

VENTURE CORPORATION LIMITED
Third 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 September 30, 2018.
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 30.09.2018 S\$'000	3 months ended 30.09.2017 S\$'000	% increase/ (decrease)	9 months ended 30.09.2018 S\$'000	9 months ended 30.09.2017 S\$'000	% increase/ (decrease)
Revenue	770,380	1,061,858	(27.4)	2,578,670	2,918,059	(11.6)
Other income	383	1,076	(64.4)	1,168	1,919	(39.1)
Changes in finished goods, work in progress and raw materials used	(555,983)	(800,606)	(30.6)	(1,869,093)	(2,245,609)	(16.8)
Employee benefits expense	(73,460)	(83,945)	(12.5)	(240,661)	(259,027)	(7.1)
Depreciation and amortisation expense	(7,734)	(8,854)	(12.6)	(23,024)	(22,591)	1.9
Research and development expense (Note 1)	(18,704)	(11,819)	58.3	(68,272)	(26,767)	155.1
Foreign currency exchange gain (loss)	684	(582)	n.m.	3,246	(1,189)	n.m.
Other operating expenses (Note 2)	(23,001)	(26,292)	(12.5)	(79,140)	(92,299)	(14.3)
Investment revenue	2,356	800	n.m.	6,329	2,463	n.m.
Finance costs (interest expense on bank loans)	(234)	(329)	(28.9)	(740)	(845)	(12.4)
Share of profit of associates (Note 3)	-	-	n.m.	-	1,671	n.m.
Profit before tax	94,687	131,307	(27.9)	308,483	275,785	11.9
Income tax expense	(13,900)	(19,939)	(30.3)	(46,060)	(46,017)	0.1
Profit for the period	80,787	111,368	(27.5)	262,423	229,768	14.2
Other comprehensive income (loss):						
- Items may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	9,913	(18,763)	n.m.	21,842	(62,789)	n.m.
Fair value (loss) gain on available-for-sale investments	(3)	71	n.m.	(570)	1,056	n.m.
Fair value (loss) gain on cash flow hedge	(10)	(25)	(60.0)	30	(4)	n.m.
Total comprehensive income for the period	90,687	92,651	(2.1)	283,725	168,031	68.9
Profit attributable to:						
Owners of the Company	80,789	111,398	(27.5)	262,371	229,833	14.2
Non-controlling interests	(2)	(30)	n.m.	52	(65)	n.m.
	80,787	111,368	(27.5)	262,423	229,768	14.2
Total comprehensive income attributable to:						
Owners of the Company	90,846	92,613	(1.9)	283,759	168,068	68.8
Non-controlling interests	(159)	38	n.m.	(34)	(37)	n.m.
	90,687	92,651	(2.1)	283,725	168,031	68.9

Note 1

Research and development (R&D) expense which comprised prototyping, tooling, NRE, materials and its related services, was higher in 9M FY2018 driven by increased customers' requirements. R&D manpower costs are separately recorded under Employee benefits expense.

Note 2

Other operating expenses decreased mainly due to non-recurring charges in 9M 2017 as disclosed in 1(a)(ii) and judicious cost management in 9M FY2018.

Note 3

There were no share of profit of associates recorded for the reporting period as the Group had disposed of its interest in an associate in FY2017. The results of the remaining associate are not material.

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

	Group			Group		
	3 months ended 30.09.2018 S\$'000	3 months ended 30.09.2017 S\$'000	% increase/ (decrease)	9 months ended 30.09.2018 S\$'000	9 months ended 30.09.2017 S\$'000	% increase/ (decrease)
(Underprovision) Overprovision of tax in respect of prior years	(1)	30	n.m.	350	183	n.m.
Reversal of (Allowance for) doubtful trade receivables	8	(210)	n.m.	-	(6,059)	n.m.
(Loss) Gain on disposal of property, plant and equipment, net	(9)	(27)	n.m.	116	(42)	n.m.
Reversal of (Provision for) inventories obsolescence (Note 4)	61	(13,040)	n.m.	(81)	(13,285)	n.m.

Note 4

The provision for inventories obsolescence was made for aged inventory based on net realisable value and estimates on forecasted usage.

