

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, 2017.
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 30.06.2017 S\$'000	3 months ended 30.06.2016 S\$'000	% increase/ (decrease)	6 months ended 30.06.2017 S\$'000	6 months ended 30.06.2016 S\$'000	% increase/ (decrease)
Revenue	1,013,137	683,266	48.3	1,856,201	1,313,986	41.3
Other income	323	612	(47.2)	843	901	(6.4)
Changes in finished goods, work in progress and raw materials used (Note 1)	(790,569)	(522,634)	51.3	(1,445,003)	(1,000,139)	44.5
Employee benefits expense (Note 2)	(93,303)	(70,636)	32.1	(175,082)	(137,358)	27.5
Depreciation and amortisation expense (Note 3)	(7,111)	(10,474)	(32.1)	(13,737)	(21,150)	(35.0)
Research and development expense	(7,293)	(6,207)	17.5	(14,948)	(14,426)	3.6
Foreign currency exchange (loss) gain	(275)	3,235	n.m.	(607)	1,525	n.m.
Other operating expenses	(32,599)	(27,676)	17.8	(66,007)	(51,937)	27.1
Investment revenue	737	745	(1.1)	1,663	1,557	6.8
Finance costs (interest expense on bank loans)	(243)	(219)	11.0	(516)	(484)	6.6
Share of profit of associates	1,671	1,607	4.0	1,671	1,607	4.0
Profit before tax	84,475	51,619	63.7	144,478	94,082	53.6
Income tax expense	(14,653)	(8,212)	78.4	(26,078)	(14,827)	75.9
Profit for the period	69,822	43,407	60.9	118,400	79,255	49.4
Other comprehensive income (loss): - Items may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(14,899)	(9,555)	55.9	(44,026)	(52,717)	(16.5)
Translation gain reclassified to profit or loss on loss of significant influence on an associate	-	(2,108)	n.m.	-	(2,108)	n.m.
Fair value gain (loss) on available-for-sale investments	426	(1)	n.m.	985	(90)	n.m.
Fair value gain (loss) on cash flow hedge	(5)	(19)	(73.7)	21	(152)	n.m.
Total comprehensive income for the period	55,344	31,724	74.5	75,380	24,188	n.m.
Profit attributable to:						
Owners of the Company	69,839	43,391	61.0	118,435	79,230	49.5
Non-controlling interests	(17)	16	n.m.	(35)	25	n.m.
	69,822	43,407	60.9	118,400	79,255	49.4
Total comprehensive income attributable to:						
Owners of the Company	55,361	31,766	74.3	75,455	24,323	210.2
Non-controlling interests	(17)	(42)	(59.5)	(75)	(135)	(44.4)
	55,344	31,724	74.5	75,380	24,188	211.6

Note 1

The increase in changes in finished goods, work in progress and raw materials used was in tandem with higher revenue.

Note 2

The increase in employee benefits expense was mainly driven by wage adjustments and higher staff costs to support the increased activities.

Note 3

Amortisation charge for 2Q FY2017 and 1H FY2017 decreased by \$4.4 mil and \$9.2 mil respectively as the carrying value of intangible asset for customer relationships was fully amortised in FY2016.

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

	Group			Group		
	3 months ended 30.06.2017 S\$'000	3 months ended 30.06.2016 S\$'000	% increase/ (decrease)	6 months ended 30.06.2017 S\$'000	6 months ended 30.06.2016 S\$'000	% increase/ (decrease)
Overprovision (Underprovision) of tax in respect of prior years	155	(308)	n.m.	153	(250)	n.m.
Allowance for doubtful trade receivables	(2,121)	(2,046)	3.7	(5,849)	(3,763)	55.4
Loss on disposal of property, plant and equipment, net	(29)	(23)	26.1	(15)	(83)	(81.9)
Inventories written off	(111)	(382)	(70.9)	(245)	(631)	(61.2)

