

**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, 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			Group		
	3 months ended 30.06.2016 S\$'000	3 months ended 30.06.2015 S\$'000	% increase/ (decrease)	6 months ended 30.06.2016 S\$'000	6 months ended 30.06.2015 S\$'000	% increase/ (decrease)
<b>Revenue</b>	683,266	660,977	3.4	1,313,986	1,269,631	3.5
Other income	612	302	102.6	901	550	63.8
Changes in finished goods and work in progress, and raw materials used	(522,634)	(509,946)	2.5	(1,000,139)	(972,961)	2.8
Employee benefits expense	(70,636)	(65,600)	7.7	(137,358)	(129,726)	5.9
Depreciation and amortisation expense	(10,474)	(10,787)	(2.9)	(21,150)	(21,541)	(1.8)
Research and development expense (Note 1)	(6,207)	(8,706)	(28.7)	(14,426)	(22,124)	(34.8)
Foreign currency exchange gain (Note 2)	3,235	782	313.7	1,525	3,068	(50.3)
Other operating expenses	(27,676)	(25,774)	7.4	(51,937)	(48,032)	8.1
Investment revenue	745	448	66.3	1,557	1,428	9.0
Finance costs (interest expense on bank loans)	(219)	(228)	(3.9)	(484)	(470)	3.0
Share of profit of associates	1,607	782	105.5	1,607	782	105.5
<b>Profit before tax</b>	<b>51,619</b>	<b>42,250</b>	<b>22.2</b>	<b>94,082</b>	<b>80,605</b>	<b>16.7</b>
Income tax expense	(8,212)	(6,165)	33.2	(14,827)	(11,888)	24.7
<b>Profit for the period</b>	<b>43,407</b>	<b>36,085</b>	<b>20.3</b>	<b>79,255</b>	<b>68,717</b>	<b>15.3</b>
<b>Other comprehensive (loss) income:</b>						
<b>- Items may be reclassified subsequently to profit or loss</b>						
Exchange differences on translation of foreign operations	(9,555)	(19,023)	(49.8)	(52,717)	20,166	n.m.
Translation gain reclassified to profit or loss on loss of significant influence on an associate (Note 2)	(2,108)	-	n.m.	(2,108)	-	n.m.
Fair value loss on available-for-sale investments	(1)	(160)	(99.4)	(90)	(82)	9.8
Fair value loss on cash flow hedge	(19)	-	n.m.	(152)	-	n.m.
<b>Total comprehensive income for the period</b>	<b>31,724</b>	<b>16,902</b>	<b>87.7</b>	<b>24,188</b>	<b>88,801</b>	<b>(72.8)</b>
<b>Profit attributable to:</b>						
Owners of the Company	43,391	36,063	20.3	79,230	68,626	15.5
Non-controlling interests	16	22	(27.3)	25	91	(72.5)
	<b>43,407</b>	<b>36,085</b>	<b>20.3</b>	<b>79,255</b>	<b>68,717</b>	<b>15.3</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	31,766	16,935	87.6	24,323	88,670	(72.6)
Non-controlling interests	(42)	(33)	27.3	(135)	131	(203.1)
	<b>31,724</b>	<b>16,902</b>	<b>87.7</b>	<b>24,188</b>	<b>88,801</b>	<b>(72.8)</b>

**Note 1**

Research and development (R&D) expense which comprised prototyping related tooling and services decreased for the reported period due to lower customers' requirements. R&D manpower costs are included under Employee benefits expense.

**Note 2**

Foreign currency exchange gain includes S\$2.1 million translation gain reclassified to profit or loss due to loss of significant influence on an associate.

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

	Group			Group		
	3 months ended 30.06.2016 S\$'000	3 months ended 30.06.2015 S\$'000	% increase/ (decrease)	6 months ended 30.06.2016 S\$'000	6 months ended 30.06.2015 S\$'000	% increase/ (decrease)
Underprovision of tax in respect of prior years	(308)	(1,111)	(72.3)	(250)	(247)	1.2
Allowance for doubtful trade receivables	(2,046)	(47)	n.m.	(3,763)	(100)	n.m.
Loss on disposal of property, plant and equipment, net	(23)	(105)	(78.1)	(83)	(298)	(72.1)
Inventories written off	(382)	(1,880)	(79.7)	(631)	(2,114)	(70.2)

