

Second Quarter and Year-to-Date Financial Statements And Dividend Announcement

The Board of Directors of Venture Corporation Limited wishes to make the following announcement:

Second Quarter and Year-to-date financial statements on consolidated results for the financial period ended June 30, 2009. 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 30.06.2009 S\$'000	3 months ended 30.06.2008 S\$'000	% increase/ (decrease)	6 months ended 30.06.2009 S\$'000	6 months ended 30.06.2008 S\$'000	% increase/ (decrease)
Revenue	846,033	972,506	(13.0)	1,571,552	1,911,644	(17.8)
Other operating income	425	1,522	(72.1)	820	1,667	(50.8)
Changes in inventories of finished goods and work in progress	(58,619)	31,918	n.m.	(60,406)	52,823	n.m.
Raw materials and consumables used	(656,016)	(804,917)	(18.5)	(1,251,598)	(1,566,519)	(20.1)
Employee benefits expense	(50,491)	(80,405)	(37.2)	(102,673)	(156,960)	(34.6)
Depreciation and amortisation expense (Note 1)	(14,937)	(15,109)	(1.1)	(30,581)	(30,399)	0.6
Research and development expense (exclude R&D staff costs)	(3,377)	(5,623)	(39.9)	(8,106)	(11,281)	(28.1)
Foreign currency exchange adjustment (loss) gain	(4,283)	820	n.m.	4,806	4,957	(3.0)
Other income (expenses) (Note 2)	365	(35,082)	n.m.	(36,823)	(84,439)	(56.4)
Investment revenue	1,925	6,106	(68.5)	3,951	11,536	(65.8)
Finance costs (interest on bank borrowings)	(743)	(2,482)	(70.1)	(1,730)	(4,817)	(64.1)
Share of loss of associates	(858)	(476)	80.3	(1,992)	(504)	295.2
Profit before tax	59,424	68,778	(13.6)	87,220	127,708	(31.7)
Income tax (Note 3)	1,437	(2,752)	n.m.	1,230	(4,992)	n.m.
Profit for the period	60,861	66,026	(7.8)	88,450	122,716	(27.9)
Other comprehensive income:						
Exchange differences arising on translation of foreign operations	(35,057)	(16,678)	110.2	12,190	(67,373)	n.m.
(Losses) gains on available-for-sale investments taken to equity	(15,749)	(1,706)	823.2	(10,621)	241	n.m.
Reclassification adjustment upon disposal of available-for-sale investments	-	(88)	n.m.	(19)	(88)	n.m.
Total comprehensive income for the period	10,055	47,554	(78.9)	90,000	55,496	62.2
Profit attributable to:						
Owners of the company	60,947	65,635	(7.1)	88,675	121,969	(27.3)
Minority interests	(86)	391	n.m.	(225)	747	n.m.
	60,861	66,026	(7.8)	88,450	122,716	(27.9)
Total comprehensive income attributable to:						
Owners of the company	10,267	47,163	(78.2)	90,170	54,834	64.4
Minority interests	(212)	391	n.m.	(170)	662	n.m.
	10,055	47,554	(78.9)	90,000	55,496	62.2

Note 1

This includes amortisation of customer relationships amounting to S\$8.4million (June 30, 2008: S\$8.4million).

Note 2

This includes fair value gain on derivative financial instruments of S\$12.4million (June 30, 2008: fair value loss of S\$27.1million)

Note 3

This includes deferred tax liabilities release of S\$1.5million to account for the decrease in corporate tax rates in Singapore from 18% to 17% and in Malaysia from 26% to 25%.