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	441,661	499,736	74,276	212,760
Trade receivables	808,828	712,994	12,899	227,389
Other receivables and prepayments	60,703	38,270	23,054	12,532
Inventories	669,683	622,988	47,050	47,726
Trade receivables due from subsidiaries	-	-	89,813	15,962
Other receivables due from subsidiaries	-	-	17,962	17,959
Income tax recoverable	5	5	-	-
Total current assets	1,980,880	1,873,993	265,054	534,328
Non-current assets:				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	21,400	20,253	-	-
Available-for-sale investments	9,073	8,088	6,226	5,241
Other receivables	3,218	4,231	-	-
Property, plant and equipment	198,753	203,152	38,661	39,170
Intangible assets	855	1,283	573	913
Goodwill	639,708	639,708	-	-
Deferred tax assets	7,490	7,814	-	-
Total non-current assets	880,497	884,529	1,273,309	1,273,173
Total assets	2,861,377	2,758,522	1,538,363	1,807,501
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	75,157	92,641	62,891	77,139
Trade payables	574,594	490,936	52,057	53,060
Other payables and accrued expenses	262,529	192,376	36,666	63,045
Trade payables due to subsidiaries	-	-	1,070	126,109
Other payables due to subsidiaries	-	-	23,583	21,223
Income tax payable	25,109	18,234	2,799	3,520
Total current liabilities	937,389	794,187	179,066	344,096
Non-current liabilities:				
Deferred tax liabilities	1,912	1,801	-	-
Total non-current liabilities	1,912	1,801	-	-
Capital and reserves:				
Share capital	738,947	713,686	738,947	713,686
Treasury shares	(1,879)	(2,569)	(1,879)	(2,569)
Share-based awards reserve	3,943	5,063	3,259	4,379
Investments revaluation and hedging reserve	1,027	21	1,027	21
Translation reserve	(188,368)	(144,382)	-	-
Other reserves	3,292	3,066	(247)	-
Accumulated profits	1,362,770	1,385,230	618,190	747,888
Equity attributable to owners of the Company	1,919,732	1,960,115	1,359,297	1,463,405
Non-controlling interests	2,344	2,419	-	-
Total equity	1,922,076	1,962,534	1,359,297	1,463,405
Total liabilities and equity	2,861,377	2,758,522	1,538,363	1,807,501

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 30.06.2017		As at 31.12.2016		As at 30.06.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
25,752	49,405	26,883	65,758	25,752	37,139	26,883	50,256

(b) Amount repayable after one year
Not applicable.

(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 30.06.2017 S\$'000	3 months ended 30.06.2016 S\$'000	6 months ended 30.06.2017 S\$'000	6 months ended 30.06.2016 S\$'000
Operating activities:				
Profit before Taxation	84,475	51,619	144,478	94,082
Adjustments for:				
Share of profit of associates	(1,671)	(1,607)	(1,671)	(1,607)
Inventories written off	111	382	245	631
Depreciation expense	7,071	6,222	13,654	12,548
Allowance for doubtful trade receivables	2,121	2,046	5,849	3,763
Amortisation of intangible assets	167	4,540	419	9,646
Interest income	(737)	(745)	(1,663)	(1,557)
Dividend income	(104)	(102)	(123)	(121)
Interest expense	243	219	516	484
Share-based payments expense	358	251	712	372
Loss on disposal of plant and equipment, net	29	23	15	83
Translation gain reclassified to profit or loss on loss of significant influence on an associate	-	(2,108)	-	(2,108)
Operating profit before working capital changes	92,063	60,740	162,431	116,216
Trade receivables	(108,789)	(43,090)	(125,014)	956
Other receivables and prepayments	(5,226)	4,265	(22,596)	9,519
Inventories	(8,194)	(15,087)	(72,657)	(52,269)
Trade payables	76,559	34,161	102,800	72,931
Other payables and accrued expenses	67,980	(12)	76,404	(6,332)
Cash generated from operations	114,393	40,977	121,368	141,021
Interest paid	(243)	(219)	(516)	(484)
Income tax paid	(11,559)	(7,181)	(18,395)	(11,395)
Net cash from operating activities	102,591	33,577	102,457	129,142
Investing activities:				
Interest received	1,063	643	1,542	1,083
Dividend received from associates	-	-	450	210
Dividend received from other equity investments	104	66	123	85
Purchase of property, plant and equipment	(7,006)	(11,395)	(16,987)	(18,626)
Proceeds on disposal of plant and equipment	1	4	151	39
Net cash used in investing activities	(5,838)	(10,682)	(14,721)	(17,209)
Financing activities:				
Dividend paid	(140,728)	(138,403)	(140,728)	(138,403)
Refund of unclaimed dividends	-	26	8	26
Repayment of bank loans (Note 4)	(11,164)	(32,633)	(28,146)	(36,851)
Proceeds from new bank loans (Note 4)	-	774	14,185	774
Proceeds from issue of shares	15,317	2,003	24,170	3,069
Purchase of treasury shares	-	(240)	-	(240)
Net cash from used in financing activities	(136,575)	(168,473)	(130,511)	(171,625)
Net decrease in cash and cash equivalents	(39,822)	(145,578)	(42,775)	(59,692)
Cash and cash equivalents at beginning of period	462,470	501,930	474,728	433,154
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(5,371)	(3,248)	(14,676)	(20,358)
Cash and cash equivalents at end of period	417,277	353,104	417,277	353,104
Cash and cash equivalents comprise:				
Cash	345,917	291,304	345,917	291,304
Fixed deposits	95,744	86,148	95,744	86,148
Less: Pledged bank deposits	(24,384)	(24,348)	(24,384)	(24,348)
Cash and cash equivalents on the consolidated cash flow statement	417,277	353,104	417,277	353,104