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	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	377,452	459,254	97,987	160,403
Trade receivables	543,631	570,407	124,058	111,496
Other receivables and prepayments	23,962	33,326	7,438	5,931
Inventories	581,657	556,471	51,948	52,753
Trade receivables due from subsidiaries	-	-	15,859	12,159
Other receivables due from subsidiaries	-	-	18,376	7,075
Income tax recoverable	5	60	-	-
<b>Total current assets</b>	<b>1,526,707</b>	<b>1,619,518</b>	<b>315,666</b>	<b>349,817</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	19,951	19,412	-	-
Available-for-sale investments	13,695	13,757	4,932	4,985
Other receivables	11,272	20,234	-	-
Property, plant and equipment	192,568	186,481	39,564	39,885
Intangible assets	11,696	21,510	1,181	2,218
Goodwill	639,708	639,708	-	-
Deferred tax assets	7,331	7,697	-	-
<b>Total non-current assets</b>	<b>896,221</b>	<b>908,799</b>	<b>1,273,526</b>	<b>1,274,937</b>
<b>Total assets</b>	<b>2,422,928</b>	<b>2,528,317</b>	<b>1,589,192</b>	<b>1,624,754</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans	67,454	108,542	47,110	70,705
Trade payables	409,222	353,329	41,025	46,535
Other payables and accrued expenses	115,250	125,964	25,768	34,199
Trade payables due to subsidiaries	-	-	52,676	11,228
Other payables due to subsidiaries	-	-	21,272	21,306
Trade payables due to associates	3	-	-	-
Income tax payable	19,084	15,058	2,292	2,034
<b>Total current liabilities</b>	<b>611,013</b>	<b>602,893</b>	<b>190,143</b>	<b>186,007</b>
<b>Non-current liabilities:</b>				
Bank loan	25,200	26,475	25,200	26,475
Deferred tax liabilities	1,894	3,140	-	-
<b>Total non-current liabilities</b>	<b>27,094</b>	<b>29,615</b>	<b>25,200</b>	<b>26,475</b>
<b>Capital and reserves:</b>				
Share capital	696,797	693,333	696,797	693,333
Treasury shares	(2,321)	(2,081)	(2,321)	(2,081)
Share-based awards reserve	6,253	6,375	5,569	5,691
Investments revaluation and hedging reserve	(377)	(135)	(377)	(135)
Translation reserve	(204,562)	(149,897)	-	-
Reserve fund	3,066	2,398	-	-
Capital reserve	-	17	-	-
Accumulated profits	1,283,516	1,343,215	674,181	715,464
<b>Equity attributable to owners of the Company</b>	<b>1,782,372</b>	<b>1,893,225</b>	<b>1,373,849</b>	<b>1,412,272</b>
Non-controlling interests	2,449	2,584	-	-
<b>Total equity</b>	<b>1,784,821</b>	<b>1,895,809</b>	<b>1,373,849</b>	<b>1,412,272</b>
<b>Total liabilities and equity</b>	<b>2,422,928</b>	<b>2,528,317</b>	<b>1,589,192</b>	<b>1,624,754</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 30.06.2016		As at 31.12.2015		As at 30.06.2016		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
-	67,454	-	108,542	-	47,110	-	70,705

