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VENTURE CORPORATION LIMITED

Half Year Financial Statement And Dividend Announcement

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

Half-year financial statements on consolidated results for the six months ended 30 June 2002.

These figures have not been audited.

	Group			Company	
	Latest period to 30/06/02 S\$'000	Previous corresponding period to 30/06/01 S\$'000	% increase/ (decrease)	Latest period to 30/06/02 S\$'000	Previous corresponding period to 30/06/01 S\$'000
1.(a) Turnover	905,569	682,214	32.7	759,463	396,536
1.(b) Cost of sales or classification as followed in the most recent audited annual financial statements.	(806,534)	(625,617)	28.9	(709,524)	(367,401)
1.(c) Gross profit	99,035	56,597	75.0	49,939	29,135
1.(d) Investment income	160	238	(32.8)	-	-
1.(e) Other income including interest income	8,606	10,755	(20.0)	6,468	9,459
2.(a) Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	107,833	67,352	60.1	56,832	39,020
2.(b)(i) Interest on borrowings	(207)	(126)	64.3	-	(12)
2.(b)(ii) Depreciation and amortisation	(17,245)	(13,245)	30.2	(3,925)	(3,943)
2.(b)(iii) Foreign exchange gain/(loss)	(5,895)	7,192	(182.0)	(4,845)	3,710
2.(c) Exceptional items (provide separate disclosure of items)	-	-	-	-	-
2.(d) Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	84,486	61,173	38.1	48,062	38,775
2.(e) Income derived from associated companies (with separate disclosure of any items included therein which are exceptional because of size and incidence)	-	-	-	-	-
2.(f) Operating profit before income tax	84,486	61,173	38.1	48,062	38,775
2.(g) Less income tax (indicate basis of computation) (Note 1)	(9,667)	(5,795)	66.8	(2,404)	(3,141)

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	Group			Company	
	Latest period to 30/06/02 S\$'000	Previous corresponding period to 30/06/01 S\$'000	% increase/ (decrease)	Latest period to 30/06/02 S\$'000	Previous corresponding period to 30/06/01 S\$'000
2.(g)(i) Operating profit after tax before deducting minority interests	74,819	55,378	35.1	45,658	35,634
2.(g)(ii) Less minority interests	183	89	105.6	-	-
2.(h) Operating profit after tax attributable to members of the company	75,002	55,467	35.2	45,658	35,634
2.(i)(i) Extraordinary items (provide separate disclosure of items)	-	-	-	-	-
2.(i)(ii) Less minority interests	-	-	-	-	-
2.(i)(iii) Extraordinary items attributable to members of the company	-	-	-	-	-
2.(j) Operating profit after tax and extraordinary items attributable to members of the company	75,002	55,467	35.2	45,658	35,634

Note 1 Basis of computation of income tax

The income tax expense of the Group is determined by applying the statutory income tax rate in the respective companies of operations into account tax incentives granted to the Company and its subsidiaries.

	Group Figures	
	Latest period 30/06/02	Previous corresponding period 30/06/01
3.(a) Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	8.26%	8.12%
3.(b) Operating profit [2(h) above] as a percentage of issued capital and reserves at end of the period	10.02%	9.49%
3.(c) Earnings per ordinary share for the period based on 2(h) above after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares in issue (cents)	32.3	24.0
(ii) On a fully diluted basis (cents)	31.0	23.8
(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (c)(i) above and to provide details of any adjustments made for the purpose of (c)(ii) above (Note 2)		
3.(d) Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	310.0	236.5
3.(e) To provide an analysis of expenses based on their function/nature* within the group (Note 3)		

Note 2 Earnings Per Share

The weighted average number of ordinary shares represents the number of ordinary shares outstanding at beginning of the period adjusted for shares issued upon exercise of options below multiplied by a time-weighting factor. For the purpose of calculating the diluted earnings per share, the weighted average number of ordinary shares outstanding had been adjusted to reflect the effect of all

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potentially dilutive ordinary shares.

Note 3 Analysis of expenses

	The Group	
	30/06/02 S\$'000	30/06/01 S\$'000
Changes in inventories of finished goods and work in progress	(35,151)	24,877
Raw materials and consumables used	744,893	527,367
Staff costs	63,436	51,512
Research and development expense	8,736	4,238
Other operating expenses	24,620	17,623
	806,534	625,617

Item 4 is not applicable to interim results

	Group			Company	
	S\$'000	%	Increase/ (Decrease)	S\$'000	S\$'000
	Latest Period	Previous corresponding period	%	Latest Period	Previous corresponding period
4. (a) Sales reported for first half year					
4. (b) Operating profit [2(g)(i) above] reported for first half year					
4. (c) Sales reported for second half year					
4. (d) Operating profit [2(g)(i) above] reported for second half year					

5 To disclose the following or give a negative statement if not applicable:-

5.(a) the amount of any adjustment for under or overprovision of tax in respect of prior years;

There was no material adjustments for under or overprovision of tax in respect of the Group's and Company's tax charge of prior years.

