

**VENTURE CORPORATION LIMITED**

**First Quarter Financial Statement 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 31 March 2003.  
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.**

	<b>Group</b>		
	<b>3 months ended 31.03.2003 S\$'000</b>	<b>3 months ended 31.03.2002 S\$'000</b>	<b>% increase/ (decrease)</b>
<b>Revenue</b>	<b>634,185</b>	372,462	70.3
Other operating income	<b>895</b>	2,085	(57.1)
Changes in inventories of finished goods and work in progress	<b>5,104</b>	21,098	(75.8)
Raw materials and consumables used	<b>(518,560)</b>	(309,545)	67.5
Staff costs	<b>(45,834)</b>	(30,936)	48.2
Depreciation and amortisation expense	<b>(13,078)</b>	(7,689)	70.1
Research and development expense	<b>(9,009)</b>	(4,801)	87.6
Foreign currency exchange adjustment (loss)/gain	<b>(1,625)</b>	12	n.m.
Other operating expense	<b>(9,938)</b>	(8,965)	10.9
<b>Profit from operations</b>	<b>42,140</b>	33,721	25.0
Interest income (net of interest expense)	<b>2,386</b>	3,017	(20.9)
Share of profits in associates	<b>1,059</b>	-	n.m.
<b>Profit before income tax</b>	<b>45,585</b>	36,738	24.1
Income tax expense	<b>(2,212)</b>	(4,475)	(50.6)
<b>Profit after income tax but before minority interest</b>	<b>43,373</b>	32,263	34.4
Minority interests	<b>(1,018)</b>	51	n.m.
<b>Net profit attributable to the shareholders of the company</b>	<b>42,355</b>	32,314	31.1

## 1.(b)(i) Balance Sheet

	Group		Company	
	31.03.2003	31.12.2002	31.03.2003	31.12.2002
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	156,727	153,729	89,675	53,394
Fixed deposits	276,558	266,004	235,202	211,943
Trade receivables	396,014	446,334	137,093	193,527
Other receivables and prepayments	44,496	31,205	15,704	15,037
Inventories	246,715	217,803	66,575	65,260
Amount due from subsidiaries	-	-	154,583	155,835
Amount due from associates	2,556	2,730	1,210	-
Amount due from joint venture	242	74	-	-
<b>Total current assets</b>	<b>1,123,308</b>	<b>1,117,879</b>	<b>700,042</b>	<b>694,996</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	122,345	122,345
Investments in associates	25,416	24,194	-	-
Investment in joint venture	-	-	1,000	1,000
Other investments	45,708	46,034	914	914
Property, plant and equipment	160,063	162,430	27,874	29,345
Intangible assets	24,549	25,101	-	-
Goodwill on consolidation	50,769	51,466	-	-
<b>Total non-current assets</b>	<b>306,505</b>	<b>309,225</b>	<b>152,133</b>	<b>153,604</b>
<b>Total Assets</b>	<b>1,429,813</b>	<b>1,427,104</b>	<b>852,175</b>	<b>848,600</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Short-term bank loans	6,927	6,054	-	-
Trade payables	325,648	372,841	65,760	76,900
Other payables	48,528	65,748	19,628	36,948
Amount due to subsidiaries	-	-	54,563	61,915
Amount due to associates	2,580	5,708	139	1,162
Amount due to joint venture	331	142	326	274
Income tax payable	9,532	7,732	957	637
<b>Total current liabilities</b>	<b>393,546</b>	<b>458,225</b>	<b>141,373</b>	<b>177,836</b>
<b>Non-current liability:</b>				
Deferred Income Tax	2,418	3,458	-	-
<b>Minority interests</b>	<b>23,466</b>	<b>22,451</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>				
Issued capital	60,851	60,079	60,851	60,079
Share premium	263,611	239,389	263,611	239,389
Accumulated profits	692,310	649,955	386,340	371,296
Reserve on consolidation	51	51	-	-
Currency translation reserves	(6,440)	(6,504)	-	-
<b>Total equity</b>	<b>1,010,383</b>	<b>942,970</b>	<b>710,802</b>	<b>670,764</b>
<b>Total Liabilities and Equity</b>	<b>1,429,813</b>	<b>1,427,104</b>	<b>852,175</b>	<b>848,600</b>

## 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 31.03.2003		As at 31.12.2002	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	6,927	-	6,054

(b) Amount repayable after one year

As at 31.03.2003		As at 31.12.2002	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

1.(c) Consolidated cash flow statement

	3 months ended 31.03.2003 S\$'000	3 months ended 31.03.2002 S\$'000
<b>Cash flows from operating activities:</b>		
Profit before income from associates, income tax and minority interests	44,526	36,738
Adjustments for:		
Depreciation expense	9,726	7,083
Amortisation of goodwill	697	17
Amortisation of intangible assets	2,655	589
Interest income	(2,458)	(3,109)
Dividend income	(136)	(78)
Interest expense	72	92
(Gain) Loss on disposal of plant and equipment, net	(81)	63
<b>Operating profit before working capital changes</b>	<b>55,001</b>	<b>41,395</b>
Trade receivables	50,320	27,531
Other receivables and prepayments	(12,999)	(1,097)
Inventories	(28,912)	(36,942)
Amount due from joint venture	(168)	831
Amount due from associates	174	-
Trade payables	(47,193)	36,341
Other payables	(17,220)	(12,815)
Amount due to joint venture	189	-
Amount due to associates	(3,128)	-
<b>Cash (used in) generated from operations</b>	<b>(3,936)</b>	<b>55,244</b>
Interest received	2,458	3,109
Interest paid	(72)	(92)
Income tax paid	(1,439)	(2,728)
Dividends received	136	78
<b>Net cash (used in) from operating activities</b>	<b>(2,853)</b>	<b>55,611</b>
<b>Cash flows from investing activities:</b>		
Contribution from minority shareholders	-	200
Purchase of property, plant and equipment	(12,072)	(8,782)
Proceeds on disposal of plant and equipment	4,814	77
Intangible assets	(2,086)	(3,183)
Purchase of other investments	(143)	(200)
Proceeds on disposal of other investments	469	-
Dividends received from associates	135	-
Investments in associates	(605)	-
<b>Net cash used in investing activities</b>	<b>(9,488)</b>	<b>(11,888)</b>
<b>Cash flows from financing activities:</b>		
Increase (Decrease) in short-term bank loans	873	(45)
Proceeds from issue of shares	24,994	1,907
<b>Net cash from financing activities</b>	<b>25,867</b>	<b>1,862</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>26</b>	<b>(730)</b>
Increase in cash and cash equivalents	13,552	44,855
Cash and cash equivalents at beginning of period	419,733	304,449
<b>Cash and cash equivalents at end of period</b>	<b>433,285</b>	<b>349,304</b>

