SHAPING OUR FUTURE

Venture Corporation Limited / Annual Report 2009

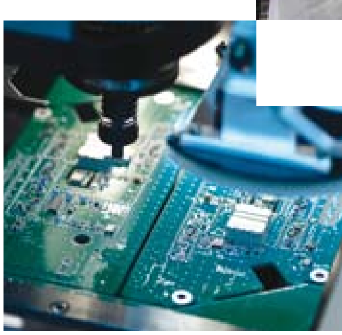
VENTURE

Contents

We take pride in providing services that transcend expectations. Our solutions defy convention; our creativity and innovative spirit allow us to transform ideas to life.

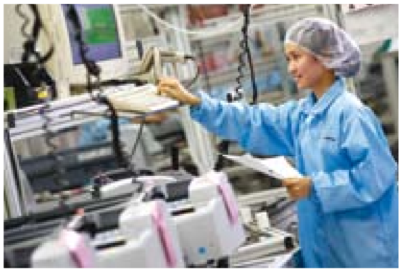
AT VENTURE, THE FUTURE IS WHAT WE MAKE OF IT

Our enviable attributes, past achievements and shared value system of sound ethics and principles, we continue to possess at present. Combined with our relentless pursuit of excellence, engineering and technical competencies and comprehensive services, Venture is empowered to shape the future as we perceive it to be.



the PAST powers the PRESENT

The defining DNA of Venture shaped the Venture of Today



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.

