

**VENTURE CORPORATION LIMITED**

**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 2005. 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 30.06.2005 S\$'000	3 months ended 30.06.2004 S\$'000 (Restated)	% increase/ (decrease)	6 months ended 30.06.2005 S\$'000	6 months ended 30.06.2004 S\$'000 (Restated)	% increase/ (decrease)
<b>Revenue</b>	776,894	683,713	13.6	1,540,298	1,384,775	11.2
Other operating income	844	12,821	(93.4)	4,536	14,201	(68.1)
Changes in inventories of finished goods and work in progress	33,771	11,865	184.6	42,378	18,247	132.2
Raw materials and consumables used	(670,653)	(560,309)	19.7	(1,315,500)	(1,137,901)	15.6
Staff costs	(52,645)	(54,564)	(3.5)	(103,843)	(102,518)	1.3
Depreciation and amortisation expense	(11,595)	(13,665)	(15.1)	(24,382)	(27,703)	(12.0)
Research and development expense (exclude R&D staff costs)	(8,068)	(7,926)	1.8	(13,676)	(15,132)	(9.6)
Foreign currency exchange adjustment gain (loss)	4,173	1,518	174.9	4,095	(470)	n.m.
Other operating expense	(26,766)	(18,356)	45.8	(47,975)	(36,377)	31.9
<b>Profit from operations</b>	<b>45,955</b>	<b>55,097</b>	<b>(16.6)</b>	<b>85,931</b>	<b>97,122</b>	<b>(11.5)</b>
Interest income (net of interest expense)	5,899	4,395	34.2	11,584	7,858	47.4
Income from associates	30	334	(91.0)	774	1,156	(33.0)
<b>Profit before income tax</b>	<b>51,884</b>	<b>59,826</b>	<b>(13.3)</b>	<b>98,289</b>	<b>106,136</b>	<b>(7.4)</b>
Income tax expense	(1,789)	(1,532)	16.8	(3,302)	(2,350)	40.5
<b>Profit after income tax</b>	<b>50,095</b>	<b>58,294</b>	<b>(14.1)</b>	<b>94,987</b>	<b>103,786</b>	<b>(8.5)</b>
Attributable to:						
<b>Shareholders of the company</b>	50,040	58,438	(14.4)	94,845	103,373	(8.2)
Minority interests	55	(144)	n.m.	142	413	(65.6)
	<b>50,095</b>	<b>58,294</b>	<b>(14.1)</b>	<b>94,987</b>	<b>103,786</b>	<b>(8.5)</b>

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

	Group			Group		
	3 months ended 30.06.2005 S\$'000	3 months ended 30.06.2004 S\$'000	% increase/ (decrease)	6 months ended 30.06.2005 S\$'000	6 months ended 30.06.2004 S\$'000	% increase/ (decrease)
(Under) Over provision of tax in respect of prior years	(23)	(25)	(8.0)	198	696	(71.6)
(Loss) Gain on disposal of plant and equipment, net	(99)	(13)	661.5	(35)	81	n.m.
Gain on sale of other investments	750	883	(15.1)	3,217	1,623	98.2
Gain on disposal of associates	-	10,961	n.m.	-	10,961	n.m.