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		
	30.09.2018	31.12.2017	01.01.2017	30.09.2018	31.12.2017	01.01.2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)	(Restated)		(Restated)	(Restated)
ASSETS						
Current assets:						
Cash and bank balances	740,254	752,447	499,736	227,113	186,372	212,760
Trade receivables	597,758	762,641	706,987	9,017	10,865	224,144
Other receivables and prepayments	34,278	32,345	26,966	1,432	762	1,398
Contract assets (Note 5)	32,626	29,088	17,311	-	346	14,379
Inventories	795,698	699,630	622,988	61,317	49,866	47,726
Trade receivables due from subsidiaries	-	-	-	82,933	74,742	15,962
Other receivables due from subsidiaries	-	-	-	17,924	17,611	17,959
Income tax recoverable	23	5	5	-	-	-
Total current assets	2,200,637	2,276,156	1,873,993	399,736	340,564	534,328
Non-current assets:						
Investments in subsidiaries	-	-	-	1,227,849	1,227,849	1,227,849
Investments in associates	757	787	20,253	-	-	-
Available-for-sale investments	23,494	25,087	8,088	7,476	8,929	5,241
Other receivables	457	730	4,231	-	-	-
Property, plant and equipment	233,729	197,860	203,152	39,621	39,444	39,170
Intangible assets	282	209	1,283	-	-	913
Goodwill	639,708	639,708	639,708	-	-	-
Deferred tax assets	3,746	3,668	7,814	-	-	-
Total non-current assets	902,173	868,049	884,529	1,274,946	1,276,222	1,273,173
Total assets	3,102,810	3,144,205	2,758,522	1,674,682	1,616,786	1,807,501
LIABILITIES AND EQUITY						
Current liabilities:						
Bank loans	42,372	30,828	92,641	39,562	28,035	77,139
Trade payables	452,956	581,413	480,085	44,882	46,849	53,060
Other payables and accrued expenses	232,141	260,266	177,688	30,149	40,100	55,359
Contract liabilities (Note 5)	92,025	67,873	25,535	177	317	7,686
Trade payables due to subsidiaries	-	-	-	5,332	2,911	126,109
Other payables due to subsidiaries	-	-	-	20,496	21,209	21,223
Income tax payable	32,267	34,043	18,234	3,289	2,130	3,520
Total current liabilities	851,761	974,423	794,187	143,887	141,551	344,096
Non-current liabilities:						
Deferred tax liabilities	1,721	1,718	1,801	-	-	-
Total non-current liabilities	1,721	1,718	1,801	-	-	-
Capital and reserves:						
Share capital	801,522	761,706	713,686	801,522	761,706	713,686
Treasury shares	(13,604)	(1,879)	(2,569)	(13,604)	(1,879)	(2,569)
Share-based awards reserve	3,500	3,524	5,063	3,500	3,524	4,379
Investments revaluation and hedging reserve	1,252	1,836	21	1,723	1,876	21
Translation reserve	(54,263)	(76,191)	-	-	-	-
Other reserves	3,079	3,292	3,066	(815)	(247)	-
Accumulated profits	1,505,562	1,473,462	1,240,848	738,469	710,255	747,888
Equity attributable to owners of the Company	2,247,048	2,165,750	1,960,115	1,530,795	1,475,235	1,463,405
Non-controlling interests	2,280	2,314	2,419	-	-	-
Total equity	2,249,328	2,168,064	1,962,534	1,530,795	1,475,235	1,463,405
Total liabilities and equity	3,102,810	3,144,205	2,758,522	1,674,682	1,616,786	1,807,501

Note 5

In accordance with SFRS(I) 15 disclosure, Contract Assets and Contract Liabilities have been included in the statement of financial position. The comparatives have also been restated to take this into account. Effect of changes in accounting standards are disclosed in item 5 page 10.

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 30.09.2018		As at 31.12.2017		As at 30.09.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
27,284	15,088	-	30,828	27,284	12,278	-	28,035

