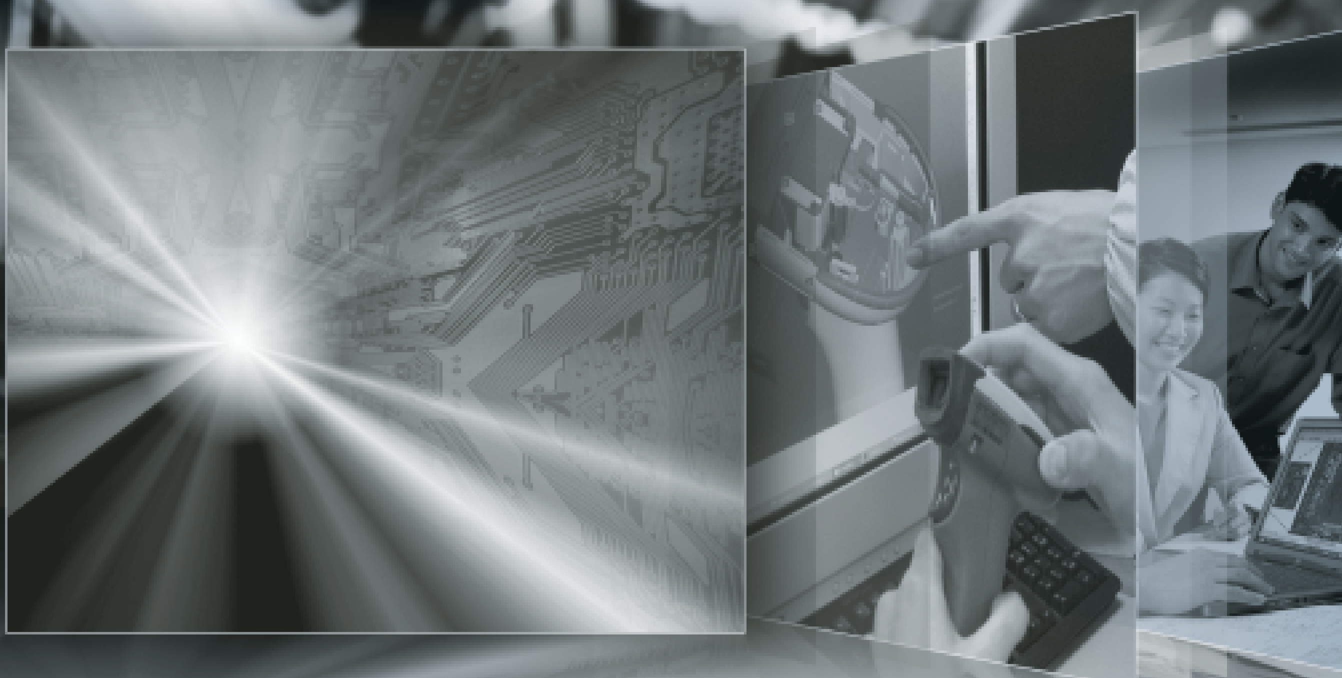

Providing The Leading Edge

VENTURE CORPORATION LIMITED
ANNUAL REPORT 2008

Contents

Venture's strategy
built on the foundation of strong core values
operational and financial excellence
innovation and technology density

continue to enable the furtherance of a bold vision -
of building an excellent organisation
the best-in-class-in operation, technology and management
that is customer-focused and people-oriented

More than two decades ago, Venture was founded with a bold vision - to be the best and most reliable electronics services provider and strategic global partner for successful global companies. Venture's growth and development have been etched by visionary pioneers. This, and through simple hard work, collective efforts and a relentless zeal for organisational, operational and financial excellence, Venture emerged from a humble beginning to prominence in a short space of time.

The foundation has been laid. The Group's core values – **Relentless Pursuit of Excellence; Rendering the Highest Level of Total Customer Satisfaction; Encouraging Employees to Realise their Full Potential; Building Strong Cohesion and Teamwork; and Fostering Creativity and Innovation** – continue to guide and energise the organisation, even today.

The defining DNA of Venture, both tangible and intrinsic qualities have enabled Venture to rise to new challenges since its inception. From the initial years of electronics manufacturing services, Venture has moved up the value chain from product design to engineering services and fulfillment support, to become an end-to-end total solution provider, building scale, competencies and capabilities across its operations.

Today, Venture is the preferred strategic global partner of choice of leading electronics companies and top Fortune 500 companies. In the unending pursuit of excellence, innovation and technology, Venture is inspired to go even further, to build new levels of excellence to support and reinforce leading global brands with original and collaborative designs for existing products as well as innovative next generation products.

Indeed, the Group's business and financial excellence stems from its strong corporate culture and values. As the Group and its people challenge themselves to venture into the future, beyond familiar frontiers, these core values remain the anchoring pillars even as it spirals upwards in the quest for new capabilities, knowledge and technologies.


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VENTURE

enviable attributes that remain unchanged

Looking into the future and seeing the possibilities; and stepping out with courage and conviction the pioneers in Venture had set a course as far back as 1986 that has taken Venture to new heights of performance and achievements

The inspiration of a shared vision - focused and forward looking - captured the aspirations of a group of young, talented and enterprising engineers and provided the sense of direction, discovery and opportunities, catapulting Venture into the world of electronics manufacturing more than twenty years ago.

The power of shared values was at work at the same time to spur and energise the Venture team. These core values coupled with remarkable attributes of fortitude, integrity and passion, propelled Venture forward, building success upon success over the years.

Venture today, employing thousands of employees of diverse nationalities across the globe, continued to be bonded by a common and consistent corporate culture and a shared value system of timeless principles that has guided every Venture personnel in their thoughts, words and actions.

Whilst Venture has evolved as a business enterprise, some things remained the SAME. It has stayed true to its enviable heritage of sound values and ethics. These attributes will continue to be one facet of the raison d'êtres for its continued evolvement, growth and success.

As much as Venture is about keeping to its core values, it celebrates diversity and vibrancy, cognizant of the fact that diversity in its talent pool drives dynamism. The Group has been harnessing and will continue to harness the synergy of differing competencies, perspectives and experiences to produce innovative ideas, products and results.

VENTURE
providing the leading edge

A quantum leap in capabilities
A world-class R&D team – vibrant, innovative and empowered with a well established supply-chain eco-system making Venture, the preferred partner of choice

Since its inception, Venture has made quantum leaps in its capabilities through strategic acquisitions and investments in equipment, process technologies and people.

As its manufacturing and design capabilities grew from strength to strength, Venture demonstrated its ability to complement its customers' operations, as well as increasingly bridge the design and engineering gaps encountered by its customers. Specifically, Venture has enjoyed key successes in the development of high precision mechanical parts for various printing devices. It has also expanded its expertise in electro-mechanical design into storage products. Venture has built specialised competencies in developing computing devices with robust structural enclosure and is able to offer turnkey design and manufacturing services in point-of-sale products and data capture terminals and kiosks. Venture's cutting edge technology extends into test and measurement and medical products. It has similarly made significant advancement in wide area network receiver design and low-powered mesh networking solutions for tracking and voice communication.

Today, Venture has forged many enduring partnerships with world-class technology companies, providing them with products and solutions that not only meet their precise requirements and exacting standards, but delivering the Venture seal of quality products and solutions that exceed their expectations. On its journey in pursuit of innovation, Venture has re-defined the notion of partnerships by building network and linkages across the value-chain and enterprises, from marketers to engineers and supply chain specialists. The pulling together of the best-in-class in each functional and specialised areas from around the globe creates a powerful virtual enterprise, to impact the future of technology and business.

Driven to make a distinct difference, Venture is constantly exploring, creating, innovating, building knowledge, amassing technology and embracing a new paradigm in business partnerships. Venture stands poised always, to provide the leading edge and remain relevant in a constantly changing and evolving world.

VENTURE

engineered for sustainable success

**Twenty years past, an enterprise has been built up
yet vision of a better tomorrow evolves
to match new ambitions and expectations
pushing the frontier of technology and concept of excellence
in an unceasing spiral skywards, re-defining the future**

In the same pioneering spirit of boldness, enterprise, passion and tenacity, Venture is standing at the threshold of a new adventure, ever ready to strive to achieve new breakthroughs and set new industry benchmarks.

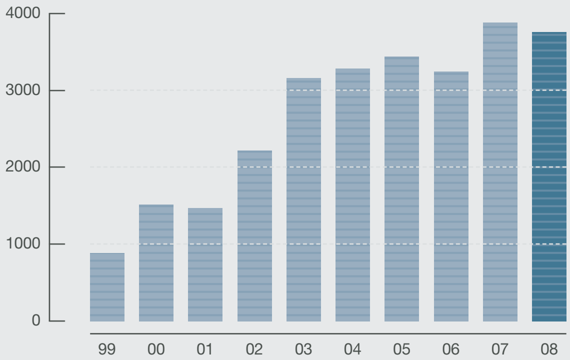
Towards this end, Venture is committed to invest further in new technologies, infrastructure and its people to retain its competitive edge. It is confident that by staying focused and constantly pushing for excellence in every aspect, it will continue to create extraordinary values for all its stakeholders and remain a partner of choice.

Indeed, with an unquenchable thirst for discovery, Venture will journey on and build on its foundation of operational, engineering and financial excellence – pushing the limit of creativity, innovation and technology and re-shaping ideals of partnerships, alliances and new ventures.

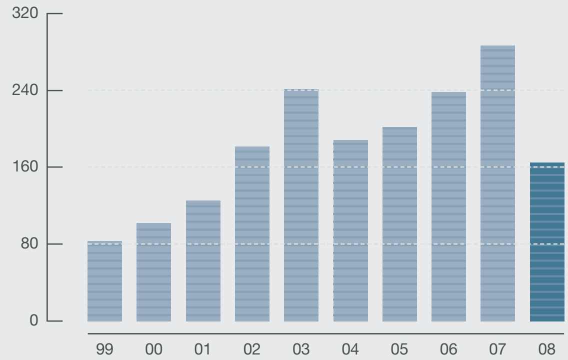
Today, a virtual enterprise, embedding the best-in-class of every technology and service provider, is no longer a dream. To Venture, it is a new business order that will continue to evolve and strengthen.

Nothing short of transformational innovation and revolution in progress – one that is underway and by no means finished. Yet a new milestone, another legacy in the making.

REVENUE
($million)



PROFIT AFTER TAX & MINORITY INTEREST
($million)

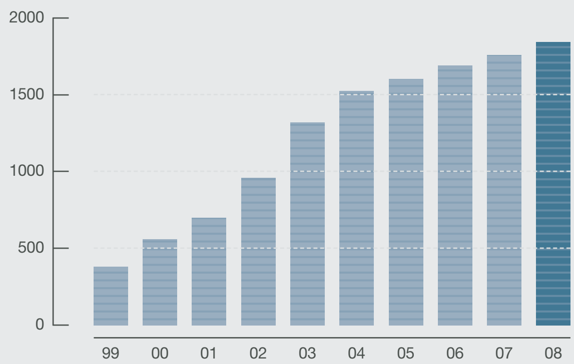


CONSOLIDATED FINANCIAL PERFORMANCE
($million)

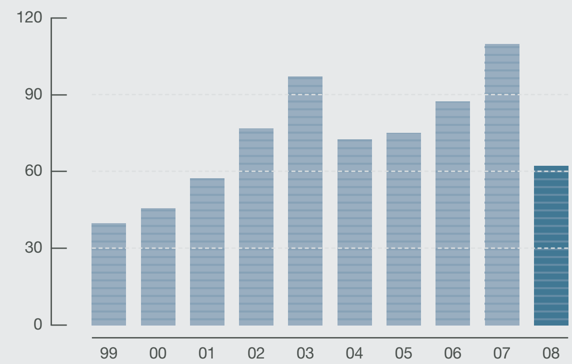
	1999	2000	2001	2002	2003
Revenue	951.0	1,456.4	1,430.9	2,366.3	3,170.0
Profit Before Tax	91.3	115.9	143.7	194.2	250.1
Profit After Tax & Minority Interest	82.9	105.1	134.7	181.1	240.4
Total Assets	602.9	759.2	886.0	1,427.1	1,809.3
Total Liabilities	186.4	223.6	220.2	461.7	459.9
Shareholders’ Equity	415.0	534.9	665.4	943.0	1,341.1
Cash & Bank Balances	39.9	39.9	77.0	153.7	155.6
PBT Margin (%)	9.6	8.0	10.0	8.2	7.9
PAT Margin (%)	8.7	7.2	9.4	7.7	7.6
Earnings Per Share (cents)	38.3	45.7	58.3	77.1	96.3

Financial Highlights

SHAREHOLDERS' EQUITY
($million)

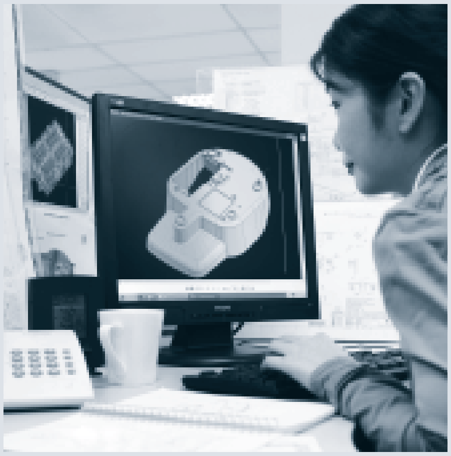


EARNINGS PER SHARE
(Cents)



	2004	2005	2006	2007	2008
Revenue	3,193.4	3,238.0	3,124.8	3,872.8	3,784.1
Profit Before Tax	194.6	207.1	252.6	294.6	172.6
Profit After Tax & Minority Interest	188.7	201.2	239.2	300.0	166.7
Total Assets	2,025.0	2,172.2	3,009.9	3,048.5	2,916.3
Total Liabilities	452.5	501.4	1,242.2	1,153.0	1,017.5
Shareholders' Equity	1,570.3	1,663.2	1,759.0	1,884.5	1,895.6
Cash & Bank Balances	567.4	556.6	329.0	493.3	513.8
PBT Margin (%)	6.1	6.4	8.1	7.6	4.6
PAT Margin (%)	5.9	6.2	7.7	7.8	4.4
Earnings Per Share (cents)	72.2	75.1	88.2	109.6	60.8

I am pleased that the Group's operational performance in 2008 continued to be satisfactory. Given the dramatic financial events of the past year and the consequent economic knock-on effects, I truly commend the Venture team for their steady stewardship of the Group's business and our partners' projects and their resolve to step up in all areas of operational excellence and in meeting customers' deliverables. Indeed, it was the collective competencies and commitment of our people that have kept us on course in these challenging times.