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

	Group			Group		
	3 months ended 30.06.2009 S\$'000	3 months ended 30.06.2008 S\$'000	% increase/ (decrease)	6 months ended 30.06.2009 S\$'000	6 months ended 30.06.2008 S\$'000	% increase/ (decrease)
Overprovision (Underprovision) of tax in respect of prior years	1,184	37	3,100.0	777	(55)	n.m.
Write-back of deferred tax liabilities	1,508	-	n.m.	1,508	-	n.m.
Gain on disposal of available-for-sale investments	-	1,934	n.m.	-	1,950	n.m.
Allowance for doubtful trade receivables	(1,500)	(82)	1,729.3	(1,500)	(339)	342.5
Bad debt written off	(4)	-	n.m.	(156)	-	n.m.
Gain (loss) on disposal of property, plant and equipment, net	1,988	(276)	n.m.	1,967	(354)	n.m.
Fair value gain (loss) on derivative financial instruments	24,976	(6,355)	n.m.	12,401	(27,102)	n.m.
Allowance for inventories	(25)	(172)	(85.5)	(25)	(359)	(93.0)
Inventories written off	(16)	-	n.m.	(216)	-	n.m.
Impairment of plant and equipment	-	-	n.m.	-	(17)	n.m.

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	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	484,585	513,770	108,299	144,699
Available-for-sale investments	140,788	158,259	140,788	156,278
Trade receivables	584,801	537,296	88,361	112,225
Other receivables and prepayments	42,106	36,621	9,851	5,380
Inventories	444,241	538,734	57,447	80,248
Trade receivables due from subsidiaries	-	-	30,565	8,229
Other receivables due from subsidiaries	-	-	1,301	341
Total current assets	1,696,521	1,784,680	436,612	507,400
Non-current assets:				
Investments in subsidiaries	-	-	1,234,726	1,234,726
Investments in associates	109,155	113,616	89,661	89,661
Available-for-sale investments	49,625	42,994	41,002	37,110
Property, plant and equipment	186,782	196,036	9,683	11,716
Intangible assets	132,181	137,369	6,238	2,682
Goodwill	640,593	640,593	-	-
Deferred tax assets	1,037	1,038	-	-
Total non-current assets	1,119,373	1,131,646	1,381,310	1,375,895
Total assets	2,815,894	2,916,326	1,817,922	1,883,295
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	215,945	201,680	214,052	187,740
Trade payables	464,425	436,855	56,446	74,132
Other payables and accrued expenses	85,507	95,988	22,556	23,776
Trade payables due to subsidiaries	-	-	21,785	18,955
Other payables due to subsidiaries	-	-	7,262	5,422
Trade payables due to associates	1,058	296	-	-
Income tax payable	147	1,258	2,364	2,114
Derivative financial instruments	120,072	132,473	120,072	132,473
Total current liabilities	887,154	868,550	444,537	444,612
Non-current liabilities:				
Bank loans	49,972	119,854	49,972	119,854
Deferred tax liabilities	25,833	29,074	-	-
Total non-current liabilities	75,805	148,928	49,972	119,854
Capital and reserves:				
Share capital	671,906	671,906	671,906	671,906
Share options reserve	32,647	31,805	31,695	30,853
Investments revaluation reserve	(26,251)	(15,611)	(25,318)	(14,777)
Translation reserve	(123,880)	(136,015)	-	-
Reserve fund	690	690	-	-
Accumulated profits	1,294,785	1,342,865	645,130	630,847
Equity attributable to owners of the company	1,849,897	1,895,640	1,323,413	1,318,829
Minority interests	3,038	3,208	-	-
Total equity	1,852,935	1,898,848	1,323,413	1,318,829
Total Liabilities and Equity	2,815,894	2,916,326	1,817,922	1,883,295

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 30.06.2009		As at 31.12.2008		As at 30.06.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	215,945	-	201,680	-	214,052	-	187,740

(b) Amount repayable after one year

Group				Company			
As at 30.06.2009		As at 31.12.2008		As at 30.06.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	49,972	-	119,854	-	49,972	-	119,854

(c) Details of any collateral
Not applicable.