(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 30.09.2018 S\$'000	3 months ended 30.09.2017 S\$'000	9 months ended 30.09.2018 S\$'000	9 months ended 30.09.2017 S\$'000
Operating activities:				
Profit before Taxation	94,687	131,307	308,483	275,785
Adjustments for:				
Share of profit of associates	-	-	-	(1,671)
(Reversal of) Provision for inventories obsolescence	(61)	13,040	81	13,285
Depreciation expense	7,712	8,815	22,956	22,469
(Reversal of) Allowance for doubtful trade receivables	(8)	210	-	6,059
Amortisation of intangible assets	22	143	68	562
Interest income	(2,356)	(800)	(6,329)	(2,463)
Dividend income	(227)	(99)	(768)	(222)
Interest expense	234	329	740	845
Share-based payments expense	308	494	1,252	1,206
Loss (Gain) on disposal of plant and equipment, net	9	27	(116)	42
Operating profit before working capital changes	100,320	153,466	326,367	315,897
Trade receivables	120,428	(5,186)	178,297	(130,200)
Other receivables, prepayments and contract assets	(3,947)	(13,694)	(2,124)	(36,290)
Inventories	(60,718)	(58,525)	(81,437)	(131,182)
Trade payables	(68,333)	61,889	(134,785)	164,689
Other payables, accrued expenses and contract liabilities	32,490	49,288	(9,401)	125,692
Cash generated from operations	120,240	187,238	276,917	308,606
Interest paid	(234)	(329)	(740)	(845)
Income tax paid	(17,419)	(13,301)	(48,098)	(31,696)
Net cash from operating activities	102,587	173,608	228,079	276,065
Investing activities:				
Interest received	1,749	531	5,107	2,073
Dividend received from associates	-	628	30	1,078
Dividend received from other equity investments	227	99	768	222
Purchase of property, plant and equipment	(5,828)	(9,287)	(53,929)	(26,274)
Proceeds on disposal of plant and equipment	-	34	206	185
Addition of intangible assets	(117)	-	(366)	-
Proceeds on disposal of available-for-sale investments	2,942	-	2,942	-
Purchase of available-for-sale investments	(1,628)	(1,820)	(1,628)	(1,820)
Net cash used in investing activities	(2,655)	(9,815)	(46,870)	(24,536)
Financing activities:				
Dividend paid	(57,608)	-	(230,021)	(140,728)
Refund of unclaimed dividends	-	-	-	8
Repayment of bank loans (Note 6)	-	(36,489)	(21,340)	(64,635)
Proceeds from new bank loans (Note 6)	492	27,510	32,687	41,695
Proceeds from issue of shares	7,931	11,269	38,891	35,439
Purchase of treasury shares	-	-	(12,583)	-
Bank balances pledged as securities for bank facilities	-	-	(27,092)	-
Net cash (used in) from financing activities	(49,185)	2,290	(219,458)	(128,221)
Net increase (decrease) in cash and cash equivalents	50,747	166,083	(38,249)	123,308
Cash and cash equivalents at beginning of period	661,525	417,277	752,447	474,728
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	1,943	(8,446)	17	(23,122)
Cash and cash equivalents at end of period	714,215	574,914	714,215	574,914
Cash and cash equivalents comprise:				
Cash	466,015	494,374	466,015	494,374
Fixed deposits	274,239	105,212	274,239	105,212
Less: Pledged bank deposits	(26,039)	(24,672)	(26,039)	(24,672)
Cash and cash equivalents on the consolidated cash flow statement	714,215	574,914	714,215	574,914

Note 6: Reconciliation of liabilities arising from financing activities between cash and non-cash changes

	30.09.2018 S\$'000	Cash Flows S\$'000	Non-cash changes	31.12.2017 S\$'000
			Foreign exchange movement S\$'000	
Bank loans	42,372	11,347	197	30,828

1.(d)(i) Statement of changes in equity for the period ended September 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	-	3,066	1,240,848	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 income (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	(29,087)	3,539	1,289,269	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 income (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	(43,986)	3,292	1,218,388	1,919,732	2,344	1,922,076
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	111,398	111,398	(30)	111,368
Other comprehensive gain (loss) for the period	-	-	-	46	(18,831)	-	-	(18,785)	68	(18,717)
Total	-	-	-	46	(18,831)	-	111,398	92,613	38	92,651
Transactions with owners, recognised directly in equity										
Issue of shares	11,635	-	(366)	-	-	-	-	11,269	-	11,269
Share options lapsed	-	-	(1)	-	-	-	1	-	-	-
Recognition of share-based payments	-	-	494	-	-	-	-	494	-	494
Total	11,635	-	127	-	-	-	1	11,763	-	11,763
Balance at September 30, 2017	750,582	(1,879)	4,070	1,073	(62,817)	3,292	1,329,787	2,024,108	2,382	2,026,490