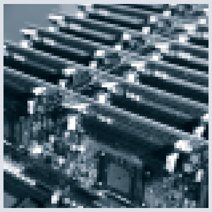


WONG NGIT LIONG
Chairman & CEO

PERFORMANCE & OPERATION REVIEW

As the world witnessed, 2007 was a year of considerable challenges for the financial industry and 2008 was the year where the financial maelstrom affected the real economy. Many global businesses started to feel the effect of an impending recession in 2008. It was only towards the end of the year that the corporate world and industries at large came under extreme test in the face of steep decline in end market demand.

For the Venture Group, business held relatively steady for the first three quarters of the year. Market conditions deteriorated towards the last two months of 2008. In spite of the difficult business environment at the end of the year, the Group managed to maintain business momentum. Sequentially, the Group's quarterly revenue had remained above S$900 million for four consecutive quarters, culminating in an annual revenue of S$3.8 billion, a slight 2.3% decline against revenue registered for the preceding year. In US dollar terms, the Group's full year revenue increased by 4.6%.



The Group's key market segments - namely Printing and Imaging, Retail Store Solutions and Industrial Products, Computer Peripherals and Data Storage, Networking and Communications, Test and Measurement and Medical Electronics - did not suffer any major deterioration. In fact, the average segmental decline was about two percent, mainly attributed to a negative foreign exchange impact. During the year, the Group saw a balanced contribution from the various product segments. The enhanced segmental diversity and customer-spread in each segment underpinned revenue resilience.

The Group managed to expand its market share among its key customers. Thirty percent of its top 10 customers registered double-digit revenue expansion. Ten percent actually registered higher than 100% growth during the year. Similarly, at least two major customers from the top 10 in each of the segments recorded growth of more than 10% to counteract the drop in volume of some accounts.

In 2008, the Group also forged several new business relationships. Whilst revenue contributions were not immediately of significant impact, the Group expects its business with these new partners, who are leaders in their respective field, to grow and strengthen in the periods ahead.

The year also witnessed various successful transfers of customers' manufacturing activities into the Group's facilities. Specifically, a number of OEMs (Original Equipment Manufacturers) were able to leverage Venture's operations, technical and supply chain support to benefit from better operational and cost efficiencies.

During the year, the Group made great stride in improving its overall competitiveness through continuing focus on operational excellence and design-driven activities. Given its outstanding performance, Venture has been recognised as the preferred supplier by numerous customers.

For the fiscal year ended 31 December 2008, the Group reported a net profit of S$167.5 million. A decline of 44.6%, largely due to non-operational charges of S$114.5 million on the Group's derivative financial instrument and S$6.3 million impairment of an associate. Without these non-cash non-operational charges, earnings for the year would have been S$288.4 million, approximating its full year 2007 earnings.

The Group generated strong cash from operations with an EBITDA of S$345.7 million (EBITDA excludes non-operational charges related to fair value loss on derivative financial instrument and impairment of an associate) and recorded a free cash flow of S$313.1 million for the financial year 2008. Earnings per share was 60.8 cents for the 12 months ended 31 December 2008.

The Group ended the year with a healthy balance sheet. As a result of the Group's strong cash flow from operations and judicious management of working capital, Venture ended the year in a net cash position with Cash and Cash Equivalents of S$513.8 million. The Net Asset Value per share of the Group rose to S$6.91 for the year. As at 31 December 2008, total shareholders' equity of the Group amounted to S$1,895.6 million.

In the challenging operating environment of 2008, the Group implemented several cost management initiatives to enable it to consistently deliver values to its customers.

EXECUTION EXCELLENCE

In 2008, the Group continued to push operational excellence to a new level through multiple design-driven, process related and supply chain initiatives. These initiatives helped the Group achieve improved levels of productivity and competitiveness.

Cost-effectiveness remains one of the cornerstones of the Group's operational excellence pursuit. In the challenging operating environment of 2008, the Group implemented several cost management initiatives to enable it to consistently deliver value to its customers. In fact, the Group's competitive cost structure enabled it to meet customers' cost objectives and at the same time, sustained its operational margins.

Whilst the Group has a keen focus on cost management, it continues to allocate resources for strategic activities and investments. In the area of technology and product innovation, the Group had made further progress to strengthen its capabilities and competencies.

The Group continues to develop world-class technologies in selected domain areas, as well as to meet the varied and evolving needs of the Group's global customer base. In 2008, the Group showcased its competencies and expertise with the developments of several new products including an auto diagnostic handset with enhanced graphic information system and a remote controller unit with multiple robotic arm control. The Group also made key advancements in computing platform development and industrial motherboard design with special silkscreen and cleaning requirements.

Today's changing electronics design landscape include the development of new products and solutions incorporating power efficiency and optimisation, as well as features like wireless interface and membrane keypad or touchscreen. Armed with many years of research and development ("R&D"), engineering and design experience, the Group has seen increasing involvements in product architectural designs for and with our major customers incorporating these and other features.




Venture has remained very flexible and embraced innovative business approaches to meet the dynamic business needs of its customers. The Group is able to provide conventional manufacturing and fulfillment services to Contract Design and Manufacturing, as well as Original Design Manufacturing ("ODM"). Through collaborations with its partners, Venture has grown its deep-bench engineering expertise and today, the Group's R&D areas of excellence include precision electro-mechanical, electrical engineering, firmware, ASIC design and software developments.

In 2008, the Group spearheaded several ODM projects, independently or jointly with its partners. These projects span the Group's key segments focusing on printing, storage, networking and communication technologies. A number of projects have been launched during the year and several more are in various phases of development. Venture's R&D and design activities are tied in to its ESP (electronic services provider) unit to provide a seamless integration from product development to manufacturing operations. This creates considerable benefits of ease of migration from design to the manufacturing environment, cost savings and faster time-to-market. Notwithstanding this, during the year, the Group was able to co-locate its R&D and operation teams on sites where customers' interest are best served.

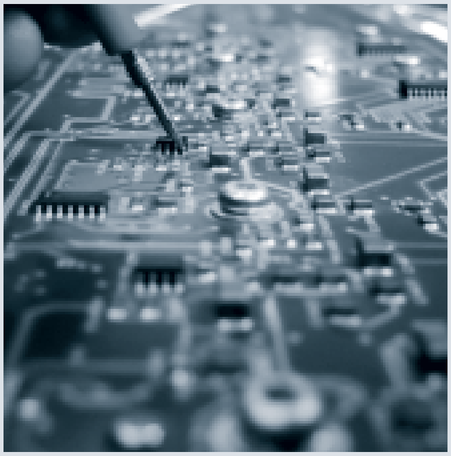
The Group has made applications for design patents for products in the printing and imaging, storage, communications and the medical domains in 2008.

During the year, the Group successfully acquired the remaining 40% equity interest in its subsidiary, Scinetic Engineering Pte Ltd ("SCE"). Venture acquired its original interest in SCE in November 2005 for purposes of augmenting its capabilities in retail systems solution, as well as to enhance its design offerings to its customers in the computer application and peripheral sector. With SCE becoming a fully-owned subsidiary of the Group, Venture is able to fully integrate the latter's activities to further strengthen the Group's design and manufacturing support to its customers.

Geographically, the Group also further strengthened its clusters of excellence, specifically in Malaysia and China.

Venture has a comprehensive quality assurance system that satisfies the requirements of international standards including ISO 9001, ISO 9002 and ISO 13485. All Venture's sites are also ISO 14000 certified. In 2008, the Group was awarded the "DQS GmbH – AS 9100 QMS for Aerospace Division in Europe" qualification.

The Group remains fully committed to its customers to build sustainable high performance partnerships. It will continue to have a customer-focus structure which at the same time permits leveraging of resources, capability and experience across the Group.



The Group has an aggressive Green Manufacturing programme. It has a RoHS initiative and adopts an ODS (ozone depleting substance) Free Scheme. In 2008, in close collaboration with a Fortune 50 customer, the Group was able to co-publish a LTO lead free storage hardware conversion project which has been acknowledged as a key technology reference paper for the industry.

PROVIDING THE LEADING EDGE

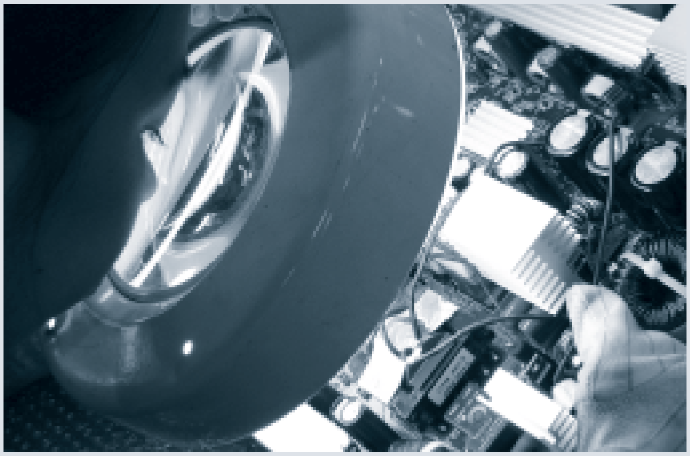
Venture's vision is to be the best and most reliable ESP and strategic partner of choice for successful global companies, providing total value chain management including EMS (electronics manufacturing services), ODM and E-fulfillment services. The long-term drivers of the Group's business – operational excellence, technology and innovation and financial excellence – have not changed.

The Group's excellent execution on corporate initiatives over the past years has strengthened its core competencies and sustained its operational excellence. Recognising the importance of operational excellence as a differentiator, Venture will intensify all efforts to raise the bar of operational excellence at all facilities.

The Group also remains tightly focused on leveraging technology and innovation. It will continue to build closer, deeper and more rewarding collaborations with its customers to broaden its technology contributions. Individually, it will stay at the forefront of technology with strategic investments and addition of key technical personnel.

The Group remains fully committed to its customers to build sustainable high performance partnerships. It will continue to have a customer-focus structure which at the same time permits leveraging of resources, capability and experience across the Group. This allows Venture to play at the intersection of business segments with the ability to harness domain experience and technologies from one segment to another.

Since its inception, the Group has maintained profitability and a strong balance sheet. Venture has consistently generated healthy free cash flows of over S$300 million in the last several years. The Group will continue to fortify its strong balance sheet and increase its cash reserves through sound working capital management.



The global operating environment is expected to remain challenging due to the financial crisis and the weakening world economy. The Group's ongoing corporate initiatives will enable it to navigate through this period. It is also well-placed to take advantage of new business opportunities.

DIVIDEND

For the financial year ended 31 December 2008, the Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis.

Subject to the approval of shareholders at the Annual General Meeting ("AGM") to be held on 24 April 2009, the proposed dividend will be paid on 26 May 2009.

APPRECIATION

The Venture Group achieved a creditable operational performance in 2008 in spite of the difficult business environment experienced globally.

I wish to place on record the appreciation of the Board to every Venture personnel who has made his/her contributions. The Board acknowledged that it was the collective competencies and commitment of the Venture team that have kept the Group on course in these challenging conditions.

To our customers whom the Group was privileged to serve, we say thank you for your continued confidence and support.

The tireless dedication of the Group's suppliers and business associates deserves mention too. We are grateful for the tremendous support rendered to the Group throughout the year.

Lastly, I would like to register my appreciation to the Board for their guidance and hard work.

With the unstinting support of all our stakeholders, the Group is confident it will be able to move closer towards its vision.

Wong Ngit Liong
Chairman & CEO

WONG NGIT LIONG
Chairman & CEO

Mr Wong Ngit Liong has served on the Board since 1989. He is the Chairman & CEO of the Group. He is also a member of the Remuneration Committee and the Nominating Committee and chairs the Investment Committee.

Mr Wong serves on the Board of various companies including DBS Group Holdings Ltd and DBS Bank Ltd. 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 Master's 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.

Past Principal Directorships in the Last Three Years

– Royal Phillips Electronics
– SIA Engineering Company Ltd

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 is the Chairman of Bukit Sembawang Estates Ltd and British & Malayan Trustees Ltd. He also serves on the Board of various companies including C K Tang Ltd and Pan-United Corporation Ltd.

Mr Wong had retired as partner of Ernst & Young International after spending more than 30 years there and in its predecessor companies. He continues to be actively involved in social work, serving several non-profit organisations. In recognition of his contribution to Singapore, 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. He is a member of the Institute of Certified Public Accountants of Singapore.

Past Principal Directorship in the Last Three Years

– Sincere Watch Ltd

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 2004 and serves on the Audit Committee. He has more than 29 years of extensive experience in the electronics sector.

Mr Goh is the Chairman of SembCorp Marine Ltd and serves on the Board of SembCorp Industries Ltd. He is also a member of the Board of Trustees of Nanyang Technological University in Singapore.

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

Past Principal Directorships in the Last Three Years

– O2 Micro International Ltd
– DBS Bank Ltd
– DBS Group Holdings Ltd
– Tuas Power Ltd

Board of Directors

GOON KOK LOON
Non-Executive Director

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

Currently, Mr Goon is Chairman of Global Maritime & Port Services Pte Ltd. He also sits on the Board of various companies including Singapore Petroleum Company Ltd, Jaya Holdings Ltd and Yongnam Holdings Ltd. Mr Goon has accumulated more than 40 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 holds a 1st Class (Honours) degree in Electrical Engineering from the University of Liverpool, United Kingdom and attended Postgraduate Study Programme at the Massachusetts Institute of Technology, United States. He is a Fellow of the Chartered Institute of Logistics & Transport.

KOH KHENG SIONG
Non-Executive Director

Mr Koh Kheng Siong was appointed to the Board in 2007 and serves as a member of the Audit Committee.

Mr Koh is also a non-executive, independent director of SIA Engineering Company Limited and Mapletree Logistics Trust Management Limited. Prior to August 2005, he held senior management positions in Singapore and the United States with ExxonMobil. He was Financial Controller of ExxonMobil Asia-Pacific Pte Ltd prior to his retirement in August 2005.

Mr Koh has a Bachelor of Economics (Honours) degree from the University of London. He subsequently received an MBA in Finance from the University of Chicago Graduate School of Business.

Past Principal Directorships in the Last Three Years

– SMRT Corporation Ltd

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 is currently a key executive involved in planning the strategic direction of the Company. He also provides mentorship to the management team.

Mr Tan holds a Bachelor of Electrical Engineering degree 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 Group Executive Committee. He is also a member of the Investment Committee.

Mr Soo has extensive experience in the electronics industry and has been with the Group for 21 years. As a pioneer in the Group, he has played a significant role in transforming Venture from a home-grown company to a leading global electronics services provider.

Mr Soo 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 and marketing management and technical support position in the field of data communication.

Mr Soo holds a Bachelor of Electronics degree 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 April 2001 and was appointed to his present role of Chief Financial Officer in 2006. He is a member of the Board's Investment Committee.

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 of Industrial Engineering degree 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.

Mr Han 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 and marketing. Prior to his current appointment, Mr Han was the Director of IT for the Raffles Medical Group.