5.(b) the amount of any pre-acquisition profits

Nil

5.(c) the amount of profits on any sale of investments and/or properties

Nil

5.(d) any other comments relating to Paragraph 5

Nil

6 Segmental Results

a) By Geographical Segments

	Turnover		Profit before interest and tax	
	30.06.2002 S\$'000	30.06.2001 S\$'000	30.06.2002 S\$'000	30.06.2001 S\$'000
Singapore	810,937	544,760	57,369	43,417
Asia-Pacific (excluding Singapore)	77,668	123,604	27,323	19,436
USA/Mexico/Others	16,964	13,850	1	(1,554)
Total	905,569	682,214	84,693	61,299

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b) By Business Segments

	Turnover		Profit before interest and tax	
	30.06.2002	30.06.2001	30.06.2002	30.06.2001
	S\$'000	S\$'000	S\$'000	S\$'000
Electronic manufacturing and engineering services	905,409	681,976	84,645	60,943
Investments	160	238	48	356
Total	905,569	682,214	84,693	61,299

Note:

For the segmental reporting by geographical segments, the turnover and profit before interest and tax are based on country o

7.(a) Review of the performance of the Company and its principal subsidiaries

The Group achieved a record half year turnover of S\$906 million, registering an increase of 33% over the same period last ye Growth was achieved in all product segments and lines of business. There was strong demand for the Group's services by e: customers, as well as several new customers. Despite a downturn in the electronics industry, the Group experienced healthy and encouraging utilization of capacities in all its facilities, especially in Malaysia and Mexico.

Profit before tax grew 38% to a record S\$84 million inspite of significant exchange losses and higher depreciation and amortiz charges. This achievement was the result of a higher volume of sales, increased activities in higher value-added services and lowering of the Group's cost structure. The exchange losses arose from the weakening of the US dollar. Higher depreciation amortization charges were due to additional capital and IT-related expenditure.

Profit after tax increased 35% to S\$75 million. A higher tax provision was made in respect of the expiry of pioneer status in o the Group's Malaysian subsidiaries in December 2001.

7.(b) Comment on forecast, if previously disclosed

Nil

7.(c) Statement by the Directors of the Company

In the opinion of the Directors, no item, transaction or event of a material or unusual nature that would affect substantially the results of the operations of the Group and the Company for the period under review has occurred between the end of the half year and the date of this announcement.

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8 Commentary on competitive conditions that may affect the group in the next reporting period

A recovery in the electronics industry remains unclear. Market conditions will continue to be challenging. However, the Group is confident that its well mapped-out strategy will enable it to further improve its market position.

Going forward, the Group strives to be the Center of Excellence for Global Value Chain Management providing superior end-to-end solutions to its customers worldwide. We will continue to expand our range of higher value-added activities and enlarge our customer base in all market segments. Efforts are being intensified to develop and acquire new technologies for the future. We will also accelerate growth in the ODM and EFS lines of business in areas such as networking/communications, advanced storage devices and mobile internet appliances. The Group continues to extend its global reach as part of its globalization strategy.

9 Dividend

(a) Present Period

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

(b) Previous Corresponding Period

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

(c) Total Annual Dividend (if applicable)

Not Applicable.

(d) Date payable

Nil

(e) Books closing date

Nil

(f) Any other comments relating to Paragraph 9.

Nil

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10.(a) **Balance Sheet**

	Group		Company	
	30.06.2002	31.12.2001	30.06.2002	31.12.2001
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed Assets	124,403	114,260	32,083	32,637
Investments	21,410	20,848	-	-
Interest in Subsidiaries	-	-	17,129	16,328
Intangible Assets	24,957	23,218	-	-
Goodwill on Consolidation	1,819	1,936	-	-
CURRENT ASSETS				
Cash and Deposits	343,454	314,116	263,540	238,586
Trade Debtors	300,040	240,748	255,720	174,841
Inventory	194,790	151,274	88,889	85,596
Other Debtors & Subsidiaries	24,967	19,585	13,556	38,863
	863,251	725,723	621,705	537,886
CURRENT LIABILITIES				
Trade & Other Creditors	263,086	194,777	121,928	97,203
Overdrafts & Short-term Loans	10,566	14,846	-	-
Income Tax Payable	8,856	6,344	1,680	648
	282,508	215,967	123,608	97,851
Deferred Income Tax	4,122	4,188	-	-
Minority Interest	458	441	-	-
Net Assets	748,752	665,389	547,309	489,000
Share Capital	58,232	57,776	58,232	57,776
Share Premium	150,379	126,547	150,379	126,547
Revenue Reserves	543,858	480,493	338,698	304,677
Translation Reserves	(3,768)	522	-	-
Reserve on Consolidation	51	51	-	-
Total Shareholders' Equity	748,752	665,389	547,309	489,000

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10.(b) Consolidated cash flow statement

