

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 30 June 2004. These figures have not been audited or reviewed.

1.(a)(i) **An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			Group		
	3 months ended 30.06.2004 S\$'000	3 months ended 30.06.2003 S\$'000	% increase/ (decrease)	6 months ended 30.06.2004 S\$'000	6 months ended 30.06.2003 S\$'000	% increase/ (decrease)
Revenue	683,713	747,110	(8.5)	1,384,775	1,381,295	0.3
Other operating income	12,821	1,352	848.3	14,201	2,247	532.0
Changes in inventories of finished goods and work in progress	11,865	2,247	428.0	18,247	7,351	148.2
Raw materials and consumables used	(560,309)	(602,899)	(7.1)	(1,137,901)	(1,114,475)	2.1
Staff costs	(48,671)	(46,459)	4.8	(94,661)	(92,293)	2.6
Depreciation and amortisation expense	(13,665)	(13,558)	0.8	(27,703)	(26,636)	4.0
Research and development expense	(7,926)	(10,278)	(22.9)	(15,132)	(19,287)	(21.5)
Foreign currency exchange adjustment gain (loss)	1,518	752	101.9	(470)	(873)	(46.2)
Other operating expense	(18,356)	(18,698)	(1.8)	(36,377)	(35,620)	2.1
Profit from operations	60,990	59,569	2.4	104,979	101,709	3.2
Interest income (net of interest expense)	4,395	2,710	62.2	7,858	5,096	54.2
Income from associates	334	477	(30.0)	1,156	1,536	(24.7)
Profit before income tax	65,719	62,756	4.7	113,993	108,341	5.2
Income tax expense	(1,532)	(2,109)	(27.4)	(2,350)	(4,321)	(45.6)
Profit after income tax but before minority interests	64,187	60,647	5.8	111,643	104,020	7.3
Minority interests	144	(1,986)	n.m.	(413)	(3,004)	(86.3)
Net profit attributable to the shareholders of the company	64,331	58,661	9.7	111,230	101,016	10.1

1.(a)(ii) **The net profit attributable to the shareholders includes the following charges/(credits):**

	Group			Group		
	3 months ended 30.06.2004 S\$'000	3 months ended 30.06.2003 S\$'000	% increase/ (decrease)	6 months ended 30.06.2004 S\$'000	6 months ended 30.06.2003 S\$'000	% increase/ (decrease)
(Under) Overprovision of tax in respect of prior years	(25)	467	n.m.	696	467	49.0
Gain on disposal of associates	10,961	-	n.m.	10,961	-	n.m.
(Loss) Gain on disposal of plant and equipment, net	(13)	6	n.m.	81	87	(6.9)
Gain on sale of fixed rate bonds	883	-	n.m.	1,623	-	n.m.

Note: n.m. - not meaningful

1.(b)(i) An balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding year

	Group		Company	
	30.06.2004 S\$'000	31.12.2003 S\$'000	30.06.2004 S\$'000	31.12.2003 S\$'000
ASSETS				
Current assets:				
Cash	118,740	155,556	39,719	38,898
Fixed deposits	696,406	624,577	601,605	507,072
Trade receivables	405,465	439,629	151,335	155,664
Other receivables and prepayments	67,376	29,752	29,524	8,797
Inventories	302,575	254,164	81,983	66,523
Amount due from subsidiaries	-	-	102,549	134,035
Amount due from associates	-	883	-	-
Amount due from joint venture	117	9	-	-
Total current assets	1,590,679	1,504,570	1,006,715	910,989
Non-current assets:				
Investments in subsidiaries	-	-	169,954	154,128
Investments in associates	16,882	23,284	-	-
Investment in joint venture	-	-	1,000	1,000
Other investments	97,732	47,034	68,195	8,250
Property, plant and equipment	165,362	159,362	21,572	23,813
Intangible assets	13,162	17,568	500	648
Goodwill on consolidation	66,804	57,515	-	-
Total non-current assets	359,942	304,763	261,221	187,839
Total Assets	1,950,621	1,809,333	1,267,936	1,098,828
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts	1,376	821	-	-
Short-term bank loans	9,070	9,043	-	-
Trade payables	404,085	380,000	72,325	66,448
Other payables and accrued expenses	47,182	59,691	17,065	29,695
Amount due to subsidiaries	-	-	181,460	70,475
Amount due to associates	1,005	2,167	478	630
Amount due to joint venture	228	70	226	124
Income tax payable	3,976	5,427	-	-
Total current liabilities	466,922	457,219	271,554	167,372
Non-current liability:				
Deferred tax liabilities	2,747	2,746	-	-
Minority interests				
	4,468	8,310	-	-
Capital and reserves:				
Issued capital	65,553	64,281	65,553	64,281
Share premium	484,560	420,131	484,560	420,131
Accumulated profits	940,692	871,857	446,269	447,044
Reserve on consolidation	51	51	-	-
Currency translation reserves	(14,372)	(15,262)	-	-
Total equity	1,476,484	1,341,058	996,382	931,456
Total Liabilities and Equity	1,950,621	1,809,333	1,267,936	1,098,828

1.(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 30.06.2004		As at 31.12.2003	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,259	8,187	1,735	8,129

(b) Amount repayable after one year

As at 30.06.2004		As at 31.12.2003	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

(c) Details of any collateral

The bank loans are provided to subsidiaries of Univac Precision Engineering Pte Ltd. The loans are secured by proportionate corporate guarantees provided by the shareholders of the subsidiaries.

