
Venture Beyond
Venture Corporation Limited | Annual Report 2007

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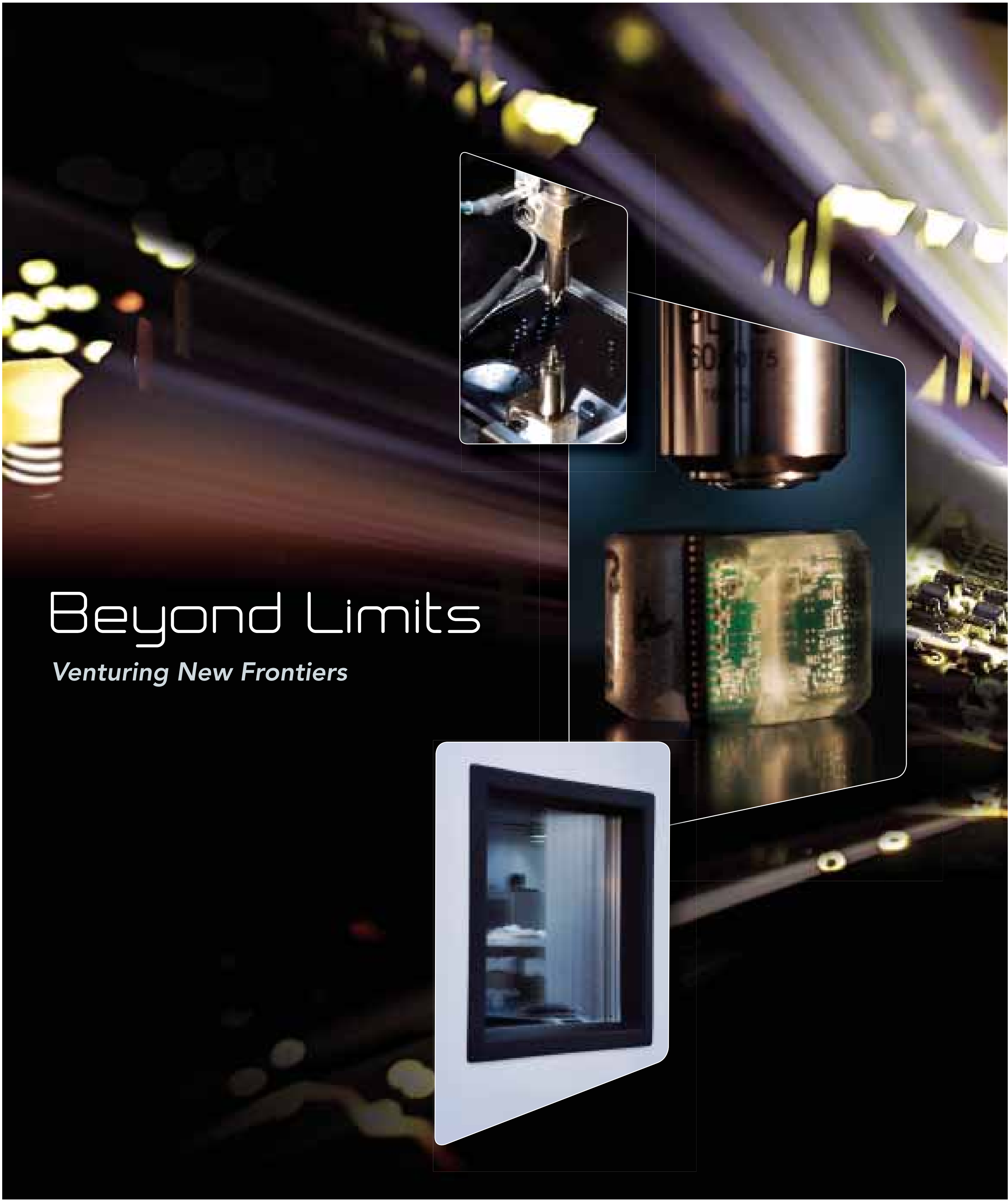
Venture Beyond

Venture has made significant progress and achieved tremendous growth in its business in 2007 and these achievements will lay the foundation for the next chapter in Venture's journey. A journey in pursuit of Innovation, Technology and Excellence.

As the Group ventures beyond, it will challenge the human mind and the spirit of enterprise, dynamism, empowerment and innovation to pull down barriers and break new ground, transcending limits to reach new level of excellence and new height of technology.

Venture, dare to venture – beyond new frontiers, beyond boundaries, beyond expectations – to redefine new realms of possibilities.

This vibrant spirit that embraces change and progress, together with the Group's vision, founded on time-honoured values of excellence, reliability and dedicated commitment and service – **to be the best and most reliable electronics services provider and strategic global partner for successful global companies, providing a fully integrated range of electronics manufacturing services (EMS), original design manufacturing (ODM) and e-fulfillment services (EFS)** – will continue to underpin its business as the Group strides forth to build robust market presence and growth.



Beyond Limits

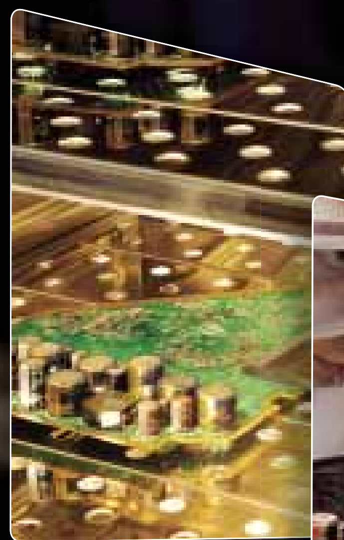
Venturing New Frontiers

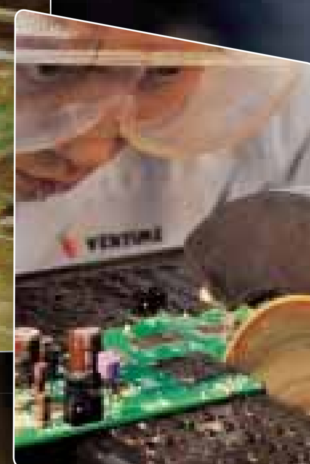
Building on its foundation of engineering and technological excellence and satisfying its unquenchable thirst for discovery, Venture continues to explore, create and drive innovation across the organisation.

Venture is not alone in this quest. It works in close collaboration with engineers and researchers around the globe, forging partnerships in focused areas to accelerate technological advancements and evolution.

Together, as catalyst for innovation, Venture endeavours to deliver the solutions that will enable its customers and partners – leaders in their fields – to stand at the forefront of technology.

In the true spirit of enterprise and adventure and with great fortitude, Venture is prepared to seize every opportunity to push the frontiers of technology.





Beyond Boundaries

Dare To Venture

As an organisation with high regard for innovation and creativity, Venture embraces a new paradigm of openness, boldness, empowerment and flexibility. All these are woven into its technology pursuit and the very fabric of its work and its people.

With innovation dynamism, inspirations are harnessed where substance becomes form and ideas are brought to life - propelling Venture forward into new technologies, territories, alliances and new ventures.

As a strategic partner of choice of major OEMs, Venture continues to expand its breadth of business collaborations, creating extraordinary values and driving growth in the industry.

And in today's ever-changing business landscape, Venture is constantly reinventing itself to remain relevant to the marketplace.

Beyond Expectations

Nothing Ventured Nothing Gained

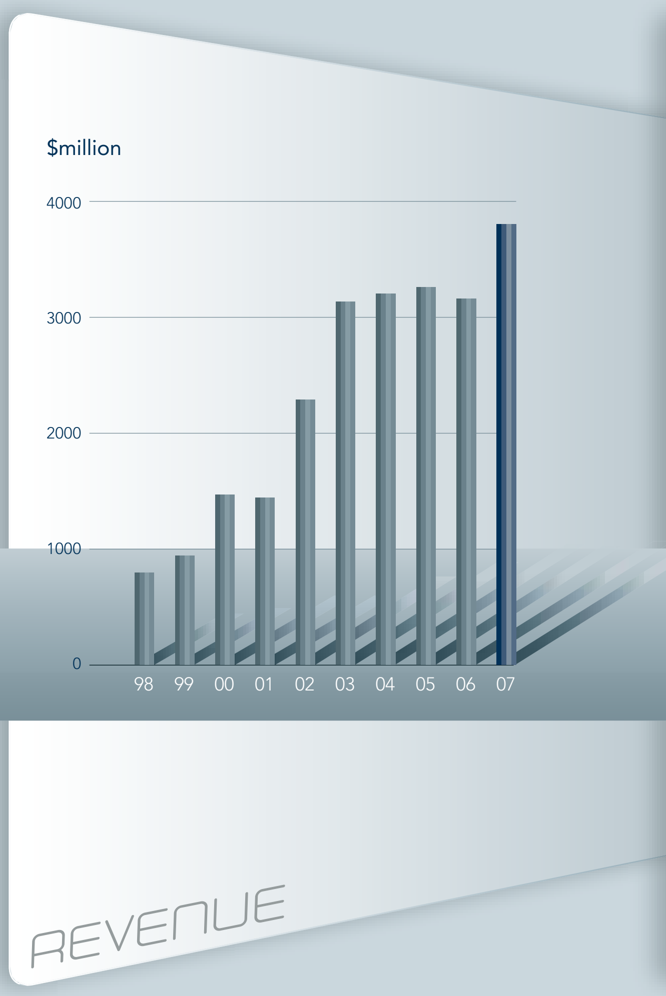
Impelled to make a distinctive difference, Venture's modus operandi centred on excellence propels it to deliver values and results that consistently exceed expectations on all fronts.

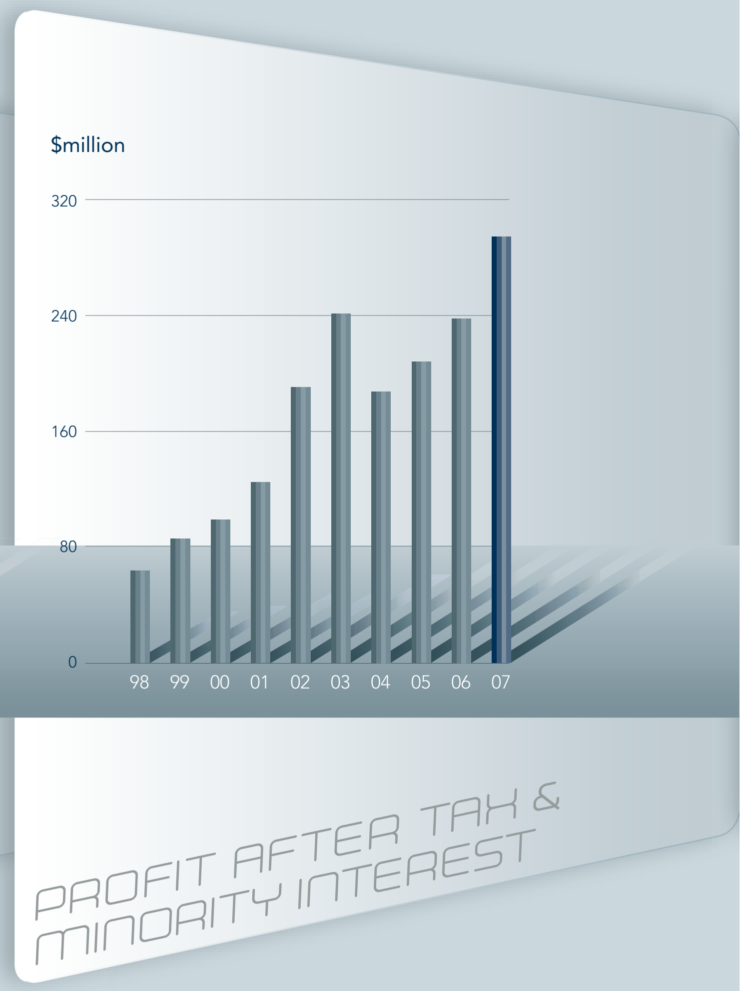
Key facets of Venture's vision - to be the best and most reliable ESP and strategic partner for successful global companies – are shared by every single individual within the Group.

Inspired to pursue excellence and go beyond, to excel at excellence, Venture has today embedded within, a remarkable array of innovation capabilities, differentiated competitiveness, operational excellence, service dedication and more.

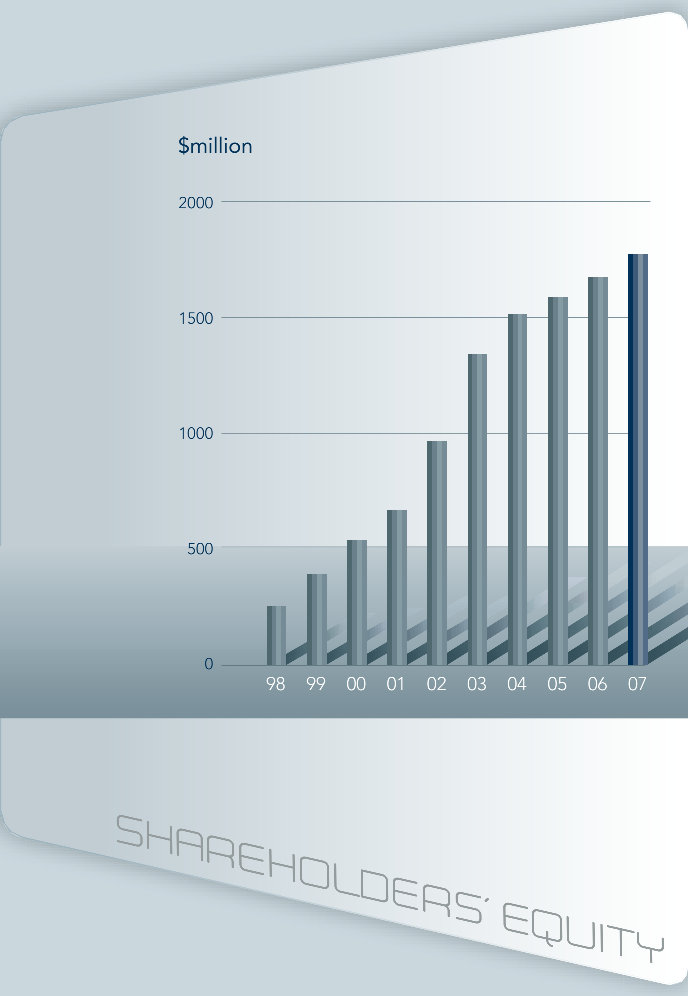
There will be future commanding heights of excellence and expectations, Venture remains steadfast in re-shaping these notions with the aim of achieving a new level of sophistication in execution excellence.

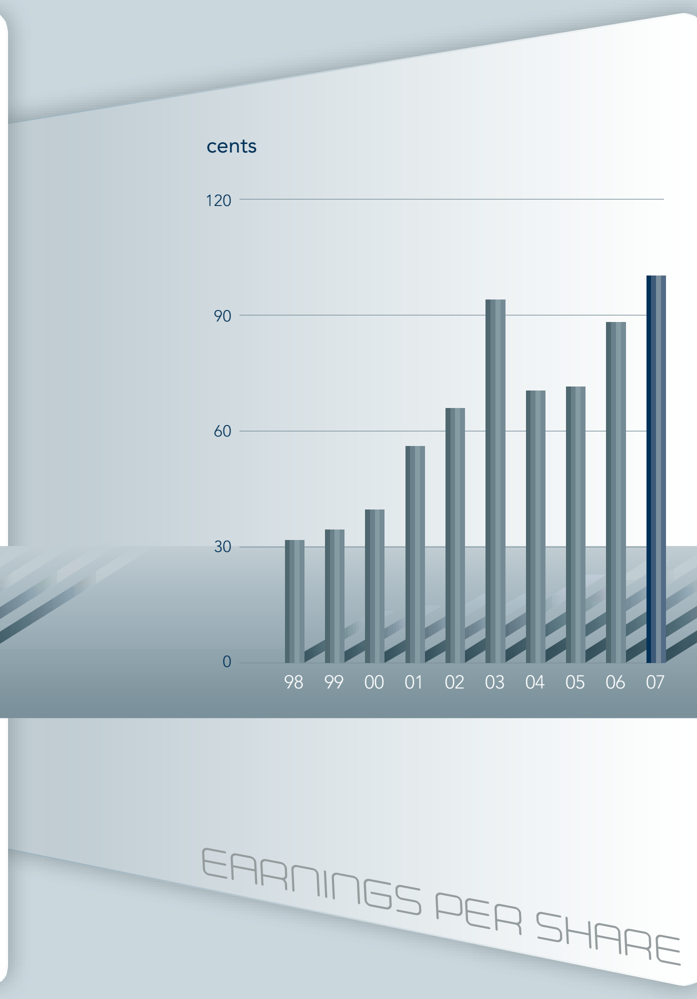
Financial Highlights





Consolidated Financial Performance ($million)	1998	1999	2000	2001	2002
Revenue	730.7	951.0	1,456.4	1,430.9	2,366.3
Profit Before Tax	74.9	91.3	115.9	143.7	194.2
Profit After Tax & Minority Interest	63.2	82.9	105.1	134.7	181.1
Total Assets	475.2	602.9	759.2	886.0	1,427.1
Total Liabilities	177.5	186.4	223.6	220.2	461.7
Shareholders' Equity	296.3	415.0	534.9	665.4	943.0
Cash & Bank Balances	30.7	39.9	39.9	77.0	153.7
PBT Margin (%)	10.3	9.6	8.0	10.0	8.2
PAT Margin (%)	8.6	8.7	7.2	9.4	7.7
Earnings Per Share (cents)	32.5	38.3	45.7	58.3	77.1





Consolidated Financial Performance ($million)	2003	2004	2005	2006	2007
Revenue	3,170.0	3,193.4	3,238.0	3,124.8	3,872.8
Profit Before Tax	250.1	194.6	207.1	252.6	294.6
Profit After Tax & Minority Interest	240.4	188.7	201.2	239.2	300.0
Total Assets	1,809.3	2,025.0	2,172.2	3,009.9	3,048.5
Total Liabilities	459.9	452.5	501.4	1,242.2	1,153.0
Shareholders' Equity	1,341.1	1,570.3	1,663.2	1,759.0	1,884.5
Cash & Bank Balances	155.6	567.4	556.6	329.0	493.3
PBT Margin (%)	7.9	6.1	6.4	8.1	7.6
PAT Margin (%)	7.6	5.9	6.2	7.7	7.8
Earnings Per Share (cents)	96.3	72.2	75.1	88.2	109.6

Message to Shareholders

I am very pleased with the progress Venture has made in 2007. Whilst there is a sense of achievement, as the Group reported a record revenue of $3.9 billion with annual earnings crossing the $300 million level for the first time, more notable and significant were the longer term, strategic milestones the Group captured in 2007. These achievements underpin the Company's fundamentals, both financially and operationally.

Specifically, the Group has sharpened its cutting-edge technology, strengthened its design competency and built further originations in both product and process technologies during the year. Venture continued to gain acknowledgements from its partners around the globe for its competencies in selected domain technology areas, superb design capability and excellent product and process technologies. Its partners were also impressed with its leadership in a high mix and highly diversified manufacturing environment, sustained operational excellence and best in class value chain management.

These accomplishments underscore the Group's pursuit of innovation, technology and excellence and will remain a key differentiator and enabler to ensure the Group maintains its leadership position as an Electronics Services Provider (ESP) in selected market segments. The Group's customers are primarily in the Printing and Imaging; Retail Store Solutions and Industrial Products; Computer Peripherals and Data Storage, Networking and Communications, Test and Measurement and Medical Electronics segments.

PERFORMANCE AND OPERATION REVIEW

2007 was another exceptional year of market and customer base expansion with revenue growth of 24%. The Group added a number of key partners and witnessed considerable strengthening of relationships with major OEM (Original Equipment Manufacturer) partners.

Operationally, the Group has maintained its standing as a partner of choice through its superior performance and ability to meet or exceed the commercial objectives of its partners, providing them with quality and premium products with better cost savings and shorter time-to-market. With sustained operational excellence, the Group posted a record profit after tax of $302.7 million for 2007, a year-on-year improvement in excess of 25%. This translated to an earnings per share of 109.6 cents on a fully diluted basis, compared to 88.1 cents for the previous corresponding year.

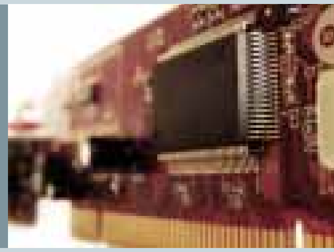
The Group generated free cash flows of $314.5 million from its 2007 operations with a resultant EBITDA of $354.2 million, 32% higher than 2006. The Group's ROE (Return on Equity) improved to 16.5%.

Taken in isolation, these financial results would be remarkable enough. However for the Group to achieve this set of results when the global economy continued to be beset by uncertainty – the fallout of the financial markets, a sluggish US economy, intense competition and rising costs – is especially noteworthy.

Venture's strategic business model and positioning, built on diversity of product category, customer base, product portfolio and technology domain, drove its performance. Notwithstanding the macroeconomic factors including the steep decline in US dollar compared to the Singapore dollar by more than 8% in 2007, the Group grew its revenue and profitability.

BEYOND LIMITS
Venturing New Frontiers

Venture's design capabilities have grown from strength to strength. On the ODM front, the Group saw several programmes completed and released for manufacturing in 2007.



In fact, Venture's laboratories have been pre-qualified by a number of key partners for the provision of hardware, software, firmware and ASIC (Application Specific Integrated Circuit) design. The year also witnessed expansion in prototyping, new product introduction (NPI) and product testing activities. Venture helped a number of key customers develop products involving more complex technological and engineering content.

The Group's electro-mechanical design competency and ongoing engineering focus dovetail OEMs' Research and Development (R&D) in high-precision microscopic nozzles, print-head design and ink formulations. Through strategic collaborations, Venture has assisted many of its partners to create superior products which are highly successful in the marketplace.

Venture's Printing and Imaging partners continue to dominate the printing world with products that meet the high expectations of printer reliability, image quality and technology durability. Key product launches in 2007 included new generation mobile printer, mobile label/receipt printer, all-in-one printer, large-format printer, wide-format printer and production printing system.

In 2007, the Group broke new ground in the Computer Peripherals and Data Storage, Networking and Communications, and Medical Electronics segments.

Venture has extended its technology in computing devices from enterprise computing units to customised ruggedised computers for application in extreme field conditions.

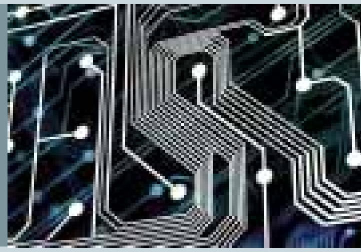
The Group's depth in a wide range of electronic technologies ranging from complex digital designs to Software Defined Radios was used to create product platforms for multiple industrial applications.

Venture is also able to deliver a broad and diverse portfolio of networking and communication products including raid controllers, host bus adapters, fibre channel switches, microwave components and new generation receivers.

The evolution of the ultra mobile personal computer (UMPC) gathered pace last year with many competing OEMs driving design with incremental features and functionalities. In this area, Venture assisted a key customer to carry out NPI and prototyping activities. Venture provided critical feedback to its customer and was instrumental in enabling the OEM to create a product of high manufacturability. This product, a full-featured UMPC, was launched by the OEM in 2007 and set a new standard in terms of compactness, computing performance, connectivity and data protection and security. Weighing in at less than 450 grams and slim-built to fit pocket size, the UMPC was also ergonomically designed with a noticeable departure from the usual industrial-looking units.

The Group has continuously built upon its design and product engineering work in disk-based storage devices. In 2007, Venture was invited by a top tier OEM to participate in the development of its new storage blade including the provision of design work for a battery back-up unit and development of manufacturing test. The OEM has successfully developed a compact, modular storage blades which can be fitted into the chassis of blade server system, which in turn are used in data centres.

In recent years, the Group has been engaged to develop a number of medical devices. For instance, a leading OEM has appointed Venture to develop a medical device requiring the most precise delivery system leveraging the Group's precision electro-mechanical capabilities. These projects are ongoing and are unique opportunities for the Group.




