

Third Quarter and Year-to-date Financial Statements And Dividend Announcement

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

Third Quarter and Year-to-date financial statements on consolidated results for the financial period ended 30 September 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.**

	Group			Group		
	3 months ended 30.09.2003 S\$'000	3 months ended 30.09.2002 S\$'000	% increase/ (decrease)	9 months ended 30.09.2003 S\$'000	9 months ended 30.09.2002 S\$'000	% increase/ (decrease)
Revenue	921,453	678,332	35.8	2,302,748	1,583,901	45.4
Other operating income	1,254	992	26.4	3,501	4,140	(15.4)
Changes in inventories of finished goods and work in progress	681	13,755	(95.0)	8,032	48,906	(83.6)
Raw materials and consumables used	(760,921)	(555,193)	37.1	(1,875,396)	(1,291,462)	45.2
Staff costs	(51,398)	(45,374)	13.3	(143,691)	(112,346)	27.9
Depreciation and amortisation expense	(14,760)	(12,449)	18.6	(41,396)	(29,694)	39.4
Research and development expense	(9,122)	(8,000)	14.0	(28,409)	(21,258)	33.6
Foreign currency exchange adjustment gain (loss)	847	(4,015)	n.m.	(26)	(9,910)	(99.7)
Other operating expense	(22,846)	(17,547)	30.2	(58,466)	(42,733)	36.8
Profit from operations	65,188	50,501	29.1	166,897	129,544	28.8
Interest income (net of interest expense)	3,628	2,782	30.4	8,724	8,225	6.1
Share of profits in associates	612	297	106.1	2,148	297	623.2
Profit before income tax	69,428	53,580	29.6	177,769	138,066	28.8
Income tax expense	(1,818)	(4,474)	(59.4)	(6,139)	(14,141)	(56.6)
Profit after income tax but before minority interests	67,610	49,106	37.7	171,630	123,925	38.5
Minority interests	(1,778)	(1,689)	5.3	(4,782)	(1,506)	217.5
Net profit attributable to the shareholders of the company	65,832	47,417	38.8	166,848	122,419	36.3

1.(a)(ii) **Additional information for the income statement**

	Group			Group		
	3 months ended 30.09.2003 S\$'000	3 months ended 30.09.2002 S\$'000	% increase/ (decrease)	9 months ended 30.09.2003 S\$'000	9 months ended 30.09.2002 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	(167)	-	n.m.	(634)	-	n.m.
Loss on disposal of plant and equipment, net	760	10	n.m.	673	76	785.5

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 year**

	Group		Company	
	30.09.2003	31.12.2002	30.09.2003	31.12.2002
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash	191,196	153,729	71,311	53,394
Fixed deposits	453,031	266,004	382,312	211,943
Trade receivables	568,471	446,334	168,170	193,527
Other receivables and prepayments	44,405	31,205	24,159	15,037
Inventories	290,380	217,803	62,474	65,260
Amount due from subsidiaries	-	-	135,431	155,835
Amount due from associates	1,331	2,730	267	-
Amount due from joint venture	27	74	-	-
Total current assets	1,548,841	1,117,879	844,124	694,996
Non-current assets:				
Investments in subsidiaries	-	-	154,128	122,345
Investments in associates	23,146	24,194	-	-
Investment in joint venture	-	-	1,000	1,000
Other investments	52,597	46,034	3,753	914
Property, plant and equipment	165,005	162,430	24,361	29,345
Intangible assets	20,124	25,101	891	-
Goodwill on consolidation	58,325	51,466	-	-
Total non-current assets	319,197	309,225	184,133	153,604
Total Assets	1,868,038	1,427,104	1,028,257	848,600
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts	11,797	-	-	-
Short-term bank loans	9,241	6,054	-	-
Trade payables	501,799	372,841	64,819	76,900
Other payables	67,726	65,748	21,292	36,948
Amount due to subsidiaries	-	-	74,030	61,915
Amount due to associates	1,036	5,708	96	1,162
Amount due to joint venture	55	142	40	274
Income tax payable	8,380	7,732	1,997	637
Total current liabilities	600,034	458,225	162,274	177,836
Non-current liabilities:				
Long-term bank loans	58	-	-	-
Deferred income tax	2,483	3,458	-	-
Total non-current liabilities	2,541	3,458	-	-
Minority interests	6,798	22,451	-	-
Capital and reserves:				
Issued capital	63,930	60,079	63,930	60,079
Share premium	404,157	239,389	404,157	239,389
Accumulated profits	798,319	649,955	397,896	371,296
Reserve on consolidation	51	51	-	-
Currency translation reserves	(7,792)	(6,504)	-	-
Total equity	1,258,665	942,970	865,983	670,764
Total Liabilities and Equity	1,868,038	1,427,104	1,028,257	848,600