Mr Han has a Bachelor in Science (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, Mr Thian worked in Plessey Telecommunications Limited in the United Kingdom as an 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 in 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.

Please refer to pages 16 and 17.

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 International Limited 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 and marketing, customer relationship management, as well as business planning and development.

Prior to his present appointment, Mr Lim held senior management positions in Venture's R&D group. Before joining the Group, Mr Lim was an 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 degree 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 Group-wide R&D efforts and programmes. 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 degree in Mechanical Engineering from the University of Glasgow, United Kingdom and a Master of Business in IT degree 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 fulfillment services, as well as post-sales technical support services.

Mr Tay started his career 24 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) degree from the National University of Singapore and an MBA 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 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 those companies.

Mr Nadarajah 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 Nadarajah holds a Bachelor of Engineering (Honours) degree in Computer Systems Engineering from the University of Bristol, United Kingdom, which he attended as a Public Service Division scholar. He also holds an MBA 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.

Prior to his tenure in Venture, Mr Altice 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 Bachelor (Magna Cum Laude) and Master degrees of Science in Electrical Engineering from the University of Utah, United States.

EUROPE

Venture Electronics (Europe) B.V.
IMFC Management B.V.
Steupelstraat 16
NL-3065 JE Rotterdam
The Netherlands
T : +31 (10) 447 0407
F : +31 (10) 202 6413

Venture Electronics Spain S.L.
C. Pagesia, 22-24
01891 Rubi, Barcelona
Spain
T : +34 (93) 588 3018
F : +34 (93) 697 1131

Venture Hungary Electronics Manufacturing Limited Liability Company
1134 Budapest, Váci út 33
Hungary
T : +36 (1) 451 7124
F : +36 (1) 451 7196

AMERICA

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

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

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

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

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

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

MALAYSIA

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

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

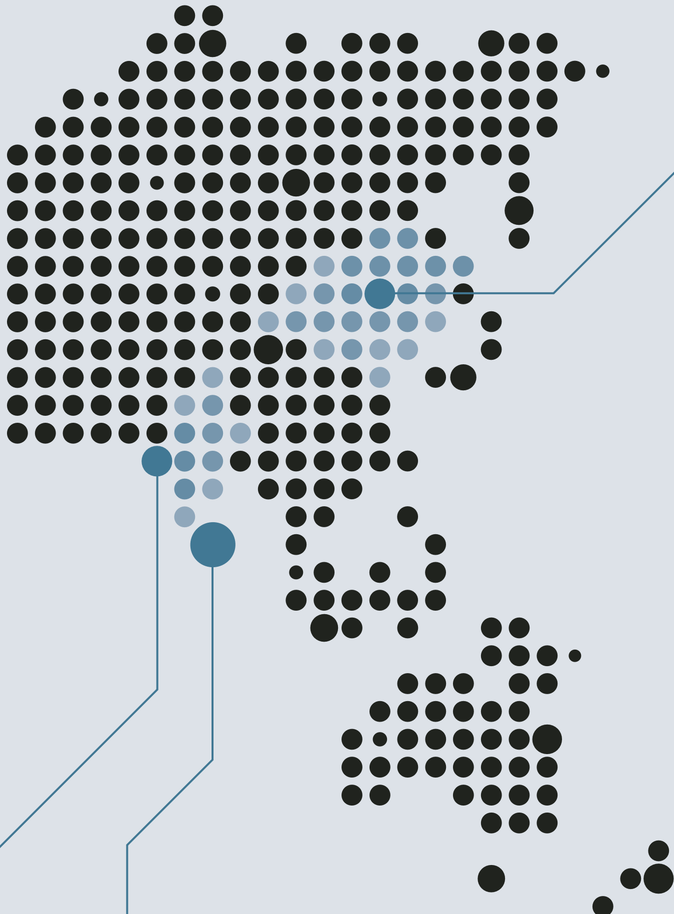
Pintarmas Sdn Bhd
4 Jalan Kempas 5/2
Tampoi 81200
Johor Bahru
Johor, Malaysia
T : +60 (07) 237 7201
F : +60 (07) 234 5595

Technocom Systems Sdn Bhd
2 Jalan Kempas 5/2
Tampoi 81200
Johor Bahru
Johor, Malaysia
T : +60 (07) 237 7201
F : +60 (07) 236 4146

V-Design Services (M) Sdn Bhd
2 Jalan Kempas 5/2
Tampoi 81200
Johor Bahru
Johor, Malaysia
T : +60 (07) 237 7201
F : +60 (07) 236 4146

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

Group of Companies



CHINA

Shanghai GES Information Technology Co., Ltd
668 Li Shi Zhen Road
Zhangjiang Hi-Tech Park
Pudong Shanghai 201203
People's Republic of China
T : +86 (21) 3898 4898
F : +86 (21) 5080 6968

Shanghai Wai Gao Qiao Venture Electronics Co., Ltd
271 Gang Ao Road
Wai Gao Qiao Free Trade Zone
Pudong Shanghai 200131
People's Republic of China
T : +86 (21) 5048 0103
F : +86 (21) 5048 0982

Univac Precision Plastics (Shanghai) Co., Ltd
308 Plant #11 Fen Ju Road
Wai Gao Qiao Free Trade Zone
Pudong Shanghai 200131
People's Republic of China
T : +86 (21) 5048 1868
F : +86 (21) 5048 1997

Univac Precision Plastics (SIP) Co., Ltd
30 Min Sheng Road
Sheng Pu Town
Suzhou Industrial Park
Suzhou 215126
People's Republic of China
T : +86 (21) 6282 8828
F : +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
T : +86 (21) 5899 8086
F : +86 (21) 5899 7682

Venture Electronics (Shenzhen) Co.,Ltd
2 Bin Lang Road
5th Floor B/C Zone
Wei Guang Lian Logistics Building
Futian District Free Trade Zone
Shenzhen 518038
People's Republic of China
T : +86 (0755) 2395 0126
F : +86 (0755) 2395 0115

SINGAPORE

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

Advanced Products Corporation Pte Ltd
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
T : +65 6482 1755
F : +65 6482 0122

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

GES International Limited
28 Marsiling Lane
Singapore 739152
T : +65 6732 9898
F : +65 6367 1514

GES Investment Pte Ltd
28 Marsiling Lane
Singapore 739152
T : +65 6732 9898
F : +65 6367 1514

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

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

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

Scinetic Engineering Pte Ltd
28 Marsiling Lane
Singapore 739152
T : +65 6732 9898
F : +65 6367 1514

Univac Design & Engineering Pte Ltd
Blk 4012 Ang Mo Kio Avenue 10
#01-01 TECHplace I
Singapore 569628
T : +65 6854 3333
F : +65 6854 3388

Univac Precision Engineering Pte Ltd
Blk 4012 Ang Mo Kio Avenue 10
#01-01 TECHplace I
Singapore 569628
T : +65 6854 3333
F : +65 6854 3388

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

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

VS Electronics Pte Ltd
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873
T : +65 6482 1755
F : +65 6482 0122

Location	Site Area (sq.m.)	Tenure	Usage
HS(D) 237904-237908 PTD 67770 – 67774, Mukim Tebrau Johor Bahru, Johor, Malaysia	29,029	Freehold	Industrial
HS(D) 218290 PTD 64850, Mukim Tebrau Johor Bahru, Johor, Malaysia	18,763	Freehold	Industrial
69 Huang Yang Road Tower 2, 6/F, Unit D Xin He Gardens, Jin Qiao Pudong Shanghai 201206 People's Republic of China	156	Leasehold (Expiring 2063)	Residential
MK 28, Lot No. U81930W Singapore	217	Leasehold (Expiring 2056)	Office and industrial
HS(D) 8712 PTD 3217, Bayan Lepas Penang, Malaysia	39,522	Leasehold (Expiring 2055)	Industrial
HS(D) 333450 PTD 97125, Mukim Tebrau Johor Bahru, Johor, Malaysia	44,470	Leasehold (Expiring 2052)	Industrial
668 Li Shi Zhen Road Zhangjiang Hi-Tech Park Pudong Shanghai 201203 People's Republic of China	20,000	Leasehold (Expiring 2050)	Office and industrial
HS(D) 445334 PTD 100821 Mukim Senai-Kulai Johor Bahru, Johor, Malaysia	24,581	Leasehold (Expiring 2049)	Office and industrial
HS(D) 270914 PTD 68796, Mukim Tebrau Johor Bahru, Johor, Malaysia	16,187	Leasehold (Expiring 2025)	Office and industrial
MK 13, Lot No. 2361 Singapore	10,550	Leasehold (Expiring 2021)	Office and industrial
MK 11, Lot No. 796 Singapore	5,325	Leasehold (Expiring 2010)	Industrial

List of Properties

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
Email : contact-us@venture.com.sg

COMPANY SECRETARY

Angeline Khoo Cheng Nee
(Appointed with effect from 15 February 2008)

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

AUDITOR

Deloitte & Touche LLP
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
Philip Yuen Ewe Jin
(Appointed with effect from the financial year ended 31 December 2008)

BANKERS

BNP Paribas Bank
Citibank N.A.
DBS Bank Ltd
Deutsche Bank AG
JPMorgan Chase Bank
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Ltd
The Royal Bank of Scotland
United Overseas Bank Limited

Corporate Directory



Announcement of 2008 Full Year Results	**19 February 2009**
Non-deal Road Show in Singapore Post FY2008 Results	**20 February 2009**
Dispatch of Annual Report to Shareholders	**1 April 2009**
Annual General Meeting	**24 April 2009**
Extraordinary General Meeting	**24 April 2009**
Announcement of 2009 First Quarter Results	**30 April 2009**
Non-deal Road Show in Singapore Post 1Q2009 Results	**4 May 2009**
CLSA Corporate Access Forum	**20 – 21 May 2009**
Book Closure Dates in relation to FY2008 Final Dividend	**5.00 p.m. 5 – 6 May 2009**
Dividend Payment Date	**26 May 2009**
Announcement of 2009 Second Quarter Results	**7 August 2009**
Non-deal Road Show in Singapore Post 2Q2009 Results	**11 August 2009**
Announcement of 2009 Third Quarter Results	**11 November 2009**
Non-deal Road Show in Singapore Post 3Q2009 Results	**12 November 2009**
Financial Year-end	**31 December 2009**

Note: Future dates are indicative and may be subjected to change

Investor Relations Calendar

The Company recognises that its growth and success must be anchored firmly on a framework of sound corporate governance principles, practices and processes. It believes that its drive towards effective corporate governance will translate to sound business decisions, underpinning its operational and financial performance and delivering values to all its stakeholders.

Towards this end, the Company conscientiously nurtures a strong corporate governance culture amongst the Board of Directors, Management and staff. The Company upholds a high standard of corporate conduct in conformity with the principles of the Code of Corporate Governance (Code).

The Company was awarded the Securities Investors' Association (Singapore)'s (SIAS) "Most Transparent Company Award 2008" under the Technology & Electronics Category. The Company acknowledges with gratitude this recognition from SIAS and the selection panel. The Company remains committed to a high standard of business integrity with strong emphasis on ethical corporate conduct. Through ongoing review and refinement of its internal processes by which the business and affairs of the Company are managed, the Company seeks to enhance its accountability, auditability and transparency.

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, Remuneration Committee and Investment Committee.

The Company held five Board meetings in 2008. The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, are as follows:

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

Non-Executive Independent Directors

The Company organises appropriate 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.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests 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.

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

Board Composition

The Board comprises eight members of which five 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 16 and 17 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 Company.

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 provides a new Director with 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 other members are Mr Cecil Vivian Richard Wong and Mr Wong Ngit Liong. The Nominating Committee met twice in 2008.

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 the Director is able to carry out and/or has adequately carried out his duties as a Director of the Company; and

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 Tan Choon Huat and Mr Soo Eng Hiong will retire by rotation at the forthcoming AGM and have been re-nominated for re-election.

The Nominating Committee has recommended the nomination of the Directors retiring by rotation for re-election at the forthcoming AGM. The Nominating Committee has also recommended the nomination of Mr Cecil Vivan Richard Wong retiring pursuant to Section 153(6) of the Companies Act for re-appointment. 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 to evaluate the performance of the Board in 2008. 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 Management may be invited to attend Board meetings to provide updates on the Group's operations and business; to furnish additional insight into various corporate matters and/or to 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 other members are Mr Cecil Vivian Richard Wong, Mr Goon Kok Loon and Mr Wong Ngit Liong. The Remuneration Committee met twice in 2008.

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 does 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, which had been approved by shareholders of the Company.

Directors' Fees

Directors' fees are set in accordance with a remuneration framework of basic fees. Non-Executive Independent 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 2008, 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 2008 is detailed in this report.

Remuneration Band and Name of Director	Fees+ %	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
$750,000 to $999,999				
Tan Choon Huat	–	49	51	100
Soo Eng Hiong	–	49	51	100
$3,750,000 to $3,999,999				
Wong Ngit Liong	–	23	77	100

+ *Lump sum amount subject to approval by shareholders at AGM to be held on 24 April 2009*
* *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 Company's remuneration structure comprises both basic and variable components, applicable to all employees including its key executives. The total basic remuneration is made up of an employee's annual base salary and the employer's Central Provident Fund ("CPF") contribution. The total variable remuneration consists of the annual wage supplement and bonuses, as well as corresponding employer's CPF contribution. The award of the variable remuneration is based on both corporate and individual performance. The Company's key executives (who are not Directors) earning remuneration which fall within the band of $500,000 - $749,999 are Mr Kris Altice, Mr Lee Ghai Keen, Mr Lim Swee Kwang, Mr Dharma Nadarajah, Mr Frankie Tan Teck Poon, Mr Tan Kian Seng and Mr Tay Wui Kian. The total basic remuneration as a percentage of the total remuneration for these key executives ranges from 38% to 64%.

PRINCIPLES 10, 11, 12 & 13
ACCOUNTABILITY, AUDIT & INTERNAL CONTROLS

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. Mr Cecil Vivian Richard Wong is the Chairman of the committee. The Audit Committee met four times in 2008.

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 exposures that exist, and assess the steps Management has taken to minimise such risks to the Company;

e. to review with the Chief Financial Officer ("CFO") and external auditors:

    i. the Company's unaudited quarterly, interim and annual financial statements and related footnotes, including accounting principles;

    ii. the external auditors' audit of the annual 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:

   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.

Investment Committee

In addition to the Nominating Committee, Audit Committee and Remuneration Committee, the Company had also established an Investment Committee. The Investment Committee comprises one Non-Executive Independent Director, two Executive Directors and the CFO of the Company. They are Mr Goon Kok Loon, Mr Wong Ngit Liong, Mr Soo Eng Hiong and Mr Tan Kian Seng. Its role is to set broad overall investment policies and guidelines for the Company, to assess and review investments, opportunities and performance.