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 30.06.2004 S\$'000	3 months ended 30.06.2003 S\$'000	6 months ended 30.06.2004 S\$'000	6 months ended 30.06.2003 S\$'000
Cash flows from operating activities:				
Profit before income from associates, income tax and minority interests	65,385	62,279	112,837	106,805
Adjustments for:				
Depreciation expense	9,946	10,179	20,112	19,905
Amortisation of goodwill	810	726	1,620	1,423
Amortisation of intangible assets	2,909	2,653	5,971	5,308
Interest income	(4,476)	(2,800)	(8,028)	(5,258)
Dividend income	(752)	(309)	(924)	(445)
Interest expense	81	90	170	162
Gain on disposal of associates	(10,961)	-	(10,961)	-
Loss (Gain) on disposal of plant and equipment, net	13	(6)	(81)	(87)
Loss on disposal of other investments	-	15	-	15
Operating profit before working capital changes	62,955	72,827	120,716	127,828
Trade receivables	5,378	(41,421)	34,164	8,899
Other receivables and prepayments	(13,937)	2,002	(37,655)	(11,602)
Inventories	(32,382)	(4,629)	(48,411)	(33,541)
Amount due from joint venture	(21)	(31)	50	(10)
Amount due from associates	944	(801)	(279)	(3,755)
Trade payables	22,651	49,780	24,085	2,587
Other payables and accrued expenses	9,371	(3,165)	(12,509)	(20,385)
Cash generated from operations	54,959	74,562	80,161	70,021
Interest received	4,476	2,800	8,028	5,258
Interest paid	(81)	(90)	(170)	(162)
Income tax paid	(2,605)	(4,953)	(3,760)	(6,392)
Dividends paid	(42,395)	(18,484)	(42,395)	(18,484)
Dividends received	752	309	924	445
Net cash from operating activities	15,106	54,144	42,788	50,686
Cash flows from investing activities:				
Purchase of property, plant and equipment	(21,031)	(14,365)	(26,473)	(26,437)
Proceeds on disposal of plant and equipment	8	816	399	5,630
Addition of intangible assets	(471)	(454)	(1,559)	(2,540)
Purchase of other investments	(58,632)	(20,735)	(58,708)	(20,878)
Proceeds on disposal of other investments	-	5,000	9,506	5,469
Dividends received from associates	-	-	68	135
Proceeds from disposal of associates	18,926	-	18,926	-
Cash flow resulting from acquisition of subsidiary	-	(88)	-	(88)
Net cash used in investing activities	(61,200)	(29,826)	(57,841)	(38,709)
Cash flows from financing activities:				
(Repayment of) Increase in bank loans	(174)	396	27	1,269
Proceeds from issue of shares	21,831	42,948	49,876	67,942
Net cash from financing activities	21,657	43,344	49,903	69,211
Net effect of exchange rate changes in consolidating subsidiaries	1,426	(3,101)	(392)	(3,075)
(Decrease) Increase in cash and cash equivalents	(23,011)	64,561	34,458	78,113
Cash and cash equivalents at beginning of period	836,781	433,285	779,312	419,733
Cash and cash equivalents at end of period	813,770	497,846	813,770	497,846