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 30.09.2003		As at 31.12.2002	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,809	19,229	-	6,054

(b) Amount repayable after one year

As at 30.09.2003		As at 31.12.2002	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
58	-	-	-

(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	3 months ended	9 months ended	9 months ended
	30.09.2003	30.09.2002	30.09.2003	30.09.2002
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit before income from associates, income tax and minority interests	68,816	53,283	175,621	137,769
Adjustments for:				
Depreciation expense	10,730	9,539	30,635	24,335
Amortisation of goodwill	862	484	2,285	602
Amortisation of intangible assets	3,168	2,426	8,476	4,757
Interest income	(3,727)	(2,924)	(8,985)	(8,574)
Dividend income	(74)	(44)	(519)	(204)
Interest expense	99	142	261	349
Loss on disposal of plant and equipment, net	760	10	673	76
Gain on disposal of other investments	(48)	-	(33)	-
Operating profit before working capital changes	80,586	62,916	208,414	159,110
Trade receivables	(127,230)	(68,090)	(118,331)	(127,382)
Other receivables and prepayments	847	(1,044)	(10,755)	(7,743)
Inventories	(37,764)	(29,707)	(71,305)	(73,223)
Amount due from joint venture	185	97	47	1,348
Amount due from associates	886	(581)	1,399	(581)
Trade payables	124,112	75,206	126,699	170,731
Other payables	19,948	24,946	(437)	(2,270)
Amount due to joint venture	(215)	69	(87)	69
Amount due to associates	(404)	631	(4,672)	697
Cash generated from operations	60,951	64,443	130,972	120,756
Interest received	3,727	2,924	8,985	8,574
Interest paid	(99)	(142)	(261)	(349)
Income tax paid	(1,690)	(6,628)	(8,082)	(13,536)
Dividends paid	-	-	(18,484)	(11,637)
Dividends received	74	44	519	204
Net cash from operating activities	62,963	60,641	113,649	104,012
Cash flows from investing activities:				
Contribution from minority shareholders	-	-	-	200
Purchase of property, plant and equipment	(8,999)	(10,687)	(35,436)	(38,307)
Proceeds on disposal of plant and equipment	990	1,837	6,620	3,262
Intangible assets	(961)	(1,862)	(3,501)	(5,942)
Purchase of other investments	-	-	(20,889)	-
Proceeds on disposal of other investments	8,879	735	14,359	173
Dividends received from associates	435	449	570	449
Cash flow resulting from acquisition of subsidiaries	-	(9,234)	(88)	(9,234)
Net cash from (used in) investing activities	344	(18,762)	(38,365)	(49,399)
Cash flows from financing activities:				
Increase in bank loans	7	303	1,276	2,131
Proceeds from issue of shares	68,893	1,895	136,835	26,183
Net cash from financing activities	68,900	2,198	138,111	28,314
Net effect of exchange rate changes in consolidating subsidiaries	2,377	(635)	(698)	(4,039)
Increase in cash and cash equivalents	134,584	43,442	212,697	78,888
Cash and cash equivalents at beginning of period	497,846	339,895	419,733	304,449
Cash and cash equivalents at end of period	632,430	383,337	632,430	383,337