Note 4: Reconciliation of liabilities arising from financing activities between cash and non-cash changes

	30.06.2017 S\$'000	Cash Flows S\$'000	Non-cash changes	31.12.2016 S\$'000
			Foreign exchange movement S\$'000	
Bank loans	75,157	(13,961)	(3,523)	92,641

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	Other reserves 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)	2,415	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)
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)	3,083	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)
Total	-	-	-	(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
Total	2,255	(240)	(46)	-	-	(17)	(138,315)	(136,363)	-	(136,363)
Balance at June 30, 2016	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, 2017

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Translation reserve S\$'000	Other reserves 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, 2017	713,686	(2,569)	5,063	21	(144,382)	3,066	1,385,230	1,960,115	2,419	1,962,534
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	48,596	48,596	(18)	48,578
Other comprehensive gain (loss) for the period	-	-	-	585	(29,087)	-	-	(28,502)	(40)	(28,542)
Total	-	-	-	585	(29,087)	-	48,596	20,094	(58)	20,036
Transactions with owners, recognised directly in equity										
Issue of shares	9,382	-	(529)	-	-	-	-	8,853	-	8,853
Appropriation to reserve fund	-	-	-	-	-	473	(473)	-	-	-
Share options lapsed	-	-	(290)	-	-	-	290	-	-	-
Recognition of share-based payments	-	-	354	-	-	-	-	354	-	354
Refund of unclaimed dividends	-	-	-	-	-	-	8	8	-	8
Total	9,382	-	(465)	-	-	473	(175)	9,215	-	9,215
Balance at March 31, 2017	723,068	(2,569)	4,598	606	(173,469)	3,539	1,433,651	1,989,424	2,361	1,991,785
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	69,839	69,839	(17)	69,822
Other comprehensive gain (loss) for the period	-	-	-	421	(14,899)	-	-	(14,478)	-	(14,478)
Total	-	-	-	421	(14,899)	-	69,839	55,361	(17)	55,344
Transactions with owners, recognised directly in equity										
Issue of shares	15,879	-	(562)	-	-	-	-	15,317	-	15,317
Treasury shares reissued pursuant to equity compensation plans	-	690	(443)	-	-	(247)	-	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(140,728)	(140,728)	-	(140,728)
Share options lapsed	-	-	(8)	-	-	-	8	-	-	-
Recognition of share-based payments	-	-	358	-	-	-	-	358	-	358
Total	15,879	690	(655)	-	-	(247)	(140,720)	(125,053)	-	(125,053)
Balance at June 30, 2017	738,947	(1,879)	3,943	1,027	(188,368)	3,292	1,362,770	1,919,732	2,344	1,922,076

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
The Company						
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 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
Balance at March 31, 2016	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)
Balance at June 30, 2016	696,797	(2,321)	5,569	(377)	674,181	1,373,849