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 2008.

PRINCIPLES 14 & 15
COMMUNICATION WITH SHAREHOLDERS

In upholding the highest standard of corporate governance, the Company has not merely complied with the provisions of the Code and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") with regard to communication with shareholders, it has embraced the spirit of corporate transparency.

The Company recognises the importance of dialogue with its shareholders and the investment community and maintains regular, effective and fair communication with them. It has also adopted practices and processes by which material corporate information is disclosed on a timely basis.

The Company's corporate announcements, including the quarterly financial results announcements, are disseminated via SGX-ST SGXNet system. These are issued within the mandatory period. 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.

The Company practises voluntarily corporate clarification and/or disclosure of corporate developments via SGX-ST, notwithstanding that some of these may not be mandatory. In addition, explanations and clarifications are provided to all interested parties on an equal-opportunity basis. These voluntary efforts are in line with the Company's commitment to fair communication.

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 shareholders of the Company. At the meeting, the Company provides details to build clarity on its operational and financial performance, as well as responds to matters raised by the participants with due consideration to fair disclosure. In addition, the Company establishes immediate shareholder communication following its quarterly results filing via a series of local non-deal road shows and global conference calls. The Company has a keen following from 24 research firms with more than 16 of them providing regular reports and notes on the Company.

The Company's Reports to Shareholders are filed annually. The Report to Shareholder, together with the Notice of AGM and Circular, if applicable, are sent to shareholders by post within the mandatory period. The Company also publishes the Notice of AGM in a major local newspaper.

In recognition that today's information flow is instantaneous and widely available around the world, the Company embraces an investor relations approach which is global in nature. The Company engages its investors through various channels of communication on the premise of providing accurate, consistent and timely communications across the globe.

The CEO, CFO and the Corporate Communications team are available to meet local and foreign shareholders and analysts on request. In 2008, the Company received many requests throughout the year for corporate updates from both institutional and retail investors. These updates were provided by means of one-on-one meetings, conference calls or via exchange of electronic mails. The Corporate Communications team also 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.

During the year, the Company participated in two local and one overseas corporate access conferences. The Company has conducted four local post-results non-deal road shows in 2008 and anticipates to continue with this initiative.

The AGM is attended by all the Directors, external auditors, the Company Secretary and Management. During the meeting, 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 allow each shareholder to appoint one or two proxies to attend and vote at general meetings on his/her behalf. However, it does 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 before 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 one month before 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 & Information for Shareholders

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 2008.

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
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 2008	At 31 December 2008
Names of Directors and Company in which interests are held	Ordinary shares of the Company	
The Company		
Wong Ngit Liong	19,166,619	19,166,619
Koh Lee Boon	3,000	3,000
Tan Choon Huat	4,118,145	4,118,145
Soo Eng Hiong	4,270,362	4,270,362

	Shareholdings registered in the names of Directors	
Names of Directors and Company in which interests are held	Share options to subscribe for shares of the Company	
The Company		
Wong Ngit Liong	286,000	256,000
Tan Choon Huat	219,000	209,000
Soo Eng Hiong	219,000	209,000

The Directors' interests as at 21 January 2009 are the same as those as at 31 December 2008.

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.

(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 2008 were as follows:

	Number of options to subscribe for ordinary shares of the Company					
Date of grant	Outstanding at 1 January 2008	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2008	Subscription price per share	Exercisable period
27 June 2003	2,473,000	–	(2,473,000)	–	$16.17	27 June 2004 to 26 June 2008
27 February 2004	3,024,000	–	(558,000)	2,466,000	$21.53	27 February 2005 to 26 February 2009
	5,497,000	–	(3,031,000)	2,466,000		

The Company or its subsidiaries did not issue any shares 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)	(600,000)	60,000
Tan Choon Huat	–	3,773,989	(3,658,989)	(70,000)	45,000
Soo Eng Hiong	–	3,523,989	(3,408,989)	(70,000)	45,000
ii) Employees	–	51,268,747	(40,020,254)	(8,932,493)	2,316,000
Total	–	63,726,725	(51,588,232)	(9,672,493)	2,466,000

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 2008 were as follows:

	Number of options to subscribe for ordinary shares of the Company						
Date of grant	Outstanding at 1 January 2008	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2008	Subscription price per share	Exercisable period
1 September 2005	1,826,000	–	–	(289,000)	1,537,000	$18.288 [a] $16.764 [b] $16.002 [c]	1 September 2006 to 31 August 2010
15 September 2006	2,516,000	–	–	(337,000)	2,179,000	$14.275 [d] $12.562 [e] $11.991 [f] $11.420 [g]	15 September 2007 to 14 September 2011
15 September 2007	3,026,000	–	–	(245,000)	2,781,000	$19.850 [h] $17.468 [i] $16.674 [j] $15.880 [k]	15 September 2008 to 14 September 2012
15 September 2008	–	3,297,000	–	(10,000)	3,287,000	$10.463 [l] $9.207 [m] $8.789 [n] $8.370 [o]	15 September 2009 to 14 September 2013
	7,368,000	3,297,000	–	(881,000)	9,784,000		

[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*
[l] *If exercised between 15 September 2009 and 14 September 2010*
[m] *If exercised between 15 September 2010 and 14 September 2011*
[n] *If exercised between 15 September 2011 and 14 September 2012*
[o] *If exercised between 15 September 2012 and 14 September 2013*

5 **SHARE OPTIONS (Cont'd)**

B) The Venture Corporation Executives' Share Option Scheme (the 2004 Scheme) (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	196,000	–	–	196,000
Tan Choon Huat	60,000	164,000	–	–	164,000
Soo Eng Hiong	60,000	164,000	–	–	164,000
ii) Employees	3,107,000	10,917,000	(83,000)	(1,574,000)	9,260,000
Total	3,297,000	11,441,000	(83,000)	(1,574,000)	9,784,000

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.

C) Subject to shareholders' approval of the proposed amendments to the Articles and Association of the Company at the forthcoming extraordinary general meeting to be convened on 24 April 2009, the 2004 Scheme will be amended to take into account the changes made to the Companies Act, Chapter 50 pursuant to the Companies (Amendment) Act, in relation inter alia, to the abolition of the par value concept of shares.

In addition, the 2004 Scheme will be amended to clarify that the Committee has a discretion to set exercise prices at a premium to the Subscription Price after the first, second, third and fourth anniversary of the Date of Grant. The proposed amendments are as follows :

"6. Subscription Price

6.1 Subject to any adjustment pursuant to Rule 11, the Subscription Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, on the Date of Grant, to be a price equal to the Market Price or such higher price as may be determined by the Committee in its absolute discretion and ~~may, as determined by~~ the Committee **may**, on the Date of the Grant, **grant Options with different Subscription Prices** ~~vary~~ depending on the date of exercise of **such** ~~the~~ Option**s** (such variations, if any, to be determined by the Committee, on the Date of Grant, and notified to the Participant in the Letter of Offer under Rule 5.2)."

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

The Audit Committee held four meetings since the date of 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 LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, 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

18 March 2009

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 2008, 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 40 to 98.

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 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 judgement, 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 2008 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 LLP
Public Accountants and
Certified Public Accountants
Singapore

18 March 2009

Independent Auditors' Report

to the Members of Venture Corporation Limited

		The Company		The Group	
	Note	2008 $'000	2007 $'000	2008 $'000	2007 $'000
ASSETS					
Current assets					
Cash and cash equivalents	6	144,699	77,832	513,770	493,326
Available-for-sale investments	7	156,278	43,085	158,259	46,085
Trade receivables	8	112,225	151,244	537,296	618,780
Other receivables and prepayments	9	5,380	6,904	36,621	31,689
Inventories	10	80,248	86,910	538,734	547,343
Trade receivables due from subsidiaries	11	8,229	19,349	–	–
Other receivables due from subsidiaries	11	341	6,346	–	–
Total current assets		507,400	391,670	1,784,680	1,737,223
Non-current assets					
Investments in subsidiaries	11	1,234,726	1,234,726	–	–
Investments in associates	12	89,661	82,536	113,616	112,435
Investment in a joint venture	13	–	–	–	–
Available-for-sale investments	7	37,110	200,238	42,994	206,632
Property, plant and equipment	14	11,716	13,641	196,036	206,798
Intangible assets	15	2,682	–	137,369	153,937
Goodwill	16	–	–	640,593	630,415
Deferred tax assets	21	–	–	1,038	1,037
Total non-current assets		1,375,895	1,531,141	1,131,646	1,311,254
Total assets		1,883,295	1,922,811	2,916,326	3,048,477

	Note	The Company 2008 $'000	The Company 2007 $'000	The Group 2008 $'000	The Group 2007 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	17	187,740	236,169	201,680	250,964
Trade payables	18	74,132	90,077	436,855	472,691
Other payables and accrued expenses	19	23,776	42,206	95,988	109,069
Trade payables due to subsidiaries	11	18,955	125,119	–	–
Other payables due to subsidiaries	11	5,422	456	–	–
Trade payables due to associates	12	–	–	296	1,601
Income tax payable		2,114	3,497	1,258	6,570
Derivative financial instruments	20	132,473	3,454	132,473	3,454
Total current liabilities		444,612	500,978	868,550	844,349
Non-current liabilities					
Bank loans	17	119,854	259,310	119,854	259,310
Derivative financial instruments	20	–	16,443	–	16,443
Deferred tax liabilities	21	–	–	29,074	32,931
Total non-current liabilities		119,854	275,753	148,928	308,684
Capital and reserves					
Share capital	24	671,906	671,906	671,906	671,906
Share options reserve	24	30,853	29,385	31,805	30,052
Investments revaluation reserve	24	(14,777)	(2,483)	(15,611)	(3,067)
Translation reserve		–	–	(136,015)	(123,588)
Reserve fund	24	–	–	690	371
Accumulated profits		630,847	447,272	1,342,865	1,308,858
Equity attributable to equity holders of the Company		1,318,829	1,146,080	1,895,640	1,884,532
Minority interests		–	–	3,208	10,912
Total equity		1,318,829	1,146,080	1,898,848	1,895,444
Total liabilities and equity		1,883,295	1,922,811	2,916,326	3,048,477

See accompanying notes to financial statements.

	Note	The Group 2008 $'000	2007 $'000
Revenue	25	3,784,120	3,872,824
Changes in inventories of finished goods and work in progress		4,775	(16,611)
Raw materials and consumables used		(3,027,201)	(3,064,266)
Employee benefits expense		(292,446)	(307,621)
Depreciation and amortisation expense		(60,773)	(65,473)
Research and development expense		(20,964)	(29,618)
Foreign currency exchange adjustment gain		5,776	15,902
Other operating expenses		(117,160)	(112,276)
Other expenses	26	(112,214)	(14,667)
Investment revenue	27	16,805	31,531
Finance cost (interest expense on bank loans)		(8,333)	(19,882)
Share of profit of associates		197	4,725
Profit before tax		172,582	294,568
Income tax	28	(5,033)	8,134
Profit for the year	29	167,549	302,702
Attributable to:			
Equity holders of the Company		166,692	300,027
Minority interests		857	2,675
		167,549	302,702
		Cents	Cents
Basic earnings per share	30	60.8	109.6
Fully diluted earnings per share	30	60.8	109.6

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement

Year ended 31 December 2008

	Note	Share capital $'000	Share options reserve $'000	Investments revaluation reserve $'000	Accumulated profits $'000	Total $'000
Company						
Balance at 1 January 2007		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
Net fair value changes in available-for-sale investments		–	–	(12,206)	–	(12,206)
Released on disposal of available-for-sale investments		–	–	(88)	–	(88)
Net income recognised directly in equity		–	–	(12,294)	–	(12,294)
Share options lapsed		–	(4,761)	–	4,761	–
Profit for the year		–	–	–	315,941	315,941
Total recognised income and expenses for the year		–	(4,761)	(12,294)	320,702	303,647
Recognition of share-based payments	23	–	6,229	–	–	6,229
Final tax exempt dividend paid in respect of the previous financial year	35	–	–	–	(137,127)	(137,127)
Balance at 31 December 2008		671,906	30,853	(14,777)	630,847	1,318,829

Statements of Changes in Equity

Year ended 31 December 2008

	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 1 January 2007		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 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

	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 2007		671,906	30,052	(3,067)	(123,588)	371	1,308,858	1,884,532	10,912	1,895,444
Net fair value changes in available-for-sale investments		–	–	(12,456)	–	–	–	(12,456)	–	(12,456)
Released on disposal of available-for-sale investments		–	–	(88)	–	–	–	(88)	–	(88)
Share of an associate's share options reserve		–	285	–	–	–	–	285	–	285
Exchange differences arising on translation of foreign operations		–	–	–	(12,427)	–	–	(12,427)	(186)	(12,613)
Net income recognised directly in equity		–	285	(12,544)	(12,427)	–	–	(24,686)	(186)	(24,872)
Share options lapsed		–	(4,761)	–	–	–	4,761	–	–	–
Profit for the year		–	–	–	–	–	166,692	166,692	857	167,549
Total recognised income and expenses for the year		–	(4,476)	(12,544)	(12,427)	–	171,453	142,006	671	142,677
Recognition of share-based payments	23	–	6,229	–	–	–	–	6,229	–	6,229
Acquisition of remaining interest in a subsidiary	36	–	–	–	–	–	–	–	(8,375)	(8,375)
Final tax exempt dividend paid in respect of the previous financial year	35	–	–	–	–	–	(137,127)	(137,127)	–	(137,127)
Appropriation to reserve fund		–	–	–	–	319	(319)	–	–	–
Balance at 31 December 2008		671,906	31,805	(15,611)	(136,015)	690	1,342,865	1,895,640	3,208	1,898,848

See accompanying notes to financial statements.

