

**VENTURE CORPORATION LIMITED**

**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 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 30.09.2004 S\$'000	3 months ended 30.09.2003 S\$'000	% increase/ (decrease)	9 months ended 30.09.2004 S\$'000	9 months ended 30.09.2003 S\$'000	% increase/ (decrease)
<b>Revenue</b>	<b>804,802</b>	921,453	(12.7)	<b>2,189,577</b>	2,302,748	(4.9)
Other operating income	<b>614</b>	1,254	(51.0)	<b>14,815</b>	3,501	323.2
Changes in inventories of finished goods and work in progress	<b>(6,928)</b>	681	n.m.	<b>11,319</b>	8,032	40.9
Raw materials and consumables used	<b>(659,926)</b>	(760,921)	(13.3)	<b>(1,797,827)</b>	(1,875,396)	(4.1)
Staff costs	<b>(48,412)</b>	(51,398)	(5.8)	<b>(143,072)</b>	(143,691)	(0.4)
Depreciation and amortisation expense	<b>(13,772)</b>	(14,760)	(6.7)	<b>(41,475)</b>	(41,396)	0.2
Research and development expense	<b>(9,692)</b>	(9,122)	6.2	<b>(24,825)</b>	(28,409)	(12.6)
Foreign currency exchange adjustment gain (loss)	<b>(2,738)</b>	847	n.m.	<b>(3,208)</b>	(26)	n.m.
Other operating expenses	<b>(21,151)</b>	(22,846)	(7.4)	<b>(57,527)</b>	(58,466)	(1.6)
<b>Profit from operations</b>	<b>42,797</b>	65,188	(34.3)	<b>147,777</b>	166,897	(11.5)
Interest income (net of interest expense)	<b>6,820</b>	3,628	88.0	<b>14,678</b>	8,724	68.2
Income from associates	<b>259</b>	612	(57.7)	<b>1,415</b>	2,148	(34.1)
<b>Profit before income tax</b>	<b>49,876</b>	69,428	(28.2)	<b>163,870</b>	177,769	(7.8)
Income tax expense	<b>(1,651)</b>	(1,818)	(9.2)	<b>(4,002)</b>	(6,139)	(34.8)
<b>Profit after income tax but before minority interests</b>	<b>48,225</b>	67,610	(28.7)	<b>159,868</b>	171,630	(6.9)
Minority interests	<b>(124)</b>	(1,778)	(93.0)	<b>(537)</b>	(4,782)	(88.8)
<b>Net profit attributable to the shareholders of the company</b>	<b>48,101</b>	65,832	(26.9)	<b>159,331</b>	166,848	(4.5)