Note:  
(1) n.m. - not meaningful

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

	Group		Company	
	30.06.2005	31.12.2004	30.06.2005	31.12.2004
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	87,037	90,929	25,926	16,408
Fixed deposits	483,886	518,678	334,700	376,425
Trade receivables	473,517	481,446	209,631	191,196
Other receivables and prepayments	26,512	27,807	3,726	5,732
Inventories	423,736	353,538	142,479	90,540
Amount due from subsidiaries	-	-	115,001	122,925
Amount due from joint venture	38	177	-	-
<b>Total current assets</b>	<b>1,494,726</b>	<b>1,472,575</b>	<b>831,463</b>	<b>803,226</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	169,954	169,954
Investments in associates	18,310	17,810	-	-
Investment in joint venture	-	-	1,000	1,000
Other investments	267,847	291,973	243,466	258,807
Property, plant and equipment	170,655	167,714	19,644	21,503
Intangible assets	4,835	8,374	676	921
Goodwill on consolidation	66,561	66,561	-	-
<b>Total non-current assets</b>	<b>528,208</b>	<b>552,432</b>	<b>434,740</b>	<b>452,185</b>
<b>Total assets</b>	<b>2,022,934</b>	<b>2,025,007</b>	<b>1,266,203</b>	<b>1,255,411</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Short-term bank loans	5,078	7,995	-	-
Trade payables	376,379	372,237	116,238	79,845
Other payables and accrued expenses	62,650	63,609	30,755	28,825
Amount due to subsidiaries	-	-	138,696	105,322
Amount due to associates	1,567	888	813	392
Amount due to joint venture	77	178	43	49
Income tax payable	2,644	4,012	-	-
<b>Total current liabilities</b>	<b>448,395</b>	<b>448,919</b>	<b>286,545</b>	<b>214,433</b>
<b>Non-current liabilities:</b>				
Other payables	25,704	-	25,704	-
Deferred tax liabilities	3,610	3,577	-	-
<b>Total non-current liabilities</b>	<b>29,314</b>	<b>3,577</b>	<b>25,704</b>	<b>-</b>
<b>Capital and reserves:</b>				
Issued capital	67,075	65,895	67,075	65,895
Share premium	542,100	501,751	542,100	501,751
Share option reserve	20,120	18,017	20,120	18,017
Accumulated profits	948,689	1,018,198	331,071	455,315
Investments revaluation reserve	(10,734)	-	(6,412)	-
Reserve on consolidation	51	51	-	-
Currency translation reserves	(23,738)	(33,647)	-	-
<b>Total equity attributable to shareholders of the company</b>	<b>1,543,563</b>	<b>1,570,265</b>	<b>953,954</b>	<b>1,040,978</b>
Minority interests	1,662	2,246	-	-
<b>Total equity</b>	<b>1,545,225</b>	<b>1,572,511</b>	<b>953,954</b>	<b>1,040,978</b>
<b>Total Liabilities and Equity</b>	<b>2,022,934</b>	<b>2,025,007</b>	<b>1,266,203</b>	<b>1,255,411</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 30.06.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,404	3,674	1,368	6,627

(b) Amount repayable after one year

As at 30.06.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	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 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**