Venture provides seamless integration from product development to manufacturing operations, capturing full-fledged value-add services of process technology development, test system development, tooling design, line automation and line layout design. With extensive design and product development involvement, Venture creates considerable benefits for its partners such as easy migration from design to the manufacturing environment with resultant cost savings and faster time-to-market.

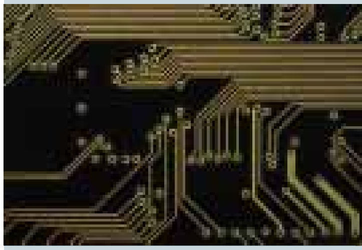
In some projects, critical test engineering activities ranging from failure analysis, reliability test, regulatory audit to standards compliance review are included. These laboratory-based engineering activities and qualification tests can be implemented at the outset of the design phase and have a direct bearing on both engineering and management decisions, providing safeguard to both product and corporate success. In today's competitive business environment, test and reliability engineering has gained increasing importance in the overall product development process. Using such test systems, the Group has helped many of its OEM customers improve their product quality and reliability significantly.

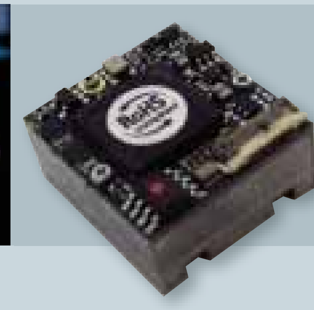
The Group has made new investments to augment its manufacturing capability, incorporating the latest state-of-the-art equipment in its clusters of facilities. In addition, Venture has enhanced its Information Technology (IT) infrastructure to streamline and optimise business processes. These processes include supply chain management solutions that have improved manufacturing traceability, warehouse inventory tracking and order fulfillment. The Group's overall process competency extends into new areas like process re-engineering and materials re-sourcing.

BEYOND BOUNDARIES
Dare To Venture

In 2007, Venture has secured more ODM and contract design manufacturing projects from its OEM partners. The Group's support to the OEMs extends into logistic management and fulfillment services, including integrated solutions. Venture has diversified and deepened its technical capabilities to cater to a larger customer base.

Venture's focus on end-to-end value chain management solution is a progressive approach to bridge the gaps encountered by some of its customers. On this, the Group has received recognition from a host of customers for delivering exceptional value. Venture conducts quarterly business reviews with all its customers. The Group has consistently been rated at the very top by many of its customers.





The Group has created extraordinary value through its clusters of excellence – essentially made up of a judicious network of global design centres and manufacturing hubs. Venture's cluster strategy is a hallmark of the Group and its partners have been able to leverage this for their respective objectives with substantial benefits.

As an organisation with high regard for innovation and creativity, Venture has embraced flexible business models aimed at complementing its partners. Such innovative business arrangements allow its OEM partners to co-develop future product platforms and products with Venture's design teams. There is increasing traction in this collaborative approach, a reflection of heightened confidence in Venture's overall capabilities.

Over the last two years, the Group has enlarged its product offerings in the Retail Store Solutions segment and created an entire eco-system of transaction products and solutions covering point-of-sale, electronic payment terminals, PIN pads and other peripheral products.

The Group has also made critical advancements in the Networking and Communications segment. Towards the end of 2007, Venture received notification from the United States Department of Labor's Mine Safety and Health Administration that its MineTracer Miner Location Monitoring System (MineTracer) has been approved for use in underground mines in the United States. MineTracer is the first wireless tracking system approved since enactment of the latest Mine Improvement and New Emergency Response (MINER) Act which mandates post-accident tracking and communication in mines. This robust wireless system solution is designed for real-time location tracking of people and assets with scalable network capacity and application in subterranean environment and other geographic locations.

BEYOND EXPECTATIONS

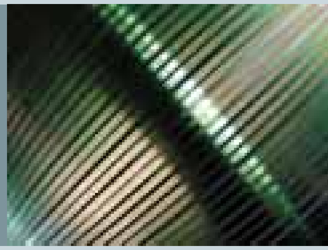
Nothing Ventured Nothing Gained

One of the most important corporate objectives of the Group is to provide Total Customer Satisfaction. Many leading brand owners in the electronics world have chosen Venture as their strategic partner because the Group has delivered values and results that consistently surpass even the highest of expectations.

Permeating the Group is this appreciation that being a world-class ESP demands more than just the right infrastructure, technological prowess and technical expertise. It has to be bolstered by a set of strong core values.

The Group's core values are deeply ingrained in the organisation and they continue to shape the actions and behaviours of Venture's employees and influence their attitudes and level of professionalism. These values also help to build corporate cohesion and strengthen corporate alignment towards creativity and innovation, pursuit of excellence, total customer satisfaction and teamwork.

Whilst Venture had been able to bring to its partners, the best in technological expertise, design capability, product and process technologies, it persists to raise the bar for overall operational excellence. The Group has consistently been ranked "Best in Class" in technology, quality, responsiveness, delivery, cost and environment (TQRDCE). This is possible because the Venture team goes beyond the call of duty to deliver exacting results demanded by its partners.



LOOKING BEYOND

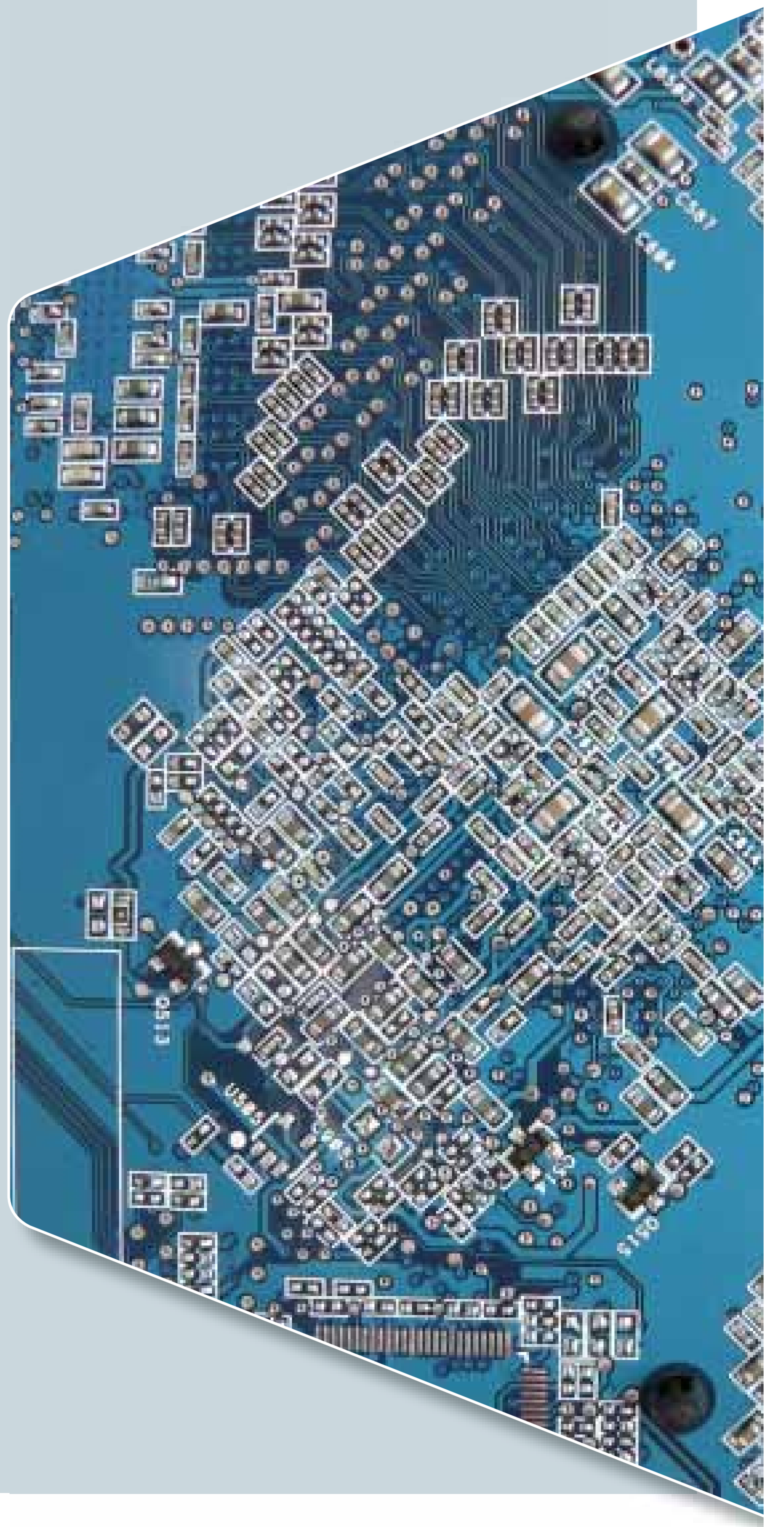
Since its inception in 1984, Venture has evolved, from a competent manufacturer to its present stature as a leading ESP. Its business witnessed several phases of radical transformations and in the last decade, the Group has made significant progress, creating differentiation with density in know-how, value chain management and an impeccable record of operational excellence.

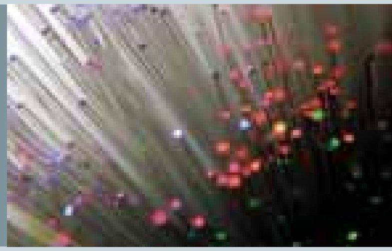
Going forward, the Group aims to accelerate its growth in capabilities and technologies. To this end, Venture will further enhance its research and development infrastructure, broaden its domain technologies and strengthen its fundamental research capabilities. These can be achieved through talent development, strategic alliances, as well as mergers and acquisitions.

With further augmentation to the Group's engineering design skill set, technical competencies and technology, Venture anticipates more product development work for leading global brands. Technology never stands still. The Group will continually explore, create and adopt new innovations to keep its solutions ahead of the curve.

Venture will also continue to invest in the latest equipment across its manufacturing sites to ensure the Group offers its customers operational efficiency and capability second to none.

The Group remains fully committed to support all its customers. Using Group-wide resources, in-house technical expertise, intellectual property and technology, the Group aims to contribute to its customers' success.





The operating landscape for the electronics industry remains highly competitive. However with the Group's broad-based strength, operational excellence, including execution ability and good management practices, Venture is well-placed to meet these challenges.

DIVIDEND

The Board has recommended a one-tier tax-exempt final dividend of 50 cents per share for shareholders' approval at the forthcoming Annual General Meeting (AGM).

This proposed dividend, if approved, will together with the one-time special dividend of eight cents per share (less 18% income tax which was paid out in September 2007), amount to a total dividend distribution of 58 cents per share for the financial year ended 2007. This represents a dividend cover of 1.89 times or 53% of the Group's profit after tax.

APPOINTMENT

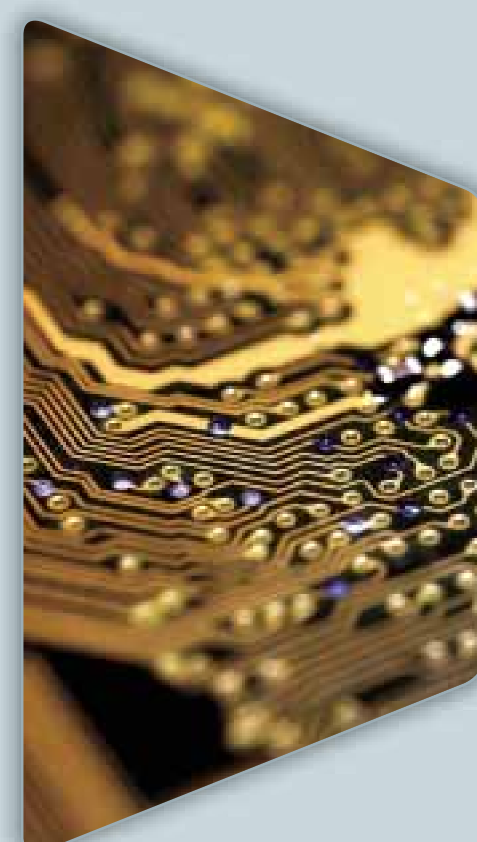
I take this opportunity to once again welcome Mr Koh Kheng Siong to the Board. He joined the Board as a non-executive, independent director on 16 July 2007. Mr Koh's extensive experience in financial planning and strategic corporate management in global organisations has further enhanced the Board's composition. As a group, the Directors possess core competencies in corporate planning, business management, finance and banking, as well as industry knowledge.

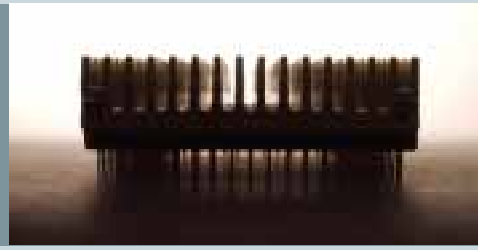
On 2 November 2007, Mr Koh was appointed to the Audit Committee.

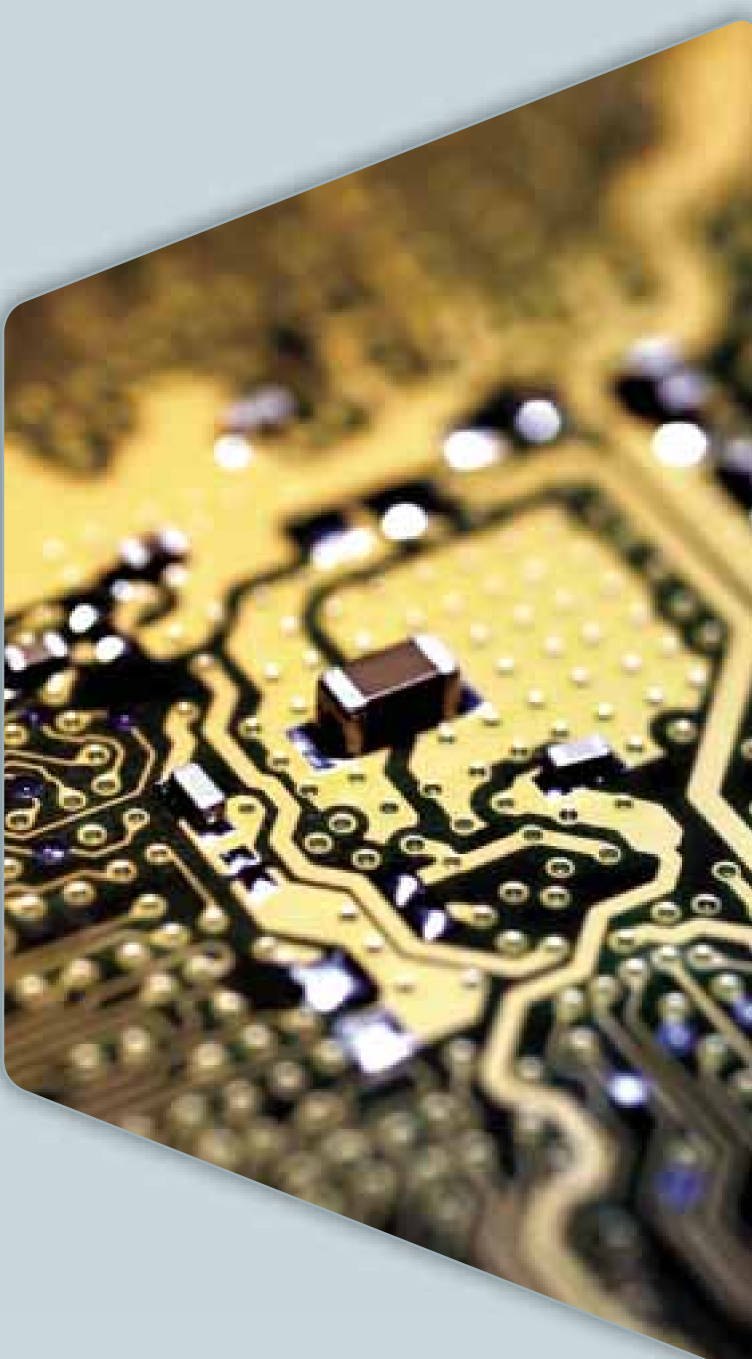
APPRECIATION

I wish to place on record the appreciation of the Board to all stakeholders for their contributions to make 2007 a milestone year.

To our customers, thank you for your confidence in the Group and for making us your partner of choice. It remains a great privilege to be able to collaborate with all our valued customers. The numerous accolades and awards received by the Group have continued to inspire the Venture team and motivate every individual to achieve greater performance results.





The Group's success is in part closely tied to the synergistic relationship it has forged with its suppliers and business associates. The unstinting support and dedication from all have helped Venture achieve its goals and business objectives and that of its customers too. Thank you.

A salute to Venture's management and employees is a must. Your resolute commitment and fortitude have enabled the Group to remain on course. The Board is impressed with the level of dedication and passion demonstrated.

We are also grateful for the support of all our shareholders. For continuing to believe in the fundamental value of the Group, from the beginning and all through the years, till today.

Lastly, I would like to register my gratitude to the Board for their time and guidance during the year. Thank you for helping to shape Venture into a dynamic and thriving technology company with a solid standing in the global electronics industry.

Board of Directors




WONG NGIT LIONG
CHAIRMAN & CEO

Mr Wong Ngit Liong is the Chairman & CEO of the Group. He is a member of the Remuneration Committee and the Nominating Committee.

Mr Wong serves on the Board of various companies including DBS Group Holdings Ltd, DBS Banks Ltd and Royal Philips Electronics. He is also the Chairman of the National University of Singapore Board of Trustees and a Member of the Research, Innovation and Enterprise Council under the Prime Minister's Office.

Mr Wong holds a 1st Class (Honours) degree in Electrical Engineering from the University of Malaya, and a Masters degree in Electronics Engineering from the University of California, Berkeley, United States, where he was a Fulbright Scholar. He also holds a Master of Business Administration (MBA) degree with distinction from McGill University under the Canadian Commonwealth Fellowship.

CECIL VIVIAN RICHARD WONG
NON-EXECUTIVE DIRECTOR

Mr Cecil Vivian Richard Wong has served on the Board since 1992. He is the Chairman of the Audit Committee. He is also a member of the Remuneration Committee and the Nominating Committee.

Mr Wong has retired as partner of Ernst & Young International after spending more than 30 years there and in its predecessor companies. He sits on the Board of several public-listed companies and continues to be actively involved in social work, serving several non-profit organisations. In recognition of his contribution to the country, he was awarded the Public Service Medal and the Public Service Star by the President of Singapore in 1992 and 2000 respectively.

Mr Wong holds a Bachelor of Arts degree from Cambridge University's Fitzwilliam College, and is a member of the Institute of Certified Public Accountants of Singapore.

KOH LEE BOON
NON-EXECUTIVE DIRECTOR

Mr Koh Lee Boon was appointed to the Board in 1996. He currently serves as Chairman of the Nominating Committee and the Remuneration Committee. He is also a member of the Audit Committee. Mr Koh has more than 13 years of managerial experience in two companies within the electronics manufacturing industry, where he served as Executive Director.

Mr Koh retired as Senior Vice President and Partner of SEAVI International Fund Management in 1996. However, he continues to sit on its Board to date. In addition, Mr Koh is also an independent Board member of SEAVI Venture Management Pte Ltd.

Mr Koh holds a Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Malaya.

GOH GEOK LING
NON-EXECUTIVE DIRECTOR

Mr Goh Geok Ling was appointed to the Board in February 2004 and serves on the Audit Committee. He has extensive experience in the electronics sector, and spent 29 years with various electronics companies.

Mr Goh is the Chairman of SembCorp Marine Ltd and serves on the Board of several public-listed companies including SembCorp Industries Ltd, DBS Group Holdings Ltd, DBS Bank Ltd and 02Micro International Ltd. He is also a member of the Board of Trustees in Nanyang Technological University in Singapore.

Mr Goh graduated from Sydney University with a Bachelor of Engineering degree.

GOON KOK LOON
NON-EXECUTIVE DIRECTOR

Mr Goon Kok Loon joined the Board in February 2004. He serves as a member of the Audit Committee, the Investment Committee and the Remuneration Committee.

Mr Goon sits on the Boards of Singapore Petroleum Company Ltd, Jaya Holdings Ltd, Yongnam Holdings Ltd, Singapore Offshore Petroleum Services Pte Ltd and Jurong Port Pte Ltd. Until his retirement in 2003, Mr Goon has accumulated 37 years of experience in port development and management with the Port of Singapore Authority and PSA Corporation Limited. For his contributions to the maritime sector, he was awarded the Silver and Gold Public Administration Medals by the Singapore Government in 1976 and 1989 respectively. Mr Goon is currently a substantial shareholder and Executive Chairman of Global Maritime And Port Services Pte Ltd.

Mr Goon holds a 1st Class (Honours) degree in Electrical Engineering from the University of Liverpool, United Kingdom.

KOH KHENG SIONG
NON-EXECUTIVE DIRECTOR

Mr Koh Kheng Siong was appointed to the Board in July 2007 and was made a member of the Audit Committee in November 2007.

Mr Koh is also a non-executive, independent director of SIA Engineering Company Limited, Mapletree Logistics Trust Management Limited and Orchard Energy Pte Ltd. He served on the Board of SMRT Corporation Limited from 2000 to 2007. Prior to August 2005, he held a number of senior management positions in Singapore and the United States with ExxonMobil.

Mr Koh has an Honours degree in Economics from the University of London. He subsequently earned an MBA in Finance from the University of Chicago Graduate School of Business.

TAN CHOON HUAT
EXECUTIVE DIRECTOR

Mr Tan Choon Huat is an Executive Director and a member of the Group Executive Committee.

Mr Tan has more than 30 years of international experience in the electronics industry. He started his career with the Hewlett-Packard Company and assumed many management positions in its offices in the United States, Singapore and Malaysia during his 17 years tenure with the company. As a pioneer with extensive knowledge of the Group's business, Mr Tan currently overseas the overall direction and strategy of the Group.

Mr Tan holds a degree in Electrical Engineering from the University of Liverpool, United Kingdom and an MBA from the University of Santa Clara in California, United States.

SOO ENG HIONG
EXECUTIVE DIRECTOR

Mr Soo Eng Hiong is an Executive Director and a member of the Executive Committee of the Group. Mr Soo has extensive experience in the electronics industry and has been with the Group for 20 years. As a pioneer in the Group, Mr Soo has played a significant role in transforming Venture from a home-grown company to a leading global electronics services provider.

He is responsible for the Group's new business activities and merger and acquisition transactions. As a key member of the Group's management team, he is also involved in the review, recommendation and implementation of Group-wide strategic business initiatives and significant corporate actions. Prior to joining Venture, Mr Soo worked as an engineer with the Hewlett-Packard Company and also in a sales/marketing management and technical support position in the field of data communication.

Mr Soo holds a degree in Electronics from the University of Southampton, United Kingdom.

Key Executives

WONG NGIT LIONG*
CHAIRMAN & CEO

TAN CHOON HUAT*
EXECUTIVE DIRECTOR

SOO ENG HIONG*
EXECUTIVE DIRECTOR

TAN KIAN SENG
CHIEF FINANCIAL OFFICER

Mr Tan Kian Seng joined the Group in 2001 and was appointed to his present role of Chief Financial Officer in 2006. Mr Tan is responsible for Group-wide finance and accounting functions, including treasury, financial planning and credit management. Mr Tan also has responsibilities related to investor relations. In addition, Mr Tan has oversight of the Group's legal and corporate secretarial matters.

Prior to his appointment as the Chief Financial Officer, Mr Tan was the Vice President of Operations, overseeing Venture's operations in Malaysia.

Mr Tan has extensive experience in the electronic sector and held several senior management positions including Vice President for Finance with Iomega Asia Manufacturing and Financial Controller for Quantum Storage (M) Sdn Bhd in prior years.

Mr Tan is an associate member of the Institute of Chartered Accountants in England and Wales.