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

	Issued capital S\$'000	Share premium S\$'000	Currency translation reserves S\$'000	Reserve on consolidation S\$'000	Accumulated Profits S\$'000	Total S\$'000
The Group						
Balance at 1 January 2003	60,079	239,389	(6,504)	51	649,955	942,970
Currency translation differences	-	-	64	-	-	64
Net profit attributable to the shareholders of the company	-	-	-	-	42,355	42,355
Issue of share capital	772	24,222	-	-	-	24,994
Balance at 31 March 2003	60,851	263,611	(6,440)	51	692,310	1,010,383
Currency translation differences	-	-	(3,583)	-	-	(3,583)
Net profit attributable to the shareholders of the company	-	-	-	-	58,661	58,661
First and final tax exempt dividend and bonus tax exempt dividend paid in respect of the previous financial year	-	-	-	-	(18,484)	(18,484)
Issue of shares	1,188	41,760	-	-	-	42,948
Balance at 30 June 2003	62,039	305,371	(10,023)	51	732,487	1,089,925
Balance at 1 January 2004	64,281	420,131	(15,262)	51	871,857	1,341,058
Currency translation differences	-	-	(2,351)	-	-	(2,351)
Net profit attributable to the shareholders of the company	-	-	-	-	46,899	46,899
Issue of share capital	591	27,454	-	-	-	28,045
Balance at 31 March 2004	64,872	447,585	(17,613)	51	918,756	1,413,651
Currency translation differences	-	-	3,241	-	-	3,241
Net profit attributable to the shareholders of the company	-	-	-	-	64,331	64,331
First and final tax exempt dividend and bonus dividend less tax paid in respect of the previous financial year	-	-	-	-	(42,395)	(42,395)
Issue of shares	681	36,975	-	-	-	37,656
Balance at 30 June 2004	65,553	484,560	(14,372)	51	940,692	1,476,484
The Company						
Balance at 1 January 2003	60,079	239,389	-	-	371,296	670,764
Net profit attributable to the shareholders of the company	-	-	-	-	15,044	15,044
Issue of share capital	772	24,222	-	-	-	24,994
Balance at 31 March 2003	60,851	263,611	-	-	386,340	710,802
Net profit attributable to the shareholders of the company	-	-	-	-	13,690	13,690
First and final tax exempt dividend and bonus tax exempt dividend paid in respect of the previous financial year	-	-	-	-	(18,484)	(18,484)
Issue of shares	1,188	41,760	-	-	-	42,948
Balance at 30 June 2003	62,039	305,371	-	-	381,546	748,956
Balance at 1 January 2004	64,281	420,131	-	-	447,044	931,456
Net profit attributable to the shareholders of the company	-	-	-	-	18,628	18,628
Issue of share capital	591	27,454	-	-	-	28,045
Balance at 31 March 2004	64,872	447,585	-	-	465,672	978,129
Net profit attributable to the shareholders of the company	-	-	-	-	22,992	22,992
First and final tax exempt dividend and bonus dividend less tax paid in respect of the previous financial year	-	-	-	-	(42,395)	(42,395)
Issue of shares	681	36,975	-	-	-	37,656
Balance at 30 June 2004	65,553	484,560	-	-	446,269	996,382

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

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

Since the end of the previous financial quarter, 1,814,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 1,814,000 of their options under the Scheme. As at 30 June 2004, there were 22,148,000 unissued shares of the Company under options (30 June 2003: 29,083,000).

Since the end of the previous financial year, no options to take up ordinary shares (30 June 2003: Nil) of S\$0.25 each in the capital of the Company lapsed.

Acquisition of 20% remaining stake in Venture Electronics Solutions Pte Ltd

On 18 June 2004, 909,520 new ordinary shares of S\$0.25 each were allotted and issued upon completion of the acquisition of the remaining 20% of the issued share capital of Venture Electronics Solutions Pte Ltd. These new shares were listed and quoted on the Main Board of the SGX-ST from 21 June 2004

The new ordinary shares shall rank *pari passu* in all respects with the existing ordinary shares of par value S\$0.25 in the capital of the Company.

Share Capital

As at 30 June 2004, the issued and paid up capital of the Company was S\$65,552,644 divided into 262,210,577 shares of S\$0.25 each.

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 these figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 31 December 2003.

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.**

Not applicable.

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)

	Latest period 30.06.2004	Previous corresponding period 30.06.2003
(a)	42.8	41.3
(b)	41.6	40.2

7.

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

Group		Company	
30.06.2004	31.12.2003	30.06.2004	31.12.2003
563.1	521.6	380.0	362.3

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.

The Group recorded revenue of S\$1.385 billion for the half year ended 30 June 2004. Revenue from the printing & imaging and computer peripheral and data storage segments declined due to delays in new product introduction. However, this was offset by strong growth in the test & measurement, automotive, medical, and networking & communication product segments.

The Group's profit after tax increased 10.1% year-on-year from S\$101 million to S\$111.2 million. This was due mainly to an S\$11 million non-recurring gain on disposal of its stake in an associate company.

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 is optimistic of its growth prospects. To achieve a balanced, sustainable growth, we are aggressively expanding and diversifying our customer base. At the same time, we continue to build stronger relationships and increase our business volume with existing customers.

Venture is relentlessly enhancing its capability-to-cost ratio around the world. Our hub in Johore (Malaysia) has turned out to be an excellent performer, and we are making further commitment to the cluster through the purchase of a 400,000 square-foot facility that it had been leasing since end-2002. The relatively new hub in Shanghai (China) has shown tremendous potential in the past year to become a major cluster, and we have expanded our operations to the second building, and added a new 40,000 square-foot facility in the Shanghai Free Trade Zone to support the growth of our e-fulfillment business there. In the US, we have expanded our scope of services to include repair services, systems integration, and box-build, and leased an additional 75,000 square-foot facility in Southern California as part of our effort to strengthen our cluster of excellence in the region.

We will continue to explore new growth opportunities either organically or through strategic acquisitions, alliances and partnerships.

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 30 June 2004 is recommended or declared.

BY ORDER OF THE BOARD

Tan Lay Hong
 Company Secretary
 6 August 2004