1.(d)(i) Statement of changes in equity for the period ended September 30, 2018

	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, 2018	761,706	(1,879)	3,524	1,836	(76,191)	3,292	1,473,462	2,165,750	2,314	2,168,064
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	83,671	83,671	46	83,717
Other comprehensive income (loss) for the period	-	-	-	161	(19,695)	-	-	(19,534)	88	(19,446)
Total	-	-	-	161	(19,695)	-	83,671	64,137	134	64,271
Transactions with owners, recognised directly in equity										
Issue of shares	23,572	-	(581)	-	-	-	-	22,991	-	22,991
Appropriation to reserve fund	-	-	-	-	-	355	(355)	-	-	-
Share options lapsed	-	-	(55)	-	-	-	55	-	-	-
Recognition of share-based payments	-	-	487	-	-	-	-	487	-	487
Total	23,572	-	(149)	-	-	355	(300)	23,478	-	23,478
Balance at March 31, 2018	785,278	(1,879)	3,375	1,997	(95,886)	3,647	1,556,833	2,253,365	2,448	2,255,813
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	97,911	97,911	8	97,919
Other comprehensive (loss) income for the period	-	-	-	(688)	31,553	-	-	30,865	(17)	30,848
Total	-	-	-	(688)	31,553	-	97,911	128,776	(9)	128,767
Transactions with owners, recognised directly in equity										
Issue of shares	8,147	-	(178)	-	-	-	-	7,969	-	7,969
Purchase of treasury shares	-	(12,583)	-	-	-	-	-	(12,583)	-	(12,583)
Treasury shares reissued pursuant to equity compensation plans	-	858	(290)	-	-	(568)	-	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(172,413)	(172,413)	-	(172,413)
Share options lapsed	-	-	(1)	-	-	-	1	-	-	-
Recognition of share-based payments	-	-	457	-	-	-	-	457	-	457
Total	8,147	(11,725)	(12)	-	-	(568)	(172,412)	(176,570)	-	(176,570)
Balance at June 30, 2018	793,425	(13,604)	3,363	1,309	(64,333)	3,079	1,482,332	2,205,571	2,439	2,208,010
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	80,789	80,789	(2)	80,787
Other comprehensive (loss) income for the period	-	-	-	(13)	10,070	-	-	10,057	(157)	9,900
Total	-	-	-	(13)	10,070	-	80,789	90,846	(159)	90,687
Transactions with owners, recognised directly in equity										
Issue of shares	8,097	-	(166)	-	-	-	-	7,931	-	7,931
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	-	(57,608)	(57,608)	-	(57,608)
Disposal of available-for-sale investments	-	-	-	(44)	-	-	44	-	-	-
Share options lapsed	-	-	(5)	-	-	-	5	-	-	-
Recognition of share-based payments	-	-	308	-	-	-	-	308	-	308
Total	8,097	-	137	(44)	-	-	(57,559)	(49,369)	-	(49,369)
Balance at September 30, 2018	801,522	(13,604)	3,500	1,252	(54,263)	3,079	1,505,562	2,247,048	2,280	2,249,328

1.(d)(i) **Statement of changes in equity for the period ended September 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
<u>The Company</u>							
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
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	4,841	4,841
Other comprehensive income for the period	-	-	-	46	-	-	46
Total	-	-	-	46	-	4,841	4,887
Transactions with owners, recognised directly in equity							
Issue of shares	11,635	-	(366)	-	-	-	11,269
Share options lapsed	-	-	(1)	-	-	1	-
Recognition of share-based payments	-	-	494	-	-	-	494
Total	11,635	-	127	-	-	1	11,763
Balance at September 30, 2017	750,582	(1,879)	3,386	1,073	(247)	623,032	1,375,947

1.(d)(i) Statement of changes in equity for the period ended September 30, 2018

	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, 2018	761,706	(1,879)	3,524	1,876	(247)	710,255	1,475,235
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	68,568	68,568
Other comprehensive income for the period	-	-	-	328	-	-	328
Total	-	-	-	328	-	68,568	68,896
Transactions with owners, recognised directly in equity							
Issue of shares	23,572	-	(581)	-	-	-	22,991
Share options lapsed	-	-	(55)	-	-	55	-
Recognition of share-based payments	-	-	487	-	-	-	487
Total	23,572	-	(149)	-	-	55	23,478
Balance at March 31, 2018	785,278	(1,879)	3,375	2,204	(247)	778,878	1,567,609
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	162,943	162,943
Other comprehensive income for the period	-	-	-	(487)	-	-	(487)
Total	-	-	-	(487)	-	162,943	162,456
Transactions with owners, recognised directly in equity							
Issue of shares	8,147	-	(178)	-	-	-	7,969
Purchase of treasury shares	-	(12,583)	-	-	-	-	(12,583)
Treasury shares reissued pursuant to equity compensation plans	-	858	(290)	-	(568)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(172,413)	(172,413)
Share options lapsed	-	-	(1)	-	-	1	-
Recognition of share-based payments	-	-	457	-	-	-	457
Total	8,147	(11,725)	(12)	-	(568)	(172,412)	(176,570)
Balance at June 30, 2018	793,425	(13,604)	3,363	1,717	(815)	769,409	1,553,495
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	26,619	26,619
Other comprehensive income for the period	-	-	-	50	-	-	50
Total	-	-	-	50	-	26,619	26,669
Transactions with owners, recognised directly in equity							
Issue of shares	8,097	-	(166)	-	-	-	7,931
Interim tax exempt dividend paid in respect of the current financial year	-	-	-	-	-	(57,608)	(57,608)
Disposal of available-for-sale investments	-	-	-	(44)	-	44	-
Share options lapsed	-	-	(5)	-	-	5	-
Recognition of share-based payments	-	-	308	-	-	-	308
Total	8,097	-	137	(44)	-	(57,559)	(49,369)
Balance at September 30, 2018	801,522	(13,604)	3,500	1,723	(815)	738,469	1,530,795