TAN CHIN SIEN
CHIEF HUMAN RESOURCE OFFICER

Ms Tan Chin Sien joined the Group in January 2003. She has extensive human resource experience and has amassed a wealth of knowledge from her work with global MNCs like the Hewlett-Packard Company and locally listed companies including Wing Tai Holdings Ltd and Asia Food & Properties Ltd.

Since coming on board, Ms Tan has been instrumental in instituting Group-wide human resource initiatives. She oversees all employee-related issues, from employee communications, labour law compliance, staff welfare, compensation to talent building and development.

Ms Tan holds a Bachelor of Arts and Social Science degree from the Singapore University.

WONG CHIN TONG
CHIEF MARKETING OFFICER

Mr Wong Chin Tong joined the Group in January 1990. As one of the pioneers, Mr Wong played a key role in the development of Venture's operations and manufacturing sites in the United States. In his current position, he manages the Group's global marketing activities and provides marketing leadership and direction.

Prior to joining the Group, Mr Wong held key management positions in companies such as the Hewlett-Packard Company, Essex Circuits and AT&T Corporation. He has extensive exposure and knowledge in the electronics industry and possesses valuable industrial experience in material management and supply chain management.

Mr Wong holds a Bachelor's degree in Industrial Engineering from Louisiana State University, United States. He is a fellow Rotarian.

HAN JOK KWANG
CHIEF INFORMATION OFFICER

Mr Han Jok Kwang was appointed to the position of Chief Information Officer for the Group in January 2006. He is responsible for the Group's IT deployment including corporate-wide ERP system, IT infrastructure, software development and overall IT resource management.

He started his career with Shell Petroleum. He then joined the Hewlett-Packard Company and acquired experience across a wide spectrum of business disciplines including systems support work, consultancy, as well as sales/marketing. Prior to his current appointment, Mr Han was the Director of IT for the Raffles Medical Group.

Mr Han has a Bachelor's degree in Science with combined honours in Control Engineering and Computer Science from the University of Aston, Birmingham, United Kingdom.

THIAN NIE KHIAN
CHIEF TECHNOLOGY OFFICER

Mr Thian Nie Khian joined the Group in November 1994 to spearhead the establishment of the company's ODM business. In his present role as Chief Technology Officer, he keeps pace with technology developments within the Group and in the industry with constant review and research. He also explores collaborative technology efforts with third parties.

Prior to joining the Group, he worked in Plessey Telecommunications Limited in the United Kingdom as a R&D engineer. Subsequently, he joined the Hewlett-Packard Company, where he held various senior management positions in R&D and Operations with work postings to Malaysia, Singapore and the United States.

Mr Thian holds a Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Liverpool, United Kingdom.

AMOS LEONG
SENIOR VICE PRESIDENT &
GENERAL MANAGER
COMPONENT TECHNOLOGY BUSINESS

Mr Amos Leong joined the Group in November 2004. Mr Leong is tasked to drive the overall strategy and direction of the Group's business in components and related material and process technologies. He also has overall responsibility for Venture's business interest in the Univac Group.

Mr Leong has considerable experience in the electronics manufacturing industry. He began his career as a supply-chain engineer with the Hewlett-Packard Company. Throughout his tenure with the company, he gained extensive operational, technical and managerial training and exposure with several key assignments in the Asia-Pacific region. He was also attached to several product divisions in the United States.

Mr Leong holds a Bachelor of Engineering (Honours) degree in Electrical and Electronics Engineering from the National University of Singapore.

LIM SWEE KWANG

SENIOR VICE PRESIDENT &
GENERAL MANAGER
RETAIL STORE SOLUTIONS & INDUSTRIAL PRODUCTS BUSINESS

Mr Lim Swee Kwang joined the Group in February 2002. Following Venture's acquisition of GES in November 2006, Mr Lim was assigned to manage the Retail Store Solutions & Industrial Product group. Since then, he has been providing critical stewardship over its operations and management in Singapore, Malaysia, China and the United States. In his current role, he also leads efforts in sales/marketing, customer relationship management, as well as business planning and development.

Prior to his present appointment, Mr Lim held senior management positions in the Group's R&D group. Before joining the Group, Mr Lim was a R&D Director with the Hewlett-Packard Company.

Mr Lim holds a Bachelor of Science in Mechanical Engineering from the University of Michigan, United States and a Master of Science in Industrial and Systems Engineering from the National University of Singapore.

LEE GHAI KEEN

SENIOR VICE PRESIDENT &
GENERAL MANAGER
VENTURE LABS

Mr Lee Ghai Keen joined the Group in March 1998. With his excellent credentials and considerable experience in research, engineering and design development, Mr Lee provides key leadership to direct the Group's R&D efforts and growth. He leads a team of more than 600 R&D engineers across the Group's design centres in Singapore, Malaysia, China and the United States.

Prior to 1998, Mr Lee was employed by the Hewlett-Packard Company. He held various R&D positions within the company.

Mr Lee holds a Bachelor of Science in Mechanical Engineering from the University of Glasgow, United Kingdom and a Master of Business in IT from the Royal Melbourne Institute of Technology, Australia. Mr Lee holds seven US design patents.

TAY WUI KIAN

SENIOR VICE PRESIDENT &
GENERAL MANAGER
ELECTRONIC SERVICES PROVIDER BUSINESS

Mr Tay Wui Kian joined the Group in February 2007 and is responsible for the Group's ESP worldwide operations covering business development; supply chain and supplier management; product design, development and manufacturing services; new product introduction management, packaging and fulfilment services, as well as post-sales technical support services.

Mr Tay started his career 23 years ago with the Hewlett-Packard Company. Through various appointments including his positions as Director of Operations and Director of R&D, Mr Tay gained broad experience in product engineering, supply chain management and operations/production management. He was also given the opportunity to help the Hewlett-Packard Company establish its Asia-Pacific design centre.

Mr Tay holds a Bachelor of Mechanical Engineering (Honours) from the National University of Singapore and a Masters in Business Administration from the Golden Gate University in San Francisco, United States.

DHARMA NADARAJAH

SENIOR VICE PRESIDENT
ELECTRONIC SERVICES PROVIDER
WORLDWIDE OPERATIONS

Mr Dharma Nadarajah joined the Venture Group in February 2001. Prior to joining Venture, he gained extensive experience in the disc-drive industry as an Engineering Manager and a Senior/Process Engineer at Quantum and Seagate respectively. He had cross border working exposure in Singapore, Malaysia and Indonesia in these companies.

He has also worked in the United Kingdom as a Field Engineer with Schlumberger Wireline, where he was deployed in various off-shore oil platforms around the world.

Mr Dharma holds a Bachelor of Engineering (Honours) Degree from the University of Bristol, United Kingdom, in Computer Systems Engineering, which he attended as a PSD scholar. He also holds a Master in Business Administration from the Nanyang Business School, Nanyang Technological University, Singapore, where he was the Institute of Engineers' Gold Medalist winner.

KRIS ALTICE

SENIOR VICE PRESIDENT
BUSINESS DEVELOPMENT & ALLIANCE MANAGEMENT

Mr Kris Altice joined the Group in November 2002. He leads the Group's Alliance Management for global coordination of customer relationships and business development. Prior to his current appointment, he served as the General Manager and Managing Director of Venture-Penang.

Mr Altice previously held various senior executive roles in Iomega Corporation in Asia and the United States, including Director of Test Engineering, Senior Director for Zip Operations and Director of Engineering and Materials.

Mr Altice is a distinguished graduate of the Air Force Institute of Technology, Dayton, Ohio, United States. He also holds a Master of Science in Electrical Engineering and a Bachelor of Science in Electrical Engineering (Magna Cum Laude) from the University of Utah, United States.

* Please refer to pages 18 and 19.

Group of Companies

SINGAPORE

Venture Corporation Limited
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
Tel : +65 6482 1755
Fax: +65 6482 0122

Cebelian Holdings Pte Ltd
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
Tel : +65 6482 1755
Fax: +65 6482 0122

GES International Limited
28 Marsiling Lane
Singapore 739152
Tel : +65 6732 9898
Fax: +65 6367 1514

GES (Singapore) Pte Ltd
28 Marsiling Lane
Singapore 739152
Tel : +65 6732 9898
Fax: +65 6367 1514

Innovative Trek Technology Pte Ltd
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
Tel : +65 6482 1755
Fax: +65 6482 0122

Multitech Systems Pte Ltd
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
Tel : +65 6482 1755
Fax: +65 6482 0122

Scinetic Engineering Pte Ltd
61 Kaki Bukit Avenue 1
#06-07 Shun Li Industrial Park
Singapore 417943
Tel : +65 6748 3800
Fax: +65 6748 7822

Univac Precision Engineering Pte Ltd
Blk 4012 Ang Mo Kio Avenue 10
#01-01 TECHplace I
Singapore 569628
Tel : +65 6457 3034
Fax: +65 6459 2393

Venture Electronics Solutions Pte Ltd
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
Tel : +65 6482 1755
Fax : +65 6482 0122

VIPColor Technologies Pte Ltd
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
Tel : +65 6482 1755
Fax : +65 6482 0122

MALAYSIA

GES Manufacturing Services (M) Sdn Bhd
PLO 34, Fasa 2
Kawasan Perindustrian Senai
81400 Senai
Johor Bahru, Malaysia
Tel : +60 (07) 599 2511
Fax: +60 (07) 599 2521

Munivac Sdn Bhd
51 & 53 Jalan Riang
21 Taman Gembira
81200 Johor Bahru, Malaysia
Tel : +60 (07) 335 6333
Fax: +60 (07) 335 0088

Pintarmas Sdn Bhd
4 Jalan Kempas Lima/2
Tampoi 81200
Johor Bahru, Malaysia
Tel : +60 (07) 237 7201
Fax: +60 (07) 234 5595

Technocom Systems Sdn Bhd
2 Jalan Kempas Lima/2
Tampoi 81200
Johor Bahru, Malaysia
Tel : +60 (07) 237 7201
Fax : +60 (07) 236 4146

V-Design Services (M) Sdn Bhd
2 Jalan Kempas Lima/2
Tampoi 81200
Johor Bahru, Malaysia
Tel : +60 (07) 237 7201
Fax: +60 (07) 236 4146

Venture Electronics Services (Malaysia) Sdn Bhd
Plot 44, Bayan Lepas
Industrial Park IV
11900 Penang, Malaysia
Tel : +60 (04) 642 8000
Fax: +60 (04) 642 7086

CHINA

Shanghai GES Information Technology Co., Ltd
No. 668 Li Shi Zhen Road
Shanghai Zhangjiang
Hi-Tech Park
Shanghai 201203
People's Republic of China
Tel : +86 (21) 3898 4898
Fax: +86 (21) 5080 6968

Shanghai Waigaoqiao Venture Electronics Co., Ltd
No. 271, Gang Ao Road
Waigaoqiao Free Trade Zone
Pudong Shanghai 200131
People's Republic of China
Tel : +86 (21) 5048 0103
Fax: +86 (21) 5048 0982

Univac Precision Plastics (Shanghai) Co., Ltd
No. 208 Fen Ju Road
Waigaoqiao Free Trade Zone
Pudong Shanghai 200131
People's Republic of China
Tel : +86 (21) 5048 1868
Fax: +86 (21) 5048 1997

Univac Precision Plastics (SIP) Co., Ltd
No. 30 Min Sheng Road
Suzhou - Singapore Industry Park
Suzhou 215126
People's Republic of China
Tel : +86 (21) 6282 8828
Fax: +86 (21) 6282 3318

Venture Electronics (Shanghai) Co., Ltd
1201 Gui Qiao Road, T52/11
Jin Qiao Export Processing Zone
Pudong New Area
Shanghai 201206
People's Republic of China
Tel : +86 (21) 5899 8086
Fax: +86 (21) 5899 7682

AMERICA

GES US (New England) Inc.
790 Chelmsford Street
Lowell, MA 01851-5133
United States of America
Tel : +1 (978) 459 4434
Fax: +1 (978) 459 9925

Univac Precision, Inc
6701 Mowry Avenue
Newark CA 94560
United States of America
Tel : +1 (510) 744 3720
Fax: +1 (510) 744 3730

Venture Design Services, Inc.
1051 S. East Street
Anaheim CA 92805
United States of America
Tel : +1 (714) 765 3740
Fax: +1 (714) 765 3741

Venture Electronics International, Inc.
6701 Mowry Avenue
Newark CA 94560
United States of America
Tel : +1 (510) 744 3720
Fax: +1 (510) 744 3730

VIPColor Technologies USA, Inc.
6701 Mowry Avenue
Newark CA 94560
United States of America
Tel : +1 (510) 744 3770
Fax: +1 (510) 744 3738

VM Services, Inc.
6701 Mowry Avenue
Newark CA 94560
United States of America
Tel : +1 (510) 744 3720
Fax: +1 (510) 744 3730

EUROPE

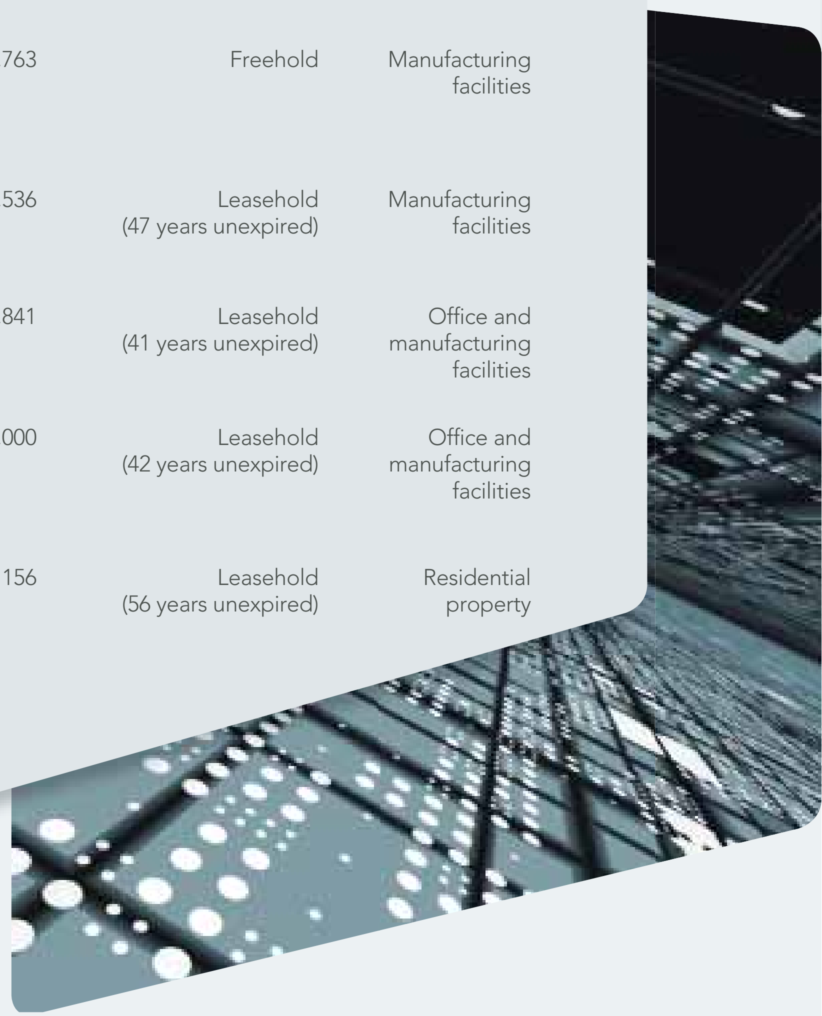
Venture Electronics (Europe) B.V.
First Alliance Trust N.V.
Herengracht 469
Postbus/PO Box 741
1000 AS Amsterdam
The Netherlands
Tel : +31 (20) 522 6260
Fax: +31 (20) 522 6969

Venture Electronics Spain S.L.
Poligno Industrial Moli de la Bastida
c/de la Pagesia, 22-24
01891 Rubi, Barcelona
Spain
Tel : +34 (93) 588 3018
Fax: +34 (93) 697 1131

Venture Hungary Electronics Manufacturing Limited Liability Company
1134 Budapest, Vaci ut 35
Hungary
Tel : +36 (1) 451 7100
Fax: +36 (1) 451 7196

List of Properties

LOCATION	LAND AREA (sq.m.)	TENURE	USAGE
Lot no. MK28-U81930W Singapore	217	Leasehold (48 years unexpired)	Office
No. 28 Marsiling Lane Singapore 739152	12,198	Leasehold (3 years unexpired)	Office and manufacturing facilities
No. 14 Sungei Kadut Avenue Singapore 729650	6,442	Leasehold (21 years unexpired)	Office and manufacturing facilities
Lot 3789 Mukim Tebrau Johor Bahru, Malaysia	29,029	Freehold	Manufacturing facilities
HS(D) 333450 PTD 97125 Mukim Tebrau Johor Bahru, Malaysia	44,470	Leasehold (44 years unexpired)	Manufacturing facilities
HS(D) 218290 PTD 64850 Mukim Tebrau Johor Bahru, Malaysia	18,763	Freehold	Manufacturing facilities
Plot 44 Bayan Lepas Industrial IV 11900 Penang, Malaysia	39,536	Leasehold (47 years unexpired)	Manufacturing facilities
HS(D)445334 PTD 100821 Mukim Senai-Kulai Johor Bahru, Malaysia	24,841	Leasehold (41 years unexpired)	Office and manufacturing facilities
No. 668 Lishizhen Road Zhangjiang Hi-Park Shanghai People's Republic of China	20,000	Leasehold (42 years unexpired)	Office and manufacturing facilities
69 Huang Yang Road Block 2, 6/F, Unit D Xinhe Gardens Jinqiao Pudong Shanghai 201206 People's Republic of China	156	Leasehold (56 years unexpired)	Residential property



Corporate Directory

REGISTERED OFFICE
Venture Corporation Limited
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
Tel : +65 6482 1755
Fax : +65 6482 0122

COMPANY SECRETARIES
Angeline Khoo
(Appointed with effect from 15 February 2008)

Yvonne Choo

SHARE REGISTRAR
M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906
Tel : +65 6227 6660
Fax : +65 6225 1452

AUDITORS
Deloitte & Touche
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809
Tel : +65 6224 8288
Fax : +65 6538 6166

Partner-in-charge
Kenny Horlley Young
(Appointed with effect from the financial year ended 31 December 2007)

BANKERS
ABN-AMRO Bank N. V.
BNP Paribas Bank
Citibank N.A.
DBS Bank Ltd
Deutsch Bank AG
JP Morgan
Malayan Banking Berhad
Oversea Chinese Banking Corporation Limited
United Overseas Bank Limited
Standard Chartered Bank
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Hongkong and Shanghai Banking Corporation Ltd

The Company conscientiously nurtures a strong corporate governance culture amongst the Board of Directors, Management and staff. It continues to adopt a high standard of corporate conduct in conformity with the principles and spirit of the Code of Corporate Governance (Code).

The Company was awarded the Securities Investors' Association (Singapore)'s (SIAS) "Most Transparent Company Award 2007" under the Technology & Electronics Category. The Company was selected by a panel consisting of representations from the Singapore Exchange Securities Trading Limited (SGX-ST), Standard & Poors, PricewaterhouseCoopers, Singapore Institute of Directors, Institute of Certified Public Accountants of Singapore, CFA Singapore (formerly known as the Singapore Society of Financial Analysts), the Business Times and Asian Corporate Governance Association. The Company acknowledges with gratitude this recognition from SIAS and the selection panel. It will continue to uphold a high standard of business integrity with strong emphasis on corporate transparency and ethical corporate conduct.

This report describes the Company's corporate governance practices with specific reference to the Code. Other than deviations explained below, the Company has complied with the principles and guidelines of the Code. There are other sections in the Group's Annual Report that are relevant to the discussion of corporate governance, hence this report should be read together with those sections.

PRINCIPLE 1
BOARD'S CONDUCT OF ITS AFFAIRS

The Board's corporate objective is to achieve sustained value creation for all stakeholders and it strives to accomplish this through overseeing the proper conduct of the Group's business and affairs, as well as approving the Group's strategic operational initiatives, major investments and capital structure. In addition to its statutory responsibilities, the Board approves the Group's financial plans and reviews its financial performance regularly.

The Board has adopted internal guidelines which set out approval limits for capital expenditure, bank facilities and cheque signatories, and matters requiring its approval, such as investment proposals and major transactions.

The Board is supported by Board Committees which include the Audit Committee, Nominating Committee and the Remuneration Committee.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interest of the CEO, Directors or controlling shareholders, which were either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Five Board meetings were held in 2007. The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, are as follows:

DIRECTORS	BOARD	BOARD COMMITTEES		
		Audit Committee	Nominating Committee	Remuneration Committee
Wong Ngit Liong	5 of 5	N.A	2 of 2	2 of 2
Cecil Vivian Richard Wong #	5 of 5	4 of 4	2 of 2	2 of 2
Koh Lee Boon #	4 of 5	3 of 4	2 of 2	2 of 2
Goh Geok Ling #	5 of 5	4 of 4	N.A	N.A
Goon Kok Loon #	4 of 5	3 of 4	N.A	2 of 2
Koh Kheng Siong*#	3 of 3	N.A	N.A	N.A
Tan Choon Huat	5 of 5	N.A	N.A	N.A
Soo Eng Hiong	5 of 5	N.A	N.A	N.A

 # Non-Executive Independent Directors
** Attended all Board meetings held after his appointment to the Board on 16 July 2007 and was appointed as a member of the Audit Committee on 2 November 2007.*

The Company organises appropriate training programmes for Directors to meet their relevant training needs. Orientation programmes are also organised for new Directors to ensure that they are familiar with the Group's business and governance policies. Ongoing programmes are organised for Directors to ensure they are kept abreast of developments within the Group and the industry, as well as new corporate laws and regulations.

The Company Secretary is present at all Board meetings. It is the responsibility of the Company Secretary to ensure that Board procedures and applicable rules and regulations are followed and complied with. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated to the Board prior to the meetings.

PRINCIPLES 2, 3 & 4
BOARD COMPOSITION, BALANCE AND MEMBERSHIP

Board Composition

With the appointment of Mr Koh Kheng Siong to the Board on 16 July 2007, the Board now comprises eight members. Five of the Directors are Non-Executive Independent Directors. These Non-Executive Independent Directors have no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Directors' independent judgment.

Key information regarding the Directors is given on pages 18 and 19 of this annual report.

The Nominating Committee assesses the appropriate mix of expertise and experience needed for an effective Board and recommends the candidates most suited, taking into consideration factors such as age, experience and expertise.

The Board endeavours to ensure that the Board comprises experienced members who are able to provide core competencies such as accounting, finance, business and management experience, industry knowledge and strategic planning experience and who are able to make positive contributions to the Group.

On appointment, a new Director is issued a formal letter setting out the Directors' duties and obligations. Lines of communication, including direct access to the Chairman, Company Secretary and Management are immediately established. This enables a new Director the opportunity to establish exchanges and to exercise his statutory duties.

Nominating Committee

The Nominating Committee, which is chaired by Mr Koh Lee Boon, comprises two Non-Executive Independent Directors and one Executive Director. The two other members are Mr Cecil Vivian Richard Wong and Mr Wong Ngit Liong. The Nominating Committee met twice in 2007.

The Nominating Committee's main responsibilities are as follows:

a. to ensure that the Board comprises members with the appropriate balance of skills and expertise in order to meet the Company's operational and business requirements;

b. to establish a formal and transparent process for the appointment of new directors;

c. to nominate Directors retiring by rotation for re-election/re-appointment at every AGM pursuant to Articles 74, 92 and 93 of the Company's Articles of Association, and Section 153 (6) of the Companies Act Cap 50;

d. to assess the Directors' independence;

e. where a Director has multiple board representations, to determine if such Director is able to and has been adequately carrying out his duties as a Director of the Company;

f. to evaluate the Board's performance and effectiveness, and propose recommendations for improvement, if any.

All Directors subject themselves for re-nomination and re-election at least once every three years, pursuant to the Company's Articles of Association. Mr Wong Ngit Liong and Mr Koh Lee Boon will retire by rotation at the forthcoming AGM. Mr Koh Kheng Siong, who joined the Board in July 2007, is required to submit himself for re-election under Article 74.