1.(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	3 months ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Profit before tax	59,424	68,778	87,220	127,708
Adjustments for:				
Share of loss of associates	858	476	1,992	504
Amortisation of bond premium	47	-	95	-
Allowance for inventories	25	172	25	359
Inventories written off	16	-	216	-
Depreciation expense	10,465	10,211	21,222	20,579
Bad debt written off	4	-	156	-
Allowance on doubtful trade receivables	1,500	82	1,500	339
Amortisation of intangible assets	4,472	4,898	9,359	9,820
Impairment loss on plant and equipment	-	-	-	17
Interest income	(1,925)	(6,106)	(3,951)	(11,536)
Dividend income	-	(33)	-	(33)
Interest expense	743	2,482	1,730	4,817
Share-based payments expense	600	2,085	1,214	4,113
Fair value (gain) loss on derivative financial instruments	(24,976)	6,355	(12,401)	27,102
Gain on disposal of available-for-sale investments	-	(1,934)	-	(1,950)
(Gain) Loss on disposal of plant and equipment, net	(1,988)	276	(1,967)	354
Operating profit before working capital changes	49,265	87,742	106,410	182,193
Trade receivables	(130,324)	(28,421)	(37,957)	(40,597)
Other receivables and prepayments	(4,275)	(10,171)	(4,544)	(8,998)
Inventories	58,218	(31,328)	97,836	(98,685)
Amount due from (to) associates	503	471	762	(288)
Trade payables	95,812	18,746	22,081	40,093
Other payables and accrued expenses	3,572	18,523	(10,672)	(6,654)
Cash generated from operations	72,771	55,562	173,916	67,064
Interest paid	(611)	(2,394)	(1,383)	(4,270)
Income tax paid	(2,247)	(2,756)	(3,526)	(6,761)
Net cash from operating activities	69,913	50,412	169,007	56,033
Investing activities:				
Interest received	1,962	6,106	3,988	11,536
Dividends received from other equity investments	-	33	-	33
Purchase of property, plant and equipment	(9,185)	(11,827)	(11,449)	(20,074)
Proceeds on disposal of plant and equipment	3,304	23	3,696	134
Addition of intangible assets	(2,394)	(18)	(4,166)	(193)
Proceeds on maturity of available-for-sale investments	2,000	40,916	7,000	43,976
Purchase of available-for-sale investments	-	(7,000)	(4,075)	(7,000)
Acquisition of remaining interests in a subsidiary	-	(18,553)	-	(18,553)
Net cash (used in) from investing activities	(4,313)	9,680	(5,006)	9,859
Financing activities:				
Dividends paid	(137,127)	(137,127)	(137,127)	(137,127)
Repayment of bank loans	(18,376)	(30,603)	(56,575)	(99,908)
Net cash used in financing activities	(155,503)	(167,730)	(193,702)	(237,035)
Net decrease in cash and cash equivalents	(89,903)	(107,638)	(29,701)	(171,143)
Cash and cash equivalents at beginning of period	588,237	414,580	513,770	493,326
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(13,749)	(6,435)	516	(21,676)
Cash and cash equivalents at end of period	484,585	300,507	484,585	300,507
Cash and cash equivalents at end of period include the following:				
Cash	270,303	143,392	270,303	143,392
Fixed Deposits	214,282	157,115	214,282	157,115
Cash and cash equivalents at the end of the period	484,585	300,507	484,585	300,507

1.(d)(i) Statement of changes in equity for the period ended June 30, 2008

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserve S\$'000	Translation reserves S\$'000	Reserve Fund S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the company S\$'000	Minority interests S\$'000	Total equity S\$'000
The Group									
Balance at January 1, 2008	671,906	30,052	(3,067)	(123,588)	371	1,308,858	1,884,532	10,912	1,895,444
Total comprehensive income for the period	-	-	1,947	(50,610)	-	56,334	7,671	271	7,942
Recognition of share-based payments	-	2,028	-	-	-	-	2,028	-	2,028
Share options lapsed	-	(1,753)	-	-	-	1,753	-	-	-
Share of an associate's share options reserve	-	285	-	-	-	-	285	-	285
Balance at March 31, 2008	671,906	30,612	(1,120)	(174,198)	371	1,366,945	1,894,516	11,183	1,905,699
Total comprehensive income for the period	-	-	(1,794)	(16,678)	-	65,635	47,163	391	47,554
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(137,127)	(137,127)	-	(137,127)
Recognition of share-based payments	-	2,085	-	-	-	-	2,085	-	2,085
Share options lapsed	-	(677)	-	-	-	677	-	-	-
Acquisition of remaining interests in a subsidiary	-	-	-	-	-	-	-	(8,818)	(8,818)
Balance at June 30, 2008	671,906	32,020	(2,914)	(190,876)	371	1,296,130	1,806,637	2,756	1,809,393