1.(d)(i) **Statement of changes in equity for the period ended 31 March**

	<b>Issued capital S\$'000</b>	<b>Share premium S\$'000</b>	<b>Currency translation reserves S\$'000</b>	<b>Reserve on consolidation S\$'000</b>	<b>Accumulated Profits S\$'000</b>	<b>Total S\$'000</b>
<b>The Group</b>						
Balance at 1 January 2002	57,776	126,547	522	51	480,493	665,389
Currency translation differences	-	-	(676)	-	-	(676)
Net profit attributable to the shareholders of the company	-	-	-	-	32,314	32,314
Issue of share capital	45	1,862	-	-	-	1,907
Balance at 31 March 2002	<u>57,821</u>	<u>128,409</u>	<u>(154)</u>	<u>51</u>	<u>512,807</u>	<u>698,934</u>
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	<u>60,851</u>	<u>263,611</u>	<u>(6,440)</u>	<u>51</u>	<u>692,310</u>	<u>1,010,383</u>
<b>The Company</b>						
Balance at 1 January 2002	57,776	126,547	-	-	304,677	489,000
Net profit attributable to the shareholders of the company	-	-	-	-	21,823	21,823
Issue of share capital	45	1,862	-	-	-	1,907
Balance at 31 March 2002	<u>57,821</u>	<u>128,409</u>	<u>-</u>	<u>-</u>	<u>326,500</u>	<u>512,730</u>
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	<u>60,851</u>	<u>263,611</u>	<u>-</u>	<u>-</u>	<u>386,340</u>	<u>710,802</u>

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

Venture Corporation Limited Executive Share Option Scheme ("The Scheme")

Since the end of the previous financial year, 3,091,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 3,091,000 of their options under the Scheme. As at 31 March 2003, there were 30,012,000 unissued shares of the Company under options (31 March 2002: 33,718,000).

Since the end of the previous financial year, no options to take up ordinary shares (31 March 2002: Nil) of S\$0.25 each in the capital of the Company lapsed.

Share Capital

As at 31 March 2003, the issued and paid up capital of the Company was S\$60,851,320 divided into 243,405,280 shares of S\$0.25 each.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard.**

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 2002.

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 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)

	<b>Latest period 31.03.2003</b>	Previous corresponding period 31.03.2002
(a)	17.5	14.0
(b)	17.0	13.3

7.

Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported in (cents)

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2003</b>	<b>31.12.2002</b>	<b>31.03.2003</b>	<b>31.12.2002</b>
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported in (cents)	415.1	392.4	292.0	279.1

8. **Review of the performance of the group**

The Group's revenue increased 70% from S\$372 million to S\$634 million for the fiscal quarter ended 31 March 2003. This revenue growth was the result of contribution from the computer peripherals and data storage, printing and imaging and test and measurement product segments. Continuation of market share improvement and contributions from the expanded customer base were also experienced in the period under review. New activities in facilities in China and Malaysia contributed to the growth. In addition, there was revenue contribution from newly acquired facilities of the Univac Group and Venture Electronics Services (Malaysia) (formerly Iomega Malaysia).

The Group's profit after tax grew by 31% to S\$42.4 million on the strength of the revenue growth. In spite of start-up and integration costs for new facilities within the Group, profit growth was achieved through higher value-added activities, improved productivity and efficiency and better cost controls.

9. **Comment on forecast, if previously disclosed**

Not applicable.

10. **Commentary on competitive conditions that may affect the group in the next reporting period**

The operating environment in the industry is expected to remain challenging. However, amid these challenging and uncertain times, the Group is well-positioned with its sound business strategies and proven capabilities to continue to perform.

The Group will continue to strive to provide the best end-to-end supply chain solutions to its customers. It will also continue to create synergistic relationships with its business partners, strengthen its capabilities and technologies and improve its cost structure.

11. **Dividend**

**(a) Present Period**

Name of Dividend	Nil
Dividend Type	Nil
Dividend Rate	Nil
Par value of shares	Nil
Tax Rate	Nil

**(b) Previous Corresponding Period**

Name of Dividend	Nil
Dividend Type	Nil
Dividend Rate	Nil
Par value of shares	Nil
Tax Rate	Nil

**(c) Date payable**

Not applicable.

**(d) Books closing date**

Not applicable.

12. **If no dividend has been declared (recommended), a statement to that effect.**

No dividend for the period ended 31 March 2003 is recommended or declared.

**BY ORDER OF THE BOARD**

Yvonne Choo  
Company Secretary  
23 May 2003