The Nominating Committee has recommended the nomination of the Directors retiring by rotation for re-election at the forthcoming AGM. In considering the nomination, the Nominating Committee took into account the contribution of the Directors with reference to their attendance and participation at Board and Board Committee meetings, as well as the proficiency with which they have discharged their responsibilities.

PRINCIPLE 5
BOARD PERFORMANCE

A Board performance evaluation exercise was carried out in 2007. The evaluation was formally and collectively conducted by the Board. The objective of the annual Board performance evaluation exercise is to assess the effectiveness of the Board as a whole and the effectiveness of individual Directors and their contributions to the Board.

The evaluation concluded that:-

a. the quality of information disseminated to the Board members was good;
b. the Board and Management enjoyed a cordial relationship that encouraged communication and participation;
c. the Board demonstrated responsibility and pro-activeness;
d. there was a high standard of conduct amongst members of the Board;
e. the Board meetings were well conducted and the decision making processes of the Board were satisfactory; and
f. the Board comprised competent Directors with varied and relevant experience and expertise.

PRINCIPLE 6
ACCESS TO INFORMATION

To ensure that the Board is able to fulfill its responsibilities, Management provides an annual budget, monthly management accounts and reports, including other relevant information or documents regularly to the Board. The Directors have direct and independent access to Management and the Company Secretary.

The Board is invited to attend the Company's Management Conference which is held annually. In the three-day Management Conference, the Directors have the opportunity to discuss the Company's strategic business direction and plan, as well as various projects and operational issues with Management. In the most recent Management Conference in January 2008, there were open and constructive debates and discussions among the Directors and Management.

The Management may be invited to attend Board meetings to provide updates on operations/business; to furnish additional insight into various corporate matters and/or discuss issues which the Directors may raise.

The Directors, individually or collectively, may in furtherance of their duties, seek and obtain independent professional advice as and when the need arises, at the expense of the Company.

PRINCIPLES 7, 8 & 9
REMUNERATION MATTERS

Remuneration Committee

The Remuneration Committee comprises three Non-Executive Independent Directors and one Executive Director. The Remuneration Committee is chaired by Mr Koh Lee Boon. The three other members are Mr Cecil Vivian Richard Wong, Mr Goon Kok Loon and Mr Wong Ngit Liong. The Remuneration Committee met twice in 2007.

The Code recommends that each listed entity set up a remuneration committee comprising entirely of non-executive directors, the majority of whom, including the Chairman should be independent. The Remuneration Committee has reviewed its own composition and is of the opinion that although the Remuneration Committee does not comprise entirely of non-executive directors, its composition of three Non-Executive Independent Directors who form the majority, ensures that there is sufficient objectivity should there be any conflict of interest. The Remuneration Committee considers the CEO's input and contribution as necessary for the Remuneration Committee to carry out its functions efficaciously. In addition, there are processes in place to ensure fair and proper conduct of the remuneration review and recommendation. Mr Wong Ngit Liong did not participate in any deliberation or decision in respect of his remuneration package including options granted to him.

The Remuneration Committee's principal functions are:

a. to review and recommend to the Board specific remuneration packages and the terms of employment for the CEO and Executive Directors of the Group, and for employees related to the Executive Directors and controlling shareholders of the Group;

b. to review the remuneration framework for the Board and the Group's key executives; and

c. to administer the Company's Executive Share Option Scheme (ESOS), which has been approved by shareholders of the Company.

Directors' Fees

Directors' fees are set in accordance with a remuneration framework of basic fees. Non-Executive Directors' fees are subject to shareholders' approval at the Company's AGM and take into account their level of contribution and responsibilities. Executive Directors do not receive directors' fees.

The Remuneration Committee has recommended Directors' fees for 2007, subject to approval by shareholders at the Company's forthcoming AGM. A breakdown showing the level and mix of each individual Director's remuneration paid and payable for 2007 is detailed in this report.

Remuneration Band and Name of Director	Fee+ %	Total Basic Remuneration* %	Total Variable Remuneration** %	Total Remuneration %
Below $250,000				
Cecil Vivian Richard Wong	100	-	-	100
Koh Lee Boon	100	-	-	100
Goh Geok Ling	100	-	-	100
Goon Kok Loon	100	-	-	100
Koh Kheng Siong	100	-	-	100
$1,000,000 to $1,249,999				
Tan Choon Huat	-	31	69	100
Soo Eng Hiong	-	32	68	100
$6,250,000 to $6,499,999				
Wong Ngit Liong	-	13	87	100

+ *Lump sum amount subject to approval by shareholders at AGM to be held on 25 April 2008*
* *Includes employer's CPF contribution*
** *Includes annual wage supplement and bonuses and corresponding employer's CPF contribution, as well as benefits in kind*

Key Executives' Remuneration

The following table shows a Group-wide cross-section of key executives' remuneration within bands of $250,000 and a breakdown of the remuneration into fixed and variable components. This provides a macro perspective of the remuneration pattern in the Group, while maintaining confidentiality of each employee's remuneration.

Remuneration Band	No. of Key Executives	Total Basic Remuneration* %	Total Variable Remuneration** %	Total Remuneration %
$250,000 – $499,999	19	55	45	100
$500,000 – $749,999	9	44	56	100
$750,000 – $999,999	2	37	63	100

* *Includes employer's CPF contribution*
** *Includes annual wage supplement and bonuses and corresponding employer's CPF contribution*
+ *Includes executives who have worked with the Group for less than one year*

The fair value of the options granted is estimated to be $2.64 per option. The basis of deriving this fair value and the share option expense recognised during the year is in accordance with FRS 102. Share-based Payments are disclosed in Note 23 of the financial statements.

PRINCIPLES 10, 11, 12 & 13
ACCOUNTABILITY & AUDIT

Audit Committee

The Audit Committee comprises five Non-Executive Independent Directors. They are Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon, Mr Goh Geok Ling, Mr Goon Kok Loon and Mr Koh Kheng Siong who was appointed on 2 November 2007. Mr Cecil Vivian Richard Wong is the Chairman of the committee. The Audit Committee met four times in 2007.

The functions of the Audit Committee are:

a. to recommend to the Board the re-appointment of external auditors;

b. to approve the remuneration of external auditors;

c. to review the scope and result of the audit and its cost effectiveness;

d. to inquire of other committees, the Management, internal auditors and external auditors on significant risks and exposure that exist, and assess the steps Management has taken to minimise such risks to the Company;

e. to review with the CFO and external auditors at the completion of the annual examination:

    i. the Company's quarterly, interim and annual financial statements and related footnotes, including accounting principles;
    ii. the external auditors' audit of the financial statements and reports thereto;
    iii. the adequacy of the Company's system of accounting controls;
    iv. the assistance given by the Management to external auditors;
    v. any related significant findings and recommendations of the external auditors and internal auditors together with Management's response thereto; and
    vi. any significant changes required in the external auditors' plan, serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and any other matters relating to the conduct of the audit.

f. to consider and review with Management and the internal auditors annually:

    i. significant findings during the year and Management's response thereto;
    ii. the effectiveness of the Company's internal controls over management, business and service systems and practices;
    iii. changes required in the planned scope of the audit plan and difficulties encountered in the course of the internal audit, including any restrictions on the scope of their work or access to required information; and
    iv. the internal audit department budget and staffing.

g. to review legal and regulatory matters that may have a material impact on the financial statements, relevant compliance policies, and programmes and reports from regulators;

h. to meet with internal auditors, the external auditors and Management in separate executive sessions to discuss issues that these groups believe should be discussed privately with the Audit Committee; and

i. to report actions and minutes of the Audit Committee to the Board with such recommendations as the Audit Committee deems appropriate.

The Audit Committee has full access to and the co-operation of Management. The external auditors and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee meets with the internal auditors and the external auditors without the presence of Management, at least once a year.

The Audit Committee has reviewed the Company's risk assessment programme, and based on management controls in place, is satisfied that there are adequate internal controls within the Company. The Audit Committee expects risk assessment to be a continuing process.

The Audit Committee has reviewed all non-audit services provided by the external auditors during the year and is of the opinion that the provision of such services will not affect the independence of the external auditors.

The internal auditors report directly to the Chairman of the Audit Committee on audit matters, and to the CFO on administrative matters. The Audit Committee reviews and approves the annual internal audit plans and resources to ensure that the internal auditors have the necessary resources to adequately perform their duties.

The internal auditors are responsible for reviewing the effectiveness of internal control system and procedures, such as financial, operational and compliance controls, for the Company as well as its subsidiaries, both local and overseas. The internal auditors will ensure that the standards set by locally or internationally recognised professional bodies are met.

The Company has adopted a Whistle-Blowing Policy for the Group to encourage and to provide a channel for employees of the Group to report and to raise in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters. The objective of the Whistle-Blowing Policy is to facilitate independent investigation of such matters and for appropriate follow-up action.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

There were no transactions conducted with interested persons in 2007.

PRINCIPLES 14 & 15

COMMUNICATION WITH SHAREHOLDERS

The Company engages in regular, effective and fair communication with all shareholders. It has adopted practices and processes by which the Company's business development and financial performance are shared with the investment community on a regular basis.

The Company's corporate announcements, including the quarterly financial results announcements, are disseminated via SGX-ST's SGXNet system. The corporate or financial results announcements typically consist of a press release, presentation and/or financial statements. This information package is simultaneously made available on the Company's website.

Every quarter, the Company holds a press and analyst briefing session immediately following the issuance of its quarterly financial results. The briefing session is also open to the shareholders. At the meeting, the Company provides clarifications and details on corporate and industry information, its operations and business, financial performance, corporate initiatives, as well as matters raised by the participants with due consideration to fair disclosure.

In the spirit of corporate transparency, the Company voluntarily issues SGXNet announcements on corporate developments, notwithstanding that some of these disclosures may not be mandatory.

The Company files its Reports to Shareholders annually. The Annual Report, Notice of AGM and Circular are sent to shareholders by post. These and the quarterly financial results are issued within the mandatory period. The Company also publishes the Notice of AGM in a major local newspaper.

The Company engages its investors through various channels of communications. The CEO, CFO and the Corporate Communications team are available to meet shareholders and analysts on request. In 2007, the Company participated in two local and one overseas corporate access conferences. Three road shows were also organised during the year. The Corporate Communications team attends to all shareholders' enquiries received in the form of letters, electronic mails, telephone calls and web portal mails. All communications comply with SGX-ST's rules on prompt and fair disclosure. A summary of investors' communication is prepared and shared with the Board on a regular basis.

The AGM is attended by all the Directors, external auditors, the Company Secretary and Management. Thus, all investors, both institutional and retail, have access to the Board and Management at the Company's AGM. During the meeting, the shareholders are given the opportunity to share their views and ask the Directors, Management or external auditors, questions regarding the Company and its operations. Meaningful and effective shareholders' participation is encouraged at all times.

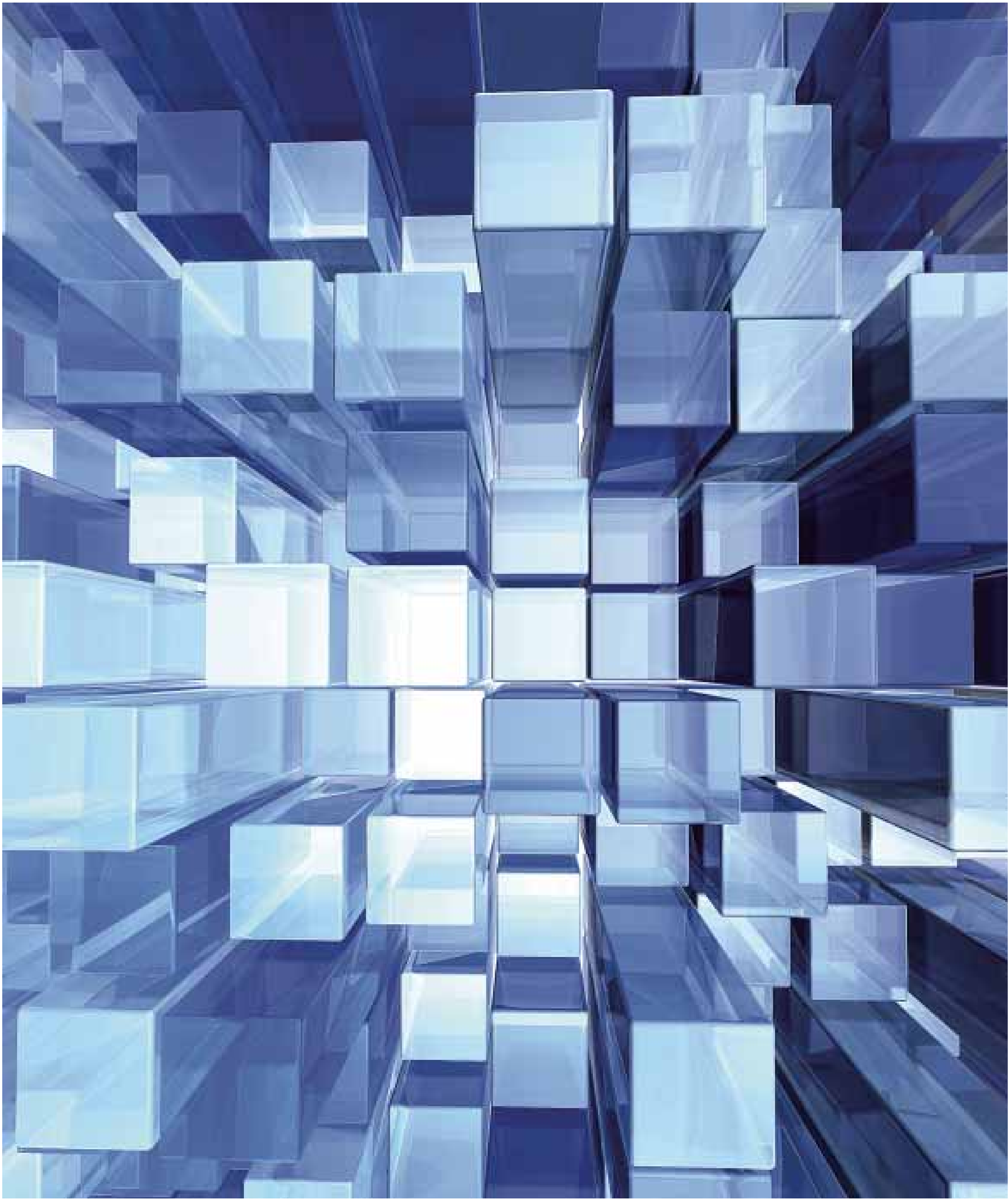
The Company's Articles of Association currently do not provide for shareholders to vote at the Company's AGMs in absentia such as via mail, electronic mail or facsimile transmission. The Company will consider implementing the relevant amendment to its Articles of Association if the Board is of the view that there is demand for the same, and after the Company has evaluated and put in place the necessary security measures to facilitate absentia voting and safeguards to protect against errors, fraud and other irregularities.

INTERNAL CODE ON DEALINGS WITH SECURITIES

An internal code, which complies with Rule 1207(18) of the Listing Manual of the SGX-ST, with respect to dealings in securities of the Company, has been issued to Directors and officers. The Company's Directors and officers are not allowed to deal in the Company's shares within two weeks of the announcement of its results for the first three quarters of the year. The Directors and officers are not allowed to deal in the Company's shares within one month of the announcement of its full year results.

Directors and officers are not expected to deal in the Company's securities on considerations of a short-term nature.

Directors and officers are required to observe insider trading provisions under the Securities and Futures Act at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.



Statutory Accounts & Investor Information

Report of the Directors

The Directors present their report together with the audited consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2007.

1 DIRECTORS

The Directors of the Company in office at the date of this report are:

Wong Ngit Liong
Cecil Vivian Richard Wong
Koh Lee Boon
Goh Geok Ling
Goon Kok Loon
Koh Kheng Siong (Appointed on 16 July 2007)
Tan Choon Huat
Soo Eng Hiong

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraphs 3 and 5 of the Report of the Directors.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the names of Directors	
	At 1 January 2007	At 31 December 2007
Names of Directors and Company in which interests are held	Ordinary shares of the Company	
The Company		
Wong Ngit Liong	19,041,619	19,166,619
Koh Lee Boon	3,000	3,000
Tan Choon Huat	4,028,145	4,118,145
Soo Eng Hiong	4,270,362	4,270,362

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	Shareholdings registered in the names of Directors	
	At 1 January 2007	At 31 December 2007
Names of Directors and Company in which interests are held	Share options to subscribe for shares of the Company	
The Company		
Wong Ngit Liong	341,000	286,000
Tan Choon Huat	249,000	219,000
Soo Eng Hiong	159,000	219,000

The Directors' interests as at 21 January 2008 are the same as those as at 31 December 2007.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no Director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

5 SHARE OPTIONS

A) The Venture Manufacturing (Singapore) Ltd Executives' Share Option Scheme (the 1993 Scheme)

(i) The options are exercisable during the period commencing 12 months from the date of grant and expiring at the end of five years from the date of grant. No options were granted under this scheme during the year.

(ii) Under the 1993 Scheme, an option entitles the option holder to subscribe for a specified number of new ordinary shares in the share capital of the Company at the subscription price determined with reference to the market price of the shares at the time of the grant of the option.

5 SHARE OPTIONS (Cont'd)

(iii) Details of the unissued shares under options granted pursuant to the 1993 Scheme, options exercised and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2007 were as follows:

Number of options to subscribe for ordinary shares of the Company						
Date of grant	Outstanding at 1 January 2007	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2007	Subscription price per share	Exercisable period
1 July 2002	1,616,000	(1,502,000)	(114,000)	-	$13.77	1 July 2003 to 30 June 2007
27 June 2003	2,606,000	(4,000)	(129,000)	2,473,000	$16.17	27 June 2004 to 26 June 2008
27 February 2004	3,183,000	-	(159,000)	3,024,000	$21.53	27 February 2005 to 26 February 2009
	7,405,000	(1,506,000)	(402,000)	5,497,000		

Except for the options exercised as disclosed above, no other shares of the Company or its subsidiaries were issued during the financial year by virtue of the exercise of options under the 1993 Scheme to take up unissued shares of the Company or its subsidiaries.

(iv) The following are details of options granted to the Directors and employees of the Group under the 1993 Scheme:

Number of options to subscribe for ordinary shares of the Company					
Name of participant	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of the financial year	Aggregate options exercised since commencement of Scheme to end of the financial year	Aggregate options cancelled/ lapsed since commencement of Scheme to end of the financial year	Aggregate options outstanding as at end of the financial year
i) Directors of the Company:					
Wong Ngit Liong	-	5,160,000	(4,500,000)	(500,000)	160,000
Tan Choon Huat	-	3,773,989	(3,658,989)	-	115,000
Soo Eng Hiong	-	3,523,989	(3,408,989)	-	115,000
ii) Employees	-	51,268,747	(40,020,254)	(6,141,493)	5,107,000
Total	-	63,726,725	(51,588,232)	(6,641,493)	5,497,000

5 SHARE OPTIONS (Cont'd)

B) The Venture Corporation Executives' Share Option Scheme (the 2004 Scheme)

(i) The 2004 Scheme in respect of unissued ordinary shares in the Company was approved by the shareholders of the Company in an Extraordinary General Meeting on 30 April 2004.

(ii) Under the 2004 Scheme, an option entitles the option holder to subscribe for a specified number of new ordinary shares in the share capital of the Company, at the subscription price determined with reference to the market price of the shares at the time of the grant of the option and adjusted for certain premium depending on when the options are exercised, and may be exercised during the exercise period applicable to those options and in accordance with a vesting schedule to be determined by the Remuneration Committee on the date of the grant. No options have been granted at a discount.

(iii) Details of the unissued shares under options granted pursuant to the 2004 Scheme, options granted, exercised and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2007 were as follows:

	Number of options to subscribe for ordinary shares of the Company						
Date of grant	Outstanding at 1 January 2007	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2007	Subscription price per share	Exercisable period
1 September 2005	1,934,000	-	-	(108,000)	1,826,000	\$18.288[a] \$16.764[b] \$16.002[c]	1 September 2006 to 31 August 2010
15 September 2006	2,764,000	-	(83,000)	(165,000)	2,516,000	\$14.275[d] \$12.562[e] \$11.991[f] \$11.420[g]	15 September 2007 to 14 September 2011
15 September 2007	-	3,037,000	-	(11,000)	3,026,000	\$19.850[h] \$17.468[i] \$16.674[j] \$15.880[k]	15 September 2008 to 14 September 2012
	4,698,000	3,037,000	(83,000)	(284,000)	7,368,000		

(a) If exercised between 1 September 2006 and 31 August 2007
(b) If exercised between 1 September 2007 and 31 August 2008
(c) If exercised between 1 September 2008 and 31 August 2010
(d) If exercised between 15 September 2007 and 14 September 2008
(e) If exercised between 15 September 2008 and 14 September 2009
(f) If exercised between 15 September 2009 and 14 September 2010
(g) If exercised between 15 September 2010 and 14 September 2011
(h) If exercised between 15 September 2008 and 14 September 2009
(i) If exercised between 15 September 2009 and 14 September 2010
(j) If exercised between 15 September 2010 and 14 September 2011
(k) If exercised between 15 September 2011 and 14 September 2012

5 SHARE OPTIONS (Cont'd)

(iv) The following are details of options granted to the Directors and employees of the Group under the 2004 Scheme:

	Number of options to subscribe for ordinary shares of the Company				
Name of participant	Options granted during the financial year	Aggregate options granted since commencement of Scheme to end of the financial year	Aggregate options exercised since commencement of Scheme to end of the financial year	Aggregate options cancelled/ lapsed since commencement of Scheme to end of the financial year	Aggregate options outstanding as at end of the financial year
i) Directors of the Company:					
Wong Ngit Liong	70,000	126,000	-	-	126,000
Tan Choon Huat	60,000	104,000	-	-	104,000
Soo Eng Hiong	60,000	104,000	-	-	104,000
ii) Employees	2,847,000	7,810,000	(83,000)	(693,000)	7,034,000
Total	3,037,000	8,144,000	(83,000)	(693,000)	7,368,000

The 1993 and 2004 Schemes are administered by the Remuneration Committee whose members are:

Koh Lee Boon (Chairman)
Cecil Vivian Richard Wong
Goon Kok Loon
Wong Ngit Liong

Wong Ngit Liong did not participate in any deliberation or decision in respect of the options granted to him.

No employee of the Company or employee of related corporations has received 5% or more of the total options available under these schemes.

There are no options granted to any of the Company's controlling shareholders or their associates (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited).

There are no other unissued shares of the Company or its subsidiaries under option at the end of the financial year except as disclosed above.

6 AUDIT COMMITTEE

The Audit Committee comprises five members, all of whom are independent non-executive Directors. The members of the Committee are:

Cecil Vivian Richard Wong (Chairman)
Koh Lee Boon
Goh Geok Ling
Goon Kok Loon
Koh Kheng Siong (Appointed on 2 November 2007 as a member of the Audit Committee)

The Audit Committee held four meetings since the last Directors' report.

The functions of the Audit Committee are disclosed in the Corporate Governance Report.