1.(d)(i) Statement of changes in equity for the period ended June 30, 2009

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserve S\$'000	Translation reserves S\$'000	Reserve Fund S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the company S\$'000	Minority interests S\$'000	Total equity S\$'000
The Group									
Balance at January 1, 2009	671,906	31,805	(15,611)	(136,015)	690	1,342,865	1,895,640	3,208	1,898,848
Total comprehensive income for the period	-	-	5,109	47,066	-	27,728	79,903	42	79,945
Recognition of share-based payments	-	614	-	-	-	-	614	-	614
Share options lapsed	-	(164)	-	-	-	164	-	-	-
Balance at March 31, 2009	671,906	32,255	(10,502)	(88,949)	690	1,370,757	1,976,157	3,250	1,979,407
Total comprehensive income for the period	-	-	(15,749)	(34,931)	-	60,947	10,267	(212)	10,055
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(137,127)	(137,127)	-	(137,127)
Recognition of share-based payments	-	600	-	-	-	-	600	-	600
Share options lapsed	-	(208)	-	-	-	208	-	-	-
Balance at June 30, 2009	671,906	32,647	(26,251)	(123,880)	690	1,294,785	1,849,897	3,038	1,852,935

1.(d)(i) **Statement of changes in equity for the period ended June 30, 2008**

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company					
Balance at January 1, 2008	671,906	29,385	(2,483)	447,272	1,146,080
Total comprehensive income for the period	-	-	1,748	53,763	55,511
Recognition of share-based payments	-	2,028	-	-	2,028
Share options lapsed	-	(1,753)	-	1,753	-
Balance at March 31, 2008	671,906	29,660	(735)	502,788	1,203,619
Total comprehensive income for the period	-	-	(1,531)	106,932	105,401
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	(137,127)	(137,127)
Recognition of share-based payments	-	2,085	-	-	2,085
Share options lapsed	-	(677)	-	677	-
Balance at June 30, 2008	671,906	31,068	(2,266)	473,270	1,173,978

1.(d)(i) **Statement of changes in equity for the period ended June 30, 2009**

	Share capital S\$'000	Share options reserve S\$'000	Investments revaluation reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company					
Balance at January 1, 2009	671,906	30,853	(14,777)	630,847	1,318,829
Total comprehensive income for the period	-	-	5,266	117,590	122,856
Recognition of share-based payments	-	614	-	-	614
Share options lapsed	-	(164)	-	164	-
Balance at March 31, 2009	671,906	31,303	(9,511)	748,601	1,442,299
Total comprehensive income for the period	-	-	(15,807)	33,448	17,641
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	(137,127)	(137,127)
Recognition of share-based payments	-	600	-	-	600
Share options lapsed	-	(208)	-	208	-
Balance at June 30, 2009	671,906	31,695	(25,318)	645,130	1,323,413

1.(d)(ii) **Details of any changes in the Company's issued share capital**

Venture Manufacturing (Singapore) Ltd Executives' Share Option Scheme ("The 1993 Scheme")

As at June 30, 2009, there were no unissued shares of the Company under options in the 1993 Scheme as all have expired (June 30, 2008: 2,712,000 options in existence).

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

Since the end of the previous financial quarter, no option was exercised (June 30, 2008: Nil). As at June 30, 2009, there were 9,602,000 unissued shares of the Company under options in the 2004 Scheme (June 30, 2008: 6,947,000).

Since the end of the previous financial quarter, 107,000 options (June 30, 2008: 134,000) have lapsed.

Share Capital

	30.06.2009	31.12.2008	30.06.2009	31.12.2008
	Number of ordinary shares		\$'000	\$'000
Issued and paid-up capital	<u>274,253,577</u>	<u>274,253,577</u>	<u>671,906</u>	<u>671,906</u>

1.(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to 1.(d)(ii). There were no treasury shares as at June 30, 2009.