	<b>3 months ended</b>	3 months ended	<b>6 months ended</b>	6 months ended
	<b>30.06.2005</b>	30.06.2004	<b>30.06.2005</b>	30.06.2004
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
		(Restated)		(Restated)
<b>Cash flows from operating activities:</b>				
Profit before income tax and income from associates	51,854	59,492	97,515	104,980
Adjustments for:				
Depreciation expense	10,071	9,946	20,273	20,112
Amortisation of goodwill	-	810	-	1,620
Amortisation of intangible assets	1,524	2,909	4,109	5,971
Interest income	(5,968)	(4,476)	(11,743)	(8,028)
Dividend income	(206)	(752)	(304)	(924)
Interest expense	69	81	159	170
Loss (Gain) on disposal of plant and equipment, net	99	13	35	(81)
Gain on disposal of other investments	(750)	-	(3,217)	-
Gain on disposal of associates	-	(10,961)	-	(10,961)
Share option expense	-	5,893	3,603	7,857
Fair value adjustments on financial instruments	5,596	-	4,960	-
<b>Operating profit before working capital changes</b>	<b>62,289</b>	<b>62,955</b>	<b>115,390</b>	<b>120,716</b>
Trade receivables	(49,105)	5,378	7,929	34,164
Other receivables and prepayments	6,824	(13,937)	538	(37,655)
Inventories	(51,426)	(32,382)	(70,198)	(48,411)
Amount due from joint venture	(27)	(21)	38	50
Amount due from associates	667	944	679	(279)
Trade payables	43,323	22,651	4,142	24,085
Other payables and accrued expenses	2,212	9,371	(12,096)	(12,509)
<b>Cash generated from operations</b>	<b>14,757</b>	<b>54,959</b>	<b>46,422</b>	<b>80,161</b>
Interest received	5,968	4,476	11,743	8,028
Interest paid	(69)	(81)	(159)	(170)
Income tax paid	(2,445)	(2,605)	(3,760)	(3,760)
Dividends paid	(133,973)	(42,395)	(133,973)	(42,395)
Dividends received	206	752	304	924
<b>Net cash from operating activities</b>	<b>(115,556)</b>	<b>15,106</b>	<b>(79,423)</b>	<b>42,788</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(11,230)	(21,031)	(22,393)	(26,473)
Proceeds on disposal of plant and equipment	1,191	8	1,556	399
Addition of intangible assets	(184)	(471)	(519)	(1,559)
Purchase of other investments	-	(58,632)	(24,921)	(58,708)
Proceeds on disposal of other investments	35,670	-	42,645	9,506
Dividends received from associates	-	-	-	68
Proceeds from disposal of associates	-	18,926	-	18,926
Payment to minority shareholder for acquisition of additional shares in a subsidiary	-	-	(780)	-
<b>Net cash (used in) from investing activities</b>	<b>25,447</b>	<b>(61,200)</b>	<b>(4,412)</b>	<b>(57,841)</b>
<b>Cash flows from financing activities:</b>				
(Decrease) Increase in short-term bank loans	(1,618)	(174)	(2,917)	27
Proceeds from issue of shares	32,442	21,831	41,529	49,876
<b>Net cash from financing activities</b>	<b>30,824</b>	<b>21,657</b>	<b>38,612</b>	<b>49,903</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>8,425</b>	<b>1,426</b>	<b>6,539</b>	<b>(392)</b>
Net (decrease) increase in cash and cash equivalents	(50,860)	(23,011)	(38,684)	34,458
Cash and cash equivalents at beginning of period	621,783	836,781	609,607	779,312
<b>Cash and cash equivalents at end of period</b>	<b>570,923</b>	<b>813,770</b>	<b>570,923</b>	<b>813,770</b>
Cash and cash equivalents at end of period include the following:				
Cash	87,037	118,740	87,037	118,740
Fixed deposits	483,886	696,406	483,886	696,406
Bank overdrafts	-	(1,376)	-	(1,376)
	<b>570,923</b>	<b>813,770</b>	<b>570,923</b>	<b>813,770</b>