The Audit Committee has recommended to the Directors the nomination of Deloitte & Touche for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Wong Ngit Liong
Chairman of the Board

Cecil Vivian Richard Wong
Director

25 March 2008

Independent Auditors' Report

to the Members of Venture Corporation Limited

We have audited the accompanying financial statements of Venture Corporation Limited (the Company) and its subsidiaries (the Group) which comprise the balance sheets of the Group and the Company as at 31 December 2007, the profit and loss statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 110.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act Cap. 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and of the results, changes in equity and cash flows of the Group, and changes in equity of the Company for the year ended on that date; and

b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche
Public Accountants and
Certified Public Accountants
Singapore

Kenny Horlley Young
Partner

25 March 2008

Balance Sheets

31 December 2007

	Note	The Company		The Group	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	77,832	71,832	493,326	329,006
Available-for-sale investments	7	43,085	15,026	46,085	19,526
Trade receivables	8	151,244	150,993	618,780	624,110
Other receivables and prepayments	9	6,904	6,739	31,689	44,758
Inventories	10	86,910	85,827	547,343	581,390
Trade receivables due from subsidiaries	11	19,349	46,544	-	-
Other receivables due from subsidiaries	11	6,346	15,145	-	-
Asset classified as held for sale	36(b)	-	-	-	12,500
Total current assets		391,670	392,106	1,737,223	1,611,290
Non-current assets					
Investments in subsidiaries	11	1,234,726	1,184,545	-	-
Investments in associates	12	82,536	82,536	112,435	109,270
Investment in joint ventures	13	-	1,000	-	-
Available-for-sale investments	7	200,238	241,963	206,632	262,452
Property, plant and equipment	14	13,641	13,541	206,798	221,492
Intangible assets	15	-	179	153,937	174,199
Goodwill	16	-	-	630,415	630,415
Deferred tax assets	21	-	-	1,037	744
Total non-current assets		1,531,141	1,523,764	1,311,254	1,398,572
Total assets		1,922,811	1,915,870	3,048,477	3,009,862

	Note	The Company		The Group	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	17	236,169	600,000	250,964	631,196
Trade payables	18	90,077	61,978	472,691	445,131
Other payables and accrued expenses	19	42,206	38,076	109,069	108,218
Trade payables due to subsidiaries	11	125,119	149,357	-	-
Other payables due to subsidiaries	11	456	5,991	-	-
Trade payables due to associates	12	-	-	1,601	277
Other payables due to joint venture	13	-	32	-	25
Income tax payable		3,497	9,862	6,570	13,422
Derivative financial instruments	20	3,454	-	3,454	-
Total current liabilities		500,978	865,296	844,349	1,198,269
Non-current liabilities					
Bank loans	17	259,310	-	259,310	-
Derivative financial instruments	20	16,443	3,661	16,443	3,661
Deferred tax liabilities	21	-	-	32,931	40,305
Total non-current liabilities		275,753	3,661	308,684	43,966
Capital and reserves					
Share capital	24	671,906	649,974	671,906	649,974
Share options reserve	24	29,385	23,318	30,052	23,958
Investments revaluation reserve	24	(2,483)	(8,160)	(3,067)	(11,222)
Translation reserve		-	-	(123,588)	(66,402)
Reserve fund	24	-	-	371	229
Accumulated profits		447,272	381,781	1,308,858	1,162,422
Equity attributable to equity holders of the Company		1,146,080	1,046,913	1,884,532	1,758,959
Minority interests		-	-	10,912	8,668
Total equity		1,146,080	1,046,913	1,895,444	1,767,627
Total liabilities and equity		1,922,811	1,915,870	3,048,477	3,009,862

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement

Year ended 31 December 2007

		The Group	
	Note	2007	2006
		$'000	$'000
Revenue	25	3,872,824	3,124,852
Other (expenses) income	26	(14,667)	25,499
Changes in inventories of finished goods and work in progress		(16,611)	(2,999)
Raw materials and consumables used		(3,064,266)	(2,500,650)
Employee benefits expense		(307,621)	(235,477)
Depreciation and amortisation expense		(65,473)	(45,246)
Research and development expense		(29,618)	(44,441)
Foreign currency exchange adjustment gain (loss)		15,902	(17,400)
Other operating expenses		(112,276)	(86,370)
Investment revenue	27	31,531	30,560
Finance cost (interest expense on bank loans)		(19,882)	(2,096)
Share of profit of associates		4,725	6,347
Profit before tax		294,568	252,579
Income tax	28	8,134	(11,638)
Profit for the year	29	302,702	240,941
Attributable to:			
Equity holders of the Company		300,027	239,171
Minority interests		2,675	1,770
		302,702	240,941

		Cents	Cents
Basic earnings per share	30	109.6	88.2
Fully diluted earnings per share	30	109.6	88.1

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended 31 December 2007

	Note	Share capital	Share premium	Share options reserve	Investments revaluation reserve	Accumulated profits	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Company							
Balance at 1 January 2006		67,368	554,145	21,299	(10,881)	358,888	990,819
Net fair value changes in available-for-sale investments		-	-	-	2,726	-	2,726
Released on disposal of available-for-sale investments		-	-	-	(5)	-	(5)
Net income recognised directly in equity		-	-	-	2,721	-	2,721
Share options lapsed		-	-	(3,541)	-	3,541	-
Profit for the year		-	-	-	-	154,706	154,706
Total recognised income and expenses for the year		-	-	(3,541)	2,721	158,247	157,427
Recognition of share-based payments	23	-	-	5,560	-	-	5,560
Issue of shares	24	28,461	-	-	-	-	28,461
First and final tax-exempt dividend and bonus tax-exempt dividend in respect of the previous financial year	35	-	-	-	-	(135,354)	(135,354)
Transfer from share premium account		554,145	(554,145)	-	-	-	-
Balance at 31 December 2006		649,974	-	23,318	(8,160)	381,781	1,046,913
Net fair value changes in available-for-sale investments		-	-	-	5,502	-	5,502
Released on disposal of available-for-sale investments		-	-	-	175	-	175
Net income recognised directly in equity		-	-	-	5,677	-	5,677
Share options lapsed		-	-	(1,180)	-	1,180	-
Profit for the year		-	-	-	-	218,940	218,940
Total recognised income and expenses for the year		-	-	(1,180)	5,677	220,120	224,617
Recognition of share-based payments	23	-	-	7,247	-	-	7,247
Issue of shares	24	21,932	-	-	-	-	21,932
One-time special interim dividend less tax paid in respect of the current financial year	35	-	-	-	-	(17,985)	(17,985)
First and final tax-exempt dividend and bonus tax-exempt dividend in respect of the previous financial year	35	-	-	-	-	(136,644)	(136,644)
Balance at 31 December 2007		671,906	-	29,385	(2,483)	447,272	1,146,080

Statements of Changes in Equity

Year ended 31 December 2007

	Note	Share capital $'000	Share premium $'000	Share options reserve $'000	Investments revaluation reserves $'000	Translation reserves $'000	Reserve Fund $'000	Accumulated profits $'000	Attributable to equity holders of the Company $'000	Minority interests $'000	Total $'000
Group											
Balance at 1 January 2006		67,368	554,145	21,299	(16,103)	(19,042)	-	1,055,522	1,663,189	7,595	1,670,784
Net fair value changes in available-for-sale investments		-	-	-	4,866	-	-	-	4,866	-	4,866
Released on disposal of available-for-sale investments		-	-	-	15	-	-	-	15	-	15
Acquisition of shareholdings from minority shareholders		-	-	-	-	-	-	-	-	(105)	(105)
Arising from acquisition of a subsidiary		-	-	-	-	(2,895)	-	-	(2,895)	-	(2,895)
Exchange differences arising on translation of foreign operations		-	-	-	-	(44,465)	-	-	(44,465)	(592)	(45,057)
Net income recognised directly in equity		-	-	-	4,881	(47,360)	-	-	(42,479)	(697)	(43,176)
Share of an associate's share options reserve		-	-	640	-	-	-	(229)	411	-	411
Share options lapsed		-	-	(3,541)	-	-	-	3,541	-	-	-
Appropriation to reserve fund		-	-	-	-	-	229	(229)	-	-	-
Profit for the year		-	-	-	-	-	-	239,171	239,171	1,770	240,941
Total recognised income and expenses for the year		-	-	(2,901)	4,881	(47,360)	229	242,254	197,103	1,073	198,176
Recognition of share-based payments	23	-	-	5,560	-	-	-	-	5,560	-	5,560
Issue of shares	24	28,461	-	-	-	-	-	-	28,461	-	28,461
First and final tax-exempt dividend and bonus tax-exempt dividend in respect of the previous financial year	35	-	-	-	-	-	-	(135,354)	(135,354)	-	(135,354)
Transfer from share premium account		554,145	(554,145)	-	-	-	-	-	-	-	-
Balance at 31 December 2006		649,974	-	23,958	(11,222)	(66,402)	229	1,162,422	1,758,959	8,668	1,767,627

	Note	Share capital $'000	Share options reserve $'000	Investments revaluation reserves $'000	Translation reserves $'000	Reserve Fund $'000	Accumulated profits $'000	Attributable to equity holders of the Company $'000	Minority interests $'000	Total $'000
Group										
Balance at 31 December 2006		649,974	23,958	(11,222)	(66,402)	229	1,162,422	1,758,959	8,668	1,767,627
Net fair value changes in available-for-sale investments		-	-	9,684	-	-	-	9,684	-	9,684
Released on disposal of available-for-sale investments		-	-	(1,529)	-	-	-	(1,529)	-	(1,529)
Exchange differences arising on translation of foreign operations		-	-	-	(57,186)	-	-	(57,186)	(431)	(57,617)
Net income recognised directly in equity		-	-	8,155	(57,186)	-	-	(49,031)	(431)	(49,462)
Share of an associate's share options reserve		-	27	-	-	-	-	27	-	27
Share options lapsed		-	(1,180)	-	-	-	1,180	-	-	-
Profit for the year		-	-	-	-	-	300,027	300,027	2,675	302,702
Total recognised income and expenses for the year		-	(1,153)	8,155	(57,186)	-	301,207	251,023	2,244	253,267
Recognition of share-based payments	23	-	7,247	-	-	-	-	7,247	-	7,247
Issue of shares	24	21,932	-	-	-	-	-	21,932	-	21,932
One-time special interim dividend less tax paid in respect of the current financial year	35	-	-	-	-	-	(17,985)	(17,985)	-	(17,985)
First and final tax-exempt dividend and bonus tax-exempt dividend in respect of the previous financial year	35	-	-	-	-	-	(136,644)	(136,644)	-	(136,644)
Appropriation to reserve fund		-	-	-	-	142	(142)	-	-	-
Balance at 31 December 2007		671,906	30,052	(3,067)	(123,588)	371	1,308,858	1,884,532	10,912	1,895,444

See accompanying notes to financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2007

	The Group	
	2007	2006
	$'000	$'000
Operating activities		
Profit before tax	294,568	252,579
Adjustments for:		
Share of profit of associates	(4,725)	(6,347)
(Reversal of) Allowance for inventories	(302)	2,670
Depreciation expense	44,203	39,025
Allowance (Reversal of allowance) on doubtful trade receivables	355	(338)
Amortisation of intangible assets	21,270	6,221
Impairment loss on available-for-sale investments	650	500
Impairment loss on property, plant and equipment	206	49
Negative goodwill credited to profit and loss	(9)	-
Interest income	(25,714)	(30,560)
Dividend income	(379)	(687)
Interest expense	19,882	2,096
Share-based payments expense	7,247	5,560
Fair value loss (gain) on derivative financial instruments	16,236	(23,620)
(Gain) Loss on disposal of available-for-sale investments	(5,817)	10
Gain on disposal of plant and equipment	(244)	(268)
Operating profit before working capital changes	367,427	246,890
Trade receivables	4,975	70,760
Other receivables and prepayments	13,077	(11,453)
Other payables due to joint venture	(25)	(34)
Inventories	34,349	(2,870)
Trade payables	27,560	(16,193)
Other payables and accrued expenses	149	(3,458)
Trade payables due from (to) associates	1,329	(78)
Net foreign exchange rate changes	(41,690)	(26,292)
Cash generated from operations	407,151	257,272
Interest paid	(19,132)	(2,096)
Income tax paid	(5,421)	(1,888)
Net cash from operating activities	382,598	253,288

	The Group	
	2007	2006
	$'000	$'000
Investing activities		
Interest income received	25,714	30,560
Dividends received	379	687
Dividends received from associates	1,578	628
Purchase of property, plant and equipment	(39,685)	(38,682)
Proceeds on disposal of plant and equipment	2,215	3,891
Addition of intangible assets	(969)	(7,549)
Proceeds on disposal of available-for-sale investments	42,232	63,418
Purchase of available-for-sale investments	(3,077)	(31,632)
Proceeds on disposal of asset classified as held for sale	12,500	-
Acquisition of the remaining shares of a former joint venture (Note 36a)	10	-
Acquisition of a subsidiary, net of cash acquired (Note 36b)	-	(900,693)
Acquisition of shareholdings in an associate	-	(82,536)
Payment to minority shareholders for acquisition of additional shares in subsidiary	-	(569)
Net cash from (used in) investing activities	40,897	(962,477)
Financing activities		
Dividends paid	(154,629)	(135,354)
Proceeds from new bank loans	575,000	599,203
Repayment of bank loans	(696,239)	(236)
Proceeds from issue of shares	21,932	28,461
Net cash (used in) from financing activities	(253,936)	492,074
Net increase (decrease) in cash and cash equivalents	169,559	(217,115)
Cash and cash equivalents at beginning of year	329,006	556,555
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(5,239)	(10,434)
Cash and cash equivalents at end of year	493,326	329,006
Cash and cash equivalents at end of year include the following:		
Cash	224,252	199,675
Fixed deposits	269,074	129,331
	493,326	329,006

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 198402886H) is incorporated in the Republic of Singapore with its principal place of business and registered office at 5006 Ang Mo Kio Avenue 5, #05-01/12 TECHplace II, Singapore 569873. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST). The financial statements are expressed in Singapore dollars.

The principal activities of the Company are to provide manufacturing, design, engineering, customisation and logistic services to electronics companies worldwide.

The principal activities of the subsidiaries, associates and joint ventures are detailed in Notes 11, 12 and 13 to the financial statements respectively.

As at 31 December 2007, the Company has net current liabilities of $109,308,000 (2006 : $473,190,000) mainly due to the current portion of bank loans of $236,169,000 (2006 : short term bank loan of $600,000,000) used to finance its working capital requirements and the acquisition of GES International Ltd (GES) in prior year. Management is confident of the Company's ability to meet its financial obligations as there is sufficient liquidity within the Group to meet the Company's cash requirements.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the year ended 31 December 2007 were authorised for issue by the Board of Directors on 25 March 2008.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (FRS).

ADOPTION OF NEW AND REVISED STANDARDS : In the current financial year, the Group has adopted all of the new and revised FRS and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2007. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the accounts reported for the current or prior years except as disclosed below and in the notes to the financial statements.

FRS 107 – Financial Instruments: Disclosures and amendments to FRS 1 Presentation of Financial Statements relating to capital disclosures

The Group has adopted FRS 107 with effect from annual periods beginning on or after 1 January 2007. The new Standard has resulted in an expansion of the disclosures in these financial statements regarding the Group's financial instruments. The Group has also presented information regarding its objectives, policies and processes for managing capital (Note 4) as required by the consequential amendments to FRS 1 which are effective from annual periods beginning on or after 1 January 2007.

At the date of authorisation of these financial statements, the following FRS, INT FRS and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

FRS 23	-	Borrowing costs (Revised)
FRS 108	-	Operating Segments
INT FRS 112	-	Service Concession Arrangements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Directors anticipate that the adoption of the above FRS, INT FRS and amendments to FRS in future periods will have no material impact on the financial statements of the Group and of the Company in their period of initial application.

(b) BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the Company's financial statements, investments in subsidiaries, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

(c) BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

Certain equity shares and debt securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the revaluation reserve is included in profit or loss for the period. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign exchange and interest rates.

The Group will consider using derivative financial instruments, primarily foreign currency forward contracts, to hedge its foreign currency fluctuations risks relating to certain firm commitments and forecasted transactions and interests caps/swaptions to hedge its interests rate risks during period of high interest rates volatility.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide guidance on the use of financial derivatives consistent with the Group's risk management strategy.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

(e) LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) INVENTORIES - Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(g) PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, other than freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	-	30 years
Leasehold land and buildings	-	25 to 60 years (term of lease)
Factory buildings	-	25 to 60 years
Machinery and equipment	-	2 to 10 years
Leasehold improvements and renovations	-	2 to 10 years
Office equipment, furniture and fittings	-	2 to 10 years
Computer hardware	-	3 years
Motor vehicles	-	2 to 10 years

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

(h) GOODWILL - Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of associates is described under "Associates".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) INTANGIBLE ASSETS

Internally generated intangible assets – Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on development projects are recognised as intangible assets only if all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. The Group has capitalised development costs as intangible assets and these are amortised using the straight-line method over its useful life, which normally does not exceed three years.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination

Customer relationships acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date and subsequent to initial recognition, customer relationships acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Customer relationships are amortised on a straight-line basis over their useful lives of 10 years.

(j) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement.

(k) ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Group's financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment when there are indications of impairment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated profit and loss statement.

Where a Group entity transacts with an associate of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the relevant associate.

(l) INTERESTS IN JOINT VENTURE - A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

(m) PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(n) SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments to qualifying employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. At each balance sheet date, the Group revises the estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the Share Options Reserve.

Details regarding the determination of the fair value of equity-settled share-based transactions are disclosed in Note 23.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants relating to deferred development expenditure and the purchase of property, plant and equipment are included in the balance sheet by deducting the grant in arriving at the carrying amount of the assets. Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(p) REVENUE RECOGNITION – Revenue from manufacturing services is recognised when the service is completed and the risk and rewards of ownership of the manufactured goods are transferred to the buyer. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue from the rendering of services of a short duration is recognised when the services are completed.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(q) BORROWING COSTS – Borrowing costs are recognised in the profit and loss statement in the period which they are incurred. No interest expense has been capitalised during the year.

(r) RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(s) EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(t) INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the companies and subsidiaries operate by the balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(u) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that there are no critical judgments involved that have a significant effect on the amounts recognised in the financial statements apart from those involving estimates, where are dealt with below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(a) Impairment of available-for-sale investments

At each balance sheet date, Management assesses whether there is any objective evidence that available-for-sale investments are impaired, as evidenced by the occurrence of one or more loss events. Based on Management's best estimate of the future cash flow of each investment, and taking into consideration all credit exposure, the impairment loss for the financial year amounting to $650,000 (2006 : $500,000) as recognised in the profit and loss statement (Note 29) is considered adequate.

As at the year-end, the Company has available-for-sale investments in Collaterised Debt Obligations with fair values of $208,363,000 (2006 : $206,139,000). These fair values are provided by the issuing banks using proprietary valuation models, and incorporating assumptions and estimates based on observable market data that the banks believe to be appropriate. To the extent that the actual variables deviate from the assumptions and estimates made by the issuing banks as at the balance sheet date, there exists the risk that recorded values using the said methodologies will not be reflective of the fair values.

(b) Impairment of investment in associate

The Company has a 20.7% equity interests in DMX Technologies Group Ltd (DMX), with a carrying value of $82,536,000. Based on the last quoted price of the DMX shares as at the year-end, the market value of the Company's investment in DMX is $34,675,000 (2006 : $53,200,000) (Note 12).

The Group follows the guidance of FRS 39 – *Financial Instruments: Recognition and Measurement* to assess whether there are any indications that the investment is impaired. This determination process requires significant judgment and the use of estimates by Management.

The Company evaluated, among other factors, the duration and the extent to which the fair value of the investment falls short of its carrying amount; the financial health and the long-term business outlook of the associate, including factors such as changes in technology, business strategy, overall industry and sector performance; as well as operational and financial cash flows historically generated and forecasted to be generated by the associate.

Management is of the opinion that there are no indications of impairment in view of the macro and company specific factors affecting the associate's market value, as well as the comfort that Management has in the business outlook of the associate and the intent and ability of the Company to hold the investment for the long-term. This situation will be closely monitored by Management and adjustments will be made in future financial periods if the associate is unsuccessful in the delivery of its long-term business plans and if the market value of its shares does not improve.

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units (CGU) to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(d) Recoverability of intangible assets

Management has considered the recoverability of the Group's intangible assets, including customer relationships which arose from a business combination in the previous financial year. The valuation of the customer relationships takes into consideration projected future revenue stream of customers with contracts as at the date of acquisition, with expected renewals, and applying suitable churn rates and discount rates in order to calculate the present value of cash flows. The customer relationships are amortised over the estimated remaining useful life of 10 years which reflect the pattern in which the asset's future economic benefits are expected to be consumed. Based on Management's assessment of the recoverable amount of intangible assets, no indication of impairment was noted.

(e) Allowances for inventories

In determining the net realisable value of the Group inventories, an estimation of the recoverable amount of inventories on hand is performed based on the most reliable evidence available at the time the estimates are made. This represents the value of the inventories which are expected to realise as estimated by Management. These estimates take into consideration the fluctuations of price or cost, or any inventories on hand that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

(f) Share-based payments

Determining the fair value of share-based payments requires estimations using valuation models and inputs that attempt to capture the intrinsic value of such options. Key inputs into the valuation models in determining the fair value of share-based payments are disclosed in Note 23.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables:				
Cash and cash equivalents	77,832	71,832	493,326	329,006
Trade receivables	151,244	150,993	618,780	624,110
Trade receivables due from subsidiaries	19,349	46,544	-	-
	248,425	269,369	1,112,106	953,116
Available-for-sale financial assets	243,323	256,989	252,717	281,978
Total	491,748	526,358	1,364,823	1,235,094

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(a) Categories of financial instruments (Cont'd)

	The Company		The Group	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Financial liabilities				
Derivative financial instruments (at fair value through profit or loss)	19,897	3,661	19,897	3,661
Amortised cost:				
Bank loans	495,479	600,000	510,274	631,196
Trade payables	90,077	61,978	472,691	445,131
Trade payables due to subsidiaries	125,119	149,357	-	-
Trade payables due to associates	-	-	1,601	277
	710,675	811,335	984,566	1,076,604
Total	730,572	814,996	1,004,463	1,080,265

(b) Financial risk management policies and objectives

The Group has financial risk management programmes which set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. These programmes cover specific areas, such as market risk (including foreign exchange risk, interest risk, equity price risk), credit risk, and liquidity risk. Such programmes are reviewed regularly by the Board of Directors to ensure that they remain pertinent to the Group's operations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group operates internationally, giving rise to market risk from changes in foreign exchange rates. The Group manages its foreign exchange exposure by matching revenue and costs in the relevant currencies to create a natural hedge and also through active currency management using derivatives such as forwards and currency options where necessary.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The carrying amounts of monetary assets denominated in currencies other than the respective Group entities' functional currencies, as at the reporting date, are disclosed in the respective notes to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 5% change in the above foreign currencies against the functional currencies of each Group entity. 5% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents Management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans within the Group where the denomination of the loan is in a currency other than the functional currency of the borrower.

If the relevant foreign currency strengthens/weakens by 5% against the functional currency of each Group entity as at the year-end, profit for the year and equity will increase/decrease by:

	Malaysian Ringgit impact(i)		United States Dollar impact(ii)		Total	
	2007	2006	2007	2006	2007	2006
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Effect on profit for the year and equity	3,450(i)	574(i)	7,712(ii)	17,270(ii)	11,162	17,844
Company						
Effect on profit for the year and equity	-	-	4,124(ii)	9,610(ii)	4,124	9,610

(i) This is mainly attributable to the year-end exposure on cash balances, receivables, and payables in Malaysian ringgit of subsidiaries with US dollars as its functional currency.

(ii) This is mainly attributable to the year-end exposure on cash balances, receivables, payables and loans in US dollar of the Company with Singapore dollar as its functional currency.

The Group and Company's sensitivities to foreign currency have decreased during the current year mainly due to the increase in US dollar bank loans and a closer match of the US dollar denominated monetary assets and liabilities.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(ii) Interest rate risk management

Summary quantitative data of the Group's interest-bearing financial instruments can be found in section (v) of this Note. The Group's policy is to maintain cash equivalents with reputable international financial institutions and investments in fixed-rate debt instruments of strong financial ratings.