	The Group	
	2008	2007
	$'000	$'000
Operating activities		
Profit before tax	172,582	294,568
Adjustments for:		
Share of profit of associates	(197)	(4,725)
Allowance (Reversal of allowance) for inventories	611	(302)
Inventories written off	1,195	–
Depreciation expense	41,208	44,203
(Reversal of allowance) allowance for doubtful trade receivables	(385)	355
Amortisation of intangible assets	19,565	21,270
Impairment loss on available-for-sale investments	–	650
Impairment loss on property, plant and equipment	26	206
Impairment loss on investment in an associate	6,314	–
Negative goodwill credited to the profit and loss statement	–	(9)
Interest income	(14,855)	(25,714)
Dividend income	(226)	(379)
Interest expense	8,333	19,882
Share-based payments expense	6,229	7,247
Fair value loss on derivative financial instruments	114,511	16,236
Gain on disposal of available-for-sale investments	(1,950)	(5,817)
Loss (Gain) on disposal of plant and equipment	1,039	(244)
Loss on disposal of intangible assets	10	–
Operating profit before working capital changes	354,010	367,427
Trade receivables	80,806	(19,564)
Other receivables and prepayments	(3,144)	12,098
Other payables due to joint venture	–	(25)
Inventories	6,972	8,152
Trade payables	(37,031)	49,038
Other payables and accrued expenses	(18,776)	4,586
Trade payables due (to) from associates	(1,305)	1,329
Cash generated from operations	381,532	423,041
Interest paid	(7,415)	(19,132)
Income tax paid	(15,782)	(5,421)
Net cash from operating activities	358,335	398,488

Consolidated Cash Flow Statement

Year ended 31 December 2008

	The Group	
	2008	2007
	$'000	$'000
Investing activities		
Interest income received	14,855	25,714
Dividends received	226	379
Dividends received from associates	–	1,578
Purchase of property, plant and equipment	(32,566)	(39,685)
Proceeds on disposal of plant and equipment	1,728	2,215
Addition of intangible assets	(2,990)	(969)
Proceeds on disposal of available-for-sale investments	44,214	42,232
Purchase of available-for-sale investments	(8,039)	(3,077)
Proceeds on disposal of asset classified as held for sale	–	12,500
Acquisition of the remaining shares of a former joint venture (Note 36b)	–	10
Acquisition of shareholdings in an associate	(7,125)	–
Payment to minority shareholders for acquisition of additional shares in subsidiary (Note 36a)	(18,553)	–
Net cash (used in) from investing activities	(8,250)	40,897
Financing activities		
Dividends paid	(137,127)	(154,629)
Proceeds from new bank loans	11,007	575,000
Repayment of bank loans	(199,970)	(695,365)
Proceeds from issue of shares	–	21,932
Net cash used in financing activities	(326,090)	(253,062)
Net increase in cash and cash equivalents	23,995	186,323
Cash and cash equivalents at beginning of year	493,326	329,006
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(3,551)	(22,003)
Cash and cash equivalents at end of year (Note 6)	513,770	493,326

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 venture are detailed in Notes 11, 12 and 13 to the financial statements respectively.

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 2008 were authorised for issue by the Board of Directors on 18 March 2009.

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 2008. 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 amounts reported for the current or prior years.

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

FRS 1	-	Presentation of Financial Statements (Revised)
FRS 1	-	Presentation of Financial Statements (Amendments relating to puttable financial instruments and obligations arising on liquidation)
FRS 23	-	Borrowing costs (Revised)
FRS 27	-	Consolidated and Separate Financial Statements (Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate)
FRS 32	-	Financial Instruments: Presentation (Amendments relating to puttable financial instruments and obligations arising on liquidation)
FRS 39	-	Financial Instruments: Recognition and Measurement (Amendments relating to Reclassification of Financial Assets)
FRS 39	-	Financial Instruments: Recognition and Measurement (Amendments relating to Eligible Hedged Items)
FRS 102	-	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 108	-	Operating Segments
INT FRS 111	-	FRS 102 - Group and Treasury Share Transactions
INT FRS 116	-	Hedges of a Net Investment in a Foreign Operation
INT FRS 117	-	Distributions of Non-cash Assets to Owners

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial application except for the following:

FRS 1 – Presentation of Financial Statements (Revised)
FRS 1(Revised) will be effective for annual periods beginning on or after 1 January 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FRS 108 – Operating Segments
FRS 108 will be effective for annual financial statements beginning on or after 1 January 2009 and supersedes FRS 14 – Segment Reporting. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the Group's reportable segments may change.

FRS 23 – Borrowing Costs (Revised)
FRS 23 (Revised) will be effective for annual periods beginning on or after 1 January 2009 and eliminates the option available under the previous version of FRS 23 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. As the change in accounting policy is to be applied prospectively, there will be no impact on amounts reported for 2008.

b) BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including special purposes 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 their 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 venture 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 and loss statement.

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 basis for debt instruments.

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 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 investments 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 the profit and loss statement. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in the profit and loss statement for the period. Dividends on available-for-sale equity instruments are recognised in the profit and loss statement 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 the profit and loss statement, 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 method, except for short-term receivables where the recognition of interest would be immaterial.

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 the profit and loss statement.

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 the profit and loss statement 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.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

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.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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 the profit and loss statement.

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.

f) INVENTORIES - Inventories are stated 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 or valuation 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 profit or loss.

h) GOODWILL - Goodwill arising on the acquisition of a subsidiary or jointly controlled entity 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 or jointly controlled entity 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 or a jointly controlled entity, 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 the profit and loss statement 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.

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. 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 profit and loss statement.

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

l) 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.

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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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 as and when the service is completed and the risk and rewards of ownership of the manufactured goods are transferred to the buyer. Revenue from the rendering of services of a short duration is recognised when the services are completed.

<u>Dividend income</u>

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

<u>Interest income</u>

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.

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 the profit and loss statement, 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 the profit and loss statement, 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 rate 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.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit and loss statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit and loss statement 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 the profit and loss statement 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 translation reserves.

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.

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 flows of each investment, and taking into consideration all credit exposure, no impairment loss (2007 : impairment loss of $650,000) was recognised in the profit and loss statement during the financial year.

As at the year-end, the Company and Group has available-for-sale investments in a Collaterised Debt Obligation ("CDO") with fair value of $151,259,000 (2007 : 2 CDOs with fair values of $208,363,000). 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 associates

Management follows the guidance in *FRS 39 – Financial Instruments: Recognition and Measurement* to assess whether there are any indications that the investments in associates are impaired. *Under FRS 28 – Investment in Associates*, management is required to test the carrying amounts of the investments in associates for impairment in accordance with *FRS 36 – Impairment of Assets* by comparing its carrying amount with the recoverable amount (higher of value in use and fair value less costs to sell) whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

Management has considered, among other factors, the duration and extent to which the fair value of the associates had fallen short of its carrying amounts as an indication of impairment. Accordingly, an exercise to determine the recoverable amount on the basis of value in use calculations of an associate was conducted. This exercise incorporated a determination of the following:

i) The financial health and long-term business outlook of the associate, including factors such as changes in technology, overall industry and sector performance and related market risks;

ii) A review of the cash flows forecast and the basis and assumptions underlying the forecast;

As the exercise is based on both prospective financial and non-financial information, it requires considerable judgement and is highly subjective in nature. Accordingly, actual outcome may be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material. A change in any of the key variables underlying the cash flow forecast could have a significant impact on the value in use calculations.

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

Based on management's judgments and estimates, adequate impairment loss has been provided in respect of the investment in an associate (Note 12). Management is of the view that the carrying amounts of the investments in associates, after impairment losses, do not exceed their respective recoverable amounts.

c) Impairment of goodwill and investments in subsidiaries

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate present value. As the exercise is based on both prospective financial and non-financial information, it requires considerable judgement and is highly subjective in nature. Accordingly, actual outcome is likely to be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material. A change in any of the key variables underlying the cash flow forecast could have a significant impact on the value in use calculations.

Based on management's judgments and estimates, no impairment loss was recognised during the financial year.

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 2006. 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 cashflows. 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's 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 selling prices 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.

g) Useful lives of property, plant and equipment

The carrying amount of property, plant and equipment amounting to $196,036,000 (2007 : $206,798,000) have been determined after charging depreciation on a straight line basis over the estimated useful life of these assets.

Components of these carrying amounts are detailed in Note 14.

Management reviews the estimated useful lives of these assets at the end of each annual reporting period and determined that the useful lives as stated in Note 2 remain appropriate.

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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables at amortised cost:				
Cash and cash equivalents	144,699	77,832	513,770	493,326
Trade receivables	112,225	151,244	537,296	618,780
Trade receivables due from subsidiaries	8,229	19,349	–	–
Other receivables	4,190	6,188	28,238	25,023
Other receivables due from subsidiaries	341	6,346	–	–
	269,684	260,959	1,079,304	1,137,129
Available-for-sale financial assets	193,388	243,323	201,253	252,717
Total	463,072	504,282	1,280,557	1,389,846
Financial liabilities				
Derivative financial instruments (at fair value through profit or loss)	132,473	19,897	132,473	19,897
Amortised cost:				
Bank loans	307,594	495,479	321,534	510,274
Trade payables	74,132	90,077	436,855	472,691
Trade payables due to subsidiaries	18,955	125,119	–	–
Trade payables due to associates	–	–	296	1,601
Other payables	328	1,893	34,324	15,383
Other payables due to subsidiaries	5,422	456	–	–
	406,431	713,024	793,009	999,949
Total	538,904	732,921	925,482	1,019,846

(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 mainly by matching revenue and costs in the relevant currencies to create a natural hedge.

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.

Foreign currency sensitivity

The following table details the sensitivity to a 5% change in the following 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 by 5% against the functional currency of each Group entity as at the year end, profit for the year and equity would (decrease) increase by the following amounts:

	Malaysian Ringgit impact[(i)]		United States Dollar impact[(ii)]		Total	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Effect on profit for the year and equity	(273) [(i)]	3,364 [(i)]	7,437 [(ii)]	7,712 [(ii)]	7,164	11,076
Company						
Effect on profit for the year and equity	–	–	5,229 [(ii)]	4,124 [(ii)]	5,229	4,124

(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.

If the relevant foreign currency weakens by 5% against the functional currency of each Group entity as at the year end, profit for the year and equity would (increase) decrease by the same amounts.

(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.

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

(ii) Interest rate risk management (Cont'd)

Interest rate sensitivity

The sensitivity analysis below have 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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Effect on profit for the year[(i)]				
Interest-bearing financial assets	725	679	1,380	2,835
Interest-bearing financial liabilities	(2,156)	(2,571)	(2,290)	(2,764)
	(1,431)	(1,892)	(910)	71
Effect on investment revaluation reserve for the year[(ii)]	(1,714)	(2,762)	(1,790)	(2,853)

(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.

(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.

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.

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

(iv) Credit risk management (Cont'd)

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets as recorded in the financial statements, grossed up for any allowances for impairment 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 respectively.

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 2008 would decrease by $7,000 (2007 : $3,158,000). A tightening of credit spreads by 5 basis points would increase the profit for the Group and the Company by the same amounts.

(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 institutions (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.

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

(v) Liquidity risk management (Cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Total
	%	$'000	$'000	$'000	$'000
Group					
2008					
Non-interest-bearing		757,940	–	2,140	760,080
Fixed interest rate Instruments	12.22	479,622	8,730	32,125	520,477
		1,237,562	8,730	34,265	1,280,557
2007					
Non-interest-bearing		868,055	–	2,667	870,722
Fixed interest rate Instruments	4.75	315,160	175,306	28,658	519,124
		1,183,215	175,306	31,325	1,389,846

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Total
	%	$'000	$'000	$'000	$'000
Company					
2008					
Non-interest-bearing		164,267	–	–	164,267
Fixed interest rate instruments	12.42	261,696	4,984	32,125	298,805
		425,963	4,984	32,125	463,072
2007					
Non-interest-bearing		203,761	–	–	203,761
Fixed interest rate instruments	4.76	100,283	175,306	24,932	300,521
		304,044	175,306	24,932	504,282

(v) Liquidity risk management (Cont'd)

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				
2008				
Non-interest-bearing	–	471,475	–	471,475
Variable interest rate instruments	1.82	201,680	119,854	321,534
		673,155	119,854	793,009
2007				
Non-interest-bearing	–	489,675	–	489,675
Variable interest rate instruments	3.60	250,964	259,310	510,274
		740,639	259,310	999,949

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Total
	%	$'000	$'000	$'000
Company				
2008				
Non-interest bearing	–	98,837	–	98,837
Variable interest rate instruments	1.71	187,740	119,854	307,594
		286,577	119,854	406,431
2007				
Non-interest bearing	–	217,545	–	217,545
Variable interest rate instruments	3.52	236,169	259,310	495,479
		453,714	259,310	713,024

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

(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 CDOs with embedded credit derivatives (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 Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

(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 Company, 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 2007.

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 Group'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	
	2008	2007
	$'000	$'000
Purchases of goods from associates	5,153	7,554
Sale of goods to associates	316	–

Compensation of Directors and key management personnel

The remuneration of 8 (2007: 8) Directors and 39 (2007: 30) other key management personnel during the year were as follows:

	The Group	
	2008	2007
	$'000	$'000
Short-term benefits	18,184	22,411
Post-employment benefits	323	286
Share-based payments	2,196	1,706
	20,703	24,403
Directors' fees	324	300
	21,027	24,703

The remuneration of Directors and other key management personnel 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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Cash	39,282	20,634	192,407	224,252
Fixed deposits	105,417	57,198	321,363	269,074
	144,699	77,832	513,770	493,326

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.

6 CASH AND CASH EQUIVALENTS (Cont'd)

The fixed deposit interest rates for the Company and the Group range from 0.01% to 4.85% (2007 : 0.2% 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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Singapore dollars	–	–	23,374	8,135
United States dollars	87,330	57,013	128,982	95,575
Euros	1,059	1,526	3,626	4,151
Japanese yen	–	–	7	2,750
Renminbi	–	–	4,276	654
Malaysian ringgit	–	–	10,394	75,127

7 AVAILABLE-FOR-SALE INVESTMENTS

	The Company		The Group	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Available-for-sale investments, at fair value:				
(a) Quoted equity shares	5,766	–	5,861	443
(b) Unquoted equity shares	–	–	2,044	2,224
(c) Quoted debt securities	26,360	24,932	28,341	24,932
(d) Collaterised Debt Obligations (unquoted)	151,259	208,363	151,259	208,363
(e) Unquoted debt securities	10,003	10,028	13,748	16,755
Total	193,388	243,323	201,253	252,717
Analysed as:				
Current assets	156,278	43,085	158,259	46,085
Non-current assets	37,110	200,238	42,994	206,632
Total	193,388	243,323	201,253	252,717

(a) Investments in quoted equity securities offer the Company and the Group the opportunity for returns through dividend income and fair value gains. Quoted equity shares have no fixed maturity or coupon rate except for preference shares amounting to $5,766,000 which pay a non-cumulative fixed dividend rate of 5.75% per annum up to 15 June 2018, after which date, the dividend rate will be a floating 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 $Nil (2007 : $200,000) charged to the profit and loss statement.

(b) The investments in unquoted equity shares represent investments of $1,903,000 (2007 : $2,018,000) in venture capital funds that invest in research and development activities and/or the commercial application of this knowledge and $141,000 (2007 : $206,000) 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 $Nil (2007 : $450,000).

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

(c),(e) The investments in quoted and unquoted debt securities of the Company have effective interest yields ranging from 2.86% to 3.94% (2007 : 3.60% to 4.03%) per annum and of the Group ranging from 2.86% to 6.50% (2007 : 3.29% to 5.76%) per annum. These investments of the Company have maturity dates ranging from 5 March 2009 to 1 September 2018 (2007 : 5 March 2009 to 1 September 2018) and of the Group ranging from 5 March 2009 to 1 September 2018 (2007 : 26 March 2008 to 1 September 2018).