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

As at September 30, 2018, the total number of ordinary shares in issue was 288,880,577 (September 30, 2017: 283,566,577), of which 819,000 were treasury shares (September 30, 2017: 245,000).

The Company did not purchase any ordinary shares during Q3 2018 (Q3 2017: 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.

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, 2018	284,872,577	761,706
Add: No. of share options exercised in Q1 2018	2,535,000	23,572
As at March 31, 2018	287,407,577	785,278
Add: No. of share options exercised in Q2 2018	779,000	8,147
As at June 30, 2018	288,186,577	793,425
Add: No. of share options exercised in Q3 2018	694,000	8,097
As at September 30, 2018	<u>288,880,577</u>	<u>801,522</u>

	No. of treasury shares	S\$'000
As at January 1, 2018 and March 31, 2018	245,000	1,879
Less: Treasury shares transferred pursuant to restricted share plan in Q2 2018	(60,000)	(858)
Add: Treasury shares repurchased in Q2 2018	634,000	12,583
As at June 30, 2018 and September 30, 2018	<u>819,000</u>	<u>13,604</u>

	As at 30.09.2018	As at 30.09.2017
% of treasury shares against the total ordinary shares in issue	0.3%	0.1%

	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2018	284,627,577	759,827
Issued shares excluding treasury shares as at March 31, 2018	287,162,577	783,399
Issued shares excluding treasury shares as at June 30, 2018	287,367,577	779,821
Issued shares excluding treasury shares as at September 30, 2018	<u>288,061,577</u>	<u>787,918</u>

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

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

Since the end of the previous financial quarter, 68,000 options (Q3 2017: 804,000) were exercised and no options (Q3 2017: 1,000) have lapsed.

As at September 30, 2018, there were 44,000 unissued shares of the Company under options in the 2004 Scheme (September 30, 2017: 1,970,000).

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

Since the end of the previous financial quarter, 626,000 options (Q3 2017: 543,000) were exercised and 18,000 options (Q3 2017: 17,000) have lapsed.

As at September 30, 2018, there were 2,950,000 unissued shares of the Company under options in the 2015 Scheme. (September 30, 2017: 6,616,000).

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 September 30, 2018 the number of RSP shares stood at 900,000 (September 30, 2017: 960,000).

	No. of RSP shares awarded	Lapsed shares	No. of RSP shares net of lapsed shares
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>960,000</u>	<u>(60,000)</u>	<u>900,000</u>

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

There were no holdings in Venture Corporation Limited by any subsidiary 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**

Other than as mentioned in Paragraph 5 regarding the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) effective 1 January 2018, there were no significant changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at 31 December 2017.

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**

The Group adopted the new financial reporting framework - SFRS(I), in accordance with all Singapore-incorporated companies listed on the Singapore Exchange (SGX) for annual periods beginning on or after 1 January 2018. The Group assessed the transition provisions and elected to reset the cumulative translation differences recorded in the foreign translation reserve to \$NIL. The cumulative balance of S\$144.4 million was transferred to accumulated profits as at 1 January 2017.

The Group also adopted the following SFRS(I) pronouncements that are effective for annual periods beginning on or after 1 January 2018:

- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers

In accordance with SFRS(I) 15 disclosure, Contract Assets and Contract Liabilities have been included in the statement of financial position. The comparatives have also been restated to take this into account.

Other than as disclosed above, the adoption of the above did not have a material impact on the financial statements.