The Group has borrowings at variable rates and is therefore exposed to interest rate risks arising from the variability of cash flows.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase is used when reporting interest rate risk internally to key Management personnel and represents Management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher during the year and all other variables were held constant, the Group's and Company's profit and loss and investment revaluation reserve would increase/(decrease) as follows:

	The Company		The Group	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Effect on profit for the year[(i)]				
Interest-bearing financial assets	679	2,439	2,835	3,206
Interest-bearing financial liabilities	(2,571)	(211)	(2,764)	(260)
	(1,892)	2,228	71	2,946
Effect on investment revaluation reserve for the year[(ii)]	(2,762)	(3,765)	(2,853)	(3,881)

(i) This is mainly attributable to the Group's and Company's exposure to interest rates on its variable rate borrowings and variable rate investments; and

(ii) This is mainly attributable to changes in the fair values of the investments in debt instruments which are classified as available-for-sale investments.

Overall, the Group's sensitivity to interest rates has decreased during the current financial year mainly due to the draw down of variable rate borrowings.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(iii) Equity price risk management

The Group is exposed to equity price risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group has limited exposure to equity price risk as it has substantially disposed of its investments in quoted equity shares during the financial year.

Further details of these equity investments can be found in Note 7 to the financial statements.

Equity price sensitivity has not been analysed as the impact on the Group and Company's financial statement is not expected to be significant.

(iv) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by Management annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Notes 8 and 9.

Credit default swaps sensitivity

The sensitivity analysis have been determined based on the Group's exposure to credit default swaps (CDS) arising from collaterised debt obligations as at the balance sheet date and the stipulated change taking place at the beginning of the financial year. Spread movement of five basis points is used when reporting credit default risk internally to key management personnel and represents Management's assessment of the possible profit or loss effect.

If the weighted average CDS of the underlying portfolio widens by five basis points during the year and all other variables were held constant, the Group and Company's profit for the year ended 31 December 2007 would decrease by $3,158,000 (2006 : $6,012,000). A tightening of credit spreads by five basis points would increase the profit for the Group and the Company by the same amounts.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

Assuming that there are no significant changes to the fundamentals of the credit market and no significant macroeconomic changes that will affect CDS, the Group is expected to be less sensitive to CDS movements as the dates of maturity, which will be on 20 June 2008 and 20 December 2009, draw closer.

(v) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

Liquidity risk is managed by matching the payment and receipt cycle. The Group has sufficient cash from operations and credit lines from financial institution (Note 17) to fund its capital investments and working capital requirements.

Undrawn credit facilities are disclosed in Note 17.

Liquidity and interest risk analyses

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the balance sheet.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Group						
2007						
Non-interest-bearing		843,032	-	2,667	-	845,699
Fixed interest rate instruments	4.75	315,525	177,800	28,904	(3,105)	519,124
		1,158,557	177,800	31,571	(3,105)	1,364,823
2006						
Non-interest-bearing		846,157	-	2,638	(7,292)	841,503
Fixed interest rate instruments	5.21	148,831	224,390	29,083	(8,713)	393,591
		994,988	224,390	31,721	(16,005)	1,235,094

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Company						
2007						
Non-interest-bearing		191,227	-	-	-	191,227
Fixed interest rate instruments	4.76	100,649	177,800	25,000	(2,928)	300,521
		291,876	177,800	25,000	(2,928)	491,748
2006						
Non-interest-bearing		225,316	-	-	(5)	225,311
Fixed interest rate instruments	5.24	60,369	224,390	25,000	(8,712)	301,047
		285,685	224,390	25,000	(8,717)	526,358

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Total
	%	$'000	$'000	$'000
Group				
2007				
Non-interest-bearing	-	474,292	-	474,292
Variable interest rate instruments	3.60	250,964	259,310	510,274
		725,256	259,310	984,566
2006				
Non-interest-bearing	-	445,408	-	445,408
Variable interest rate instruments	4.03	631,196	-	631,196
		1,076,604	-	1,076,604

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Total
	%	$'000	$'000	$'000
Company				
2007				
Non-interest-bearing	-	215,196	-	215,196
Variable interest rate instruments	3.52	236,169	259,310	495,479
		451,365	259,310	710,675
2006				
Non-interest-bearing	-	211,335	-	211,335
Variable interest rate instruments	3.73	600,000	-	600,000
		811,335	-	811,335

(vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of Collaterised Debt Obligations (Notes 7 and 20) are derived from valuation models that are proprietary to the issuing banks. The issuing banks have confirmed among others, that the valuations are computed by an independent valuation team and that the valuations reflect the current economic assessment of the transactions and take into consideration, observable market data that the banks believe to be appropriate.

The financial statements include holdings of unquoted equity investments that are measured at cost less accumulated impairment loss because their fair value cannot be measured reliably. These instruments represent investments in venture capital funds and club investments (Note 7).

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(vii) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 17 (net of cash and cash equivalents), and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as presented in the statements of changes in equity.

The Board of Directors reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group's overall strategy remains unchanged from 2006.

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or Directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, Group entities entered into the following trading transactions with related parties:

	The Group	
	2007	2006
	$'000	$'000
Purchases of goods from associates	7,554	6,879

Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	The Group	
	2007	2006
	$'000	$'000
Short-term benefits	22,411	17,593
Post-employment benefits	286	217
Share-based payments	1,706	1,096
	24,403	18,906

The remuneration of Directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

6 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Cash	20,634	26,463	224,252	199,675
Fixed deposits	57,198	45,369	269,074	129,331
	77,832	71,832	493,326	329,006

Cash and bank balances comprise cash held by the Company and Group and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

The fixed deposit interest rates for the Company and the Group range from 0.2% to 5.3% (2006 : 0.8% to 5.3%) per annum.

The Company's and Group's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Singapore dollars	-	-	8,135	9,218
United States dollars	57,013	52,940	95,575	82,471
Euros	1,526	520	4,151	909
Japanese yen	-	-	2,750	268
Renminbi	-	-	654	935
Malaysian ringgit	-	-	75,127	22,765

7 AVAILABLE-FOR-SALE INVESTMENTS

		The Company		The Group	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Available-for-sale investments, at fair value:					
(a)	Quoted equity shares	-	1,311	443	15,429
(b)	Unquoted equity shares	-	-	2,224	2,289
(c)	Quoted debt securities	24,932	29,650	24,932	29,650
(d)	Collaterised Debt Obligations (unquoted)	208,363	206,139	208,363	206,139
(e)	Unquoted debt securities	10,028	19,889	16,755	28,471
	Total	243,323	256,989	252,717	281,978
Analysed as:					
	Current assets	43,085	15,026	46,085	19,526
	Non-current assets	200,238	241,963	206,632	262,452
	Total	243,323	256,989	252,717	281,978

7 AVAILABLE-FOR-SALE INVESTMENTS (Cont'd)

(a) Investments in quoted equity securities offer the Company and the Group the opportunity for returns through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair value of these securities is based on the quoted closing market prices on the last market day of the financial year.

The investments in quoted equity shares for the Group include an impairment loss of $200,000 charged to the profit and loss statement in 2007 (2006 : $Nil).

(b) The investments in unquoted equity shares represent investments of $2,018,000 (2006 : $2,042,000) in venture capital funds that invest in research and development activities and/or the commercial application of this knowledge and $206,000 (2006 : $247,000) in club investments.

The investments in unquoted equity shares for the Group include an impairment loss charged to the profit and loss statement for the year of $450,000 (2006 : $500,000).

(c),(e) The investments in quoted and unquoted debt securities of the Company have effective interest yields ranging from 3.60% to 4.03% (2006 : 3.76% to 5.07%) per annum and of the Group ranging from 3.29% to 5.76% (2006 : 3.13% to 5.07%) per annum. These investments of the Company have maturity dates ranging from 3 May 2009 to 1 September 2018 (2006 : 4 May 2007 to 1 September 2018) and of the Group ranging from 26 March 2008 to 1 September 2018 (2006 : 26 March 2007 to 1 September 2018).

(d) These are Collaterised Debt Obligations acquired with embedded credit derivatives (Note 20) as follows:

(i) Principal amount of $167,800,000 (2006 : $167,800,000) with effective interest rate of 4.03% and maturity date on 20 December 2009 with a fair value of $165,278,000 (2006 : $161,723,000) as at the end of the financial year.

(ii) Principal amount of $50,810,000 (2006 : $53,949,000) with effective interest rate of 8.33% and maturity date on 20 June 2008 with a fair value of $43,085,000 (2006 : $44,416,000) as at the end of the financial year.

The Company's and Group's available-for-sale investments that are not denominated in the functional currencies of the respective entities are as follows:

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
United States dollars	43,085	45,728	47,638	57,539

8 TRADE RECEIVABLES

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Outside parties	151,244	150,993	618,780	624,110

The average trade credit period on sales of goods is 59 days (2006 : 71 days). No interest is charged on the trade receivables.

An allowance of $355,000 (2006 : $338,000 credit to the profit and loss statement as a result of recovery of a trade debt for which allowance had been made previously) has been recognised in the profit and loss statement in 2007 as a result of a trade debt arising from a third party that is considered to be irrecoverable.

The accumulated allowance as at year end for the Group amounted to $2,843,000 (2006 : $2,488,000) and for the Company amounted to $2,488,000 (2006 : $2,488,000). These allowances have been determined by reference to past default experience. The Group and the Company do not hold any collateral over these balances.

Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customer. Majority of the Group's trade receivables that are neither past due nor impaired are creditworthy counterparties with good track record of credit history.

Management is of the view that majority of the Group's trade receivables are within their expected cash collection cycle. There are certain trade receivables (which are less than 10% of the total trade receivables as at the year-end) that are outstanding for periods longer than the contracted credit terms as agreed with the customers. The average age of these receivables is 75 days (2006 : 75 days). No allowance has been made on these receivables by Management as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Movement in the allowance for doubtful debts

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Balance at beginning of the year	2,488	2,826	2,488	2,826
Amounts recovered during the year	-	(338)	-	(338)
Increase in allowance recognised in profit or loss	-	-	355	-
Balance at end of the year	2,488	2,488	2,843	2,488

8 TRADE RECEIVABLES (Cont'd)

The Company's and Group's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Singapore dollars	-	-	2,248	524
United States dollars	146,193	146,342	221,107	319,260
Euros	1	-	4,167	2,911
Renminbi	-	-	369	3,370
Malaysian ringgit	-	-	1,684	1,399
Hong Kong dollars	-	-	-	-

9 OTHER RECEIVABLES AND PREPAYMENTS

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Other receivables	6,188	5,984	25,023	37,595
Deposits	642	563	2,432	2,541
Prepayments	74	192	4,234	4,622
	6,904	6,739	31,689	44,758

The Company's and Group's other receivables and prepayments that are not denominated in the functional currencies of the respective entities are as follows:

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
United States dollars	-	-	1,433	2,854
Malaysian ringgit	-	-	136	292
Renminbi	-	-	227	222
Singapore dollars	-	-	387	78
Euros	-	-	2,394	3
Japanese yen	-	-	360	-

The Company has not made any provision as the Directors are of the view that these receivables are recoverable.

10 INVENTORIES

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Raw materials	33,698	38,588	275,486	293,609
Work in progress	39,669	36,706	104,399	103,589
Finished goods	13,543	10,533	167,458	184,192
	86,910	85,827	547,343	581,390

In 2007, the cost of inventories recognised as an expense includes a reversal of inventory allowance of $302,000 due to inventories sold above carrying amounts.

In 2006, the cost of inventories recognised as an expense includes $2,670,000 in respect of write-down of inventory to net realisable value.

11 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2007	2006
	$'000	$'000
Unquoted equity shares, at cost	1,153,564	1,152,383
Impairment loss	(838)	(838)
Net carrying amount	1,152,726	1,151,545
Advances to subsidiaries	82,000	33,000
	1,234,726	1,184,545

Details of the Company's subsidiaries as at 31 December 2007 are as follows:

Name of subsidiaries	Country of incorporation and operation	Cost of investment		Proportion of ownership interest and voting power held		Principal activities
		2007	2006	2007	2006	
		$'000	$'000	%	%	
Advanced Products Corporation Pte Ltd	Singapore	863	863	100	100	Trading and manufacturing of electronics products
Cebelian Holdings Pte Ltd	Singapore	2,500	2,500	100	100	Investment holding
EAS Security Systems Pte Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd)	Singapore	-	-	100	100	Dormant

11 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Country of incorporation and operation	Cost of investment		Proportion of ownership interest and voting power held		Principal activities
		2007 $'000	2006 $'000	2007 %	2006 %	
Shanghai Waigaoqiao Venture Electronics Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (4)	People's Republic of China	-	-	100	100	Design, engineering and customisation services
VCL Electronics Services India Private Limited (80% owned by Cebelian Holdings Pte Ltd and 20% owned by Venture Electronics Solutions Pte Ltd)(5)	India	-	-	100	100	Dormant
Venture Electronics (Europe), B.V. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd)(5)	Netherlands	-	-	100	100	Investment holding
Venture Hungary Electronics Manufacturing Limited Liability Company (95% owned by Venture Electronics (Europe), B.V. and 5% owned by Cebelian Holdings Pte Ltd)(5)	Hungary	-	-	100	100	Design, manufacture, assemble and distribute electronic products
Venture Electronics Spain S.L. (wholly-owned subsidiary of Venture Electronics (Europe), B.V.)(5)	Spain	-	-	100	100	Manufacture, design, engineering, customisation and logistic services
Venture Electronics (Shanghai) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd)(1)	People's Republic of China	-	-	100	100	Trading in and manufacturing of electronic and computer-related products
VM Services, Inc. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd)(5)	United States of America	-	-	100	100	Trading in and manufacturing of electronic and computer-related products

11 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Country of incorporation and operation	Cost of investment		Proportion of ownership interest and voting power held		Principal activities
		2007 $'000	2006 $'000	2007 %	2006 %	
Venture Electronics International, Inc. (wholly-owned subsidiary of VM Services, Inc.)(5)	United States of America	-	-	100	100	Manufacture, design, engineering, customisation and logistic services
Venture Design Services, Inc. (wholly-owned subsidiary of VM Services, Inc.)(5)	United States of America	-	-	100	100	Trading in and manufacturing of electronics and computer-related products, provision of engineering, customisation, logistic and repair services
VIPColor Technologies Pte Ltd (a subsidiary of Cebelian Holdings Pte Ltd)	Singapore	-	-	93.8	93.8	Develop and market colour imaging products for label printing
VIPColor Technologies USA, Inc (wholly-owned subsidiary of VIPColor Technologies Pte Ltd)(5)	United States of America	-	-	93.8	93.8	Develop and market colour imaging products for label printing
Innovative Trek Technology Pte Ltd	Singapore	1,780	1,780	100	100	Information system development and support
Venture Electronics Mexico S.A. de C.V. (98% owned by Innovative Trek Technology Pte Ltd and 2% owned by Cebelian Holdings Pte Ltd)(7)	Mexico	-	-	-	100	Wound up during the financial year (2006 : Dormant)
Multitech Systems Pte Ltd	Singapore	3,215	3,215	100	100	Trading in and manufacturing of electronic and computer-related products
Scinetic Engineering Pte Ltd	Singapore	20,913	20,913	60	60	Design, trading in and manufacturing of electronic and mechanical products
SCE Resources Pte Ltd (wholly-owned subsidiary of Scinetic Engineering Pte Ltd)(7)	Singapore	-	-	-	60	Wound up during the financial year (2006 : Dormant)

11 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Country of incorporation and operation	Cost of investment		Proportion of ownership interest and voting power held		Principal activities
		2007 $'000	2006 $'000	2007 %	2006 %	
Scinetic Technology (HK) Ltd (wholly-owned subsidiary of Scinetic Engineering Pte Ltd)(7)	Hong Kong	-	-	-	60	Wound up during the financial year (2006 : Dormant)
Technocom Systems Sdn Bhd(1)	Malaysia	1,543	1,543	100	100	Trading in and manufacturing of electronic and computer-related products
Pintarmas Sdn Bhd (wholly-owned subsidiary of Technocom Systems Sdn Bhd)(1)	Malaysia	-	-	100	100	Trading in and manufacturing of electronic and computer-related products
V-Design Services (M) Sdn Bhd (wholly-owned subsidiary of Technocom Systems Sdn Bhd)(1)	Malaysia	-	-	100	100	Designing, trading in and manufacturing of electronic and computer-related products
PT Venture Electronics Indonesia (99% owned by the company and 1% owned by Multitech Systems Pte Ltd)(5)	Indonesia	337	337	100	100	Dormant (In the process of voluntary liquidation)
Ventech Data Systems Pte Ltd	Singapore	5,000	5,000	100	100	Dormant
Venture Electronics Services (Malaysia) Sdn Bhd(1)	Malaysia	17,777	17,777	100	100	Trading in and manufacturing of electronic and computer-related products
Venture Electronics Solutions Pte Ltd	Singapore	16,626	16,626	100	100	Manufacture, design, engineering, customisation and logistic services
Ventech Investments Ltd(5)	British Virgin Islands	90	90	100	100	Investment holding
Univac Precision Engineering Pte Ltd	Singapore	120,223	120,223	100	100	Manufacture, design, fabricate, stamping and injection, metal punching and spraying, industrial metal parts, tools and dies

11 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Country of incorporation and operation	Cost of investment		Proportion of ownership interest and voting power held		Principal activities
		2007 $'000	2006 $'000	2007 %	2006 %	
Unison Precision Industries (M) Sdn Bhd (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd)(1)	Malaysia	-	-	100	100	Dormant (In the process of voluntary liquidation)
Munivac Sdn. Bhd. (65.6% owned by Unison Precision Industries (M) Sdn Bhd and 34.4% owned by Univac Precision Engineering Pte Ltd)(1)	Malaysia	-	-	100	100	Manufacture of electronic and mechanical components
Univac Precision, Inc. (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd)(5)	United States of America	-	-	100	100	Design, customisation and marketing of tool-making and precision engineering solutions
Univac Design & Engineering Pte Ltd (a subsidiary of Univac Precision Engineering Pte Ltd)(2)	Singapore	-	-	81.6	81.6	Investment holding
Univac Precision Plastics (Shanghai) Co., Ltd (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd)(3)	People's Republic of China	-	-	81.6	81.6	Manufacture of plastic injection moulds and mouldings with secondary processes and sub-assembly
Univac Precision Plastics (SIP) Co., Ltd (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd)(3)	People's Republic of China	-	-	81.6	81.6	Dormant
GES International Ltd	Singapore	961,516	961,516	100	100	Investment holding and provision of management services
GES (Singapore) Pte Ltd (wholly-owned subsidiary of GES International Ltd)	Singapore	-	-	100	100	Provision of manufacturing services for Original Design and Manufacture and Electronic Manufacturing Services

11 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Country of incorporation and operation	Cost of investment		Proportion of ownership interest and voting power held		Principal activities
		2007	2006	2007	2006	
		$'000	$'000	%	%	
GES Investment Pte Ltd (wholly-owned subsidiary of GES International Ltd)	Singapore	-	-	100	100	Investment holding and provision of administrative and technical services to a subsidiary
Shanghai GES Information Technology Co., Ltd (wholly-owned subsidiary of GES (Singapore) Pte Ltd)(1)	People's Republic of China	-	-	100	100	Provision of manufacturing services for Original Design and Manufacture and Electronic Manufacturing services
GES US (New England) Inc (wholly-owned subsidiary of GES Investment Pte Ltd)(5)	United States of America	-	-	100	100	Provision of manufacturing services to electronics equipment manufacturers
GES Manufacturing Services (M) Sdn Bhd (wholly-owned subsidiary of GES Investment Pte Ltd)(1)	Malaysia	-	-	100	100	Provision of manufacturing services to electronics equipment manufacturers
VS Electronics Pte Ltd(6)	Singapore	1,181	-	100	50	Dormant (2006 : Research and development and re-design of system electronics products and other related products)
Total		1,153,564	1,152,383			

All the companies are audited by Deloitte & Touche, Singapore except for the subsidiaries that are indicated as follows:

(1) Audited by overseas practices of Deloitte Touche Tohmatsu.
(2) Audited by another firm of auditors, Boon Suan Lee & Co.
(3) Audited by another firm of auditors, Shanghai Shangshen Certified Public Accountants Co., Ltd.
(4) Audited by another firm of auditors, Shanghai Huashen Certified Public Accountants Co., Ltd.
(5) Not required to be audited by law in its country of incorporation and not material to the results of the Group.
(6) During the financial year, the Company acquired additional interest in VS Electronics Pte Ltd, converting it from a joint venture to a wholly-owned subsidiary (Note 36).
(7) Disposed off/wound up during the financial year and was not material to the results of the Group.

11 INVESTMENTS IN SUBSIDIARIES (Cont'd)

The net assets of the subsidiaries referred to in Notes (2), (3), (4) and (5) above are less than 20% of the net assets of the Group at the financial year-end.

Amounts due to and from subsidiaries are unsecured, interest-free and payable within 12 months, other than advances of $82,000,000 (2006 : $33,000,000) which are extension of the Company's investment in the subsidiaries and hence are capital in nature.

The trade receivables from subsidiaries of $19,349,000 (2006 : $46,544,000) are stated at net of allowance for doubtful trade receivables of $30,000,000 (2006 : $30,000,000).

12 INVESTMENTS IN ASSOCIATES

	The Company		The Group	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Quoted equity shares, at cost	82,536	82,536	94,028	94,028
Unquoted equity shares, at cost	-	-	4,019	4,019
	82,536	82,536	98,047	98,047
Share of post-acquisition profits, net of dividend received	-	-	14,451	11,304
Currency realignment on translation of foreign associates	-	-	(63)	(81)
Net	82,536	82,536	112,435	109,270
Market value of quoted equity shares	34,675	53,200	47,758	66,238

Details of the Group's significant associates as at 31 December 2007 are as follows:

Name of associates	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2007 %	2006 %	
DMX Technologies Group Ltd	Bermuda	20.7	20.7	Provision of broadband network infrastructure, digital video and advanced mobile solutions
Acumen Engineering Pte Ltd	Singapore	42.7	42.7	Trading of plastic resins
Fischer Tech Ltd[(1)]	Singapore	22.9	22.9	Manufacture of plastic injection moulds and mouldings with secondary processes
Hartec Asia Pte Ltd[(2)]	Singapore	30.0	30.0	Manufacturing of products and provision of services with the application of nano technology

12 INVESTMENTS IN ASSOCIATES (Cont'd)

All the companies are audited by Deloitte & Touche, Singapore except as follows:

(1) Audited by Ernst & Young, Singapore.
(2) Audited by Boon Suan Lee & Co.

Summarised financial information in respect of the Group's associates is set out below:

	The Group	
	2007	2006
	$'000	$'000
Total assets	478,867	481,524
Total liabilities	(135,667)	(137,006)
Net assets	343,200	344,518
Group's share of associates' net assets	74,731	74,694
Revenue	295,935	487,703
Profit for the year	20,597	33,838
Group's share of associates' profit for the year	4,725	6,347

Trade payables due to associates are unsecured, interest-free and repayable within 12 months.

13 INVESTMENT IN JOINT VENTURES

	The Company	
	2007	2006
	$'000	$'000
Unquoted equity shares, at cost	-	1,000

Details of the Group's joint ventures as at 31 December 2007 are as follows:

Name of joint venture	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2007	2006	
		%	%	
VS Electronics Pte Ltd[a]	Singapore	-	50	Research and development and re-designing of system electronics and other related products
SME Investments Pte Ltd	Singapore	50	50	Investment holding

(a) During the financial year, the Company acquired the remaining 50% interest in VS Electronics Pte Ltd, converting it from a joint venture to a wholly-owned subsidiary (Note 36).

13 INVESTMENT IN JOINT VENTURES (Cont'd)

The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of the joint venture company.

	2007 $'000	2006 $'000
Current assets	53	330
Non-current assets	2,178	2,323
Current liabilities	6	34
Net loss after tax	3	1,132

Other payables due to joint ventures are unsecured, interest-free and repayable within 12 months.