(d) These are CDOs acquired with embedded credit derivatives (Note 20) as follows:

(i) Principal amount of $167,800,000 (2007 : $167,800,000) with effective interest rate of 14.85% (2007 : 4.03%) and maturity date on 20 December 2009 with a fair value of $151,259,000 (2007 : $165,278,000) as at the end of the financial year.

(ii) Principal amount of $Nil (2007 : $50,810,000) with effective interest rate of 8.33% (2007 : 8.33%) which had matured on 20 June 2008. The investment had a fair value of $43,085,000 as at the end of 31 December 2007.

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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Singapore dollars	–	–	2,992	–
United States dollars	–	43,085	1,758	47,638

8 TRADE RECEIVABLES

	The Company		The Group	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Outside parties	112,225	151,244	537,296	618,780

The average trade credit period on sales of goods is 56 days (2007 : 59 days). No interest is charged on the trade receivables.

A reversal of allowance of $385,000 (2007: an allowance of $355,000) is credited to the profit and loss statement in 2008 as a trade debt for which provision had previously been made is now considered recoverable.

The accumulated allowance as at year end for the Group amounted to $662,000 (2007 : $3,515,000) and for the Company amounted to $Nil (2007 : $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% (2007 : 12%) 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 70 days (2007 : 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.

8 TRADE RECEIVABLES (Cont'd)

Movement in the allowance for doubtful debts

	The Company		The Group	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at beginning of the year	2,488	2,488	3,515	3,294
Amounts written off during the year	(2,488)	–	(2,488)	–
(Reversal of allowance) Allowance recognised in the profit and loss statement	–	–	(385)	355
Exchange differences	–	–	20	(134)
Balance at end of the year	–	2,488	662	3,515

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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Singapore dollars	–	–	4,392	2,248
United States dollars	107,627	146,193	131,514	221,107
Euros	5	1	2,985	4,167
Renminbi	–	–	4,696	369
Malaysian ringgit	–	–	1,583	1,684

9 OTHER RECEIVABLES AND PREPAYMENTS

	The Company		The Group	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Other receivables	4,190	6,188	28,238	25,023
Deposits	1,014	642	3,835	2,432
Prepayments	176	74	4,548	4,234
	5,380	6,904	36,621	31,689

9 OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
United States dollars	–	–	2,636	1,433
Malaysian ringgit	–	–	2,784	136
Renminbi	–	–	1,897	227
Singapore dollars	–	–	7,548	387
Euros	–	–	83	2,394
Japanese yen	–	–	–	360

10 INVENTORIES

	The Company		The Group	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Raw materials	36,414	33,698	262,384	275,486
Work in progress	29,882	39,669	101,281	104,399
Finished goods	13,952	13,543	175,069	167,458
	80,248	86,910	538,734	547,343

In 2008, the Group's cost of inventories recognised as an expense includes $611,000 in respect of write-down of inventory to net realisable value and inventories written off amounting to $1,195,000.

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

11 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2008	2007
	$'000	$'000
Unquoted equity shares, at cost	1,153,564	1,153,564
Impairment loss	(838)	(838)
Net carrying amount	1,152,726	1,152,726
Advances to subsidiaries	82,000	82,000
	1,234,726	1,234,726

11 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the Company's subsidiaries as at 31 December 2008 are as follows:

Name of Subsidiaries	Country of Incorporation and Operation	Cost of Investment		Proportion of Ownership Interest and Voting Power Held		Principal Activities
		2008 $'000	2007 $'000	2008 %	2007 %	
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
Shanghai Wai Gao Qiao 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

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
		2008	2007	2008	2007	
		$'000	$'000	%	%	
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
Venture Electronics (Shenzhen) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd)[6]	People's Republic of China	–	–	100	–	Manufacture and sale of terminal units
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
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 and manufacturing of electronics and computer-related products, provision of engineering, customisation, logistics 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
Multitech Systems Pte Ltd	Singapore	3,215	3,215	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
		2008 $'000	2007 $'000	2008 %	2007 %	
Scinetic Engineering Pte Ltd (60% owned by the Company and 40% owned by GES Investment Pte Ltd)[8]	Singapore	20,913	20,913	100	60	Design, trading in and manufacturing of electronic and mechanical products
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)[1]	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
		2008	2007	2008	2007	
		$'000	$'000	%	%	
Unison Precision Industries (M) Sdn Bhd (wholly-owned subsidiary of Univac Precision Engineering Pte Ltd)(7)	Malaysia	–	–	–	100	Wound up during the financial year (2007: Dormant)
Munivac Sdn. Bhd. (wholly-owned subsidiary of 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	Manufacture of plastic injection moulds and mouldings with secondary processes and sub-assembly
GES International Limited	Singapore	961,516	961,516	100	100	Investment holding and provision of management services
GES (Singapore) Pte Ltd (wholly-owned subsidiary of GES International Limited)	Singapore	–	–	100	100	Provision of manufacturing services for Original Design and Manufacture and Electronic Manufacturing Services
GES Investment Pte Ltd (wholly-owned subsidiary of GES International Limited)	Singapore	–	–	100	100	Investment holding and provision of administrative and technical services to a subsidiary

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
		2008	2007	2008	2007	
		$'000	$'000	%	%	
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	Singapore	1,181	1,181	100	100	Dormant
Total		1,153,564	1,153,564			

All the companies are audited by Deloitte & Touche LLP, 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, BSL Public Accounting Corporation.*
(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) *Newly incorporated during the financial year and audited by another firm of auditors, BDO Guangdong Dahua Delu.*
(7) *Disposed/wound up during the financial year and was not material to the results of the Group.*
(8) *During the financial year, the Group, through its wholly-owned subsidiary, GES Investment Pte Ltd, acquired the remaining 40% equity interest in Scinetic Engineering Pte Ltd (Note 36a).*

The net assets of the subsidiaries referred to in Notes (2), (3), (4), (5) and (6) 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 (2007 : $82,000,000) which are extension of the Company's investment in the subsidiaries and hence are capital in nature.

The trade receivables from subsidiaries of $8,229,000 (2007 : $19,349,000) are stated at net of allowance for doubtful trade receivables of $30,000,000 (2007 : $30,000,000).

Trade and non-trade receivables from and payables due to subsidiaries are mainly denominated in the functional currency of the Company.

12 INVESTMENTS IN ASSOCIATES

	The Company		The Group	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Quoted equity shares, at cost	89,661	82,536	101,153	94,028
Unquoted equity shares, at cost	–	–	4,019	4,019
	89,661	82,536	105,172	98,047
Share of post-acquisition profits, net of dividend received	–	–	14,648	14,451
Impairment loss	–	–	(6,314)	–
Share of associate's share option reserve	–	–	285	–
Currency realignment on translation of foreign associates	–	–	(175)	(63)
Net	89,661	82,536	113,616	112,435
Market value of quoted equity shares	13,538	34,675	16,678	47,758

Management follows the guidance in *FRS 39 – Financial Instruments: Recognition and Measurement* to assess whether there are any indications that the investments in associates are impaired. *Under FRS 28 – Investment in Associates*, management is required to test the carrying amounts of the investments in associates for impairment in accordance with *FRS 36 – Impairment of Assets* by comparing the carrying amounts with the recoverable amounts (higher of value in use and fair value less costs to sell) whenever application of the requirements in FRS 39 indicates that the investments may be impaired. Due to indications of impairment on the investment in the associate, DMX Technologies Group Ltd, the Company's management engaged an independent professional valuer to assist with the determination of the recoverable amount on the basis of value in use calculations.

In accordance with the requirements of FRS 36 in regard to the basis for estimates of future cash flow projections, the value in use calculations applied a discounted cash flow model using cash flow projections.

The key assumptions used are those regarding the discount rate, revenue growth rates, profitability margins, capital expenditure, working capital cycle and non-operating cash balance, as at the assessment date.

The discount rate applied to the cash flows projections is derived from the associate's cost of capital plus a reasonable risk premium at the date of assessment of the recoverable amount. The growth rate used to extrapolate the cash flows of the associate beyond the forecast period is 2%, which does not exceed the long term growth rate for the market in which the associate operates. The implied pre-tax rate used to discount the cash flow projections of the associate is 13.75%.

The values assigned to other key assumptions are based on past performances and expected future market development.

Based on the value in use calculations performed by the independent professional valuer, an impairment loss of $6,314,000 was recorded and included in the line item "other operating expenses" in the consolidated profit and loss statement.

12 INVESTMENTS IN ASSOCIATES (Cont'd)

Details of the Group's significant associates as at 31 December 2008 are as follows:

Name of Associates	Country of Incorporation and Operation	Proportion of Ownership Interest and Voting Power Held		Principal Activities
		2008 %	2007 %	
DMX Technologies Group Ltd	Bermuda	26.8	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

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

(1) *Audited by Ernst & Young LLP, Singapore.*
(2) *Audited by BSL Public Accounting Corporation.*

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

	The Group	
	2008 $'000	2007 $'000
Total assets	485,991	478,867
Total liabilities	(126,438)	(135,667)
Net assets	359,553	343,200
Group's share of associates' net assets	94,987	74,731
Revenue	442,346	295,935
Profit for the year	1,785	20,597
Group's share of associates' profit for the year	197	4,725

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

13 INVESTMENT IN A JOINT VENTURE

	The Group	
	2008	2007
	$'000	$'000
Unquoted equity shares, at cost	–	–

Details of the Group's joint venture as at 31 December 2008 are as follows:

Name of Joint Venture	Country of Incorporation and Operation	Proportion of Ownership Interest and Voting Power Held		Principal Activities
		2008 %	2007 %	
SME Investments Pte Ltd	Singapore	50	50	Investment holding

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

	2008	2007
	$'000	$'000
Current assets	50	53
Non-current assets	1,735	2,178
Current liabilities	5	6
Net loss after tax	426	3

14 PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Leasehold improvements and renovations	Office equipment, furniture and fittings	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000
The Company					
Cost:					
At 1 January 2007	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
Additions	2,462	76	572	452	3,562
Disposals	(6,329)	(2,474)	(1,116)	(384)	(10,303)
At 31 December 2008	64,766	3,147	8,528	781	77,222
Accumulated depreciation:					
At 1 January 2007	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
Depreciation	4,181	420	740	106	5,447
Disposals	(6,329)	(2,461)	(1,115)	(358)	(10,263)
At 31 December 2008	55,210	2,360	7,603	333	65,506
Carrying amount:					
At 31 December 2008	9,556	787	925	448	11,716
At 31 December 2007	11,275	1,144	1,094	128	13,641

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 2007	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
Exchange differences	(27)	(287)	–	(184)	966	109	(267)	–	25	335
Additions	–	135	–	–	21,939	5,622	4,321	30	519	32,566
Disposals	–	–	–	–	(10,588)	(2,950)	(5,179)	–	(774)	(19,491)
At 31 December 2008	6,185	67,161	337	41,990	355,423	31,502	47,293	3,478	3,088	556,457
Accumulated depreciation:										
At 1 January 2007	–	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
Exchange differences	–	(29)	–	(44)	(253)	91	(138)	–	35	(338)
Depreciation	–	2,778	8	1,165	29,310	2,992	3,835	739	381	41,208
Disposals	–	–	–	–	(8,162)	(2,779)	(5,115)	–	(668)	(16,724)
At 31 December 2008	–	24,935	118	17,166	252,873	20,723	39,740	2,536	2,049	360,140
Impairment:										
At 1 January 2007	–	–	–	–	8	36	5	–	–	49
Impairment loss	–	–	–	–	–	–	169	–	37	206
31 December 2007	–	–	–	–	8	36	174	–	37	255
Impairment loss	–	–	–	–	10	–	16	–	–	26
31 December 2008	–	–	–	–	18	36	190	–	37	281
Carrying amount:										
At 31 December 2008	6,185	42,226	219	24,824	102,532	10,743	7,363	942	1,002	196,036
At 31 December 2007	6,212	45,127	227	26,129	111,120	8,266	7,086	1,651	980	206,798

15 INTANGIBLE ASSETS

	Development Expenditure $'000	Computer software $'000	Total $'000
The Company			
Cost:			
At 1 January 2007 and 31 December 2007	–	1,467	1,467
Additions	2,682	–	2,682
At 31 December 2008	2,682	1,467	4,149
Accumulated amortisation:			
At 1 January 2007	–	1,288	1,288
Amortisation for the year	–	179	179
At 31 December 2007	–	1,467	1,467
Amortisation for the year	–	–	–
At 31 December 2008	–	1,467	1,467
Carrying amount:			
At 31 December 2008	2,682	–	2,682
At 31 December 2007	–	–	–

	Customer relationships $'000	Development expenditure $'000	Computer software $'000	Total $'000
The Group				
Cost:				
At 1 January 2007	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
Additions	–	2,888	102	2,990
Disposal	–	(2,820)	–	(2,820)
Exchange differences	–	168	–	168
At 31 December 2008	168,483	26,632	23,437	218,552
Accumulated amortisation:				
At 1 January 2007	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
Amortisation for the year	16,848	344	2,373	19,565
Disposal	–	(2,810)	–	(2,810)
Exchange differences	–	151	–	151
At 31 December 2008	35,100	23,579	22,504	81,183
Carrying amount:				
At 31 December 2008	133,383	3,053	933	137,369
At 31 December 2007	150,231	502	3,204	153,937

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 has been amortised over its useful life of 10 years and the amortisation charge for the year of $16,848,000 (2007 : $16,848,000) has been recorded in the profit and loss statement.

16 GOODWILL

	The Group
	$'000
Cost:	
At 1 January 2007 and 31 December 2007	630,415
Arising from acquisition of additional equity interest in a subsidiary (Note 36a)	10,178
At 31 December 2008	640,593

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:

		2008	2007
		$'000	$'000
(a)	GES International Limited 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)	22,703	12,525
(e)	Others	3,344	3,344
		640,593	630,415

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

In accordance with the requirements of FRS 36 in regard to the basis for estimates of future cash flow projections, the value in use calculations applied a discounted cash flow model using cash flow projections.

The key assumptions used in determining the recoverable amount of the CGUs are those regarding the discount rates, revenue growth rates, profitability margins, capital expenditures, working capital cycles and non-operating cash balances, as at the assessment date.

The discount rates applied to the cash flows projections are derived from the cost of capital plus a reasonable risk premium applicable to the CGUs at the date of assessment of the recoverable amounts. The growth rate used to extrapolate the cash flows of the respective CGUs beyond the forecast period is 2%, which does not exceed the long term growth rate for the relevant markets. The implied pre-tax rates used to discount the cash flow projections of the respective CGUs are as follows:

(a) The rates used to discount the cash flows from GES International Limited and its subsidiaries are 9.8% from 2009 to 2010, 9.5% in 2011, 9.4% in 2012 and 9.2% from 2013 onwards (2007: 9.2%).