(b) Amount repayable after one year

Group				Company			
As at 30.06.2016		As at 31.12.2015		As at 30.06.2016		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
25,200	-	26,475	-	25,200	-	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 30.06.2016 S\$'000	3 months ended 30.06.2015 S\$'000	6 months ended 30.06.2016 S\$'000	6 months ended 30.06.2015 S\$'000
<b>Operating activities:</b>				
Profit before tax	51,619	42,250	94,082	80,605
Adjustments for:				
Share of profit of associates	(1,607)	(782)	(1,607)	(782)
Inventories written off	382	1,880	631	2,114
Depreciation expense	6,222	6,334	12,548	12,619
Allowance for doubtful trade receivables	2,046	47	3,763	100
Amortisation of intangible assets	4,540	5,343	9,646	10,624
Interest income	(745)	(448)	(1,557)	(1,428)
Dividend income	(102)	(43)	(121)	(60)
Interest expense	219	228	484	470
Share-based payments expense	251	119	372	359
Loss on disposal of plant and equipment, net	23	105	83	298
Translation gain reclassified to profit or loss on loss of significant influence on an associate	(2,108)	-	(2,108)	-
<b>Operating profit before working capital changes</b>	<b>60,740</b>	<b>55,033</b>	<b>116,216</b>	<b>104,919</b>
Trade receivables	(43,090)	(43,516)	956	2,729
Other receivables and prepayments	4,265	4,513	9,519	4,399
Inventories	(15,087)	(30,269)	(52,269)	(65,588)
Amount due to associates	(3)	9	3	(5)
Trade payables	34,164	41,588	72,928	22,133
Other payables and accrued expenses	(12)	6,195	(6,332)	4,947
<b>Cash generated from operations</b>	<b>40,977</b>	<b>33,553</b>	<b>141,021</b>	<b>73,534</b>
Interest paid	(219)	(228)	(484)	(470)
Income tax paid	(7,181)	(4,178)	(11,395)	(11,281)
<b>Net cash from operating activities</b>	<b>33,577</b>	<b>29,147</b>	<b>129,142</b>	<b>61,783</b>
<b>Investing activities:</b>				
Interest received	643	489	1,083	980
Dividend received from associates	-	-	210	180
Dividend received from other equity investments	66	43	85	60
Purchase of property, plant and equipment (Note 3)	(11,395)	(5,601)	(18,626)	(8,376)
Proceeds on disposal of plant and equipment	4	15	39	41
Addition of intangible assets	-	(281)	-	(288)
<b>Net cash used in investing activities</b>	<b>(10,682)</b>	<b>(5,335)</b>	<b>(17,209)</b>	<b>(7,403)</b>
<b>Financing activities:</b>				
Dividend paid	(138,403)	(138,009)	(138,403)	(138,009)
Refund of unclaimed dividends	26	-	26	-
Repayment of bank loans	(32,633)	-	(36,851)	(718)
Proceeds from new bank loans	774	2,406	774	2,868
Proceeds from issue of shares	2,003	3,312	3,069	9,499
Purchase of treasury shares	(240)	-	(240)	-
<b>Net cash used in financing activities</b>	<b>(168,473)</b>	<b>(132,291)</b>	<b>(171,625)</b>	<b>(126,360)</b>
Net decrease in cash and cash equivalents	(145,578)	(108,479)	(59,692)	(71,980)
Cash and cash equivalents at beginning of period	501,930	440,880	433,154	393,256
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(3,248)	(2,594)	(20,358)	8,531
<b>Cash and cash equivalents at end of period</b>	<b>353,104</b>	<b>329,807</b>	<b>353,104</b>	<b>329,807</b>
<b>Cash and cash equivalents comprise:</b>				
Cash	291,304	318,815	291,304	318,815
Fixed deposits	86,148	10,992	86,148	10,992
	377,452	329,807	377,452	329,807
Less: Pledged bank deposits	(24,348)	-	(24,348)	-
<b>Cash and cash equivalents on the consolidated cash flow statement</b>	<b>353,104</b>	<b>329,807</b>	<b>353,104</b>	<b>329,807</b>

**Note 3**

The Group completed the acquisition of leasehold property of which S\$5.7 million of the total consideration of S\$13.0 million was paid in 1H 2016.

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 & 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
<b>The Group</b>											
<b>Balance at January 1, 2015 as restated</b>	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
<b>Total</b>	-	-	-	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
<b>Total</b>	7,102	-	(4,385)	-	-	482	-	3,228	6,427	-	6,427
<b>Balance at March 31, 2015</b>	685,681	(2,081)	37,951	225	(175,879)	2,398	17	1,328,398	1,876,710	2,630	1,879,340
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)
<b>Total</b>	-	-	-	(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
<b>Total</b>	3,734	-	(305)	-	-	-	-	(137,990)	(134,561)	-	(134,561)
<b>Balance at June 30, 2015</b>	<b>689,415</b>	<b>(2,081)</b>	<b>37,646</b>	<b>65</b>	<b>(194,847)</b>	<b>2,398</b>	<b>17</b>	<b>1,226,471</b>	<b>1,759,084</b>	<b>2,597</b>	<b>1,761,681</b>

