

**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 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 30.06.2003 S\$'000	3 months ended 30.06.2002 S\$'000	% increase/ (decrease)	6 months ended 30.06.2003 S\$'000	6 months ended 30.06.2002 S\$'000	% increase/ (decrease)
<b>Revenue</b>	<b>747,110</b>	533,107	40.1	<b>1,381,295</b>	905,569	52.5
Other operating income	1,352	1,063	27.2	2,247	3,148	(28.6)
Changes in inventories of finished goods and work in progress	2,247	14,053	(84.0)	7,351	35,151	(79.1)
Raw materials and consumables used	(602,899)	(426,724)	41.3	(1,114,475)	(736,269)	51.4
Staff costs	(46,459)	(36,036)	28.9	(92,293)	(66,972)	37.8
Depreciation and amortisation expense	(13,558)	(9,556)	41.9	(26,636)	(17,245)	54.5
Research and development expense	(10,278)	(8,457)	21.5	(19,287)	(13,258)	45.5
Foreign currency exchange adjustment gain (loss)	752	(5,907)	n.m.	(873)	(5,895)	(85.2)
Other operating expense	(18,698)	(16,221)	15.3	(35,620)	(25,186)	41.4
<b>Profit from operations</b>	<b>59,569</b>	45,322	31.4	<b>101,709</b>	79,043	28.7
Interest income (net of interest expense)	2,710	2,426	11.7	5,096	5,443	(6.4)
Share of profits in associates	477	-	n.m.	1,536	-	n.m.
<b>Profit before income tax</b>	<b>62,756</b>	47,748	31.4	<b>108,341</b>	84,486	28.2
Income tax expense	(2,109)	(5,192)	(59.4)	(4,321)	(9,667)	(55.3)
<b>Profit after income tax but before minority interests</b>	<b>60,647</b>	42,556	42.5	<b>104,020</b>	74,819	39.0
Minority interests	(1,986)	132	n.m.	(3,004)	183	n.m.
<b>Net profit attributable to the shareholders of the company</b>	<b>58,661</b>	42,688	37.4	<b>101,016</b>	75,002	34.7

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

	Group			Group		
	3 months ended 30.06.2003 S\$'000	3 months ended 30.06.2002 S\$'000	% increase/ (decrease)	6 months ended 30.06.2003 S\$'000	6 months ended 30.06.2002 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	467	-	n.m.	467	-	n.m.

Notes:

(1) n.m. - not meaningful

(2) Certain line items on the income statement have been amended to conform with the current period's presentation.

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	
	30.06.2003	31.12.2002	30.06.2003	31.12.2002
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	101,310	153,729	25,277	53,394
Fixed deposits	396,541	266,004	337,324	211,943
Trade receivables	441,241	446,334	137,190	193,527
Other receivables and prepayments	45,116	31,205	22,175	15,037
Inventories	252,616	217,803	55,552	65,260
Amount due from subsidiaries	-	-	151,730	155,835
Amount due from associates	2,217	2,730	1,253	-
Amount due from joint venture	212	74	-	-
<b>Total current assets</b>	<b>1,239,253</b>	<b>1,117,879</b>	<b>730,501</b>	<b>694,996</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	122,345	122,345
Investments in associates	23,074	24,194	-	-
Investment in joint venture	-	-	1,000	1,000
Other investments	61,428	46,034	3,753	914
Property, plant and equipment	168,666	162,430	27,157	29,345
Intangible assets	22,342	25,101	883	-
Goodwill on consolidation	50,246	51,466	-	-
<b>Total non-current assets</b>	<b>325,756</b>	<b>309,225</b>	<b>155,138</b>	<b>153,604</b>
<b>Total Assets</b>	<b>1,565,009</b>	<b>1,427,104</b>	<b>885,639</b>	<b>848,600</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank overdrafts	5	-	-	-
Short-term bank loans	9,147	6,054	-	-
Trade payables	377,687	372,841	53,553	76,900
Other payables	47,778	65,748	17,755	36,948
Amount due to subsidiaries	-	-	63,426	61,915
Amount due to associates	1,440	5,708	101	1,162
Amount due to joint venture	270	142	268	274
Income tax payable	8,724	7,732	1,580	637
<b>Total current liabilities</b>	<b>445,051</b>	<b>458,225</b>	<b>136,683</b>	<b>177,836</b>
<b>Non-current liabilities:</b>				
Long-term bank loans	145	-	-	-
Deferred income tax	2,125	3,458	-	-
<b>Total non-current liabilities</b>	<b>2,270</b>	<b>3,458</b>	<b>-</b>	<b>-</b>
<b>Minority interests</b>	<b>27,763</b>	<b>22,451</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>				
Issued capital	62,039	60,079	62,039	60,079
Share premium	305,371	239,389	305,371	239,389
Accumulated profits	732,487	649,955	381,546	371,296
Reserve on consolidation	51	51	-	-
Currency translation reserves	(10,023)	(6,504)	-	-
<b>Total equity</b>	<b>1,089,925</b>	<b>942,970</b>	<b>748,956</b>	<b>670,764</b>
<b>Total Liabilities and Equity</b>	<b>1,565,009</b>	<b>1,427,104</b>	<b>885,639</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 30.06.2003		As at 31.12.2002	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,794	7,358	-	6,054

(b) Amount repayable after one year

As at 30.06.2003		As at 31.12.2002	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
145	-	-	-