1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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, 2008.

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 30.06.2009	3 months ended 30.06.2008	6 months ended 30.06.2009	6 months ended 30.06.2008
(a) Based on the weighted average number of ordinary shares on issue (cents)	22.2	23.9	32.3	44.5
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	22.2	23.9	32.3	44.5

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

Net asset value per ordinary share based on issued share capital at the end of the financial period reported on (cents)

Group		Company	
30.06.2009	31.12.2008	30.06.2009	31.12.2008
674.5	691.2	482.6	480.9

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.**

The Group achieved revenue of S\$846.0 million for the second quarter of 2009, 17% above revenue recorded for the first quarter of the year. On a year-on-year basis, revenue was 13% lower.

The recovery from the first quarter of the year was due to demand pick-up for several products and improvement in market share. All product segments, except Test & Measurement/Others, registered improvement in revenue. The Printing & Imaging segment grew by more than 36% sequentially. The Retail Store Solutions & Industrial Products segment made progress in the quarter with a 9% rise in revenue over the prior quarter. The Computer Peripherals & Data Storage segment, as well as the Networking & Communications segment recorded higher revenue sequentially of 8% and 7% respectively.

For the quarter ended 30 June 2009, the Group registered Profit After Tax and Minority Interest (PATMI) of S\$60.9 million. Compared to the first quarter of 2009, PATMI improved significantly by 120%.

The Group's PATMI of S\$60.9 million included a fair value market adjustment on its derivative financial instrument which amounted to a positive S\$25.0 million and a foreign currency exchange adjustment loss of S\$4.3 million. At a PATMI level, adjusted for these charges, earnings for the quarter would have been S\$40.2 million, an improvement of 29% over PATMI recorded for the prior quarter similarly adjusted for the said charges. Earnings Per Share is 22.2 cents for the three months ended 30 June 2009.

The Group's balance sheet remained healthy.

Cash generated from operations for the quarter was in excess of S\$72 million. Cash and Cash Equivalent balances were S\$484.6 million at the end of the quarter.

At the close of the reporting quarter, the Group remained net cash positive at S\$218.7 million, 14% higher than the net cash position of the Group as at 31 December 2008. This is net of payment of final dividend of 50 cents per share amounting to S\$137.1 million in May 2009 and capital expenditure of S\$9.2 million. The latter comprised mainly of acquisition of industrial land and building in Malaysia.

The Group continued to place strong emphasis on operational efficiency and excellence, cost discipline and judicious management of working capital. In spite of the increase in business activity, inventory level reduced by 15% from the prior quarter.

As at 30 June 2009, total shareholders' equity of the Group amounted to S\$1.8 billion.

The Net Asset Value per share of the Group was S\$6.75 at the end of the financial period reported on.

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**

On a quarter-on-quarter basis, the Group registered a double-digit growth in revenue. All product segments made gains except for Test & Measurement/Others.

Sentiments of the Group's customers remained mixed and divergent. In general, most are more positive about their second half business prospects. However at this point in time, they are not prepared to commit to the pace and trajectory of recovery.

The Group will continue to focus on operational excellence, differentiation and innovation to enlarge its market share, penetrate new market segments and win new businesses.

In recent months, the Group has added several new customers and projects across all the business segments. These new programmes are expected to contribute to the Group's performance starting next year.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend	Nil
Dividend Type	Nil
Dividend Amount per Share (in cents)	Nil
Dividend Rate	Nil
Par value of shares	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
Dividend Rate	Nil
Par value of shares	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, 2009 is recommended or declared.

BY ORDER OF THE BOARD

Angeline Khoo
Company Secretary
August 7, 2009

VENTURE CORPORATION LIMITED
Company Registration Number 198402886H

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) 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, 2009 to be false or misleading.

On behalf of the Directors

(signed)
Wong Ngit Liong
Director

(signed)
Cecil Vivian Richard Wong
Director

August 7, 2009