1.(d)(i) Statement of changes in equity for the period ended June 30, 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
<b>The Group</b>											
<b>Balance at January 1, 2016</b>	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 loss for the period	-	-	-	(222)	(43,060)	-	-	-	(43,282)	(102)	(43,384)
<b>Total</b>	-	-	-	(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
<b>Total</b>	1,209	-	(76)	-	-	668	-	(614)	1,187	-	1,187
<b>Balance at March 31, 2016</b>	694,542	(2,081)	6,299	(357)	(192,957)	3,066	17	1,378,440	1,886,969	2,491	1,889,460
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	43,391	43,391	16	43,407
Other comprehensive loss for the period	-	-	-	(20)	(11,605)	-	-	-	(11,625)	(58)	(11,683)
<b>Total</b>	-	-	-	(20)	(11,605)	-	-	43,391	31,766	(42)	31,724
Transactions with owners, recognised directly in equity											
Issue of shares	2,255	-	(252)	-	-	-	-	-	2,003	-	2,003
Purchase of treasury shares	-	(240)	-	-	-	-	-	-	(240)	-	(240)
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	-	(138,403)	(138,403)	-	(138,403)
Share options lapsed	-	-	(45)	-	-	-	-	45	-	-	-
Recognition of share-based payments	-	-	251	-	-	-	-	-	251	-	251
Share of associate's reserves	-	-	-	-	-	-	(17)	17	-	-	-
Refund of unclaimed dividends	-	-	-	-	-	-	-	26	26	-	26
<b>Total</b>	2,255	(240)	(46)	-	-	-	(17)	(138,315)	(136,363)	-	(136,363)
<b>Balance at June 30, 2016</b>	696,797	(2,321)	6,253	(377)	(204,562)	3,066	-	1,283,516	1,782,372	2,449	1,784,821

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 & Hedging reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>The Company</b>						
<b>Balance at January 1, 2015 as restated</b>	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
<b>Balance at March 31, 2015</b>	<b>685,681</b>	<b>(2,081)</b>	<b>37,284</b>	<b>225</b>	<b>737,319</b>	<b>1,458,428</b>
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)
<b>Balance at June 30, 2015</b>	<b>689,415</b>	<b>(2,081)</b>	<b>36,962</b>	<b>65</b>	<b>633,995</b>	<b>1,358,356</b>

1.(d)(i) **Statement of changes in equity for the period ended June 30, 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
<b><u>The Company</u></b>						
<b>Balance at January 1, 2016</b>	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 loss 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
<b>Balance at March 31, 2016</b>	694,542	(2,081)	5,615	(357)	737,144	1,434,863
Total comprehensive income for the period						
Profit for the period	-	-	-	-	75,395	75,395
Other comprehensive loss for the period	-	-	-	(20)	-	(20)
Total	-	-	-	(20)	75,395	75,375
Transactions with owners, recognised directly in equity						
Issue of shares	2,255	-	(252)	-	-	2,003
Purchase of treasury shares	-	(240)	-	-	-	(240)
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	(138,403)	(138,403)
Share options lapsed	-	-	(45)	-	45	-
Recognition of share-based payments	-	-	251	-	-	251
Total	2,255	(240)	(46)	-	(138,358)	(136,389)
<b>Balance at June 30, 2016</b>	696,797	(2,321)	5,569	(377)	674,181	1,373,849



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

As at June 30, 2016, the total number of ordinary shares in issue was 277,200,577 (June 30, 2015: 276,292,577), of which 305,000 were treasury shares (June 30, 2015: 275,000).

The Company purchased 30,000 ordinary shares during Q2 2016 (Q2 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.

	<b>No. of ordinary shares in issue</b>	<b>S\$'000</b>
As at January 1, 2016	276,773,577	693,333
Add: No. of share options exercised in Q1 2016	<u>150,000</u>	<u>1,209</u>
As at March 31, 2016	276,923,577	694,542
Add: No. of share options exercised in Q2 2016	<u>277,000</u>	<u>2,255</u>
As at June 30, 2016	<u><u>277,200,577</u></u>	<u><u>696,797</u></u>

  

	<b>No. of treasury shares</b>	<b>S\$'000</b>
As at January 1, 2016 and March 31, 2016	275,000	2,081
Add: No. of treasury shares purchased in Q2 2016	<u>30,000</u>	<u>240</u>
As at June 30, 2016	<u><u>305,000</u></u>	<u><u>2,321</u></u>

  

	<b>No. of shares</b>	<b>S\$'000</b>
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><u>276,648,577</u></u>	<u><u>692,461</u></u>
Issued shares excluding treasury shares as at June 30, 2016	<u><u><u>276,895,577</u></u></u>	<u><u><u>694,476</u></u></u>

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

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

Since the end of the previous financial quarter, 277,000 options (June 30, 2015: 444,000) were exercised and 135,000 options (June 30, 2015: 63,000) have lapsed.

As at June 30, 2016, there were 7,901,000 unissued shares of the Company under options in the 2004 Scheme (June 30, 2015: 11,495,000).

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

2,461,000 new options were granted on 16 June, 2016. 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.