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

	Group			Group		
	3 months ended 30.09.2004 S\$'000	3 months ended 30.09.2003 S\$'000	% increase/ (decrease)	9 months ended 30.09.2004 S\$'000	9 months ended 30.09.2003 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	338	167	102.4	1,034	634	63.1
Gain on disposal of associates	-	-	n.m.	10,961	-	n.m.
(Loss) Gain on disposal of plant and equipment, net	(17)	(760)	(97.8)	64	(673)	n.m.
Gain on sale of fixed rate bonds	-	-	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	
	30.09.2004	31.12.2003	30.09.2004	31.12.2003
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	105,554	155,556	7,402	38,898
Fixed deposits	686,962	624,577	615,384	507,072
Trade receivables	522,083	439,629	167,184	155,664
Other receivables and prepayments	49,596	29,752	5,789	8,797
Inventories	349,987	254,164	114,919	66,523
Amount due from subsidiaries	-	-	112,042	134,035
Amount due from associates	-	883	-	-
Amount due from joint venture	212	9	-	-
<b>Total current assets</b>	<b>1,714,394</b>	<b>1,504,570</b>	<b>1,022,720</b>	<b>910,989</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	169,954	154,128
Investments in associates	16,477	23,284	-	-
Investment in joint venture	-	-	1,000	1,000
Other investments	97,207	47,034	67,607	8,250
Property, plant and equipment	169,185	159,362	25,320	23,813
Intangible assets	10,623	17,568	427	648
Goodwill on consolidation	67,528	57,515	-	-
<b>Total non-current assets</b>	<b>361,020</b>	<b>304,763</b>	<b>264,308</b>	<b>187,839</b>
<b>Total Assets</b>	<b>2,075,414</b>	<b>1,809,333</b>	<b>1,287,028</b>	<b>1,098,828</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank overdrafts	1,638	821	-	-
Short-term bank loans	8,309	9,043	-	-
Trade payables	473,795	380,000	93,087	66,448
Other payables and accrued expenses	55,922	59,691	25,132	29,695
Amount due to subsidiaries	-	-	145,156	70,475
Amount due to associates	1,360	2,167	813	630
Amount due to joint venture	423	70	326	124
Income tax payable	2,848	5,427	-	-
<b>Total current liabilities</b>	<b>544,295</b>	<b>457,219</b>	<b>264,514</b>	<b>167,372</b>
<b>Non-current liability:</b>				
Deferred tax liabilities	2,731	2,746	-	-
<b>Minority interests</b>				
	2,264	8,310	-	-
<b>Capital and reserves:</b>				
Issued capital	65,675	64,281	65,675	64,281
Share premium	490,077	420,131	490,077	420,131
Accumulated profits	988,793	871,857	466,762	447,044
Reserve on consolidation	51	51	-	-
Currency translation reserves	(18,472)	(15,262)	-	-
<b>Total equity</b>	<b>1,526,124</b>	<b>1,341,058</b>	<b>1,022,514</b>	<b>931,456</b>
<b>Total Liabilities and Equity</b>	<b>2,075,414</b>	<b>1,809,333</b>	<b>1,287,028</b>	<b>1,098,828</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 30.09.2004		As at 31.12.2003	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,555	8,392	1,735	8,129

(b) Amount repayable after one year

As at 30.09.2004		As at 31.12.2003	
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 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 30.09.2004 S\$'000	3 months ended 30.09.2003 S\$'000	9 months ended 30.09.2004 S\$'000	9 months ended 30.09.2003 S\$'000
<b>Cash flows from operating activities:</b>				
Profit before income from associates, income tax and minority interests	49,617	68,816	162,455	175,621
Adjustments for:				
Depreciation expense	10,230	10,730	30,342	30,635
Amortisation of goodwill	960	862	2,580	2,285
Amortisation of intangible assets	2,582	3,168	8,553	8,476
Interest income	(6,903)	(3,727)	(14,931)	(8,985)
Dividend income	(45)	(74)	(969)	(519)
Interest expense	83	99	253	261
Gain on disposal of associates	-	-	(10,961)	-
Loss (Gain) on disposal of plant and equipment, net	17	760	(64)	673
Gain on disposal of other investments	-	(48)	-	(33)
<b>Operating profit before working capital changes</b>	<b>56,541</b>	<b>80,586</b>	<b>177,258</b>	<b>208,414</b>
Trade receivables	(116,618)	(127,230)	(82,454)	(118,331)
Other receivables and prepayments	17,220	847	(20,436)	(10,755)
Inventories	(47,412)	(37,764)	(95,823)	(71,305)
Amount due from joint venture	100	(30)	150	(40)
Amount due from associates	355	482	76	(3,273)
Trade payables	69,710	124,112	93,795	126,699
Other payables and accrued expenses	8,740	19,948	(3,769)	(437)
<b>Cash generated from operations</b>	<b>(11,364)</b>	<b>60,951</b>	<b>68,797</b>	<b>130,972</b>
Interest received	6,903	3,727	14,931	8,985
Interest paid	(83)	(99)	(253)	(261)
Income tax paid	(2,063)	(1,690)	(5,823)	(8,082)
Dividends paid	-	-	(42,395)	(18,484)
Dividends received	45	74	969	519
<b>Net cash from operating activities</b>	<b>(6,562)</b>	<b>62,963</b>	<b>36,226</b>	<b>113,649</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(15,409)	(8,999)	(41,882)	(35,436)
Proceeds on disposal of plant and equipment	193	990	592	6,620
Addition of intangible assets	(54)	(961)	(1,613)	(3,501)
Purchase of other investments	(171)	-	(58,879)	(20,889)
Proceeds on disposal of other investments	-	8,879	9,506	14,359
Dividends received from associates	628	435	696	570
Proceeds from disposal of associates	-	-	18,926	-
Payment to minority shareholders for acquisition of additional shareholdings in subsidiary	(3,987)	-	(3,987)	-
Cash flow resulting from acquisition of subsidiary	-	-	-	(88)
<b>Net cash used in investing activities</b>	<b>(18,800)</b>	<b>344</b>	<b>(76,641)</b>	<b>(38,365)</b>
<b>Cash flows from financing activities:</b>				
(Repayment of) Increase in bank loans	(761)	7	(734)	1,276
Proceeds from issue of shares	5,639	68,893	55,515	136,835
<b>Net cash from financing activities</b>	<b>4,878</b>	<b>68,900</b>	<b>54,781</b>	<b>138,111</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>(2,408)</b>	<b>2,377</b>	<b>(2,800)</b>	<b>(698)</b>
(Decrease) Increase in cash and cash equivalents	(22,892)	134,584	11,566	212,697
Cash and cash equivalents at beginning of period	813,770	497,846	779,312	419,733
<b>Cash and cash equivalents at end of period</b>	<b>790,878</b>	<b>632,430</b>	<b>790,878</b>	<b>632,430</b>