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

The Group	Issued capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Investments revaluation reserve S\$'000	Currency translation reserves S\$'000	Reserve on consolidation S\$'000	Accumulated profits S\$'000	Total S\$'000	Minority interests S\$'000	Total equity S\$'000
Balance at 1 January 2004	64,281	420,131	-	-	(15,262)	51	871,857	1,341,058	8,310	1,349,368
Currency translation differences	-	-	-	-	(2,351)	-	-	(2,351)	(42)	(2,393)
Cost of share-based payment	-	-	1,964	-	-	-	(1,964)	-	-	-
Net profit for the period	-	-	-	-	-	-	46,899	46,899	557	47,456
Issue of shares	591	27,454	-	-	-	-	-	28,045	-	28,045
Balance at 31 March 2004	64,872	447,585	1,964	-	(17,613)	51	916,792	1,413,651	8,825	1,422,476
Currency translation differences	-	-	-	-	3,241	-	-	3,241	69	3,310
Cost of share-based payment	-	-	5,893	-	-	-	(5,893)	-	-	-
Acquisition of shareholdings from minority shareholders	-	-	-	-	-	-	-	-	(4,916)	(4,916)
Reduction of shareholdings in a subsidiary	-	-	-	-	-	-	-	-	634	634
Net profit for the period	-	-	-	-	-	-	64,331	64,331	(144)	64,187
First and final tax exempt dividend and bonus dividend less tax paid in respect of the previous financial year	-	-	-	-	-	-	(42,395)	(42,395)	-	(42,395)
Issue of shares	681	36,975	-	-	-	-	-	37,656	-	37,656
Balance at 30 June 2004	65,553	484,560	7,857	-	(14,372)	51	932,835	1,476,484	4,468	1,480,952
Balance at 1 January 2005 As previously stated	65,895	501,751	-	-	(33,647)	51	1,036,215	1,570,265	2,246	1,572,511
Cost of share-based payment	-	-	18,017	-	-	-	(18,017)	-	-	-
As restated	65,895	501,751	18,017	-	(33,647)	51	1,018,198	1,570,265	2,246	1,572,511
Transitional adjustment required under FRS 39	-	-	-	(1,665)	-	-	(31,881)	(33,546)	-	(33,546)
	65,895	501,751	18,017	(1,665)	(33,647)	51	986,317	1,536,719	2,246	1,538,965
Currency translation differences	-	-	-	-	(2,620)	-	-	(2,620)	8	(2,612)
Cost of share-based payment	-	-	3,603	-	-	-	-	3,603	-	3,603
Net fair value changes on available-for-sale investments	-	-	-	(1,738)	-	-	-	(1,738)	-	(1,738)
Released on disposal of available-for-sale investments	-	-	-	(1,718)	-	-	-	(1,718)	-	(1,718)
Acquisition of shareholdings from minority shareholders	-	-	-	-	-	-	-	-	(780)	(780)
Net profit for the period	-	-	-	-	-	-	44,805	44,805	87	44,892
Issue of shares	203	8,884	-	-	-	-	-	9,087	-	9,087
Balance at 31 March 2005	66,098	510,635	21,620	(5,121)	(36,267)	51	1,031,122	1,588,138	1,561	1,589,699
Currency translation differences	-	-	-	-	12,529	-	-	12,529	46	12,575
Share options lapsed	-	-	(1,500)	-	-	-	1,500	-	-	-
Net fair value changes on available-for-sale investments	-	-	-	(6,163)	-	-	-	(6,163)	-	(6,163)
Released on disposal of available-for-sale investments	-	-	-	550	-	-	-	550	-	550
Net profit for the period	-	-	-	-	-	-	50,040	50,040	55	50,095
First and final tax exempt dividend and bonus tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(133,973)	(133,973)	-	(133,973)
Issue of shares	977	31,465	-	-	-	-	-	32,442	-	32,442
Balance at 30 June 2005	67,075	542,100	20,120	(10,734)	(23,738)	51	948,689	1,543,563	1,662	1,545,225

	Issued capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Investments revaluation reserve S\$'000	Currency translation reserves S\$'000	Reserve on consolidation S\$'000	Accumulated profits S\$'000	Total S\$'000	Minority interests S\$'000	Total equity S\$'000
<b>The Company</b>										
Balance at 1 January 2004	64,281	420,131	-	-	-	-	447,044	931,456	-	931,456
Cost of share-based payment	-	-	1,964	-	-	-	(1,964)	-	-	-
Net profit for the period	-	-	-	-	-	-	18,628	18,628	-	18,628
Issue of shares	591	27,454	-	-	-	-	-	28,045	-	28,045
Balance at 31 March 2004	64,872	447,585	1,964	-	-	-	463,708	978,129	-	978,129
Cost of share-based payment	-	-	5,893	-	-	-	(5,893)	-	-	-
Net profit for the period	-	-	-	-	-	-	22,992	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)	-	(42,395)
Issue of shares	681	36,975	-	-	-	-	-	37,656	-	37,656
Balance at 30 June 2004	65,553	484,560	7,857	-	-	-	438,412	996,382	-	996,382
Balance at 1 January 2005 As previously stated	65,895	501,751	-	-	-	-	473,332	1,040,978	-	1,040,978
Cost of share-based payment	-	-	18,017	-	-	-	(18,017)	-	-	-
As restated	65,895	501,751	18,017	-	-	-	455,315	1,040,978	-	1,040,978
Transitional adjustment required under FRS 39	-	-	-	1,426	-	-	(31,881)	(30,455)	-	(30,455)
	65,895	501,751	18,017	1,426	-	-	423,434	1,010,523	-	1,010,523
Cost of share-based payment	-	-	3,603	-	-	-	-	3,603	-	3,603
Net fair value changes on available-for-sale investments	-	-	-	(1,325)	-	-	-	(1,325)	-	(1,325)
Net profit for the period	-	-	-	-	-	-	15,716	15,716	-	15,716
Issue of shares	203	8,884	-	-	-	-	-	9,087	-	9,087
Balance at 31 March 2005	66,098	510,635	21,620	101	-	-	439,150	1,037,604	-	1,037,604
Currency translation differences	-	-	-	-	-	-	-	-	-	-
Share options lapsed	-	-	(1,500)	-	-	-	1,500	-	-	-
Net fair value changes on available-for-sale investments	-	-	-	(7,149)	-	-	-	(7,149)	-	(7,149)
Released on disposal of available-for-sale investments	-	-	-	636	-	-	-	636	-	636
Net profit for the period	-	-	-	-	-	-	24,394	24,394	-	24,394
First and final tax exempt dividend and bonus tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(133,973)	(133,973)	-	(133,973)
Issue of shares	977	31,465	-	-	-	-	-	32,442	-	32,442
Balance at 30 June 2005	67,075	542,100	20,120	(6,412)	-	-	331,071	953,954	-	953,954

