

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, 2016.
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 31.03.2016 S\$'000	3 months ended 31.03.2015 S\$'000	% increase/ (decrease)
Revenue	630,720	608,654	3.6
Other income	289	248	16.5
Changes in finished goods and work in progress, and raw materials used	(477,505)	(463,015)	3.1
Employee benefits expense	(66,722)	(64,126)	4.0
Depreciation and amortisation expense	(10,676)	(10,754)	(0.7)
Research and development expense (Note 1)	(8,219)	(13,418)	(38.7)
Foreign currency exchange (loss) gain	(1,710)	2,286	n.m.
Other operating expenses	(24,261)	(22,258)	9.0
Investment revenue	812	980	(17.1)
Finance costs (interest expense on bank loans)	(265)	(242)	9.5
Profit before tax	42,463	38,355	10.7
Income tax expense	(6,615)	(5,723)	15.6
Profit for the period	35,848	32,632	9.9

Other comprehensive income:

- Items may be reclassified subsequently to profit or loss

Exchange differences on translation of foreign operations	(43,162)	39,189	n.m.
Fair value (loss) gain on available-for-sale investments	(89)	78	n.m.
Fair value (loss) on cash flow hedge	(133)	-	n.m.
Total comprehensive income for the period	(7,536)	71,899	n.m.

Profit attributable to:

Owners of the Company	35,839	32,563	10.1
Non-controlling interests	9	69	(87.0)
	35,848	32,632	9.9

Total comprehensive income attributable to:

Owners of the Company	(7,443)	71,735	n.m.
Non-controlling interests	(93)	164	n.m.
	(7,536)	71,899	n.m.

Note1

Research and development expense decreased for the reported period due to lower customers' requirements for prototyping related tooling and services.

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

Group		
3 months ended 31.03.2016 S\$'000	3 months ended 31.03.2015 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	58	864 (93.3)
Allowance for doubtful trade receivables	(1,717)	(53) n.m.
Loss on disposal of property, plant and equipment, net	(60)	(193) (68.9)
Inventories written off	(249)	(234) 6.4

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	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	527,022	459,254	190,707	160,403
Trade receivables	506,514	570,407	94,342	111,496
Other receivables and prepayments	25,595	33,326	5,673	5,931
Inventories	570,799	556,471	58,111	52,753
Trade receivables due from subsidiaries	-	-	15,129	12,159
Other receivables due from subsidiaries	-	-	7,245	7,075
Income tax recoverable	62	60	-	-
Total current assets	1,629,992	1,619,518	371,207	349,817
Non-current assets:				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	19,202	19,412	-	-
Available-for-sale investments	13,665	13,757	4,897	4,985
Other receivables	21,152	20,234	-	-
Property, plant and equipment	181,291	186,481	39,850	39,885
Intangible assets	16,248	21,510	1,468	2,218
Goodwill	639,708	639,708	-	-
Deferred tax assets	7,374	7,697	-	-
Total non-current assets	898,640	908,799	1,274,064	1,274,937
Total assets	2,528,632	2,528,317	1,645,271	1,624,754
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	99,979	108,542	67,700	70,705
Trade payables	377,768	353,329	45,406	46,535
Other payables and accrued expenses	115,893	125,964	24,140	34,199
Trade payables due to subsidiaries	-	-	23,527	11,228
Other payables due to subsidiaries	-	-	21,277	21,306
Trade payables due to associates	6	-	-	-
Income tax payable	17,676	15,058	3,008	2,034
Total current liabilities	611,322	602,893	185,058	186,007
Non-current liabilities:				
Bank loan	25,350	26,475	25,350	26,475
Deferred tax liabilities	2,500	3,140	-	-
Total non-current liabilities	27,850	29,615	25,350	26,475
Capital and reserves:				
Share capital	694,542	693,333	694,542	693,333
Treasury shares	(2,081)	(2,081)	(2,081)	(2,081)
Share-based awards reserve	6,299	6,375	5,615	5,691
Investments revaluation and hedging reserve	(357)	(135)	(357)	(135)
Translation reserve	(192,957)	(149,897)	-	-
Reserve fund	3,066	2,398	-	-
Capital reserve	17	17	-	-
Accumulated profits	1,378,440	1,343,215	737,144	715,464
Equity attributable to owners of the Company	1,886,969	1,893,225	1,434,863	1,412,272
Non-controlling interests	2,491	2,584	-	-
Total equity	1,889,460	1,895,809	1,434,863	1,412,272
Total liabilities and equity	2,528,632	2,528,317	1,645,271	1,624,754

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 31.03.2016		As at 31.12.2015		As at 31.03.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	99,979	-	108,542	-	67,700	-	70,705

(b) Amount repayable after one year

Group				Company			
As at 31.03.2016		As at 31.12.2015		As at 31.03.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
25,350	-	26,475	-	25,350	-	26,475	-

(c) Details of any collateral

The secured bank loan is secured by pledged bank deposits.