<u>Exercise period</u>	<u>Exercise price</u>
June 16, 2017 to June 15, 2018	\$10.510
June 16, 2018 to June 15, 2019	\$9.670
June 16, 2019 to June 15, 2021	\$8.410

Since the end of the previous financial quarter, 29,000 options have lapsed (June 30, 2015: Nil).

As at June 30, 2016, there were 4,928,000 unissued shares of the Company under options in the 2015 Scheme. (June 30, 2015: 2,598,000).

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 2016, the number of RSP shares stood at 890,000 (June 30, 2015: 660,000).

	<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	(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
June 2016 Award	<u>280,000</u>	<u>-</u>	<u>280,000</u>
	<u><u>970,000</u></u>	<u><u>(80,000)</u></u>	<u><u>890,000</u></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**

	3 months ended 30.06.2016	3 months ended 30.06.2015	6 months ended 30.06.2016	6 months ended 30.06.2015
(a) Based on the weighted average number of ordinary shares on issue (cents)	15.7	13.1	28.6	24.9
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	15.6	13.1	28.5	24.9

7. **Net asset value per ordinary share**

	Group		Company	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
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)	643.7	684.7	496.2	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 30 June 2016, the Group registered revenue of S\$683.3 million, an increase of 3.4% year-on-year. Compared to the prior quarter, revenue for the reported quarter rose by 8.3%. For the six months ended 30 June 2016, revenue improved by 3.5% year-on-year to S\$1,314.0 million.

The Group registered profit before tax (PBT) of S\$51.6 million for the quarter ended 30 June 2016, an increase of 22.2% compared to the corresponding quarter of the prior year. Compared to the prior quarter, PBT registered an increase of 21.6%. For the first half of 2016, the Group recorded PBT of S\$94.1 million, an increase of 16.7% year-on-year. Based on tax incentives granted to the subsidiaries of the Group, an income tax expense of S\$8.2 million was recorded for the reported quarter. The Group registered net profit (profit attributable to owners of the Company) of S\$43.4 million, an improvement of 20.3% year-on-year. For the six months ended 30 June 2016, net profit rose 15.5% year-on-year to S\$79.2 million. The net profit margin for the reported quarter was 6.4% (2Q 2015: 5.5%) and 6.0% for the first half of 2016. The Group's overall improvement in performance was driven by value creation and continued improvements in operational excellence across the Group's facilities and its entire value-chain.

Diluted Earnings Per Share for the quarter ended 30 June 2016 was 15.6 cents (2Q 2015: 13.1 cents). For the six months ended 30 June 2016, diluted EPS was 28.5 cents (1H 2015: 24.9 cents).

**FINANCIAL POSITION AND CASHFLOW**

During the quarter, the Group generated cash from operations of S\$41.0 million (2Q 2015: S\$33.6 million). Working capital for the reported quarter closed at S\$716.1 million, lower by S\$57.5 million compared to the quarter ending 31 December 2015, largely due to lower trade receivable balances for the reported quarter. For the six months ended 30 June 2016, the Group generated cash from operations of S\$141.0 million (1H 2015: S\$73.5 million). The Group completed the acquisition of leasehold property of which S\$5.7 million of the total consideration of S\$13.0 million was paid in the first half of 2016. During the quarter, the Group paid a final tax-exempt dividend of 50¢ per Ordinary Share amounting to S\$138.4 million. As at the end of the reported quarter, the Group had cash and bank balances of S\$377.5 million and remained net cash positive at S\$284.8 million (2Q 2015: S\$155.0 million).

As at 30 June 2016, Equity attributable to owners of the Company was S\$1,782.4 million and Net Asset Value per share was S\$6.44.

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 continued to strengthen its overall performance in spite of persistently challenging economic conditions. This was primarily driven by strong value creation and increased traction with several of its customers, a result of Venture's deep-bench, differentiating engineering capabilities and its relentless drive for operational excellence.

Going forward, business sentiment is anticipated to remain mixed across the Group's diverse customer-base. However, this customer diversity across niche and strategic technology domains and market verticals can indeed provide stability and resilience to its long-term overall performance.

Venture is well positioned to invest in building greater depth and strengths in engineering and R&D, as well as advanced manufacturing capabilities and supply chain processes. New strategic initiatives, built upon Venture's core values, will drive its energised organisation to strive for new peaks of excellence and high performance alliances with its global partners 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, 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.

14. **Please disclose a confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

The Group has procured undertakings from all its directors and executive officers

**BY ORDER OF THE BOARD**

Angeline Khoo Cheng Nee  
Company Secretary  
August 5, 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 second quarter ended June 30, 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

August 5, 2016