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

<b>The Group</b>	<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>
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 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
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
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 shares	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
Currency translation differences	-	-	(4,100)	-	-	(4,100)
Net profit attributable to the shareholders of the company	-	-	-	-	48,101	48,101
Issue of shares	122	5,517	-	-	-	5,639
Balance at 30 September 2004	65,675	490,077	(18,472)	51	988,793	1,526,124

	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
<b>The Company</b>						
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 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
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
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 shares	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
Net profit attributable to the shareholders of the company	-	-	-	-	20,493	20,493
Issue of shares	122	5,517	-	-	-	5,639
Balance at 30 September 2004	65,675	490,077	-	-	466,762	1,022,514

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, 489,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 489,000 of their options under the Scheme. As at 30 September 2004, there were 21,659,000 unissued shares of the Company under options (30 September 2003: 23,227,000).

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

Share Capital

As at 30 September 2004, the issued and paid up capital of the Company was S\$65,674,894 divided into 262,699,577 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**

	<b>Latest period 30.09.2004</b>	Previous corresponding period 30.09.2003
(a) Based on the weighted average number of ordinary shares on issue (cents)	<b>61.1</b>	67.4
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	<b>59.5</b>	65.2

7.

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

<b>Group</b>		<b>Company</b>	
<b>30.09.2004</b>	<b>31.12.2003</b>	<b>30.09.2004</b>	<b>31.12.2003</b>
<b>580.9</b>	521.6	<b>389.2</b>	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.**

Group revenue for the 9 months ended 30 September 2004 dropped slightly to S\$2.19 billion compared to S\$2.3 billion for the corresponding period in 2003. The Group recorded healthy growth of 52% for the networking & communication product segment, and 58% for the test & measurement, automotive & medical product segment. However, this was offset by decline of 24% in revenue from the printing & imaging product segment, and 10% in the computer peripherals & data storage product segment. Delay in introduction of several new products by customers also contributed to the revenue decline.

The Group's profit after tax registered a corresponding decline of 4.5% from S\$166.8 million to S\$159.3 million for the 9 months ended 30 September 2004.

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.**

Going forward, the Group expects further contribution from the addition of several new customers in the networking & communication, computer peripherals, automotive and medical product segments. New product introduction by existing customers in the printing & imaging, test & measurement and data storage product segments are also expected to contribute to a resumption of growth.

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 September 2004 is recommended or declared.

**BY ORDER OF THE BOARD**

Tan Lay Hong  
 Company Secretary  
 5 November 2004