1.(d)(i) Statement of changes in equity for the period ended June 30, 2017

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company							
Balance at January 1, 2017	713,686	(2,569)	4,379	21	-	747,888	1,463,405
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	5,265	5,265
Other comprehensive income for the period	-	-	-	585	-	-	585
Total	-	-	-	585	-	5,265	5,850
Transactions with owners, recognised directly in equity							
Issue of shares	9,382	-	(529)	-	-	-	8,853
Share options lapsed	-	-	(290)	-	-	290	-
Recognition of share-based payments	-	-	354	-	-	-	354
Refund of unclaimed dividends	-	-	-	-	-	8	8
Total	9,382	-	(465)	-	-	298	9,215
Balance at March 31, 2017	723,068	(2,569)	3,914	606	-	753,451	1,478,470
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	5,459	5,459
Other comprehensive income for the period	-	-	-	421	-	-	421
Total	-	-	-	421	-	5,459	5,880
Transactions with owners, recognised directly in equity							
Issue of shares	15,879	-	(562)	-	-	-	15,317
Treasury shares reissued pursuant to equity compensation plans	-	690	(443)	-	(247)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(140,728)	(140,728)
Share options lapsed	-	-	(8)	-	-	8	-
Recognition of share-based payments	-	-	358	-	-	-	358
Total	15,879	690	(655)	-	(247)	(140,720)	(125,053)
Balance at June 30, 2017	738,947	(1,879)	3,259	1,027	(247)	618,190	1,359,297

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

As at June 30, 2017, the total number of ordinary shares in issue was 282,219,577 (June 30, 2016: 277,200,577), of which 245,000 were treasury shares (June 30, 2016: 305,000).

The Company did not purchase any ordinary shares during Q2 2017 (Q2 2016: 30,000).

Ordinary shares purchased by the Company are held as treasury shares which can, in accordance with the Companies Act, be sold for cash, transferred for the purposes of or pursuant to an employee's share-based scheme; transferred as consideration for the acquisition of shares in or assets of another company or assets of a person; or cancelled.

Except as disclosed below, there were no other sales, transfers, cancellation and/or use of treasury shares during the period.

	No. of ordinary shares in issue	S\$'000
As at January 1, 2017	279,119,577	713,686
Add: No. of share options exercised in Q1 2017	1,098,000	9,382
As at March 31, 2017	<u>280,217,577</u>	<u>723,068</u>
Add: No. of share options exercised in Q2 2017	2,002,000	15,879
As at June 30, 2017	<u>282,219,577</u>	<u>738,947</u>

	No. of treasury shares	S\$'000
As at January 1, 2017 and March 31, 2017	335,000	2,569
Less: Treasury shares transferred pursuant to restricted share plan in Q2 2017	(90,000)	(690)
As at June 30, 2017	<u>245,000</u>	<u>1,879</u>

	As at 30.06.2017	As at 30.06.2016
% of treasury shares against the total ordinary shares in issue	<u>0.1%</u>	<u>0.1%</u>

	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2017	<u>278,784,577</u>	<u>711,117</u>
Issued shares excluding treasury shares as at March 31, 2017	<u>279,882,577</u>	<u>720,499</u>
Issued shares excluding treasury shares as at June 30, 2017	<u>281,974,577</u>	<u>737,068</u>

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

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

Since the end of the previous financial quarter, 1,930,000 options (Q2 2016: 277,000) were exercised and 12,000 options (Q2 2016: 135,000) have lapsed.

As at June 30, 2017, there were 2,775,000 unissued shares of the Company under options in the 2004 Scheme (June 30, 2016: 7,901,000).

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

2,650,000 new options were granted on 16 June, 2017 and 2,607,000 of them were accepted under "The 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.

<u>Exercise period</u>	<u>Exercise price</u>
June 16, 2018 to June 15, 2019	\$15.50
June 16, 2019 to June 15, 2020	\$14.26
June 16, 2020 to June 15, 2022	\$12.40

Since the end of the previous financial quarter, 72,000 options (Q2 2016: Nil) were exercised and 67,000 options (Q2 2016: 29,000) have lapsed.

As at June 30, 2017, there were 7,176,000 unissued shares of the Company under options in the 2015 Scheme. (June 30, 2016: 4,928,000).

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 June 30, 2017 the number of RSP shares stood at 960,000 (June 30, 2016: 890,000).

	No. of RSP shares awarded	Lapsed shares	No. of RSP shares net of lapsed shares
May 2013 Award	120,000	(60,000)	60,000
May 2014 Award	120,000	(20,000)	100,000
May 2015 Award	270,000	(20,000)	250,000
June 2016 Award	280,000	(20,000)	260,000
June 2017 Award	290,000	-	290,000
	<u>1,080,000</u>	<u>(120,000)</u>	<u>960,000</u>

Since the end of the previous financial quarter, 90,000 (Q2 2016: Nil) RSP shares were vested.