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, 3,908,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 3,908,000 of their options under the Scheme. As at 30 June 2005, there were 14,610,000 unissued shares of the Company under options (30 June 2004: 22,148,000).

Since the end of the previous financial quarter, 599,000 options to take up ordinary shares (30 June 2004: Nil) of S\$0.25 each in the capital of the Company lapsed.

Share Capital

As at 30 June 2005, the issued and paid up capital of the Company was S\$67,074,644 divided into 268,298,577 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 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 31 December 2004 as well as all the applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 January 2005.

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 impact of the adoption of the new FRS are as follows:

**FRS 39 Financial Instruments: Recognition and Measurement**

FRS 39 establishes the accounting and reporting standards for recognising and measuring a company's financial assets and financial liabilities. The standard requires a financial asset or financial liability to be recognised initially at fair value. Subsequent to initial recognition, the Group will continue to measure financial assets at their fair values, except for loans and receivables and held-to-maturity investments, which are to be measured at cost or amortised cost using the effective interest rate method. Financial liabilities will subsequently be measured at cost or amortised cost, except for liabilities classified as "at fair value through profit and loss" and derivatives, which will subsequently be measured at fair value.

FRS 39 also covers accounting for derivative instruments. This standard has expanded the definition of a derivative instrument to include derivatives (and derivative-like provisions) embedded in non-derivative contracts. Under the standard, every derivative instrument is recorded in the balance sheet as either an asset or liability measured at its fair value. Derivatives that do not qualify as hedges are adjusted to fair value through income. If a derivative is designated and qualify as a hedge, depending on the nature of the hedging relationship, changes in the fair value of the derivative are either offset against the changes in the fair value of the hedged assets, liabilities and firm commitments through earnings, or recognised in equity until the hedged item is recognised in earnings.

The effect of the transitional adjustments required under FRS 39 is reflected in the statement of changes in equity. The impact of the adoption of FRS 39 on the net profit of the Group for the quarter ended 30 June 2005 was a debit of S\$5.6 million.

**FRS 102 Share-based Payment**

The Group's share option schemes are equity settled, share-based compensation plans. FRS 102 requires the Group and the Company to recognise an expense in the profit and loss statement for share options granted after 22 November 2002 and not vested as at 1 January 2005, the effective date of FRS 102.

The total amount of the expense will equal to the multiplication of the total number of share options that are expected to vest and the fair value of each option determined at the date of grant. The total amount of the expense is recognised over the share options' vesting period. At each reporting date, the amount expensed should be adjusted to reflect the Group's and the Company's best estimate of the number of share options that will vest.

Under the transitional provision of FRS 102, the comparative financial information needs to be restated for all grants of share options to which the requirements of FRS 102 are applied.