(b) The rates used to discount the cash flows from Univac Precision Engineering Pte Ltd and its subsidiaries are 9.2% from 2009 to 2013 and 9.0% from 2014 onwards (2007 : 10.0%).

(c) The rates used to discount the cash flows from Venture Electronics Solutions Pte Ltd are 11.1% from 2009 to 2011 and 10.2% from 2012 onwards (2007 : 7.9% from 2008 to 2011 and 7.6% from 2012 onwards).

16 GOODWILL (Cont'd)

(d) The rate used to discount the cash flows from Scinetic Engineering Pte Ltd is 9.4% (2007 : 9.2%).

The values assigned to other key assumptions are based on past performances and expected future market development.

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

17 BANK LOANS

	The Company		The Group	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current liabilities				
Bank loans	187,740	236,169	201,680	250,964
Non-current liabilities				
Bank loans	119,854	259,310	119,854	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 $8,333,000 (2007 : $19,882,000).

The bank loans of the Company and the Group bear floating interest rates ranging from 0.77% to 5.28% (2007 : 2.43% to 5.28%) per annum and 0.77% to 9.484% (2007 : 2.43% to 7.18%) per annum respectively. The effective interest rates for the Company and the Group is 1.71% (2007 : 3.52%) and 1.82% (2007 : 3.60%) per annum respectively.

On 31 December 2008, the Group had available $166,000,000 (2007 : $90,000,000) 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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
United States dollars	28,910	87,102	28,910	87,102

18 TRADE PAYABLES

	The Company		The Group	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Outside parties	74,132	90,077	436,855	472,691

The average credit period on purchases of goods is 55 days (2007 : 54 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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Singapore dollars	–	–	7,095	5,153
United States dollars	61,472	76,705	86,390	124,413
Japanese yen	358	846	2,379	3,488
Euros	1,293	3,118	4,381	4,887
Malaysian ringgit	4	1	9,905	7,818
Great Britain pounds	7	22	108	50
Renminbi	–	–	7,224	2,899
Swiss Franc	130	–	130	–
Swedish Kroner	–	–	89	–
Hong Kong dollars	–	–	–	11

19 OTHER PAYABLES AND ACCRUED EXPENSES

	The Company		The Group	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Other payables	328	1,893	34,324	15,383
Salary related accruals	11,342	23,095	18,315	35,701
Accrued expenses	12,106	17,218	43,349	57,985
	23,776	42,206	95,988	109,069

Salary related accruals for both the Company and the Group include $3,606,000 (2007 : $6,746,000) 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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Singapore dollars	–	–	13,810	6,185
United States dollars	–	–	848	–
Renminbi	–	–	3,379	308
Malaysian ringgit	–	–	10,308	1,845
Japanese yen	–	–	–	653

20 DERIVATIVE FINANCIAL INSTRUMENTS

	The Company and the Group	
	2008	2007
	$'000	$'000
Current	132,473	3,454
Non-current	–	16,443
	132,473	19,897

The derivatives relate to credit derivative notes embedded in the CDOs (Note 7) that are not closely related to the host contracts. A loss from fair value changes of $114,511,000 (2007 : $16,236,000) has been recognised in the profit and loss statement during the year.

21 DEFERRED TAX ASSETS (LIABILITIES)

	The Group	
	2008	2007
	$'000	$'000
Deferred tax liabilities:		
Balance at beginning of year	32,931	40,305
Credit to profit and loss for the year (Note 28)	(3,795)	(7,347)
Exchange differences	(62)	(27)
Balance at end of year	29,074	32,931

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 2007	4,653	35,652	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	3,929	29,002	32,931
Credit to profit and loss for the year (Note 28)	(543)	–	(543)
Released upon the amortisation of customer relationships[1]	–	(3,252)	(3,252)
Exchange differences	(62)	–	(62)
Balance at 31 December 2008	3,324	25,750	29,074

[1] *The deferred tax liabilities in 2008 and 2007 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	
	2008	2007
	$'000	$'000
Deferred tax assets:		
Balance at beginning of year	1,037	744
Credit to profit and loss for the year (Note 28)	5	336
Exchange differences	(4)	(43)
Balance at end of year	1,038	1,037

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 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 the profit and loss statement of $15,872,000 (2007 : $16,787,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2008, contributions of $1,693,000 (2007 : $1,884,000) 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			
	2008		2007	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at beginning of the year	12,865,000	18.23	12,103,000	17.16
Granted during the year	3,297,000	10.46	3,037,000	19.85
Forfeited during the year	(1,636,000)	17.74	(661,000)	17.07
Exercised during the year	-	-	(1,589,000)	13.80
Expired during the year	(2,276,000)	16.17	(25,000)	13.77
Outstanding at end of the year	12,250,000	15.89	12,865,000	18.23
Exercisable at end of the year	8,963,000	17.88	9,839,000	17.73

No share option was exercised during the year. The options outstanding at the end of the year have a weighted average remaining contractual life of 2.8 years (2007 : 2.6 years).

The Group recognised total expenses of $6,229,000 (2007 : $7,247,000) relating to equity settled share-based payment transactions during the year.

GRANTED IN 2008

Options were granted on 15 September 2008, with the estimated fair value of the options granted at $0.69 per option. Under this scheme, values were calculated using the trinomial model with the following inputs:

Share price at valuation date	$ 5.70
Exercise price	$10.463 (1)
	$ 9.207 (2)
	$ 8.789 (3)
	$ 8.370 (4)
Expected volatility	45% (5)
Exercise multiple (times)	1.3
Risk free rate	2.40%
Expected dividend yield	5.83%

(1) *if exercised between 15 September 2009 and 14 September 2010*
(2) *if exercised between 15 September 2010 and 14 September 2011*
(3) *if exercised between 15 September 2011 and 14 September 2012*
(4) *if exercised between 15 September 2012 and 14 September 2013*
(5) *Expected volatility was determined by considering the historical volatility of the Company's share price.*

23 SHARE-BASED PAYMENTS (Cont'd)

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 (6)
	$17.468 (7)
	$16.674 (8)
	$15.880 (9)
Expected volatility	35% (10)
Exercise multiple (times)	1.3
Risk free rate	2.57%
Expected dividend yield	3.14%

(6) *if exercised between 15 September 2008 and 14 September 2009*
(7) *if exercised between 15 September 2009 and 14 September 2010*
(8) *if exercised between 15 September 2010 and 14 September 2011*
(9) *if exercised between 15 September 2011 and 14 September 2012*
(10) *Expected volatility was determined by considering the historical volatility of the Company's share price.*

24 SHARE CAPITAL AND RESERVES

SHARE CAPITAL

	The Company and the Group			
	2008	2007	2008	2007
	Number of ordinary shares			
	'000	'000	$'000	$'000
Issued and fully paid up:				
At beginning of year	274,253	272,664	671,906	649,974
Issued upon exercise of options	–	1,589	–	21,932
At end of year	274,253	274,253	671,906	671,906

Fully paid ordinary shares which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year, no ordinary share was issued to holders of share options.

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 is effectively realised. This is recognised in the profit and loss statement. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in the profit and loss statement.

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 People's 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	
	2008	2007
	$'000	$'000
Electronic manufacturing, engineering, design and fulfilment services revenue	3,783,894	3,872,445
Dividend income	226	379
	3,784,120	3,872,824

26 OTHER EXPENSES

	The Group	
	2008	2007
	$'000	$'000
Commission received	–	1
Fair value loss on derivative financial instruments at fair value through profit and loss	(114,511)	(16,236)
Government grants	139	78
Other income	2,158	1,490
Total	(112,214)	(14,667)

27 INVESTMENT REVENUE

	The Group	
	2008	2007
	$'000	$'000
Interest on bank deposits	6,704	15,590
Interest on available-for-sale debt securities	1,502	1,843
Interest on available-for-sale Collaterised Debt Obligations	6,649	8,281
Gain on disposal of available-for-sale investments	1,950	5,817
Total	16,805	31,531

28 INCOME TAX

	The Group	
	2008	2007
	$'000	$'000
Income tax on profit for the year:		
Current year - Singapore	5,170	7,433
- Foreign	4,507	2,313
Overprovision in prior years	(844)	(10,197)
Deferred income tax (Note 21):		
Current year	(3,800)	(4,719)
Released due to reduction in corporate tax rates	-	(2,964)
Total	5,033	(8,134)

Domestic income tax is calculated at 18% (2007 : 18%) 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 expense (benefit) for the year can be reconciled to accounting profit as follows:

	The Group	
	2008	2007
	$'000	$'000
Profit before tax	172,582	294,568
Income tax expense at statutory tax rate	31,065	53,022
Non allowable items	23,331	12,175
Overprovision of income tax in prior years, net	(844)	(10,197)
Deferred tax benefits not recognised	1,665	439
Effect of different tax rates of overseas operations	(430)	8,459
Effect on deferred tax balances due to change in income tax rate from 20% to 18% (effective 2007)	–	(2,964)
Tax exempt income	(49,207)	(66,564)
Utilisation of deferred tax benefits previously not recognised	(373)	(2,136)
Other items	(174)	(368)
Total income tax	5,033	(8,134)

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.

The Economic Development Board ("EDB") of Singapore has granted the Company an extension of Pioneer Status from 1 August 2006, which will expire on 31 December 2009, with 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 2007.

EDB has also granted a subsidiary, GES Singapore Pte Ltd, an extension of Pioneer Status for a period of two years from 1 June 2008 with extension of another one year subject to the fulfilment of additional conditions.

28 INCOME TAX (Cont'd)

Five subsidiaries in Malaysia have been 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	:	5 years commencing 10 August 2004 (for communications and networking equipment, data processing equipment and medical scientific equipment and instrumentation).
d)	V-Design Services (M) Sdn Bhd	:	5 years commencing 1 August 2007.
e)	GES Manufacturing Services (M) Sdn Bhd	:	5 years commencing 1 January 2008.

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

	2008 $'000	2007 $'000
Amount at beginning of year	36,070	51,184
Adjustment	(18,694)	(3,247)
Amount in current year	3,200	–
Amount utilised in current year	(893)	(11,867)
	19,683	36,070
Deferred tax benefit on above not recorded	3,543	6,493

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

	2008 $'000	2007 $'000
Amount at beginning of year	2,524	406
Adjustments	3,772	(320)
Amount in current year	6,051	2,438
Amount utilised in current year	(1,177)	–
	11,170	2,524
Deferred tax benefit on above not recorded	2,011	454

At the balance sheet date, the aggregate amount of deferred tax liabilities in respect of temporary differences associated with undistributed earnings of subsidiaries that have not been recognised is $6,044,000 (2007 : $3,721,000). 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.

28 INCOME TAX (Cont'd)

Group Relief

Subject to the satisfaction of the conditions for Group relief, $3,889,000 (2007 : $3,527,000) 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	
	2008	2007
	$'000	$'000
Depreciation and amortisation:		
- Depreciation of property, plant and equipment	41,208	44,203
- Amortisation of intangible assets	19,565	21,270
Total depreciation and amortisation	60,773	65,473
Loss (Gain) on disposal of plant and equipment	1,039	(244)
Loss on disposal of intangible assets	10	–
Impairment loss of property, plant and equipment (included in other operating expenses)	26	206
Impairment loss on investment in associate	6,314	–
Fair value loss on derivative financial instruments	114,511	16,236
Directors' remuneration:		
- Directors of the Company	5,950	8,780
- Directors of the subsidiaries and joint venture	5,128	4,615
- Directors' fees payable to Directors of the Company	324	300
Total Directors' remuneration	11,402	13,695
Employee benefits expense (including Directors' remuneration):		
- Equity settled share-based payments	6,229	7,247
- Defined contribution plans	15,872	16,787
- Salaries	270,345	283,587
Total employee benefits expense	292,446	307,621

29 PROFIT FOR THE YEAR (Cont'd)

	The Group 2008 $'000	The Group 2007 $'000
Impairment loss on financial assets:		
- (Reversal of allowance) Allowance on doubtful trade receivables	(385)	355
- Impairment loss on available-for-sale investments	–	650
Total impairment loss on financial assets	(385)	1,005
Professional fees paid to a firm of which a director of a subsidiary is a member	–	1
Cost of inventories recognised as expense	3,022,426	3,080,877
Allowance (Reversal of allowance) for inventories	611	(302)

30 EARNINGS PER SHARE

	The Group 2008 Basic $'000	2008 Diluted $'000	2007 Basic $'000	2007 Diluted $'000
Profit for the year	166,692	166,692	300,027	300,027

	The Group 2008 Basic	2008 Diluted	2007 Basic	2007 Diluted
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares	274,253	274,253	273,678	273,678
Adjustment for potential dilutive ordinary shares from share options	–	–	–	91
Weighted average number of ordinary shares used to compute earnings per share	274,253	274,253	273,678	273,769
Earnings per share (cents)	60.8	60.8	109.6	109.6

31 OPERATING LEASE ARRANGEMENTS

The Group as lessee:

	The Group	
	2008	2007
	$'000	$'000
Minimum lease payments paid under operating leases and recognised as an expense during the year	16,198	13,265

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

	The Company		The Group	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Within one year	6,573	5,800	15,315	11,592
In the second to fifth year inclusive	319	1,747	7,711	8,247
After the fifth year	–	–	1,946	1,717
	6,892	7,547	24,972	21,556

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	
	2008	2007
	$'000	$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	153	7,599

33 COMMITMENTS AND CONTINGENT LIABILITIES (UNSECURED)

	The Company		The Group	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Letters of guarantee issued by bankers	6,248	6,321	20,395	25,045
Standby letter of credit	–	–	–	76

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
2008					
Revenue:					
External sales	1,355,535	2,218,914	209,671	–	3,784,120
Inter-segment sales	16,686	256,457	24,914	(298,057)	–
Total revenue	1,372,221	2,475,371	234,585	(298,057)	3,784,120
Results:					
Segment results	110,798	155,535	11,819	272	278,424
Fair value loss on derivative financial instruments	(114,511)	–	–	–	(114,511)
Investment revenue	12,459	3,852	509	(15)	16,805
Interest expense	(7,525)	(826)	–	18	(8,333)
Share of profit of associates	197	–	–	–	197
Profit before income tax					172,582
Income tax					(5,033)
Profit for the year					167,549
Other information:					
Capital additions	8,625	22,294	4,673	(36)	35,556
Depreciation and amortisation	31,542	27,155	2,076	–	60,773
Impairment losses recognised in profit and loss					
- property, plant and equipment	10	1	15	–	26
- investment in associate	6,314	–	–	–	6,314
Assets:					
Segment assets	1,620,126	1,076,959	104,587	–	2,801,672
Investment in associates	113,616	–	–	–	113,616
Unallocated corporate assets					1,038
					2,916,326
Liabilities:					
Segment liabilities	618,630	341,849	26,667	–	987,146
Unallocated corporate liabilities					30,332
					1,017,478

34 SEGMENT INFORMATION (Cont'd)

	Singapore	Asia-Pacific (excluding Singapore)	United States of America/ Europe/Others	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
2007					
Revenue:					
External sales	1,775,971	1,931,605	165,248	–	3,872,824
Inter-segment sales	20,763	495,300	24,261	(540,324)	–
Total revenue	1,796,734	2,426,905	189,509	(540,324)	3,872,824
Results:					
Segment results	100,194	196,013	(1,883)	106	294,430
Fair value loss on derivative financial instruments	(16,236)	–	–	–	(16,236)
Investment revenue	21,873	5,984	3,690	(16)	31,531
Interest expense	(18,466)	(1,404)	(28)	16	(19,882)
Share of profit of associates	4,725	–	–	–	4,725
Profit before income tax					294,568
Income tax					8,134
Profit for the year					302,702
Other information:					
Capital additions	10,623	28,701	2,415	(1,085)	40,654
Depreciation and amortisation	33,481	29,907	2,085	–	65,473
Impairment losses recognised in profit and loss					
- property, plant and equipment	19	25	162	–	206
Assets:					
Segment assets	1,765,970	1,054,621	114,414	–	2,935,005
Investment in associates	112,435	–	–	–	112,435
Unallocated corporate assets					1,037
					3,048,477
Liabilities:					
Segment liabilities	751,924	333,276	28,332	–	1,113,532
Unallocated corporate liabilities					39,501
					1,153,033

34 SEGMENT INFORMATION (Cont'd)

Business segment

	2008 $'000	2007 $'000
Design, manufacturing and fulfilment services in electronics industry	3,784,120	3,872,824

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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Design, manufacturing and fulfilment services in electronics industry	2,801,672	2,935,005	35,556	40,654

35 DIVIDENDS

(i) 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.

