

VENTURE CORPORATION LIMITED

Second 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 June 30, 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			Group		
	3 months ended 30.06.2015 S\$'000	3 months ended 30.06.2014 S\$'000	% increase/ (decrease)	6 months ended 30.06.2015 S\$'000	6 months ended 30.06.2014 S\$'000	% increase/ (decrease)
Revenue	660,977	601,117	10.0	1,269,631	1,192,106	6.5
Other income	302	480	(37.1)	550	662	(16.9)
Changes in inventories and consumables used	(509,946)	(461,930)	10.4	(972,961)	(918,681)	5.9
Employee benefits expense	(65,600)	(62,555)	4.9	(129,726)	(125,258)	3.6
Depreciation and amortisation expense	(10,787)	(10,403)	3.7	(21,541)	(20,593)	4.6
Research and development expense (Note 1)	(8,706)	(6,862)	26.9	(22,124)	(11,637)	90.1
Foreign currency exchange gain (loss)	782	(1,208)	n.m.	3,068	(1,303)	n.m.
Other operating expenses	(25,774)	(22,589)	14.1	(48,032)	(45,614)	5.3
Investment revenue	448	342	31.0	1,428	721	98.1
Finance costs (interest expense on bank loans)	(228)	(289)	(21.1)	(470)	(533)	(11.8)
Share of profit of associates	782	1,165	(32.9)	782	1,167	(33.0)
<b>Profit before tax</b>	<b>42,250</b>	<b>37,268</b>	<b>13.4</b>	<b>80,605</b>	<b>71,037</b>	<b>13.5</b>
Income tax expense	(6,165)	(3,715)	65.9	(11,888)	(6,699)	77.5
<b>Profit for the period</b>	<b>36,085</b>	<b>33,553</b>	<b>7.5</b>	<b>68,717</b>	<b>64,338</b>	<b>6.8</b>

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

Exchange differences arising on translation of foreign operations	(19,023)	(8,666)	119.5	20,166	(13,397)	n.m.
Fair value (loss) gain on available-for-sale investments	(160)	117	n.m.	(82)	52	n.m.
<b>Total comprehensive income for the period</b>	<b>16,902</b>	<b>25,004</b>	<b>(32.4)</b>	<b>88,801</b>	<b>50,993</b>	<b>74.1</b>

**Profit attributable to:**

Owners of the Company	36,063	33,546	7.5	68,626	64,316	6.7
Non-controlling interests	22	7	214.3	91	22	313.6
	<b>36,085</b>	<b>33,553</b>	<b>7.5</b>	<b>68,717</b>	<b>64,338</b>	<b>6.8</b>

**Total comprehensive income attributable to:**

Owners of the Company	16,935	25,026	(32.3)	88,670	51,093	73.5
Non-controlling interests	(33)	(22)	50.0	131	(100)	n.m.
	<b>16,902</b>	<b>25,004</b>	<b>(32.4)</b>	<b>88,801</b>	<b>50,993</b>	<b>74.1</b>

Note 1: Driven by increased customers' requirements for new prototyping related tooling and services, research and development expense was higher for the period.

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

	Group			Group		
	3 months ended 30.06.2015 S\$'000	3 months ended 30.06.2014 S\$'000	% increase/ (decrease)	6 months ended 30.06.2015 S\$'000	6 months ended 30.06.2014 S\$'000	% increase/ (decrease)
Underprovision of tax in respect of prior years	(1,111)	(254)	337.4	(247)	(159)	55.3
Allowance for doubtful trade receivables	(47)	-	n.m.	(100)	-	n.m.
Bad debt written off	-	-	n.m.	-	(3)	n.m.
(Loss) gain on disposal of property, plant and equipment, net	(105)	257	n.m.	(298)	208	n.m.
Inventories written off	(1,880)	(286)	557.3	(2,114)	(143)	1,378.3