	30.06.2002	30.06.2001
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before income tax	84,486	61,173
Adjustments for:		
Depreciation expense	14,796	13,021
Amortisation of goodwill	118	34
Amortisation of intangible assets	2,331	190
Interest income	(5,650)	(6,424)
Dividend income	(160)	(238)
Interest expense	207	126
Loss on disposal of fixed assets	66	194
Operating profit before working capital changes	96,194	68,076
Trade receivables	(59,292)	(28,846)
Other receivables and prepaid expenses	(5,382)	(10,061)
Inventories	(43,516)	56,993
Trade and other payables	68,309	(32,009)
Cash generated from operations	56,313	54,153
Interest received	5,650	6,424
Interest paid	(207)	(126)
Income tax paid	(6,908)	(2,753)
Dividends paid	(11,637)	(11,549)
Dividends received	160	238
Net cash from operating activities	43,371	46,387
Cash flows from investing activities:		
Contribution from minority shareholders	200	-
Purchase of fixed assets	(27,620)	(21,011)
Proceeds on disposal of fixed assets	1,425	-
Intangible assets	(4,080)	(3,128)
Purchase of investments	(562)	-
Net cash used in investing activities	(30,637)	(24,139)
Cash flows from financing activities:		
Increase in short-term bank loans	1,828	3,506
Proceeds from issue of shares	24,288	975
Net cash from financing activities	26,116	4,481
Net effect of exchange rate changes in consolidating subsidiaries	(3,404)	4,819
Increase in cash	35,446	31,548
Cash at beginning of period	304,449	198,940
Cash at end of period	339,895	230,488

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10.(c) Statement of changes in equity for the period ended 30 June 2002

	Issued capital S\$'000	Share premium S\$'000	Currency translation reserves S\$'000	Reserve on consolidation S\$'000	Accumulated Profits S\$'000
The Group					
Balance at 31 December 2000	57,703	125,260	(5,526)	51	357,362
Currency translation differences	-	-	6,048	-	-
Net profit attributable to the shareholders of the company	-	-	-	-	134,681
First and final tax exempt dividend and tax exempt bonus dividend paid in respect of the previous financial year	-	-	-	-	(11,550)
Issue of share capital	73	1,287	-	-	-
Balance at 31 December 2001	57,776	126,547	522	51	480,493
Currency translation differences	-	-	(4,290)	-	-
Net profit attributable to the shareholders of the company	-	-	-	-	75,002
First and final tax exempt dividend and tax exempt bonus dividend paid in respect of the previous financial year	-	-	-	-	(11,637)
Issue of share capital	456	23,832	-	-	-
Balance at 30 June 2002	58,232	150,379	(3,768)	51	543,858
The Company					
Balance at 31 December 2000	57,703	125,260	-	-	218,667
Net profit attributable to the shareholders of the company	-	-	-	-	97,560
First and final tax exempt dividend and tax exempt bonus dividend paid in respect of the previous financial year	-	-	-	-	(11,550)
Issue of share capital	73	1,287	-	-	-
Balance at 31 December 2001	57,776	126,547	-	-	304,677
Net profit attributable to the shareholders of the company	-	-	-	-	45,658
First and final tax exempt dividend and tax exempt bonus dividend paid in respect of the previous financial year	-	-	-	-	(11,637)
Issue of share capital	456	23,832	-	-	-
Balance at 30 June 2002	58,232	150,379	-	-	338,698

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11 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 last financial year, 1,825,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 1,825,000 of their options under the Scheme. As at 30 June 2002, there were 32,076,300 unissued shares of the Company under options (31 December 2001: 33,901,300).

Since the end of the last financial year, no options to take up ordinary shares (31 December 2001: 508,491) of S\$0.25 each in the capital of the Company lapsed.

Acquisition of Univac Precision Engineering Pte Ltd ("Univac")

As at 30 June 2002, there were 3,489,663 ordinary shares of S\$0.25 each to be issued to the shareholders of Univac as part of the consideration for the Company's acquisition of 67 per cent. of the total issued share capital of Univac, on the date of completion of the acquisition, as stipulated in the Sale and Purchase Agreement between the Company and the Vendors date 20 May 2002. The acquisition was completed on 9 July 2002.

12 Comparative figures of the Group's borrowings and debt securities

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

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	10,566	-	14,846

(b) Amount repayable after one year

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

(c) Any other comments relating to Paragraph 12

Nil

13 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 2001.

BY ORDER OF THE BOARD

Yvonne Choo
Company Secretary
30 August 2002

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% increase/ (decrease)
91.5
93.1
71.4
-
(31.6)
45.6
(100.0)
(0.5)
(230.6)
-
24.0
-
24.0
(23.5)

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% increase/ (decrease)
28.1
-
28.1
-
-
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28.1

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Total
S\$'000

534,850

6,048

134,681

(11,550)

1,360

665,389

(4,290)

75,002

(11,637)

24,288

748,752

401,630

97,560

(11,550)

1,360

489,000

45,658

(11,637)

24,288

547,309

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