,140	24,140
Other comprehensive income for the period	-	-	-	78	-	78
Total	-	-	-	78	24,140	24,218
Transactions with owners, recognised directly in equity						
Issue of shares	7,102	-	(915)	-	-	6,187
Share options lapsed	-	-	(3,710)	-	3,710	-
Recognition of share-based payments	-	-	240	-	-	240
Total	7,102	-	(4,385)	-	3,710	6,427
Balance at March 31, 2015	<u>685,681</u>	<u>(2,081)</u>	<u>37,284</u>	<u>(38,136)</u>	<u>826,980</u>	<u>1,509,728</u>

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

As at March 31, 2015, the total number of ordinary shares in issue was 275,848,577 (December 31, 2014: 275,039,577), of which 275,000 were treasury shares (same as December 31, 2014).

The Company did not purchase any ordinary share during Q1 2015 (Q1 2014: 0).

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.

	No. of ordinary shares in issue	S\$'000
As at January 1, 2015	275,039,577	678,579
Add: No. of share options exercised in Q1 2015	809,000	7,102
As at March 31, 2015	<u>275,848,577</u>	<u>685,681</u>

	No. of treasury shares	S\$'000
As at January 1, 2015 and March 31, 2015	<u>275,000</u>	<u>2,081</u>

	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2015	<u>274,764,577</u>	<u>676,498</u>
Issued shares excluding treasury shares as at March 31, 2015	<u>275,573,577</u>	<u>683,600</u>

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

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

Since the end of the previous financial quarter, 809,000 share options were exercised (March 31, 2014: Nil). As at March 31, 2015, there were 12,002,000 unissued shares of the Company under options in the 2004 Scheme (March 31, 2014: 12,683,000).

Since the end of the previous financial quarter, 202,000 options (March 31, 2014: 367,000) have lapsed and 1,879,000 options (March 31, 2014: Nil) have expired.

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 2015, the number of RSP shares have remained unchanged at 390,000 (same as December 31, 2014).

	No. of RSP shares awarded	Lapsed shares	No. of RSP shares net of lapsed shares
May 2012 Award	180,000	(30,000)	150,000
May 2013 Award	120,000	-	120,000
May 2014 Award	120,000	-	120,000
	<u>420,000</u>	<u>(30,000)</u>	<u>390,000</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, 2014.

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 31.03.2015	3 months ended 31.03.2014
(a)	11.8	11.2
(b)	11.8	11.2

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	
31.03.2015	31.12.2014	31.03.2015	31.12.2014
704.2	677.8	547.8	538.3

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.

1Q 2015 PERFORMANCE

For the quarter ended 31 March 2015, the Group registered revenue of S\$608.7 million, a slight increase of 3.0% year-on-year. The Group recorded a quarterly profit before tax of S\$38.4 million for the quarter ended 31 March 2015, an increase of 13.6% compared to the corresponding quarter of the prior year. Based on tax incentives granted to the Group, income tax expense for the reported quarter was S\$5.7 million due to changes in sales mix of tax approved products. Profit attributable to owners of the Company increased by 5.8% to S\$32.6 million for the quarter ended 31 March 2015. This translates to a net margin of 5.4% (1Q 2014: 5.2%).

Diluted Earnings Per Share was 11.8 cents for the quarter ended 31 March 2015 (1Q 2014: 11.2 cents).

FINANCIAL POSITION AND CASHFLOW

During the quarter, the Group generated cash from operations of S\$40.0 million (1Q 2014: S\$41.8 million). The Group registered an increase in working capital largely due to higher inventories to meet customers' requirements and programmes. Through concerted collection efforts, trade receivables decreased by S\$26.7 million to S\$530.3 million for the reported quarter compared to the quarter ended 31 December 2014. Trade payables decreased slightly to S\$380.5 million for the same reported period.

The Group had cash and cash equivalent balances of S\$440.9 million (S\$393.3 million as at 31 December 2014) and remained net cash positive at S\$264.9 million.

As at 31 March 2015, Equity attributable to owners of the Company was S\$1,940.5 million (S\$1,862.3 million as at 31 December 2014) and the Net Asset Value per share was S\$7.04 (S\$6.78 as at 31 December 2014).

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**

Venture's strategy to build a diversified and healthy customer base has enabled the Group to build long-term sustainable growth. Going forward, the business environment remains challenging. However the Group is strategically well-positioned to manage its business and capitalise on opportunities which may arise in the future.

The Group's relentless pursuit of operational excellence and broadening of its R&D and engineering capabilities have served its customers well. The Group will continue to invest to augment its technical 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, 2015 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, 2015

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, 2015 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, 2015