(ii) 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 financial year ended 31 December 2007.

(iii) During the financial year ended 31 December 2008, the Company declared and paid a final one-tier tax-exempt dividend of $0.50 per ordinary share on the ordinary shares of the Company totalling $137,127,000 in respect of the financial year ended 31 December 2007.

(iv) In respect of the financial year ended 31 December 2008, the Directors of the Company propose that a final one-tier tax-exempt dividend of $0.50 per ordinary share be paid on 26 May 2009 to all shareholders. Subject to the approval by shareholders at the Annual General Meeting to be held on 24 April 2009, 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 11 June 2008, the Group, through its wholly-owned subsidiary, GES Investment Pte Ltd, acquired the remaining 40% equity interest of its subsidiary, Scinetic Engineering Pte Ltd ("Scinetic"), for cash consideration of $18,553,000. This transaction has been accounted for by the purchase method of accounting. The identifiable net assets acquired in the transaction amounted to $8,375,000 and the resultant goodwill arising from the transaction is $10,178,000.

b) 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.

36 ACQUISITION OF SUBSIDIARIES (Cont'd)

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.

37 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended on the segment information as disclosed in Note 34 of the financial statements. Comparative figures have been adjusted to conform with the current year's presentation.

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 40 to 98 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 2008, 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

18 March 2009

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	59	0.83	14,230	0.00
1,000 – 10,000	6,607	93.08	16,376,404	5.97
10,001 – 1,000,000	422	5.95	17,954,697	6.55
1,000,001 and above	10	0.14	239,908,246	87.48
	7,098	100.00	274,253,577	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares held	%
1	DBS Nominees Pte Ltd	80,669,200	29.41
2	HSBC (Singapore) Nominees Pte Ltd	59,939,155	21.86
3	DBSN Services Pte Ltd	38,907,639	14.19
4	Citibank Nominees S'pore Pte Ltd	38,370,161	13.99
5	United Overseas Bank Nominees Pte Ltd	10,832,290	3.95
6	Raffles Nominees Pte Ltd	4,226,038	1.54
7	DB Nominees (S) Pte Ltd	2,271,627	0.83
8	Merrill Lynch (S'pore) Pte Ltd	2,193,081	0.80
9	BNP Paribas Nominees S'pore Pte Ltd	1,456,055	0.53
10	Oversea-Chinese Bank Nominees Pte Ltd	1,043,000	0.38
11	Morgan Stanley Asia (S'pore) Securities Pte Ltd	979,494	0.36
12	Thioequities Pte Ltd	870,000	0.32
13	TM Asia Life Singapore Ltd-Par Fund	670,000	0.24
14	Phillip Securities Pte Ltd	613,692	0.22
15	Wong Ngit Liong	574,619	0.21
16	Pay Ah Lui	510,000	0.19
17	DBS Vickers Securities (S) Pte Ltd	472,567	0.17
18	Shamsher Hassanali Moti Kanji	440,000	0.16
19	OCBC Securities Private Ltd	407,020	0.15
20	OCBC Nominees Singapore Pte Ltd	395,122	0.14
		245,840,760	89.64

Analysis of Shareholdings

as at 5 March 2009

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Aberdeen Asset Management PLC[1]	–	–	46,755,980	17.05
Aberdeen Asset Management Asia Limited[2]	–	–	44,461,700	16.21
Aberdeen Asset Managers Limited[3]	–	–	19,485,300	7.10
Sprucegrove Investment Management Ltd	–	–	22,103,702	8.06
Wong Ngit Liong	19,166,619	6.99	–	–
FMR LLC	–	–	16,708,000	6.09

Notes

(1) *The deemed interest of 46,755,980 shares is held by Aberdeen Asset Management PLC and its subsidiaries. The number of shares held without voting rights but with disposal rights are 17,379,770. And the number of shares held with both voting and disposal rights are 29,376,210.*
According to the notice dated 17 November 2008 from Aberdeen Asset Management PLC, Aberdeen Asset Management PLC is deemed to have an interest in the 45,422,700 shares held by Aberdeen Asset Management Asia Limited and 21,249,780 shares held by Aberdeen Asset Managers Limited.

(2) *Information is based on the most recent notice dated 30 June 2008 from Aberdeen Asset Management Asia Limited. The number of shares held without voting rights but with disposal rights are 16,278,970. And the number of shares held with both voting and disposal rights are 28,182,730.*

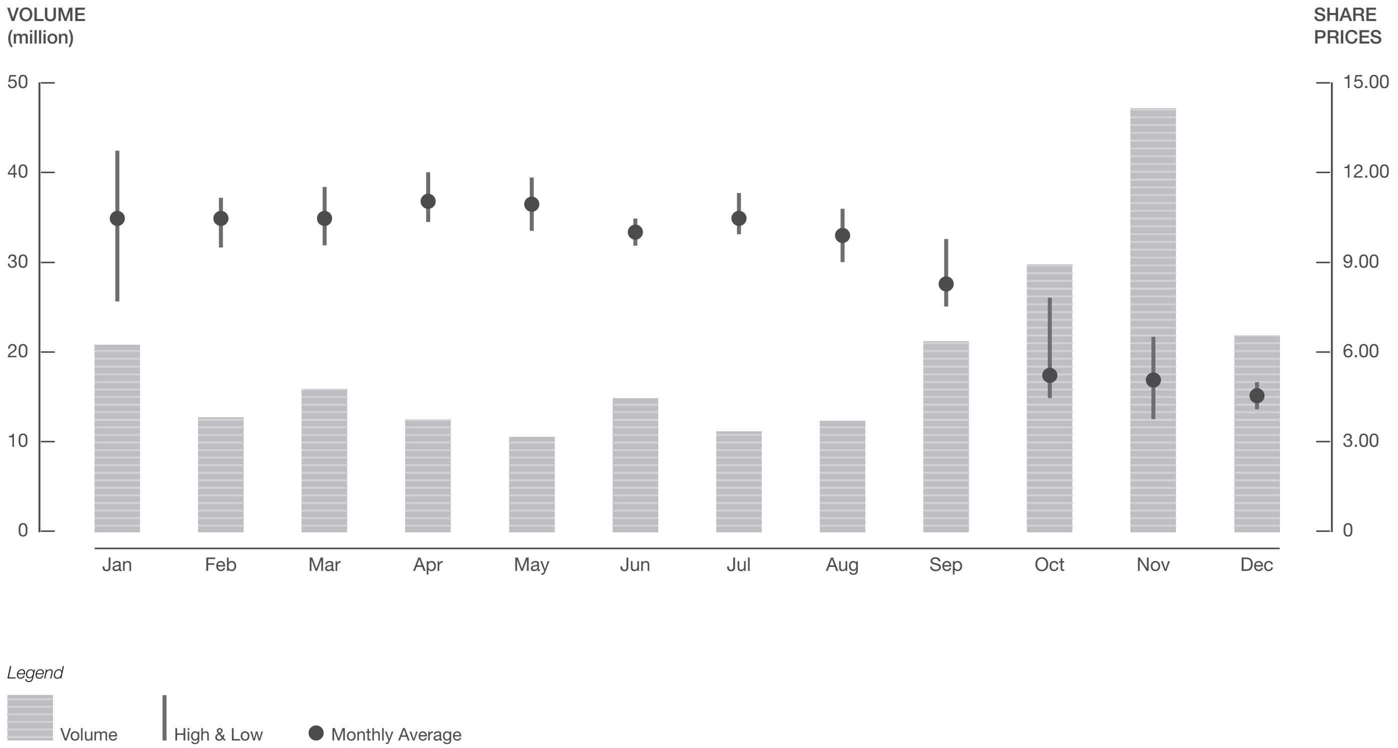
(3) *Information is based on the most recent notice dated 30 June 2008 from Aberdeen Asset Managers Limited. The number of shares held without voting rights but with disposal rights are 10,789,000. And the number of shares held with both voting and disposal rights are 8,696,300.*

SHARES HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 5 March 2009, approximately 61.81% 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 Prices	2008 (S$)
Last Transacted	4.38
High	12.80
Low	3.90
Average	8.85
Total volume for 2008	235,648,000



Share Performance

Informal Briefing on Venture Corporation Limited's 2008 Results
Chief Financial Officer Tan Kian Seng will take questions on the Venture Corporation Limited's 2008 Results and contents of the 2008 Annual Report (at 11.00 a.m.) immediately preceding the formal commencement of the 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 24 April 2009 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 2008 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 2008 (2007 : final one-tier tax-exempt dividend of 50 cents per ordinary share and a one-time special dividend of 8 cents per ordinary share less income tax). **(Resolution 2)**

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

   Mr Tan Choon Huat **(Resolution 3)**
   Mr Soo Eng Hiong **(Resolution 4)**

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 (i)] **(Resolution 5)**

   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 Singapore Exchange Securities Trading Limited (SGX-ST).

5. To approve the payment of Directors' fees of $324,000 for the year ended 31 December 2008 (2007 : $300,000). [See Explanatory Note (ii)] **(Resolution 6)**

6. To re-appoint Messrs Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

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:

(i) by way of renounceable rights issues on a *pro rata* basis to shareholders of the Company (Renounceable Rights Issues) shall not exceed 100% of the total number of issued Shares excluding treasury shares (as calculated in accordance with paragraph (c) below); and

(ii) otherwise than by way of Renounceable Rights Issues (Other Share Issues) shall not exceed 50% of the total number of issued Shares excluding treasury shares (as calculated in accordance with paragraph (c) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 20% of the total number of issued Shares excluding treasury shares (as calculated in accordance with paragraph (c) below);

(b) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (c) below);

(c) 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)(i) and (a)(ii) above, the percentage of issued Shares shall be based on the total number of issued Shares excluding treasury shares 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 bonus issue or consolidation or subdivision of Shares;

(d) 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

(e) 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 (iii)] **(Resolution 8)**

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 (iv)] **(Resolution 9)**

By Order of the Board

Angeline Khoo Cheng Nee
Company Secretary

Singapore
1 April 2009

Explanatory Notes:

(i) The effect of the Ordinary Resolution 5 proposed in item 4 above, is to re-appoint a director who is over 70 years of age.

(ii) The Ordinary Resolution 6 proposed in item 5 above, is to approve the payment of Directors' fees of $324,000 (2007 : $300,000) for the year ended 31 December 2008, for services rendered by the Directors on the Board as well as the Board Committees which are the Audit Committee, Remuneration Committee, Nominating Committee and Investment Committee. The proposed remuneration is derived using the same fee structure as for FY 2006 and FY 2007. The Directors are not paid any additional fees for attendance at Board/Board Committee meetings.

(iii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower 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 (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Share Issues, of which up to 20% may be issued other than on a *pro rata* basis to shareholders, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares in the capital of the Company excluding treasury shares.

The aggregate number of shares which may be issued shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time that Ordinary Resolution 8 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 8 is passed, and (ii) any subsequent bonus issue consolidation or subdivision of Shares.

The authority for 100% Renounceable Rights Issues is proposed pursuant to the SGX news release of 19 February 2009 which introduced further measures to facilitate listed issuers' fund raising efforts.

(iv) The Ordinary Resolution 9 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.

Although the 2004 Scheme prescribes a 15% Scheme Limit, the Committee administering the 2004 Scheme has resolved that if Ordinary Resolution 9 is passed, the aggregate number of Shares over which options may be granted pursuant to the 2004 Scheme during the period commencing on the date of passing of Ordinary Resolution 9 to the next Annual General Meeting of the Company, 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, shall not exceed 5% of the total number of issued Shares of the Company excluding treasury shares on the day preceding the relevant date of grant.

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 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 5 May 2009 to 6 May 2009 (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 5 May 2009 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 5 May 2009 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 24 April 2009 will be made on 26 May 2009.

By Order of the Board
Angeline Khoo Cheng Nee
Company Secretary

Singapore
1 April 2009

Notice of Books Closure

VENTURE CORPORATION LIMITED

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

PROXY FORM

(Please see notes overleaf before completing this Form)

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 attend the meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

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 or such person as may be designated by the Chairman, 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, 24 April 2009 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 2008		
2.	Payment of proposed final one-tier tax-exempt dividend		
3.	Re-election of Mr Tan Choon Huat as a Director		
4.	Re-election of Mr Soo Eng Hiong as a Director		
5.	Re-appointment of Mr Cecil Vivian Richard Wong as a Director		
6.	Approval of Directors' fees amounting to $324,000.00		
7.	Re-appointment of Deloitte & Touche LLP as Auditors		
8.	Authority to allot and issue new shares		
9.	Authority to allot and issue shares under the Venture Corporation Executives' Share Option Scheme		

*Delete where inapplicable

Dated this ____________ day of ____________ 2009

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 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.

VENTURE CORPORATION LIMITED
Company Registration No.: 198402886H

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

VENTURE