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 30.09.2018	3 months ended 30.09.2017	9 months ended 30.09.2018	9 months ended 30.09.2017
(a)	16.7	39.5	80.0	81.6
(b)	27.8	38.9	90.2	80.5

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	
30.09.2018	31.12.2017	30.09.2018	31.12.2017
780.1	760.9	531.4	518.3

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.

PERFORMANCE REVIEW

For the quarter ended 30 September 2018, the Group registered revenue of S\$770.4 million, a decrease of 27.4% year-on-year. The decline in 3Q 2018 revenue was mainly attributable to the impact arising from customers' planned transition to new replacement products and some customers' M&A activities for the reported quarter.

In tandem with the lower revenue, the Group recorded profit before tax (PBT) of S\$94.7 million for 3Q 2018, a decrease of 27.9% year-on-year. Net profit (profit attributable to owners of the Company) decreased 27.5% year-on-year to S\$80.8 million for 3Q 2018. This translates to net margin of 10.5% for 3Q 2018, on par with the corresponding quarter last year (3Q 2017: 10.5%). Diluted Earnings Per Share was 27.8 cents (3Q 2017: 38.9 cents).

For the nine months ended 30 September 2018, revenue decreased by 11.6% year-on-year to S\$2,578.7 million. The Group recorded PBT of S\$308.5 million, an increase of 11.9% year-on-year. In line with PBT, the Group reported income tax expense of S\$46.1 million. Cumulatively, net profit for 9M 2018 rose 14.2% year-on-year to S\$262.4 million. The Group registered net margin of 10.2% for the first nine months of 2018 (9M 2017: 7.9%). The improved net margin reflects the Group's ability to deliver deep value creation, continuous drive for operational excellence and manage an efficient operating model. Diluted Earnings Per Share was 90.2 cents (9M 2017: 80.5 cents).

FINANCIAL POSITION AND CASHFLOW

The Group generated operating cash flow of S\$100.3 million before working capital changes for 3Q 2018 (3Q 2017: S\$153.5 million). For 9M 2018, operating profit before working capital changes amounted to S\$326.4 million (9M 2017: S\$315.9 million). For the quarter ended 30 September 2018, the Group registered an increase in working capital position largely due to inventories balances. The increase in inventories was primarily to provide assurance of supply to support customers' programmes and to alleviate current constraints arising from shifting and disruption of global supply chain. For the nine months ended 30 September 2018, the Group generated cash from operations of S\$276.9 million (9M 2017: S\$308.6 million).

As of 30 September 2018, the Group had S\$740.3 million of cash and bank balances (S\$752.4 million as at 31 December 2017). During the quarter, the Group paid an interim tax-exempt dividend of 20 cents per ordinary share amounting to S\$57.6 million (3Q 2017: NIL). Including the final tax-exempt dividend of 60 cents per share amounting to S\$172.4 million paid in 2Q 2018, the Group paid combined dividends totalling S\$230.0 million. As at the end of the reported quarter, the Group net cash position remained strong at S\$697.9 million (S\$721.6 million as at 31 December 2017).

As at 30 September 2018, Equity attributable to owners of the Company was S\$2,247.0 million (S\$2,165.8 million as at 31 December 2017) and Net Asset Value per share was S\$7.80 (S\$7.61 as at 31 December 2017).

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 takes pride in its ability to create impactful value for its customers, through its innovative R&D capabilities, transformational engineering and operational excellence. The Group anticipates that new product introductions from several customers are expected to drive healthy revenue improvement sequentially in the next quarter. As Venture continues to deepen its existing collaborative partnerships, it is concurrently working on broadening its strategic alliances across its diversified portfolio of new and adjacent ecosystems. The Group also expects to capture revenue contribution from several new customers in the next quarter, with improving traction in subsequent reporting periods. Furthermore, customers' M&A transitions are still in progress and the Group believes that business momentum should pick up again after the M&A integration processes are completed.

While current trade tariffs have no material impact on the Group's business at this moment, the Group is cognizant that a major escalation of the trade war may lead to new macroeconomic risks.

The Venture Group is well-positioned to strengthen and develop its Clusters of Excellence, differentiated strategies and diverse competencies to capture new opportunities arising from the everchanging business environment. In addition, growth drivers across Venture's broad-based portfolio of technology domains and strong supply chain management will provide resilience and stability to its long-term performance.

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 September 30, 2018 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
November 2, 2018

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 third quarter ended September 30, 2018 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)
Wong Ngit Liong
Director

(signed)
Goon Kok Loon
Director

November 2, 2018