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	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	329,807	393,256	85,183	159,728
Trade receivables	566,510	556,991	90,624	87,994
Other receivables and prepayments	29,691	36,242	2,410	1,919
Inventories	623,949	552,747	61,444	50,205
Trade receivables due from subsidiaries	-	-	27,633	22,589
Other receivables due from subsidiaries	-	-	7,043	7,035
Trade receivables due from associates	1	-	-	-
Income tax recoverable	64	16	-	-
<b>Total current assets</b>	<b>1,550,022</b>	<b>1,539,252</b>	<b>274,337</b>	<b>329,470</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	82,614	81,343	51,300	51,300
Available-for-sale investments	11,299	11,389	2,034	2,116
Other receivables	19,930	20,035	-	-
Property, plant and equipment	186,411	187,691	40,250	40,192
Intangible assets	31,188	41,392	3,454	5,116
Goodwill	639,708	639,708	-	-
Deferred tax assets	7,573	7,401	-	-
<b>Total non-current assets</b>	<b>978,723</b>	<b>988,959</b>	<b>1,324,887</b>	<b>1,326,573</b>
<b>Total assets</b>	<b>2,528,745</b>	<b>2,528,211</b>	<b>1,599,224</b>	<b>1,656,043</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans	174,827	169,000	80,550	78,696
Trade payables	415,526	385,683	58,821	43,103
Other payables and accrued expenses	96,307	92,911	23,082	28,043
Trade payables due to subsidiaries	-	-	4,302	3,429
Other payables due to subsidiaries	-	-	21,327	21,334
Trade payables due to associates	-	4	-	-
Income tax payable	11,744	9,571	1,486	2,355
<b>Total current liabilities</b>	<b>698,404</b>	<b>657,169</b>	<b>189,568</b>	<b>176,960</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	4,869	6,237	-	-
<b>Total non-current liabilities</b>	<b>4,869</b>	<b>6,237</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>				
Share capital	689,415	678,579	689,415	678,579
Treasury shares	(2,081)	(2,081)	(2,081)	(2,081)
Share-based awards reserve	37,646	42,336	36,962	41,669
Investments revaluation reserve	(40,493)	(40,411)	(38,296)	(38,214)
Translation reserve	(194,847)	(214,973)	-	-
Reserve fund	2,398	1,916	-	-
Capital reserve	17	17	-	-
Accumulated profits	1,330,820	1,396,956	723,656	799,130
<b>Equity attributable to owners of the Company</b>	<b>1,822,875</b>	<b>1,862,339</b>	<b>1,409,656</b>	<b>1,479,083</b>
Non-controlling interests	2,597	2,466	-	-
<b>Total equity</b>	<b>1,825,472</b>	<b>1,864,805</b>	<b>1,409,656</b>	<b>1,479,083</b>
<b>Total liabilities and equity</b>	<b>2,528,745</b>	<b>2,528,211</b>	<b>1,599,224</b>	<b>1,656,043</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 30.06.2015		As at 31.12.2014		As at 30.06.2015		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
-	174,827	-	169,000	-	80,550	-	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 30.06.2015 S\$'000	3 months ended 30.06.2014 S\$'000	6 months ended 30.06.2015 S\$'000	6 months ended 30.06.2014 S\$'000
<b>Operating activities:</b>				
Profit before tax	42,250	37,268	80,605	71,037
Adjustments for:				
Share of profit of associates	(782)	(1,165)	(782)	(1,167)
Inventories written off	1,880	286	2,114	143
Depreciation expense	6,334	6,081	12,619	11,948
Bad debt written off	-	-	-	3
Allowance for doubtful trade receivables	47	-	100	-
Amortisation of intangible assets	5,324	4,981	10,585	10,004
Interest income	(448)	(342)	(1,428)	(721)
Dividend income	(43)	(21)	(60)	(327)
Interest expense	228	289	470	533
Share-based payments expense	119	488	359	818
Write off of investment in associate	19	23	39	46
Loss (gain) on disposal of plant and equipment, net	105	(257)	298	(208)
<b>Operating profit before working capital changes</b>	<b>55,033</b>	<b>47,631</b>	<b>104,919</b>	<b>92,109</b>
Trade receivables	(43,516)	(14,901)	2,729	(991)
Other receivables and prepayments	4,513	1,674	4,399	5,198
Inventories	(30,269)	(11,201)	(65,588)	(18,185)
Amount due from associates	9	(10)	(5)	4
Trade payables	41,588	24,152	22,133	25,754
Other payables and accrued expenses	6,195	(88)	4,947	(14,860)
<b>Cash generated from operations</b>	<b>33,553</b>	<b>47,257</b>	<b>73,534</b>	<b>89,029</b>
Interest paid	(228)	(275)	(470)	(565)
Income tax paid	(4,178)	(5,383)	(11,281)	(9,301)
<b>Net cash from operating activities</b>	<b>29,147</b>	<b>41,599</b>	<b>61,783</b>	<b>79,163</b>
<b>Investing activities:</b>				
Interest received	489	342	980	721
Dividend received from associates	-	428	180	488
Dividend received from other equity investments	43	21	60	327
Purchase of property, plant and equipment	(5,601)	(5,227)	(8,376)	(49,554)
Proceeds on disposal of plant and equipment	15	635	41	1,793
Addition of intangible assets	(281)	(277)	(288)	(609)
Proceeds on disposal of an available-for-sale investments	-	38	-	15,038
<b>Net cash used in investing activities</b>	<b>(5,335)</b>	<b>(4,040)</b>	<b>(7,403)</b>	<b>(31,796)</b>
<b>Financing activities:</b>				
Dividends paid	(138,009)	(137,368)	(138,009)	(137,368)
Repayment of bank loans	-	(6,900)	(718)	(7,408)
Proceeds from new bank loans	2,406	3,407	2,868	21,198
Proceeds from issue of shares	3,312	-	9,499	-
<b>Net cash used in financing activities</b>	<b>(132,291)</b>	<b>(140,861)</b>	<b>(126,360)</b>	<b>(123,578)</b>
Net decrease in cash and cash equivalents	(108,479)	(103,302)	(71,980)	(76,211)
Cash and cash equivalents at beginning of period	440,880	416,148	393,256	390,889
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(2,594)	(2,459)	8,531	(4,291)
<b>Cash and cash equivalents at end of period</b>	<b>329,807</b>	<b>310,387</b>	<b>329,807</b>	<b>310,387</b>
<b>Cash and cash equivalents at end of period includes the following:</b>				
Cash	318,815	230,513	318,815	230,513
Fixed deposits	10,992	79,874	10,992	79,874
<b>Cash and cash equivalents at the end of the period</b>	<b>329,807</b>	<b>310,387</b>	<b>329,807</b>	<b>310,387</b>