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	3 months ended
	31.03.2016	31.03.2015
	S\$'000	S\$'000
Operating activities:		
Profit before tax	42,463	38,355
Adjustments for:		
Inventories written off	249	234
Depreciation expense	6,326	6,285
Allowance for doubtful trade receivables	1,717	53
Amortisation of intangible assets	5,106	5,261
Interest income	(812)	(980)
Dividend income	(19)	(17)
Interest expense	265	242
Share-based payments expense	121	240
Write off of investment in associate	-	20
Loss on disposal of plant and equipment, net	60	193
Operating profit before working capital changes	55,476	49,886
Trade receivables	44,046	46,245
Other receivables and prepayments	5,254	(114)
Inventories	(37,182)	(35,319)
Amount due to associates	6	(14)
Trade payables	38,764	(19,455)
Other payables and accrued expenses	(6,320)	(1,248)
Cash generated from operations	100,044	39,981
Interest paid	(265)	(242)
Income tax paid	(4,214)	(7,103)
Net cash from operating activities	95,565	32,636
Investing activities:		
Interest received	440	491
Dividend received from associates	210	180
Dividend received from other equity investments	19	17
Purchase of property, plant and equipment	(7,231)	(2,775)
Proceeds on disposal of plant and equipment	35	26
Addition of intangible assets	-	(7)
Net cash used in investing activities	(6,527)	(2,068)
Financing activities:		
Repayment of bank loans	(4,218)	(718)
Proceeds from new bank loans	-	462
Proceeds from issue of shares	1,066	6,187
Net cash (used in) from financing activities	(3,152)	5,931
Net increase in cash and cash equivalents	85,886	36,499
Cash and cash equivalents at beginning of period	433,154	393,256
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(17,110)	11,125
Cash and cash equivalents at end of period	501,930	440,880
Cash and cash equivalents comprise:		
Cash	324,800	373,839
Fixed deposits	202,222	67,041
	527,022	440,880
Less: Pledged bank deposits	(25,092)	-
Cash and cash equivalents on the consolidated cash flow statement	501,930	440,880

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 & Hedging 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 as restated	678,579	(2,081)	42,336	147	(214,973)	1,916	17	1,292,607	1,798,548	2,466	1,801,014
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	225	(175,879)	2,398	17	1,328,398	1,876,710	2,630	1,879,340

1.(d)(i) Statement of changes in equity for the period ended March 31, 2016

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation & Hedging 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, 2016	693,333	(2,081)	6,375	(135)	(149,897)	2,398	17	1,343,215	1,893,225	2,584	1,895,809
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	35,839	35,839	9	35,848
Other comprehensive income for the period	-	-	-	(222)	(43,060)	-	-	-	(43,282)	(102)	(43,384)
Total	-	-	-	(222)	(43,060)	-	-	35,839	(7,443)	(93)	(7,536)
Transactions with owners, recognised directly in equity											
Issue of shares	1,209	-	(143)	-	-	-	-	-	1,066	-	1,066
Appropriation to reserve fund	-	-	-	-	-	668	-	(668)	-	-	-
Share options lapsed	-	-	(54)	-	-	-	-	54	-	-	-
Recognition of share-based payments	-	-	121	-	-	-	-	-	121	-	121
Total	1,209	-	(76)	-	-	668	-	(614)	1,187	-	1,187
Balance at March 31, 2016	694,542	(2,081)	6,299	(357)	(192,957)	3,066	17	1,378,440	1,886,969	2,491	1,889,460

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 & Hedging reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<u>The Company</u>						
Balance at January 1, 2015 as restated	678,579	(2,081)	41,669	147	709,469	1,427,783
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	225	737,319	1,458,428

1.(d)(i) Statement of changes in equity for the period ended March 31, 2016

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<u>The Company</u>						
Balance at January 1, 2016	693,333	(2,081)	5,691	(135)	715,464	1,412,272
Total comprehensive income for the period						
Profit for the period	-	-	-	-	21,626	21,626
Other comprehensive income for the period	-	-	-	(222)	-	(222)
Total	-	-	-	(222)	21,626	21,404
Transactions with owners, recognised directly in equity						
Issue of shares	1,209	-	(143)	-	-	1,066
Share options lapsed	-	-	(54)	-	54	-
Recognition of share-based payments	-	-	121	-	-	121
Total	1,209	-	(76)	-	54	1,187
Balance at March 31, 2016	694,542	(2,081)	5,615	(357)	737,144	1,434,863

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

As at March 31, 2016, the total number of ordinary shares in issue was 276,923,577 (March 31, 2015: 275,848,577), of which 275,000 were treasury shares (same as March 31, 2015).