14 PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment $'000	Leasehold improvements and renovations $'000	Office equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company					
Cost:					
At 1 January 2006	65,056	4,690	8,697	1,368	79,811
Additions	4,634	650	916	12	6,212
Disposals	(3,150)	(72)	(869)	(6)	(4,097)
At 31 December 2006	66,540	5,268	8,744	1,374	81,926
Additions	4,406	290	608	-	5,304
Disposals	(2,313)	(13)	(280)	(661)	(3,267)
At 31 December 2007	68,633	5,545	9,072	713	83,963
Accumulated depreciation:					
At 1 January 2006	54,751	3,534	7,509	868	66,662
Depreciation	4,161	480	762	253	5,656
Disposals	(3,146)	(59)	(722)	(6)	(3,933)
At 31 December 2006	55,766	3,955	7,549	1,115	68,385
Depreciation	3,905	459	707	114	5,185
Disposals	(2,313)	(13)	(278)	(644)	(3,248)
At 31 December 2007	57,358	4,401	7,978	585	70,322
Carrying amount:					
At 31 December 2007	11,275	1,144	1,094	128	13,641
At 31 December 2006	10,774	1,313	1,195	259	13,541

14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land	Factory buildings	Freehold buildings	Leasehold land and buildings	Machinery and equipment	Leasehold improvements and renovations	Office equipment, furniture and fittings	Computer hardware	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group										
Cost:										
At 1 January 2006	5,732	13,058	337	43,060	316,788	17,798	30,026	2,879	2,909	432,587
On acquisition of a subsidiary	-	56,916	-	1,823	55,141	8,501	19,426	-	2,381	144,188
Exchange differences	863	791	-	(2,072)	(56,916)	(2,138)	(4,017)	-	(207)	(63,696)
Additions	-	107	-	-	28,860	4,001	3,395	2,102	217	38,682
Disposals	-	-	-	-	(11,825)	(776)	(1,193)	-	(162)	(13,956)
At 31 December 2006	6,595	70,872	337	42,811	332,048	27,386	47,637	4,981	5,138	537,805
On acquisition of a subsidiary	-	-	-	-	642	59	230	-	-	931
Exchange differences	(383)	(4,149)	-	(637)	(8,906)	(917)	(1,694)	-	(351)	(17,037)
Additions	-	590	-	-	32,544	2,539	3,722	84	206	39,685
Disposals	-	-	-	-	(13,222)	(346)	(1,477)	(1,617)	(1,675)	(18,337)
At 31 December 2007	6,212	67,313	337	42,174	343,106	28,721	48,418	3,448	3,318	543,047
Accumulated depreciation:										
At 1 January 2006	-	1,724	93	14,094	208,374	12,111	23,533	2,558	1,986	264,473
On acquisition of a subsidiary	-	18,114	-	231	38,112	6,681	16,841	-	964	80,943
Exchange differences	-	213	-	(687)	(51,573)	(1,802)	(3,817)	-	(178)	(57,844)
Depreciation	-	485	9	1,190	31,344	2,203	3,262	90	442	39,025
Disposals	-	-	-	-	(8,436)	(824)	(912)	-	(161)	(10,333)
At 31 December 2006	-	20,536	102	14,828	217,821	18,369	38,907	2,648	3,053	316,264
On acquisition of a subsidiary	-	-	-	-	635	59	221	-	-	915
Exchange differences	-	(1,315)	-	3	(5,768)	(632)	(1,190)	-	(120)	(9,022)
Depreciation	-	2,965	8	1,214	31,464	2,933	4,332	762	525	44,203
Disposals	-	-	-	-	(12,174)	(310)	(1,112)	(1,613)	(1,157)	(16,366)
At 31 December 2007	-	22,186	110	16,045	231,978	20,419	41,158	1,797	2,301	335,994
Impairment:										
Impairment loss recognised during the year and balance at 31 December 2006	-	-	-	-	8	36	5	-	-	49
Impairment loss	-	-	-	-	-	-	169	-	37	206
31 December 2007	-	-	-	-	8	36	174	-	37	255
Carrying amount:										
At 31 December 2007	6,212	45,127	227	26,129	111,120	8,266	7,086	1,651	980	206,798
At 31 December 2006	6,595	50,336	235	27,983	114,219	8,981	8,725	2,333	2,085	221,492

15 INTANGIBLE ASSETS

	Computer software
	$'000
The Company	
Cost:	
At 1 January 2006, 31 December 2006 and 31 December 2007	1,467
Accumulated amortisation:	
At 1 January 2006	1,035
Amortisation for the year	253
At 31 December 2006	1,288
Amortisation for the year	179
At 31 December 2007	1,467
Carrying amount:	
At 31 December 2007	-
At 31 December 2006	179

	Customer relationships	Development expenditure	Computer software	Total
	$'000	$'000	$'000	$'000
The Group				
Cost:				
At 1 January 2006	-	25,411	16,564	41,975
On acquisition of a subsidiary	168,483	-	-	168,483
Additions	-	977	6,572	7,549
Exchange differences	-	(659)	-	(659)
At 31 December 2006	168,483	25,729	23,136	217,348
Additions	-	770	199	969
Exchange differences	-	(103)	-	(103)
At 31 December 2007	168,483	26,396	23,335	218,214
Accumulated amortisation:				
At 1 January 2006	-	22,285	14,839	37,124
Amortisation for the year	1,404	2,238	2,579	6,221
Exchange differences	-	(196)	-	(196)
At 31 December 2006	1,404	24,327	17,418	43,149
Amortisation for the year	16,848	1,709	2,713	21,270
Exchange differences	-	(142)	-	(142)
At 31 December 2007	18,252	25,894	20,131	64,277
Carrying amount:				
At 31 December 2007	150,231	502	3,204	153,937
At 31 December 2006	167,079	1,402	5,718	174,199

15 INTANGIBLE ASSETS (Cont'd)

The amortisation period for development expenditure and computer software is three years which approximates the useful lives of the intangible assets.

The fair value of the customer relationships which arose from the acquisition of GES on 29 November 2006 (Note 36) has been amortised over its useful life of 10 years and the amortisation charge for the year of $16,848,000 (2006 : $1,404,000) has been recorded in the profit and loss statement.

16 GOODWILL

	The Group
	$'000
Cost:	
At 1 January 2006	79,086
Arising from acquisition of a subsidiary (Note 36)	550,865
Arising from acquisition of additional equity interest in a subsidiary	464
At 31 December 2006 and 31 December 2007	630,415

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

		2007	2006
		$'000	$'000
(a)	GES International Ltd and its subsidiaries (single CGU)	550,865	550,865
(b)	Univac Precision Engineering Pte Ltd and its subsidiaries (single CGU)	53,046	53,046
(c)	Venture Electronics Solutions Pte Ltd (single CGU)	10,635	10,635
(d)	Scinetic Engineering Pte Ltd (single CGU)	12,525	12,525
(e)	Others	3,344	3,344
		630,415	630,415

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The key assumptions used in determining the recoverable amount of goodwill are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using rates that reflect current market assessment of the time value of money and the risks specific to the CGUs. The growth rates are based on Management's estimates and industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectation of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by Management for 2008 and extrapolates cash flows for the following four years based on estimated growth rates for each CGU. The growth rate used to extrapolate the cash flows of the respective CGUs beyond the five year forecast is between 2% and 3%, which does not exceed the long-term growth rates for the relevant markets.

16 GOODWILL (Cont'd)

(a) The rate used to discount the cash flows from GES and its subsidiaries is 9.2% (2006 : 9.3%). Revenue is expected to achieve average annual growth rate of 11.7% (2006 : 9.3%) over the next five years.

(b) The rate used to discount the cash flows from Univac Precision Engineering Pte Ltd and its subsidiaries is 10.0% (2006 : 12.1%). Revenue is expected to achieve average annual growth rate of 15.3% (2006 : 35.8% for medical & packaging products, 10% for automotive & industrial products, 5.3% for computers & peripherals and 28% for digital & consumables) over the next five years.

(c) The rate used to discount the cash flows from Venture Electronics Solutions Pte Ltd is 7.9% from 2008 to 2011 and 7.6% from 2012 onwards (2006 : 12.7%). Revenue is expected to achieve average annual growth rate of 5.1% (2006 : 3.0%) over the next five years.

(d) The rate used to discount the cash flows from Scinetic Engineering Pte Ltd is 9.2% (2006 : 12.1%). Revenue is expected to achieve average annual growth rate of 15.0% (2006 : 4.5%) over the next five years.

Based on the cash flow projections, the Directors are of the view that there is no impairment loss.

17 BANK LOANS

	The Company		The Group	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current liabilities				
Bank loans	236,169	600,000	250,964	631,196
Non-current liabilities				
Bank loans	259,310	-	259,310	-

The bank loans of the Company and the Group are unsecured and carried at amortised cost. The interest expense for the year amounted to $19,882,000 (2006 : $2,096,000).

The bank loans of the Company and the Group bear floating interest rates ranging from 2.43% to 5.28% (2006 : 3.63% to 3.83%) per annum and 2.43% to 7.18% (2006 : 3.63% to 8.25%) per annum respectively. The effective interest rates for the Company and the Group is 3.52% (2006 : 3.73%) and 3.60% (2006 : 3.77%) per annum respectively.

On 31 December 2007, the Group had available $90,000,000 (2006 : $NIL) of unutilised credit facilities in respect of which all conditions precedent had been met.

The Company's and Group's bank loans that are not denominated in the functional currencies of the respective entities are as follows:

	The Company		The Group	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
United States dollars	87,102	-	87,102	-
Renminbi	-	-	-	1,743

18 TRADE PAYABLES

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Outside parties	90,077	61,978	472,691	445,131

The average credit period on purchases of goods is 54 days (2006 : 61 days). No interest is charged by suppliers on trade payables. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

The Company's and Group's trade payables that are not denominated in the functional currencies of the respective entities are as follows:

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Singapore dollars	-	-	5,153	4,550
United States dollars	76,705	52,821	124,413	116,591
Japanese yen	846	337	3,488	10,354
Euros	3,118	497	4,887	2,640
Malaysian ringgit	1	6	7,818	12,689
Great Britain pounds	22	36	50	40
Renminbi	-	-	2,899	2,517
Hong Kong dollars	-	-	11	-

19 OTHER PAYABLES AND ACCRUED EXPENSES

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Other creditors	1,893	2,398	15,383	21,350
Salary related accruals	23,095	18,052	35,701	25,695
Accrued expenses	17,218	17,626	57,985	61,173
	42,206	38,076	109,069	108,218

Salary related accruals for both the Company and the Group include $6,746,000 (2006 : $5,951,000) due to Directors. The amount due to Directors is unsecured, interest-free and payable within 12 months.

19 OTHER PAYABLES AND ACCRUED EXPENSES (Cont'd)

The Company's and Group's other payables and accrued expenses that are not denominated in the functional currencies of the respective entities are as follows:

	The Company		The Group	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Singapore dollars	-	-	6,185	1,570
United States dollars	-	-	-	131
Renminbi	-	-	308	4,569
Malaysian ringgit	-	-	1,845	2,994
Hong Kong dollars	-	-	-	1,179
Japanese yen	-	-	653	-

20 DERIVATIVE FINANCIAL INSTRUMENTS

	The Company and the Group	
	2007 $'000	2006 $'000
Current	3,454	-
Non-current	16,443	3,661
	19,897	3,661

The embedded derivatives relate to credit derivative notes (Note 7) that are not closely related to the host contracts. A loss from fair value changes of $16,236,000 (2006 : a gain of $23,620,000) has been recognised in the profit and loss statement during the year.

21 DEFERRED TAX ASSETS (LIABILITIES)

	The Group	
	2007 $'000	2006 $'000
Deferred tax liabilities:		
Balance at beginning of year	40,305	2,522
On acquisition of a subsidiary (Note 36)	-	38,273
Credit to profit and loss for the year (Note 28)	(7,347)	(471)
Exchange differences	(27)	(19)
Balance at end of year	32,931	40,305

21 DEFERRED TAX ASSETS (LIABILITIES) (Cont'd)

	Accelerated tax depreciation	Fair value of assets acquired on acquisition of subsidiaries	Total
	$'000	$'000	$'000
Components of deferred tax liabilities:			
Balance at 1 January 2006	2,508	14	2,522
On acquisition of a subsidiary (Note 36)	-	38,273	38,273
Credit to profit and loss for the year (Note 28)	(471)	-	(471)
Exchange differences	(19)	-	(19)
Balance at 31 December 2006	2,018	38,287	40,305
Credit to profit and loss for the year (Note 28)	(352)	-	(352)
Released upon the amortisation of customer relationships(1)	-	(3,252)	(3,252)
Released upon the realisation of inventories(1)	-	(779)	(779)
Released due to reduction in corporate tax rates (Note 28)	(345)	(2,619)	(2,964)
Exchange differences	(27)	-	(27)
Balance at 31 December 2007	1,294	31,637	32,931

(1) The deferred tax liabilities in 2007 and 2006 mainly comprise of the tax effect of fair valuation of net assets acquired from GES in 2006 and these were released upon the realisation of the revalued GES' inventories and amortisation of customer relationships (Note 15).

	The Group	
	2007	2006
	$'000	$'000
Deferred tax assets:		
Balance at beginning of year	744	-
On acquisition of a subsidiary (Note 36)	-	631
Credit to profit and loss for the year (Note 28)	336	113
Exchange differences	(43)	-
Balance at end of year	1,037	744

The deferred tax assets mainly comprise of the tax effect of temporary differences associated with accelerated accounting depreciation.

22 RETIREMENT BENEFIT OBLIGATIONS

Defined contribution plans

The employees of the Group that are located in Singapore, Malaysia and the People's Republic of China are members of state-managed retirement benefit plans, operated by the respective Governments. The companies and subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in profit or loss of $16,787,000 (2006 : $13,436,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2007, contributions of $1,884,000 (2006 : $1,343,000) due in respect of current financial year had not been paid over to the plans. The amounts were settled subsequent to the balance sheet date.

23 SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company has share option schemes for qualifying employees of the Company and the Group. The schemes are administered by the Remuneration Committee. Options are exercisable at a price determined with reference to market price of shares at the time of grant of the options. The vesting period is one year. If the options remain unexercised after a period of five years from the date of grant, the options would expire. Options are forfeited if the employee leaves the Group.

Details of the share options outstanding during the year are as follows:

	The Company and the Group			
	2007		2006	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at beginning of the year	12,103,000	17.16	14,607,000	15.85
Granted during the year	3,037,000	19.85	2,816,000	14.28
Forfeited during the year	(661,000)	17.07	(1,976,000)	17.00
Exercised during the year	(1,589,000)	13.80	(3,191,000)	8.92
Expired during the year	(25,000)	13.77	(153,000)	12.27
Outstanding at end of the year	12,865,000	18.23	12,103,000	17.16
Exercisable at end of the year	9,839,000	17.73	9,339,000	18.02

The weighted average share price at the date of exercise for share options exercised during the year was $13.80 (2006 : $8.92). The options outstanding at the end of the year have a weighted average remaining contractual life of 2.6 years (2006 : 2.8 years).

23 SHARE-BASED PAYMENTS (Cont'd)

The Group and Company recognised total expenses of $7,247,000 (2006 : $5,560,000) relating to equity settled share-based payment transactions during the year.

GRANTED IN 2007

Options were granted on 15 September 2007, with the estimated fair value of the options granted at $2.64 per option. Under this scheme, values were calculated using the trinomial model with the following inputs:

Share price at valuation date	$15.70
Exercise price	$19.850[1]
	$17.468[2]
	$16.674[3]
	$15.880[4]
Expected volatility	35%[5]
Exercise multiple (times)	1.3
Risk free rate	2.57%
Expected dividend yield	3.14%

(1) if exercised between 15 September 2008 and 14 September 2009
(2) if exercised between 15 September 2009 and 14 September 2010
(3) if exercised between 15 September 2010 and 14 September 2011
(4) if exercised between 15 September 2011 and 14 September 2012
(5) Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous four years.

GRANTED IN 2006

Options were granted on 15 September 2006, with the estimated fair value of the options granted at $2.72 per option. Under this scheme, values were calculated using the trinomial model with the following inputs:

Share price at valuation date	$13.20
Exercise price	$14.275[6]
	$12.562[7]
	$11.991[8]
	$11.420[9]
Expected volatility	37%[5]
Exercise multiple (times)	1.3
Risk free rate	3.08%
Expected dividend yield	3.72%

(6) if exercised between 15 September 2007 and 14 September 2008
(7) if exercised between 15 September 2008 and 14 September 2009
(8) if exercised between 15 September 2009 and 14 September 2010
(9) if exercised between 15 September 2010 and 14 September 2011

24 SHARE CAPITAL AND RESERVES

SHARE CAPITAL

	The Company and the Group			
	2007	2006	2007	2006
	Number of ordinary shares			
	'000	'000	$'000	$'000
Issued and fully paid up:				
At beginning of year	272,664	269,473	649,974	67,368
Transfer from share premium account	-	-	-	554,145
Issued upon exercise of options	1,589	3,191	21,932	28,461
At end of year	274,253	272,664	671,906	649,974

Fully paid ordinary shares which have no par value, carry one vote per share and carry a right to dividends.

As a result of the Companies (Amendment) Act 2005 which came into effect on 30 January 2006, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of the share premium account has been transferred to the Company's share capital account in 2006.

During the financial year, the Company made the following share issues:

(i) 1,502,000 new ordinary shares at a price of $13.77 per ordinary share following the exercise of options by executives of the Company granted in conjunction with the Venture Manufacturing (Singapore) Ltd Executives' Share Option Scheme.

(ii) 4,000 new ordinary shares at a price of $16.17 per ordinary share following the exercise of options by executives of the Company granted in conjunction with the Venture Manufacturing (Singapore) Ltd Executives' Share Option Scheme.

(iii) 83,000 new ordinary shares at a price of $14.275 per ordinary share following the exercise of options by executives of the Company granted in conjunction with the Venture Corporation Executives' Share Option Scheme.

The total number of options outstanding to subscribe for ordinary shares as at end of the year was 12,865,000 (2006 : 12,103,000).

SHARE OPTIONS RESERVE

This arises on the grant of share options to employees under the employee share option schemes. Further information about share-based payments to employees is set out in Note 23.

INVESTMENTS REVALUATION RESERVE

This arises on revaluation of available-for-sale investments (Note 7). Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit or loss.

This reserve is not available for distribution to the Company's shareholders.

24 SHARE CAPITAL AND RESERVES (Cont'd)

RESERVE FUND

This represents a part of the profit after tax of a subsidiary operating in the Peoples' Republic of China transferred to the reserve fund in accordance with local requirements. This legal reserve cannot be distributed or reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off accumulated losses or increasing capital.

25 REVENUE

	The Group	
	2007 $'000	2006 $'000
Electronic manufacturing, engineering, design and fulfilment services revenue	3,872,445	3,124,165
Dividend income	379	687
	3,872,824	3,124,852

26 OTHER (EXPENSES) INCOME

	The Group	
	2007 $'000	2006 $'000
Commission received	1	29
Fair value (loss) gain on derivative financial instruments at fair value through profit and loss	(16,236)	23,620
Government grants	78	37
Other income	1,490	1,813
Total	(14,667)	25,499

27 INVESTMENT REVENUE

	The Group	
	2007 $'000	2006 $'000
Interest on bank deposits	15,590	19,554
Interest on available-for-sale debt securities	1,843	2,554
Interest on available-for-sale Collaterised Debt Obligations	8,281	8,452
Gain on disposal of available-for-sale investments	5,817	-
Total	31,531	30,560

28 INCOME TAX

	The Group	
	2007	2006
	$'000	$'000
Income tax on profit for the year:		
Current year - Singapore	7,433	10,800
- Foreign	2,313	2,883
Overprovision in prior years	(10,197)	(1,461)
Deferred income tax (Note 21):		
Current year	(4,719)	(584)
Released due to reduction in corporate tax rates	(2,964)	-
Total	(8,134)	11,638

Domestic income tax is calculated at 18% (2006 : 20%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total income tax (benefit) expense for the year can be reconciled to accounting profit as follows:

	The Group	
	2007	2006
	$'000	$'000
Profit before tax	294,568	252,579
Income tax expense at statutory tax rate	53,022	50,516
Non allowable items	12,175	872
Overprovision of income tax in prior years, net	(10,197)	(1,461)
Deferred tax benefits not recognised	439	236
Effect of different tax rates of overseas operations	8,459	8,863
Effect on deferred tax balances due to change in income tax rate from 20% to 18% (effective 2007)	(2,964)	-
Tax-exempt income	(66,564)	(47,352)
Utilisation of deferred tax benefits previously not recognised	(2,136)	(22)
Other items	(368)	(14)
Total income tax	(8,134)	11,638

The income tax for the Group differs from the amount determined by applying the statutory tax rates primarily due to Pioneer Status and other tax incentives granted to the Company and its subsidiaries.

In July 2007, the Economic Development Board (EDB) of Singapore granted the Company an extension of Pioneer Status for a period of four years from 19 July 2007 which will expire on 31 December 2009, with another extension of four years subject to the fulfilment of additional conditions. As a result of the extension of Pioneer Status, a reversal of tax provision of $8,000,000 made in 2006 was credited to the profit and loss statement during the year.

EDB has also granted a subsidiary, GES Singapore Pte Ltd, an extension of Pioneer Status which will expire on 31 May 2008.

28 INCOME TAX (Cont'd)

Three subsidiaries in Malaysia were granted Pioneer Status which exempts profits derived from pioneer products from income tax for the following periods:

a)	Technocom Systems Sdn Bhd	:	10 years commencing 1 January 2002.
b)	Pintarmas Sdn Bhd	:	10 years commencing 1 January 2007.
c)	Venture Electronics Services (Malaysia) Sdn Bhd	:	five years commencing 10 August 2004 (for communications and networking equipment, data processing equipment and medical scientific equipment and instrumentation).

The Group has estimated tax losses carryforwards which are available for offsetting against future taxable income as follows:

	2007	2006
	$'000	$'000
Amount at beginning of year	51,184	21,024
Adjustment	(3,247)	-
Amount in current year	-	1,182
Arising from acquisition of subsidiary	-	29,000[(a)]
Amount utilised in current year	(11,867)	(22)
	36,070	51,184
Deferred tax benefit on above not recorded	6,493	10,237

(a) Subject to the agreement by the tax authorities, the Group has unutilised tax losses of $29,000,000 arising from GES, which was acquired in 2006, available for offsetting against future profits. No deferred tax assets has been recognised in respect of these tax losses as the quantum has not been finalised with the tax authorities and is subject to ministerial waiver of the change in ownership test.

The Group has estimated temporary differences from capital allowances available for offsetting against future taxable income as follows:

	2007	2006
	$'000	$'000
Amount at beginning of year	406	406
Adjustments	(320)	-
Amount in current year	2,438	-
	2,524	406
Deferred tax benefit on above not recorded	454	81

28 INCOME TAX (Cont'd)

At the balance sheet date, the aggregate amount of deferred liabilities in respect of temporary differences associated with undistributed earnings of subsidiaries that have not been recognised is $1,469,000 (2006 : $967,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available indefinitely subject to the conditions imposed by law, including the retention of majority shareholders as defined.

Group Relief

Subject to the satisfaction of the conditions for Group relief, $3,527,000 (2006 : $10,091,000) of tax losses incurred by the Singapore incorporated subsidiaries during the year were transferred to the Company under the Group relief system.