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

	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 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 shares	45	1,862	-	-	-	1,907
Balance at 31 March 2002	57,821	128,409	(154)	51	512,807	698,934
Currency translation differences	-	-	(3,614)	-	-	(3,614)
Net profit attributable to the shareholders of the company	-	-	-	-	42,688	42,688
First and final tax exempt dividend and tax exempt bonus dividend paid in respect of the previous financial year	-	-	-	-	(11,637)	(11,637)
Issue of shares	411	21,970	-	-	-	22,381
Balance at 30 June 2002	58,232	150,379	(3,768)	51	543,858	748,752
Currency translation differences	-	-	(1,196)	-	-	(1,196)
Net profit attributable to the shareholders of the company	-	-	-	-	47,417	47,417
Issue of shares	916	59,419	-	-	-	60,335
Balance at 30 September 2002	59,148	209,798	(4,964)	51	591,275	855,308
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 shares	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 tax exempt bonus 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
Currency translation differences	-	-	2,231	-	-	2,231
Net profit attributable to the shareholders of the company	-	-	-	-	65,832	65,832
Issue of shares	1,891	98,786	-	-	-	100,677
Balance at 30 September 2003	63,930	404,157	(7,792)	51	798,319	1,258,665

	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 Company						
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 shares	45	1,862	-	-	-	1,907
Balance at 31 March 2002	57,821	128,409	-	-	326,500	512,730
Net profit attributable to the shareholders of the company	-	-	-	-	23,835	23,835
First and final tax exempt dividend and tax exempt bonus dividend paid in respect of the previous financial year	-	-	-	-	(11,637)	(11,637)
Issue of shares	411	21,970	-	-	-	22,381
Balance at 30 June 2002	58,232	150,379	-	-	338,698	547,309
Net profit attributable to the shareholders of the company	-	-	-	-	12,324	12,324
Issue of shares	916	59,419	-	-	-	60,335
Balance at 30 September 2002	59,148	209,798	-	-	351,022	619,968
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 shares	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 tax exempt bonus 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
Net profit attributable to the shareholders of the company	-	-	-	-	16,350	16,350
Issue of shares	1,891	98,786	-	-	-	100,677
Balance at 30 September 2003	63,930	404,157	-	-	397,896	865,983

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 quarter, 5,856,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 5,856,000 of their options under the Scheme. As at 30 September 2003, there were 23,227,000 unissued shares of the Company under options (30 September 2002: 37,155,300).

Since the end of the previous financial quarter, no options to take up ordinary shares (30 September 2002: Nil) of S\$0.25 each in the capital of the Company lapsed.

Acquisition of 33% remaining stake in Univac Precision Engineering Pte Ltd ("Univac")

On 26 August 2003, the Company issued 1,708,777 ordinary shares of S\$0.25 each to the shareholders of Univac as consideration for the acquisition of the remaining 33% of the issued share capital of Univac.

The new ordinary shares 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 September 2003, the issued and paid up capital of the Company was S\$63,930,014 divided into 255,720,057 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)

	3 months ended 30.09.2003	3 months ended 30.09.2002	9 months ended 30.09.2003	9 months ended 30.09.2002
(a)	26.0	20.0	67.4	52.4
(b)	25.1	19.4	65.2	50.0

7.

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

	Group		Company	
	30.09.2003	31.12.2002	30.09.2003	31.12.2002
	492.2	392.4	338.6	279.1

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

The Group achieved record revenue and profit after tax for the financial quarter ended 30 September 2003. Revenue grew 36% to S\$921 million through strong growth in computer peripherals and storage, test and measurement and printing and imaging products. Profit after tax grew 39% to S\$65.8 million through lower cost structure, better efficiency and higher productivity.

For the nine months ended 30 September 2003, revenue grew 45% to S\$2.3 billion from S\$1.6 billion and profit after tax grew 36% to S\$166.8 million from S\$122.4 million. The growth is attributable to improved market share and expanded customer base, contributions from the high-mix businesses and higher value-added activities.

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

Not applicable.

10. **Commentary on competitive conditions of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months**

The Group remains cautiously optimistic of the electronics industry. Through good execution of its well mapped out strategies, the Group is confident that it is well positioned to benefit from any improvement in the business environment.

The Group continues to strengthen its core competencies and capabilities to provide world class and best-in-class total value chain management solutions to its customers. The Group will strive to create more value and contribute to its customers' success through creative and innovative business solutions. The Group will also continue to grow by building strategic alliances with the best companies in the world and seeking out new market and product segments.

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 closure date

Not applicable.

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

No dividend for the period ended 30 September 2003 is recommended or declared.

BY ORDER OF THE BOARD

Yvonne Choo
Company Secretary
14 November 2003