The Company did not purchase any ordinary share during Q1 2016 (Q1 2015: 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, 2016	276,773,577	693,333
Add: No. of share options exercised in Q1 2016	150,000	1,209
As at March 31, 2016	<u>276,923,577</u>	<u>694,542</u>

	No. of treasury shares	S\$'000
As at January 1, 2016 and March 31, 2016	<u>275,000</u>	<u>2,081</u>

	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2016	<u>276,498,577</u>	<u>691,252</u>
Issued shares excluding treasury shares as at March 31, 2016	<u>276,648,577</u>	<u>692,461</u>

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

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

Since the end of the previous financial quarter, 150,000 options (March 31, 2015: 809,000) were exercised and 137,000 options (March 31, 2015: 202,000) have lapsed.

As at March 31, 2016, there were 8,313,000 unissued shares of the Company under options in the 2004 Scheme (March 31, 2015: 12,002,000).

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

Since the end of the previous financial quarter, 31,000 options have lapsed (March 31, 2015: N/A).

As at March 31, 2016, there were 2,496,000 unissued shares of the Company under options in the 2015 Scheme (March 31, 2015: N/A).

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 2016, the number of RSP shares stood at 610,000 (March 31, 2015: 390,000).

	No. of RSP shares awarded	Lapsed shares	No. of RSP shares net of lapsed shares
May 2012 Award	180,000	(60,000)	120,000
May 2013 Award	120,000	(20,000)	100,000
May 2014 Award	120,000	-	120,000
May 2015 Award	270,000	-	270,000
	<u>690,000</u>	<u>(80,000)</u>	<u>610,000</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, 2015.

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 31.03.2016	3 months ended 31.03.2015
(a)	13.0	11.8
(b)	12.9	11.8

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	
31.03.2016	31.12.2015	31.03.2016	31.12.2015
682.1	684.7	518.7	510.8

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.

PERFORMANCE REVIEW

For the quarter ended 31 March 2016, the Group registered revenue of S\$630.7 million, an increase of 3.6% year-on-year. The Group registered profit before tax of S\$42.5 million for the quarter ended 31 March 2016, an increase of 10.7% compared to the corresponding quarter of the prior year. Based on tax incentives granted, an income tax expense of S\$6.6 million was recorded for the reported quarter. The Group registered net profit (profit attributable to owners of the Company) of S\$35.8 million, an improvement of 10.1% year-on-year. The net profit margin for the reported quarter was 5.7%. Profit improvement for the reported quarter continued to be driven by successful execution on a number of strategic initiatives including the pursuit of operational excellence and value creation.

Diluted Earnings Per Share for the quarter ended 31 March 2016 was 12.9 cents (1Q 2015: 11.8 cents).

FINANCIAL POSITION AND CASHFLOW

During the quarter, the Group generated cash from operations of S\$100.0 million (1Q 2015: S\$40.0 million). Working capital for the reported quarter closed at S\$699.5 million, lower by S\$74.0 million compared to the quarter ending 31 December 2015, largely due to lower trade receivable balances for the reported quarter. Through concerted collection efforts, trade receivables decreased by S\$63.9 million to S\$506.5 million as at 31 March 2016. The Group recorded higher cash and bank balances of S\$527.0 million at the end of the reported quarter (S\$459.3 million as at 31 December 2015) with a corresponding increase in net cash of S\$77.5 million to S\$401.7 million (S\$324.2 million as at 31 December 2015).

As at 31 March 2016, Equity attributable to owners of the Company was S\$1,887.0 million and Net Asset Value per share was S\$6.82.

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 Group made good progress in improving its profitability notwithstanding the challenging global economic environment. This was largely underpinned by strong R&D initiatives, innovation in product and solution development and sustained operational excellence. These performance imperatives have enabled the Group to increase its market share and capture additional opportunities across its diversified and healthy customer base.

The Group continues to pursue excellence relentlessly and to provide total customer satisfaction. It will also continue to enhance its healthy balance sheet and competent cash generation. It remains well positioned to seize emerging opportunities and to build sustainable and profitable 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 March 31, 2016 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 Cheng Nee
Company Secretary
April 28, 2016

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, 2016 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 28, 2016