1.(d)(v) **Subsidiary holdings**

There were no subsidiary holdings as at the end of the current financial period reported on.

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, 2016.

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 30.06.2017	3 months ended 30.06.2016	6 months ended 30.06.2017	6 months ended 30.06.2016
(a) Based on the weighted average number of ordinary shares on issue (cents)	24.7	15.7	42.1	28.6
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	24.4	15.6	41.6	28.5

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	
30.06.2017	31.12.2016	30.06.2017	31.12.2016
680.8	703.1	482.1	524.9

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 2017, the Group registered revenue of S\$1.0 billion, an increase of 48.3% year-on-year. For the six months ended 30 June 2017, revenue improved by 41.3% year-on-year to S\$1.9 billion. Revenue improvement for the reported quarter and for the first half of 2017 is underpinned by the Group's diversified customer base and continuing strong execution of customers' programmes launched in prior quarters.

In tandem with the revenue growth, the Group recorded profit before tax (PBT) of S\$84.5 million for the quarter ended 30 June 2017, an increase of 63.7% year-on-year. For the first half of 2017, the Group recorded PBT of S\$144.5 million, an increase of 53.6% year-on-year. In line with the higher PBT and based on tax incentives granted to its subsidiaries, the Group reported income tax expense of S\$14.7 million for the reported quarter and S\$26.1 million for the first half of 2017. Net profit (profit attributable to owners of the Company) rose 61.0% year-on-year to S\$69.8 million for the reported quarter. For the six months ended 30 June 2017, net profit rose 49.5% year-on-year to S\$118.4 million. The Group's ability to create and capture value through strong R&D initiatives/programmes, as well as sustained operational excellence across the value-chain contributed to the improvement in profitability. The Group registered net margin of 6.9% for the reported quarter (2Q 2016: 6.4%) and 6.4% for the first half of 2017 (1H 2016: 6.0%).

Diluted Earnings Per Share for the reported quarter was 24.4 cents (2Q 2016: 15.6 cents) and 41.6 cents for the first half of 2017 (1H 2016: 28.5 cents).

FINANCIAL POSITION AND CASHFLOW

The Group generated operating cash flow of S\$92.1 million before working capital changes for the quarter ended 30 June 2017 (2Q 2016: S\$60.7 million). For the six months ended 30 June 2017, operating profit before working capital changes amounted to S\$162.4 million (1H 2016: S\$116.2 million). For the quarter ended 30 June 2017, the Group registered an increase in working capital position largely due to trade receivables and inventories balances. Trade receivables balance stood at S\$808.8 million in tandem with the revenue recorded for the reported quarter. The increase in inventories was primarily to support customers' requirements and programmes. For the six months ended 30 June 2017, the Group generated cash from operations of S\$121.4 million (1H 2016: S\$141.0 million).

As of 30 June 2017, the Group had S\$441.7 million of cash and bank balances (S\$499.7 million as at 31 December 2016). During the quarter, the Group paid a final tax-exempt dividend of 50 cents per ordinary share amounting to S\$140.7 million (2Q 2016: S\$138.4 million). As at the end of the reported quarter, the Group remained net cash positive at S\$366.5 million (S\$407.1 million as at 31 December 2016).

As at 30 June 2017, Equity attributable to owners of the Company was S\$1.9 billion (S\$2.0 billion as at 31 December 2016) and Net Asset Value per share was S\$6.81 (S\$7.03 as at 31 December 2016) after payment of dividend.

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 continues to make progress across its strategic and operational initiatives. Through its unique TCS management practice, Venture has deepened its alliances and partnerships for value creation with leaders in technology ecosystems of interests. It has also enabled the Group to forge new collaborative alliances culminating in new programmes and to capture additional opportunities across its diversified customer base. Venture has also been able to seize new opportunities in several fast-growing adjacent ecosystems.

The dynamics of the business environment such as geopolitical tensions and customers' consolidations may introduce some degree of uncertainty. However Venture remains fully committed to provide strong value creation for the success of its business alliances and partnerships. This is accomplished through growing a critical mass of high quality talents in management, engineering and other professionals. Venture will harness the collective strength and synergy of its human capital to relentlessly create compelling differentiation, advancing Venture's position as a leading global provider of technology solutions, products and services.

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, 2017 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 4, 2017

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, 2017 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 4, 2017