1.(d)(i) Statement of changes in equity for the period ended June 30, 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 loss for the period	-	-	-	(65)	(4,638)	-	-	-	(4,703)	(93)	(4,796)
Total	-	-	-	(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
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
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	33,546	33,546	7	33,553
Other comprehensive loss for the period	-	-	-	117	(8,637)	-	-	-	(8,520)	(29)	(8,549)
Total	-	-	-	117	(8,637)	-	-	33,546	25,026	(22)	25,004
<b>Transactions with owners, recognised directly in equity</b>											
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	-	(137,368)	(137,368)	-	(137,368)
Share options lapsed	-	-	(130)	-	-	-	-	130	-	-	-
Recognition of share-based payments	-	-	488	-	-	-	-	-	488	-	488
Total	-	-	358	-	-	-	-	(137,238)	(136,880)	-	(136,880)
Balance at June 30, 2014	678,370	(2,081)	42,040	(40,494)	(259,455)	1,916	17	1,321,059	1,741,372	2,317	1,743,689

1.(d)(i) Statement of changes in equity for the period ended June 30, 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
<b>The Group</b>											
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
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	36,063	36,063	22	36,085
Other comprehensive loss for the period	-	-	-	(160)	(18,968)	-	-	-	(19,128)	(55)	(19,183)
Total	-	-	-	(160)	(18,968)	-	-	36,063	16,935	(33)	16,902
Transactions with owners, recognised directly in equity											
Issue of shares	3,734	-	(422)	-	-	-	-	-	3,312	-	3,312
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	-	(138,009)	(138,009)	-	(138,009)
Share options lapsed	-	-	(19)	-	-	-	-	19	-	-	-
Recognition of share-based payments	-	-	119	-	-	-	-	-	119	-	119
Share of an associate's share options reserve	-	-	17	-	-	-	-	-	17	-	17
Total	3,734	-	(305)	-	-	-	-	(137,990)	(134,561)	-	(134,561)
Balance at June 30, 2015	689,415	(2,081)	37,646	(40,493)	(194,847)	2,398	17	1,330,820	1,822,875	2,597	1,825,472

## 1.(d)(i) Statement of changes in equity for the period ended June 30, 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>The Company</b>						
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 loss 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	678,370	(2,081)	41,015	(38,414)	871,128	1,550,018
Total comprehensive income for the period						
Profit for the period	-	-	-	-	10,133	10,133
Other comprehensive income for the period	-	-	-	117	-	117
Total	-	-	-	117	10,133	10,250
Transactions with owners, recognised directly in equity						
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	(137,368)	(137,368)
Share options lapsed	-	-	(130)	-	130	-
Recognition of share-based payments	-	-	488	-	-	488
Total	-	-	358	-	(137,238)	(136,880)
Balance at June 30, 2014	678,370	(2,081)	41,373	(38,297)	744,023	1,423,388

## 1.(d)(i) Statement of changes in equity for the period ended June 30, 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
<b>The Company</b>						
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	685,681	(2,081)	37,284	(38,136)	826,980	1,509,728
Total comprehensive income for the period						
Profit for the period	-	-	-	-	34,666	34,666
Other comprehensive loss for the period	-	-	-	(160)	-	(160)
Total	-	-	-	(160)	34,666	34,506
Transactions with owners, recognised directly in equity						
Issue of shares	3,734	-	(422)	-	-	3,312
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	(138,009)	(138,009)
Share options lapsed	-	-	(19)	-	19	-
Recognition of share-based payments	-	-	119	-	-	119
Total	3,734	-	(322)	-	(137,990)	(134,578)
Balance at June 30, 2015	689,415	(2,081)	36,962	(38,296)	723,656	1,409,656

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

As at June 30, 2015, the total number of ordinary shares in issue was 276,292,577 (June 30, 2014: 275,011,577), of which 275,000 were treasury shares (June 30, 2014: 275,000).