Accordingly, as a result of the adoption of FRS 102, the comparative financial information for the quarter ended 30 June 2004 have been restated to include a charge of S\$5.9 million for the share option expense applicable to that quarter. In addition, the accumulated profits of the Group and the Company as at 1 January 2005 were adjusted downwards by S\$18 million, the estimated share option expense applicable for the full year ended 31 December 2004. As part of the restatement, there is a corresponding increase in share option reserve of S\$18 million resulting in no net impact to the opening balance of shareholders' equity of the Group and the Company as at 1 January 2005.

The impact of the adoption of FRS 102 on the net profit of the Group for the quarter ended 30 June 2005 was nil.

#### **FRS 103 Business Combinations**

Until 31 December 2004, goodwill was amortised on a straight line basis up to a maximum period of 20 years; and at each balance sheet date, the Group will assess if there was any indication of impairment of the cash-generating-unit in which the goodwill was attached to.

In accordance with the provisions of FRS 103,

- the Group ceased amortisation of goodwill from 1 January 2005;
- the accumulated amortisation as at 31 December 2004 has been eliminated by offsetting it against the cost of goodwill; and
- from the financial year commencing 1 January 2005 onwards, goodwill will be tested annually for impairment before the end of each financial year, as well as when there are indications of impairment.

Apart from the above, the adoption of the new/revised FRS does not have a material financial impact on the Group and the Company.

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**

	<b>6 months ended 30.06.2005</b>	<b>6 months ended 30.06.2004 (Restated)</b>
(a) Based on the weighted average number of ordinary shares on issue (cents)	<b>35.6</b>	39.8
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	<b>35.3</b>	38.6

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

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2005</b>	<b>31.12.2004</b>	<b>30.06.2005</b>	<b>31.12.2004</b>
Net asset value per ordinary share based on issued share capital at the end of the financial period reported on (cents)	<b>575.3</b>	595.7	<b>355.6</b>	394.9

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 reported an 11% increase in revenue to S\$1.54 billion for the half year ended 30 June 2005. The revenue for the corresponding period last year was S\$1.38 billion. The improvement was mainly attributable to increases in the networking & communication and test & measurement product segments. Revenue from the automotive and medical segments also increased due to new products introduced and new customers added. There was, however, a decline in the printing & imaging and computer peripherals & storage segments due to weaker end-market demand.

The Group's profit attributable to shareholders declined by 8.2% to S\$94.8 million from S\$103.4 million in the corresponding period. For the period ended 30 June 2004, there was a gain on disposal of the Group's shareholding in Avaplas Ltd, amounting to S\$11 million. Without considering this gain, the Group's profit attributable to shareholders grew 2.6%.

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**

The Group is encouraged by signs of improvement in the business environment for the rest of the year. Having put in place various initiatives to upgrade its capabilities, reduce costs and strengthen its relationship with customers, the Group is well-positioned to capitalize on any upturn in the market. New product introductions (NPIs) across the printing & imaging, networking & communication, medical, storage and test & measurement product segments are generally on schedule.

Recent partnerships with new customers engaged in complex commercial equipment have allowed Venture's R&D team to develop new capabilities that include the use of high-precision sheet metal and welded structural frames in the development of commercial products, remote wireless telemetry software, and wireless handheld computing solutions for industrial applications. The addition of these capabilities will place the Group in good position to make further advancement in the high-end, high-mix business.

Our medium-sized customers engaged in niche products such as energy supply regulators, and networking products such as storage network switches, are showing rapid growth. Although their contribution may not be significant given the early partnership stage, the Group is confident that these partnerships will enable both parties to grow over the longer term.

The Group is taking steps to redistribute its activities within each cluster to enhance its operational excellence, improve cost efficiency, and to provide better support for its customers' requirements. Since the beginning of the year, our capacity in the Southeast Asia cluster has been expanded to accommodate increased activities driven both by new and existing customers. A new end-pack facility has also been added in the Southeast Asia cluster to help customer fulfill product shipments worldwide.

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 2005 is recommended or declared.

**BY ORDER OF THE BOARD**

Pay Cher Wee  
Company Secretary  
5 August 2005