(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	6 months ended	6 months ended
	30.06.2003	30.06.2002	30.06.2003	30.06.2002
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Profit before income from associates, income tax and minority interests	62,279	47,748	106,805	84,486
Adjustments for:				
Depreciation expense	10,179	7,713	19,905	14,796
Amortisation of goodwill	726	101	1,423	118
Amortisation of intangible assets	2,653	1,742	5,308	2,331
Interest income	(2,800)	(2,541)	(5,258)	(5,650)
Dividend income	(309)	(82)	(445)	(160)
Interest expense	90	115	162	207
(Gain) Loss on disposal of plant and equipment, net	(6)	3	(87)	66
Loss on disposal of other investments	15	-	15	-
<b>Operating profit before working capital changes</b>	<b>72,827</b>	<b>54,799</b>	<b>127,828</b>	<b>96,194</b>
Trade receivables	(41,421)	(86,823)	8,899	(59,292)
Other receivables and prepayments	2,002	(5,602)	(11,602)	(6,699)
Inventories	(4,629)	(6,574)	(33,541)	(43,516)
Amount due from joint venture	30	420	(138)	1,251
Amount due from associates	339	-	513	-
Trade payables	49,780	59,184	2,587	95,525
Other payables	(3,165)	(14,401)	(20,385)	(27,216)
Amount due to joint venture	(61)	-	128	-
Amount due to associates	(1,140)	66	(4,268)	66
<b>Cash generated from operations</b>	<b>74,562</b>	<b>1,069</b>	<b>70,021</b>	<b>56,313</b>
Interest received	2,800	2,541	5,258	5,650
Interest paid	(90)	(115)	(162)	(207)
Income tax paid	(4,953)	(4,180)	(6,392)	(6,908)
Dividends paid	(18,484)	(11,637)	(18,484)	(11,637)
Dividends received	309	82	445	160
<b>Net cash (used in) from operating activities</b>	<b>54,144</b>	<b>(12,240)</b>	<b>50,686</b>	<b>43,371</b>
<b>Cash flows from investing activities:</b>				
Contribution from minority shareholders	-	-	-	200
Purchase of property, plant and equipment	(14,365)	(18,838)	(26,437)	(27,620)
Proceeds on disposal of plant and equipment	816	1,348	5,630	1,425
Intangible assets	(454)	(897)	(2,540)	(4,080)
Purchase of other investments	(20,735)	(362)	(20,878)	(562)
Proceeds on disposal of other investments	5,000	-	5,469	-
Dividends received from associates	-	-	135	-
Cash flow resulting from acquisition of subsidiary	(88)	-	(88)	-
<b>Net cash used in investing activities</b>	<b>(29,826)</b>	<b>(18,749)</b>	<b>(38,709)</b>	<b>(30,637)</b>
<b>Cash flows from financing activities:</b>				
Increase in bank loans	396	1,873	1,269	1,828
Proceeds from issue of shares	42,948	22,381	67,942	24,288
<b>Net cash from financing activities</b>	<b>43,344</b>	<b>24,254</b>	<b>69,211</b>	<b>26,116</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>(3,101)</b>	<b>(2,674)</b>	<b>(3,075)</b>	<b>(3,404)</b>
Increase (Decrease) in cash and cash equivalents	64,561	(9,409)	78,113	35,446
Cash and cash equivalents at beginning of period	433,285	349,304	419,733	304,449
<b>Cash and cash equivalents at end of period</b>	<b>497,846</b>	<b>339,895</b>	<b>497,846</b>	<b>339,895</b>

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

	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 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 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
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
<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 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
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

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, options were granted in respect of 3,821,000 unissued shares of S\$0.25 each in the capital of the Company to 3 directors and 764 employees of the Group at a subscription price of S\$16.17 per share in accordance with the Scheme. The options are exercisable during the period commencing twelve (12) months from the date of grant and expiring at the end of five (5) years from the date of grant.

Since the end of the previous financial quarter, 4,750,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 4,750,000 of their options under the Scheme. As at 30 June 2003, there were 29,083,000 unissued shares of the Company under options (30 June 2002: 32,076,300).

Since the end of the previous financial year, no options to take up ordinary shares (30 June 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 11 August 2003, the Company announced that it has obtained in-principle approval from the SGX-ST for the listing and quotation of 1,708,777 new ordinary shares of S\$0.25 each to be allotted and issued upon completion of the acquisition of the remaining 33% of the issued share capital of Univac.

The new ordinary shares shall 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 June 2003, the issued and paid up capital of the Company was S\$62,038,820 divided into 248,155,280 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)

Latest period 01.01.2003 to 30.06.2003	Previous corresponding period 01.01.2002 to 30.06.2002
41.3	32.3
40.2	31.0

7.

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

Group		Company	
30.06.2003	31.12.2002	30.06.2003	31.12.2002
439.2	392.4	301.8	279.1

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

The Group's revenue increased 53% from S\$906 million to S\$1.4 billion for the half-year ended 30 June 2003. Contributing to the growth were products in the test and measurement, printing and imaging, data storage and computer peripherals segments. Strategic partnerships with new customers established since the last financial year and NPI (New Product Introduction) programs from both new and existing customers aided the revenue growth.

The Group's profit after tax grew by 35% from S\$75 million to S\$101 million. This profit growth was achieved through lower cost solutions as well as engagement in higher value-added activities. The increase in high-mix business also contributed to the better profits.

**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 does not expect further deterioration in the business environment, although there are no clear signs of a strong recovery. However, there are clear indications of significant migration of manufacturing activities to Asia from the Americas as well as Europe. The Group's competitive advantages will enable it to seek growth opportunities by employing innovative ways to capture new businesses and provide new services for its customers.

The Group is currently pursuing several opportunities in the high-mix business category in which it has unique strength and expertise. The Group is also focusing on growth through strategic alliances and acquisitions. Going forward, the Group will also continue to create new capabilities and competencies.

**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 June 2003 is recommended or declared.

**BY ORDER OF THE BOARD**

Yvonne Choo  
Company Secretary  
22 August 2003