29 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	The Group	
	2007	2006
	$'000	$'000
Depreciation and amortisation:		
- Depreciation of property, plant and equipment	44,203	39,025
- Amortisation of intangible assets	21,270	6,221
Total depreciation and amortisation	65,473	45,246
Impairment loss of property, plant and equipment (included in other operating expenses)	206	49
Directors' remuneration:		
- Directors of the Company	8,780	6,485
- Directors of the subsidiaries and joint venture	4,615	4,763
- Directors' fees payable to Directors of the Company	300	264
Total Directors' remuneration	13,695	11,512
Employee benefits expense (including Directors' remuneration):		
- Equity settled share-based payments	7,247	5,560
- Defined contribution plans	16,787	13,436
- Others	283,587	216,481
Total employee benefits expense	307,621	235,477
Impairment loss on financial assets:		
- Allowance (Reversal of allowance) on doubtful trade receivables	355	(338)
- Impairment loss on available-for-sale investments	650	500
Total impairment loss on financial assets	1,005	162

29 PROFIT FOR THE YEAR (Cont'd)

	The Group	
	2007	2006
	$'000	$'000
Non-audit fees paid to auditors of the Company	-	133
Professional fees paid to a firm of which a director of a subsidiary is a member	1	1
Cost of inventories recognised as expense	3,080,877	2,503,649
(Reversal of) Allowance for inventories	(302)	2,670

30 EARNINGS PER SHARE

	The Group			
	2007		2006	
	Basic	Diluted	Basic	Diluted
	$'000	$'000	$'000	$'000
Profit for the year	300,027	300,027	239,171	239,171

	The Group			
	2007		2006	
	Basic	Diluted	Basic	Diluted
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares	273,678	273,678	271,077	271,077
Adjustment for potential dilutive ordinary shares from share options	-	91	-	501
Weighted average number of ordinary shares used to compute earnings per share	273,678	273,769	271,077	271,578
Earnings per share (cents)	109.6	109.6	88.2	88.1

31 OPERATING LEASE ARRANGEMENTS

The Group as lessee:

	The Group	
	2007	2006
	$'000	$'000
Minimum lease payments paid under operating leases and recognised as an expense during the year	13,265	12,954

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Within one year	5,800	5,452	11,592	11,462
In the second to fifth year inclusive	1,747	278	8,247	8,722
After the fifth year	-	-	1,717	1,911
	7,547	5,730	21,556	22,095

Operating lease payments represent rentals payable by the Group for factory spaces, office premises and residential premises. Leases are negotiated for an average term of three to five years and rentals are fixed for an average of three to five years.

32 CAPITAL EXPENDITURE COMMITMENTS

	The Group	
	2007	2006
	$'000	$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	7,599	8,433

33 COMMITMENTS AND CONTINGENT LIABILITIES (UNSECURED)

	The Company		The Group	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Letters of guarantee issued by bankers	6,321	5,228	11,193	6,272
Standby letter of credit	-	154	76	154

34 SEGMENT INFORMATION

The Group operates predominantly as a provider of manufacturing, engineering, design and fulfilment services to the electronics industry. Geographical segments are reported based on the location of the Group's production and service facilities and assets.

Segment revenue and expenses are the operating revenue and expenses reported in the Group's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Inter-segment pricing is determined on terms agreed between the parties of the transaction.

Geographical segments

	Singapore	Asia-Pacific (excluding Singapore)	United States of America/ Europe/Others	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
2007					
Revenue:					
External sales	2,112,022	1,638,363	122,439	-	3,872,824
Inter-segment sales	45,757	470,306	24,261	(540,324)	-
Total revenue	2,157,779	2,108,669	146,700	(540,324)	3,872,824
Results:					
Segment results	151,700	147,197	(1,548)	(19,155)	278,194
Investment revenue	22,294	5,828	3,425	(16)	31,531
Interest expense	(19,854)	(16)	(28)	16	(19,882)
Share of profits of associates	4,725	-	-	-	4,725
Profit before income tax	158,865	153,009	1,849	(19,155)	294,568
Income tax expense					8,134
Profit for the year					302,702
Other information:					
Capital additions	21,414	18,012	2,313	(1,085)	40,654
Depreciation and amortisation	41,908	21,996	1,569	-	65,473
Impairment losses recognised in profit and loss	44	-	162	-	206
Assets:					
Segment assets	1,982,472	864,590	87,943	-	2,935,005
Investment in associates	112,435				112,435
Unallocated corporate assets					1,037
					3,048,477
Liabilities:					
Segment liabilities	827,946	263,038	22,548	-	1,113,532
Unallocated corporate liabilities					39,501
					1,153,033

34 SEGMENT INFORMATION (Cont'd)

	Singapore	Asia-Pacific (excluding Singapore)	United States of America/ Europe/Others	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
2006					
Revenue:					
External sales	2,064,683	912,317	147,852	-	3,124,852
Inter-segment sales	78,224	1,128,294	18,607	(1,225,125)	-
Total revenue	2,142,907	2,040,611	166,459	(1,225,125)	3,124,852
Results:					
Segment results	93,846	115,949	5,503	2,470	217,768
Investment revenue	25,428	4,630	519	(17)	30,560
Interest expense	(1,925)	(17)	(171)	17	(2,096)
Share of profits of associates	6,347	-	-	-	6,347
Profit before income tax	123,696	120,562	5,851	2,470	252,579
Income tax expense					(11,638)
Profit for the year					240,941
Other information:					
Capital additions	33,477	11,064	3,010	(1,320)	46,231
Depreciation and amortisation	18,070	25,054	2,122	-	45,246
Impairment losses recognised in profit and loss	49	-	-	-	49
Assets:					
Segment assets	1,864,577	949,727	85,544	-	2,899,848
Investment in associates	109,270	-	-	-	109,270
Unallocated corporate assets					744
					3,009,862
Liabilities:					
Segment liabilities	778,771	334,451	75,286	-	1,188,508
Unallocated corporate liabilities					53,727
					1,242,235

Business segment

	2007	2006
	$'000	$'000
Design, manufacturing and fulfilment services in electronics industry	3,872,824	3,124,852

34 SEGMENT INFORMATION (Cont'd)

Carrying amount of segment assets and additions to property, plant and equipment, goodwill and intangible assets, analysed by the business segment in which the assets are located:

	Segment assets		Capital additions	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Design, manufacturing and fulfilment services in electronics industry	2,935,005	2,899,848	40,654	46,231

35 DIVIDENDS

(i) During the financial year ended 31 December 2006, the Company declared and paid a first and final tax-exempt dividend of $0.25 per ordinary share and a bonus tax-exempt dividend of $0.25 per share on the ordinary shares of the Company totalling $135,534,000 in respect of the financial year ended 31 December 2005.

(ii) During the financial year ended 31 December 2007, the Company declared and paid a first and final tax-exempt dividend of $0.25 per ordinary share and a bonus tax-exempt dividend of $0.25 per ordinary share on the ordinary shares of the Company totalling $136,644,000 in respect of the financial year ended 31 December 2006.

(iii) During the financial year ended 31 December 2007, the Company declared and paid a one-time special interim dividend of $0.08 per ordinary share less 18% income tax on the ordinary shares of the Company totalling $17,985,000 in respect of the current financial year.

(iv) In respect of the financial year ended 31 December 2007, the Directors of the Company proposed a final one-tier tax-exempt dividend of $0.50 per ordinary share be paid on 20 May 2008 to all shareholders. Subject to the approval of shareholders at the Annual General Meeting to be held on 25 April 2008, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $137,127,000.

36 ACQUISITION OF SUBSIDIARIES

a) On 1 July 2007, the Group acquired 50% of the remaining issued share capital of a former joint venture, VS Electronics Pte Ltd, for cash consideration of $181,000. This transaction has been accounted for by the purchase method of accounting.

The net assets acquired in the transaction and the resultant negative goodwill arising are as follows:

	Joint venture's carrying amount before combination	Fair value of assets and liabilities acquired
	$'000	$'000
Net assets acquired:		
Property, plant and equipment	18	18
Other receivables	13	13
Cash and bank balances	191	191
Other payables	(32)	(32)
	190	190
Negative goodwill		(9)
Total consideration, satisfied by cash		181
Net cash inflow arising on acquisition:		
Cash consideration paid		(181)
Cash and cash equivalents acquired		191
		10

The effect of this acquisition is not material to the results of the Group for 2007.

36 ACQUISITION OF SUBSIDIARIES (Cont'd)

b) On 29 November 2006, the Group acquired 100% of the issued share capital of GES for cash consideration of $961,516,000. This transaction has been accounted for by the purchase method of accounting.

The net assets and intangible assets acquired in the transaction, and the goodwill arising, are as follows:

	Acquiree's carrying amount before combination	Fair value adjustments	Fair value of assets and liabilities acquired
	$'000	$'000	$'000
Net assets acquired:			
Property, plant and equipment	63,245	-	63,245
Intangible assets	-	168,483	168,483
Investment in joint venture	2,393	-	2,393
Other investments[(1)]	12,753	-	12,753
Deferred tax assets	631	-	631
Inventories	159,950	13,105	173,055
Trade receivables	103,339	595	103,934
Other receivables	3,497	-	3,497
Cash and bank balances	60,823	-	60,823
Trade payables	(74,614)	-	(74,614)
Other payables	(36,951)	-	(36,951)
Short term bank loans	(26,180)	-	(26,180)
Income tax payable	(2,145)	-	(2,145)
Deferred tax liabilities	(577)	(37,696)	(38,273)
	266,164	144,487	410,651
Goodwill			550,865
Total consideration, satisfied by cash			961,516
Net cash outflow arising on acquisition:			
Cash consideration paid			(961,516)
Cash and cash equivalents acquired			60,823
			(900,693)

(1) This included an investment of $12,500,000 in a private equity fund which was disposed of to a former executive director of GES at carrying value during the financial year.

Goodwill arising from the acquisition of GES is attributable to the anticipated profitability of the company's original design manufacturing of higher margin Point-of-Sales systems. In addition, opportunities to cross sell products and services to an enlarged customer base, cost savings through economies of scale, consolidation of purchasing volumes and better management of supply chain are expected to create synergies for future growth and expansion.

GES contributed $83,414,000 and $2,653,000 to the Group's revenue and profit respectively for the post acquisition period in 2006. The profit for the year was arrived at after accounting for amortisation of customer relationships (Note 15), realisation of inventories from fair value adjustments, interest expense from borrowings, and the release of deferred tax liabilities (Note 21).

36 ACQUISITION OF SUBSIDIARIES (Cont'd)

If the acquisition had been completed on 1 January 2006, total group revenue for 2006 would have been $3,737,256,000 and profit for 2006 would have been $248,697,000. In determining the pro forma revenue and profit of the Group had GES been acquired at 1 January 2006, the following assumptions have been made:

- amortisation of customer relationships and realisation of inventories on the basis of the fair values arising in the initial accounting for the business combination and release of the corresponding deferred tax liabilities;

- based borrowing costs on the funding levels after the business combination.

The pro forma financial information mentioned above is not necessarily an indication of the actual performance of the Group going forward.

Statement of Directors

In the opinion of the Directors, the consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company set out on pages 46 to 110 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007, and of the results of the Group, changes in equity of the Group and of the Company, and of the cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Wong Ngit Liong
Chairman of the Board

Cecil Vivian Richard Wong
Director

25 March 2008

Analysis of Shareholdings

as at 11 March 2008

Number of shares	:	274,253,577
Class of shares	:	Ordinary
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	53	0.92	11,817	0.00
1,000 - 10,000	5,355	93.46	12,277,038	4.48
10,001 - 1,000,000	313	5.46	13,139,148	4.79
1,000,001 and above	9	0.16	248,825,574	90.73
	5,730	100.00	274,253,577	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS Nominees Pte Ltd	90,952,317	33.16
2	HSBC (Singapore) Nominees Pte Ltd	51,827,315	18.90
3	DBSN Services Pte Ltd	47,254,999	17.23
4	CITIBANK Nominees Singapore Pte Ltd	38,038,114	13.87
5	United Overseas Bank Nominees Pte Ltd	8,697,493	3.17
6	Raffles Nominees Pte Ltd	5,330,039	1.94
7	Merrill Lynch (Singapore) Pte Ltd	3,952,594	1.44
8	BNP PARIBAS Nominees Singapore Pte Ltd	1,479,055	0.54
9	Morgan Stanley Asia (S'pore) Securities Pte Ltd	1,293,648	0.47
10	TM Asia Life Singapore Ltd - Par Fund	689,000	0.25
11	Wong Ngit Liong	574,619	0.21
12	DBS Vickers Securities (S) Pte Ltd	547,567	0.20
13	CITIBANK Consumer Nominees Pte Ltd	486,000	0.18
14	DB Nominees (S) Pte Ltd	365,764	0.13
15	OCBC Securities Private Ltd	313,020	0.12
16	Phillip Securities Pte Ltd	290,397	0.11
17	AMEX Nominees (S) Pte Ltd	264,350	0.10
18	OCBC Nominees Singapore Pte Ltd	258,122	0.09
19	Chang Kok Choi Mark	237,781	0.09
20	Royal Bank Of Canada (Asia) Ltd	227,000	0.08
		253,079,194	92.28*

**Numbers do not add due to rounding.*

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Franklin Resource, Inc[(1)]	-	-	38,226,163	13.94
Templeton Worldwide Inc.[(2)]	-	-	38,331,095	13.98
Templeton International, Inc[(3)]	-	-	16,169,632	5.90
Templeton Investment Counsel, LLC	-	-	13,425,363	4.90
Templeton Global Holdings Limited	-	-	14,855,633	5.42
Templeton Global Advisors Limited	-	-	14,855,633	5.42
Aberdeen Asset Management Plc[(4)]	-	-	27,433,430	10.00
Aberdeen Asset Management Asia Limited	-	-	27,447,430	10.01
Sprucegrove Investment Management Limited[(5)]	-	-	18,893,400	6.89
Wong Ngit Liong	19,166,619	7.00	-	-

Notes:

(1) *The deemed interest of Franklin Resource Inc is based on the last notification to the Company on 15 October 2007 and relates to ordinary shares held by various accounts managed or advised by Franklin Resource Inc, of which it has been given proxy voting rights. Franklin Resource Inc is deemed to have an interest in the shares held by Templeton Worldwide Inc.*

(2) *The deemed interest of Templeton Worldwide Inc is based on the last notification to the Company on 29 June 2007. Templeton Worldwide Inc is deemed to have an interest in the 13,425,363 shares held by Templeton Investment Counsel, LLC and 16,169,632 shares held by Templeton International, Inc*

(3) *Templeton International, Inc is deemed to have an interest in 14,855,633 shares which are held by Templeton Global Holdings Limited and by Templeton Global Advisors Limited.*

(4) *Aberdeen Asset Management Plc is deemed to have an interest in the 27,447,430 shares held by Aberdeen Asset Management Asia Limited.*

(5) *The deemed interest of 18,893,400 shares is held in various nominee accounts.*

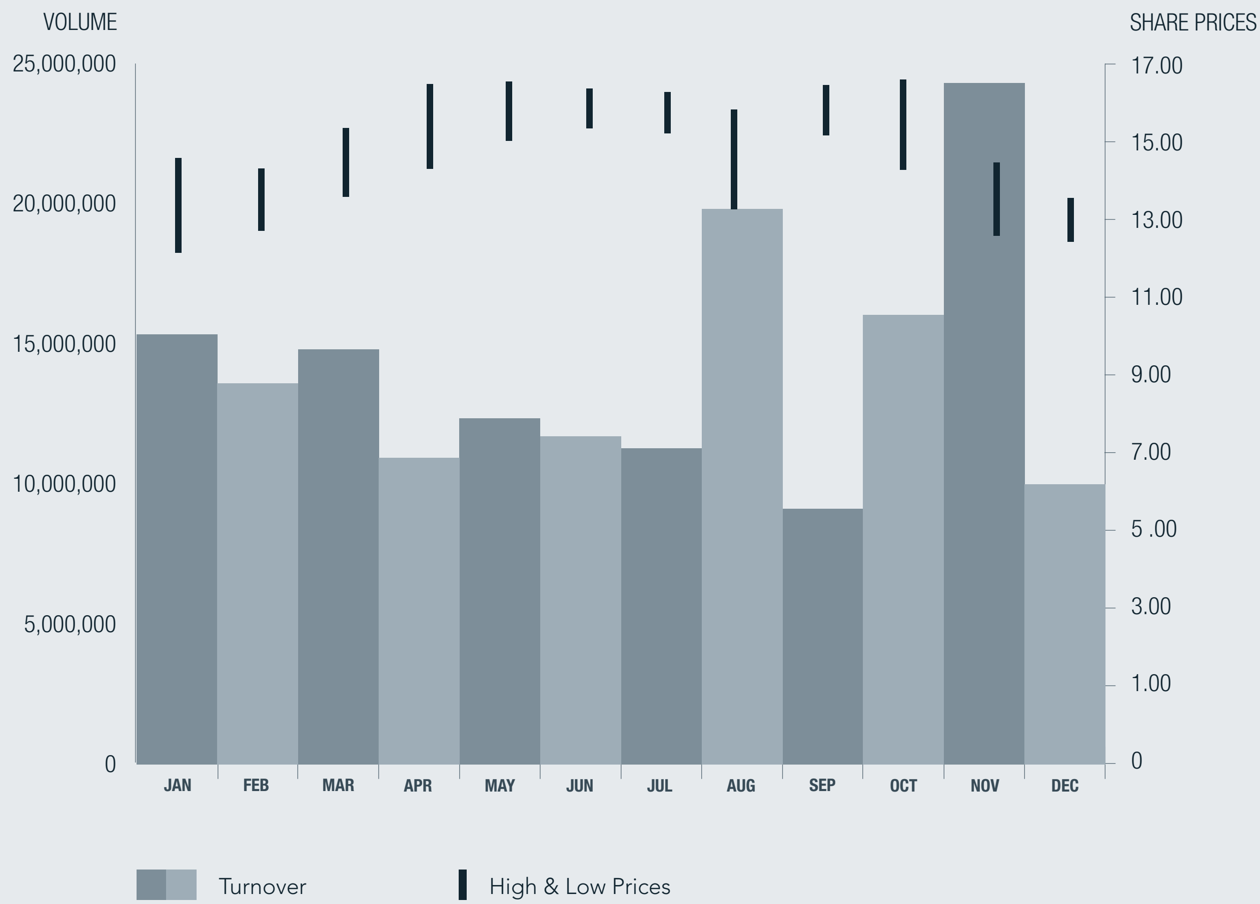
SHARES HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 11 March 2008, approximately 58.93% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

The Company does not hold any Treasury Shares.

Share Performance

Share Prices	2007
Last transacted	12.80
High	16.60
Low	12.10
Average	14.59
Total volume	168,223,000



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of VENTURE CORPORATION LIMITED (the Company) will be held at The Board Room, 5006 Ang Mo Kio Avenue 5 #05-01/12, TECHplace II, Singapore 569873 on 25 April 2008 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2007 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax-exempt dividend of 50 cents per ordinary share for the year ended 31 December 2007 (2006 : final tax-exempt dividend of 25 cents per ordinary share and a bonus tax-exempt dividend of 25 cents per ordinary share).[See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Articles 92 and 74 of the Company's Articles of Association:

   Retiring under Article 92
   Mr Wong Ngit Liong **(Resolution 3)**
   Mr Koh Lee Boon **(Resolution 4)**

   Retiring under Article 74
   Mr Koh Kheng Siong **(Resolution 5)**

   Mr Koh Lee Boon and Mr Koh Kheng Siong will, upon re-election as Directors of the Company, remain as members of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST).

4. To pass the following Ordinary Resolution pursuant to Section 153(6) of the Companies Act, Cap. 50:

   "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Cecil Vivian Richard Wong be re-appointed a Director of the Company to hold office until the next Annual General Meeting." [See Explanatory Note (ii)] **(Resolution 6)**

   Mr Cecil Vivian Richard Wong will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

5. To approve the payment of Directors' fees of $300,000 for the year ended 31 December 2007 (2006 : $264,000).
   [See Explanatory Note (iii)] **(Resolution 7)**

6. To re-appoint Messrs Deloitte & Touche as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

8. **Authority to allot and issue shares**

   That, pursuant to Section 161 of the Companies Act, Cap. 50 (Companies Act) and Rule 806 of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to:-

(A) (i) issue shares in the capital of the Company (Shares) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, Instruments) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:-

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of issued share capital shall be based on the issued share capital of the Company as at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest. [See Explanatory Note (iv)] **(Resolution 9)**

9. **Authority to allot and issue shares under the Venture Corporation Executives' Share Option Scheme**

That, pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to:

(a) offer and grant options from time to time in accordance with the rules of the Venture Corporation Executives' Share Option Scheme adopted by the Company in 2004 (2004 Scheme) and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the 2004 Scheme;

(b) notwithstanding that the authority under this Resolution may have ceased to be in force, allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the 2004 Scheme while the authority was in force; and

(c) do all such acts and things as may be necessary or expedient to carry the same into effect,

provided that the aggregate number of Shares to be issued pursuant to the 2004 Scheme shall be in accordance with the limit(s) as prescribed in the 2004 Scheme and by the SGX-ST. [See Explanatory Note (v)] **(Resolution 10)**

By Order of the Board

Angeline Khoo
Yvonne Choo
Company Secretaries

Singapore
9 April 2008

Explanatory Notes:

(i) The Ordinary Resolution 2 proposed in item 2 above, if passed, will together with the one-time special dividend of eight cents per share less income tax paid out in September 2007, bring the total distribution for 2007 to 58 cents per share (less applicable tax on the one-time special dividend).

(ii) The effect of the Ordinary Resolution 6 proposed in item 4 above, is to re-appoint a director who is over 70 years of age.

(iii) Ordinary Resolution 7 proposed in item 5 above, is to approve the payment of Directors' fees of $300,000 (2006 : $264,000) for the year ended 31 December 2007, for services rendered by the Directors on the Board as well as the various Board Committees. The Directors are not paid any additional fees for attendance at Board/Board Committee meetings.

(iv) The Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of the next Annual General Meeting or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest (unless varied or revoked by the Company in general meeting), to allot and issue Shares and/or make or grant offers or options or other convertible securities in the Company up to an aggregate of not more than 50% of the issued share capital of the Company, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the issued share capital of the Company, for such purposes as they consider would be in the interests of the Company.

For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued share capital is based on the issued share capital of the Company at the time Ordinary Resolution 9 is passed, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities or share options or the vesting of share awards which are outstanding or subsisting at the time Ordinary Resolution 9 is passed, and (ii) any subsequent consolidation or subdivision of Shares.

(v) The Ordinary Resolution 10 proposed in item 9 above, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest, to grant options under the 2004 Scheme, and to allot and issue Shares in the capital of the Company pursuant to the exercise of options granted under the 2004 Scheme, provided that the aggregate number of Shares to be issued under the 2004 Scheme be in accordance with the limit(s) as prescribed in the 2004 Scheme and by the SGX-ST.

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 5006 Ang Mo Kio Avenue 5 #05-01/12, TECHplace II, Singapore 569873 not less than 48 hours before the time appointed for the Meeting.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

Notice of Books Closure

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of **Venture Corporation Limited** (the Company) will be closed from 5.00 p.m. on 7 May 2008 to 8 May 2008 (both dates inclusive) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 up to 5.00 p.m. on 7 May 2008 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 May 2008 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 25 April 2008 will be made on 20 May 2008.

By Order of the Board

Angeline Khoo
Yvonne Choo
Company Secretaries

Singapore
9 April 2008

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VENTURE CORPORATION LIMITED

(Incorporated In Singapore)
(Co. Reg. No: 198402886H)

IMPORTANT:
1. For investors who have used their CPF monies to buy Venture Corporation Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________

of ______________________________

being a member/members of Venture Corporation Limited (the Company), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Friday, 25 April 2008 at 11.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2007		
2	Payment of proposed final one-tier tax-exempt dividend		
3	Re-election of Mr Wong Ngit Liong as a Director		
4	Re-election of Mr Koh Lee Boon as a Director		
5	Re-election of Mr Koh Kheng Siong as a Director		
6	Re-appointment of Mr Cecil Vivian Richard Wong as a Director		
7	Approval of Directors' fees amounting to $300,000.00		
8	Re-appointment of Deloitte & Touche as Auditors		
9	Authority to allot and issue new shares		
10	Authority to allot and issue shares under the Venture Corporation Executives' Share Option Scheme		

*Delete where inapplicable

Dated this ____________ day of ____________ 2008

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 5006 Ang Mo Kio Avenue 5 #05-01/12, TECHplace II, Singapore 569873 not less than forty-eight (48) hours before the time appointed for the Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

A Meta Fusion Design

VENTURE CORPORATION LIMITED
COMPANY REGISTRATION NO: 198402886H

5006 Ang Mo Kio Avenue 5 #05-01/12
TECHplace II Singapore 569873