The Company did not purchase any ordinary share during Q2 2015 (Q2 2014: Nil).

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	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>
Add: No. of share options exercised in Q2 2015	444,000	3,734
As at June 30, 2015	<u>276,292,577</u>	<u>689,415</u>

	No. of treasury shares	S\$'000
As at January 1, 2015 and June 30, 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>
Issued shares excluding treasury shares as at June 30, 2015	<u>276,017,577</u>	<u>687,334</u>

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

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

Since the end of the previous financial quarter, 444,000 were exercised (June 30, 2014: Nil). As at June 30, 2015, there were 11,495,000 unissued shares of the Company under options in the 2004 Scheme (June 30, 2014: 15,471,000).

Since the end of the previous financial quarter, 63,000 options (June 30, 2014: 191,000) have lapsed.

Venture Corporation Executives' Share Option Scheme ("The 2015 Scheme")

2,800,000 new options were granted on 16 June, 2015 and 2,598,000 of them were accepted under "The 2015 Scheme". Options are exercisable at the following subscription prices payable during different exercise periods. The vesting period is one year. If the options remain unexercised after the period of 5 years from the date of grant, the options would expire. Options are forfeited if the employee leaves the Group.

<u>Exercise period</u>	<u>Exercise price</u>
June 16, 2016 to June 15, 2017	\$9.663
June 16, 2017 to June 15, 2018	\$8.890
June 16, 2018 to June 15, 2020	\$7.730

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 Q2 2015, the number of RSP shares is 660,000.

	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
May 2015 Award	270,000	-	270,000
	<u>690,000</u>	<u>(30,000)</u>	<u>660,000</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 30.06.2015	3 months ended 30.06.2014	6 months ended 30.06.2015	6 months ended 30.06.2014
(a)	13.1	12.2	24.9	23.4
(b)	13.1	12.2	24.9	23.4

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	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	660.4	677.8	510.7	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.**

#### **FINANCIAL PERFORMANCE**

For the quarter ended 30 June 2015, the Group registered revenue of S\$661.0 million, an increase of 10.0% year-on-year, driven by both higher shipment and favourable exchange rate movement. Compared to the prior quarter, revenue for the reported quarter rose by 8.6%. For the six months ended 30 June 2015, revenue rose 6.5% to S\$1,269.6 million.

The Group recorded Profit before tax (PBT) of S\$42.3 million for the quarter ended 30 June 2015, an increase of 13.4% compared to the corresponding quarter of the prior year. Based on tax incentives granted to the Group and reflecting the sales mix of the quarter, the Group reported higher income tax expense of S\$6.2 million for the quarter ended 30 June 2015. Profit attributable to owners of the Company (net profit) increased by 7.5% to S\$36.1 million for the reported quarter. This translates to a net margin of 5.5% (2Q 2014: 5.6%; 1Q 2015: 5.4%). For the six months ended 30 June 2015, the Group net profit rose 6.7% year-on-year to S\$68.6 million.

Diluted Earnings Per Share (EPS) was 13.1 cents for the reported quarter (2Q 2014: 12.2 cents). For the six months ended 30 June 2015, diluted EPS was 24.9 cents (1H 2014: 23.4 cents).

#### **FINANCIAL POSITION AND CASHFLOW**

During the quarter, the Group generated cash from operations of S\$33.6 million (2Q 2014: S\$47.3 million). The Group registered an increase in working capital largely due to higher inventories to meet customers' requirements and programmes. For the six months ended 30 June 2015, the Group reported S\$104.9 million of operating profit before working capital changes and generated cash from operations of S\$73.5 million. During the quarter, the Group declared and paid a final tax-exempt dividend of 50¢ per Ordinary Share amounting to S\$138.0 million. As at 30 June 2015, the Group had cash and cash equivalent of S\$329.8 million (4Q 2014: S\$393.3 million) and remained net cash positive at S\$155.0 million.

As at 30 June 2015, Equity attributable to owners of the Company was S\$1,822.9 million (4Q 2014: S\$1,862.3 million) and Net Asset Value per share was S\$6.60 (4Q 2014: S\$6.78).

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 economic landscape, in which our customers operate, remains challenging with elements of uncertainty. This is reflected in the generally cautious outlook of our customers. The Group remains focused on sustaining operational excellence and driving innovation; and continues to strengthen its strategic capabilities and competencies in several domain areas and market verticals.

With strong sustaining operational excellence and broadening of innovation thrusts throughout the organisation, the Group can expect to capture more market share with its existing customers and to win new programmes and customers.

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, 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  
August 5, 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 second quarter ended June 30, 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

August 5, 2015