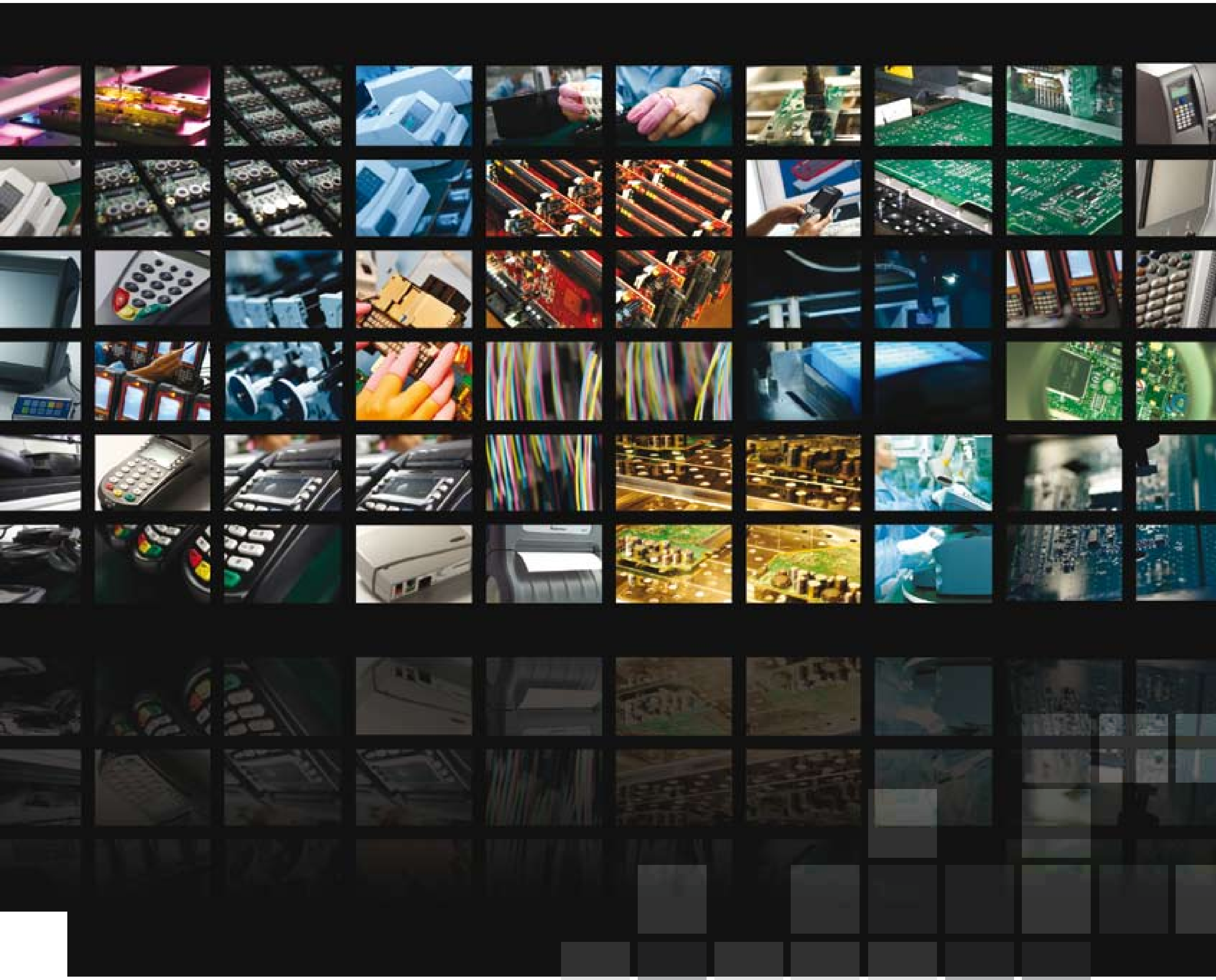
the **PRESENT** defines the **FUTURE**

Our future is built upon our foundation of operational, engineering and financial excellence

Venture continues to invest further in new capabilities and its people in an unending quest for excellence. **We constantly think ahead of time, developing domain capabilities and innovative approaches to business and partnerships.** Our financial strength enables us to pursue our passion for innovation and proactively seek out growth opportunities.

our FUTURE is in OUR HANDS

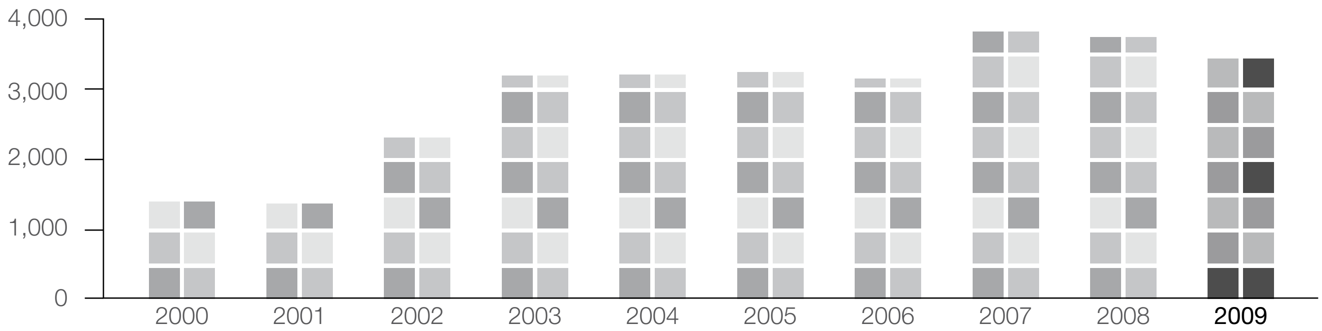
The future is shaped the moment we realise we are the ones who make it happen



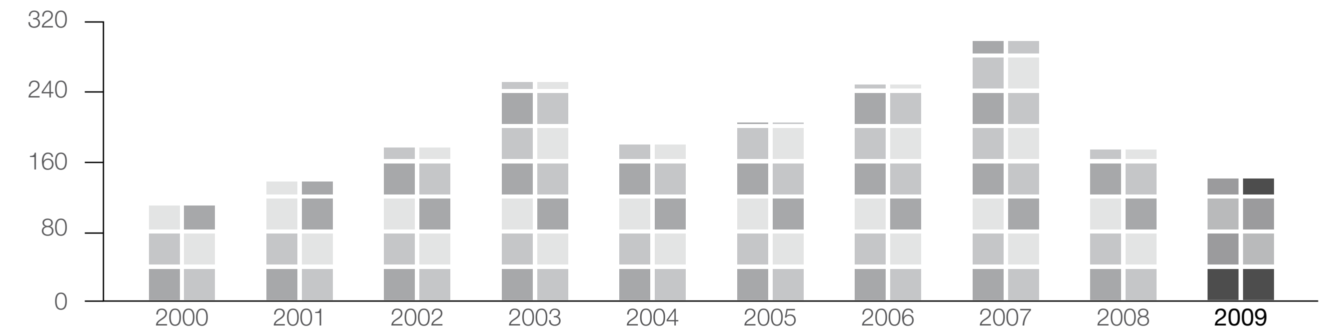
At Venture, the future is in our hands. It is what we make of it. **Every member of the Venture team is challenged to be a catalyst of change, to achieve excellence for themselves and create success for others**. Each one of us can shape the future and make tomorrow's future a reality.

FINANCIAL HIGHLIGHTS

REVENUE ($million)



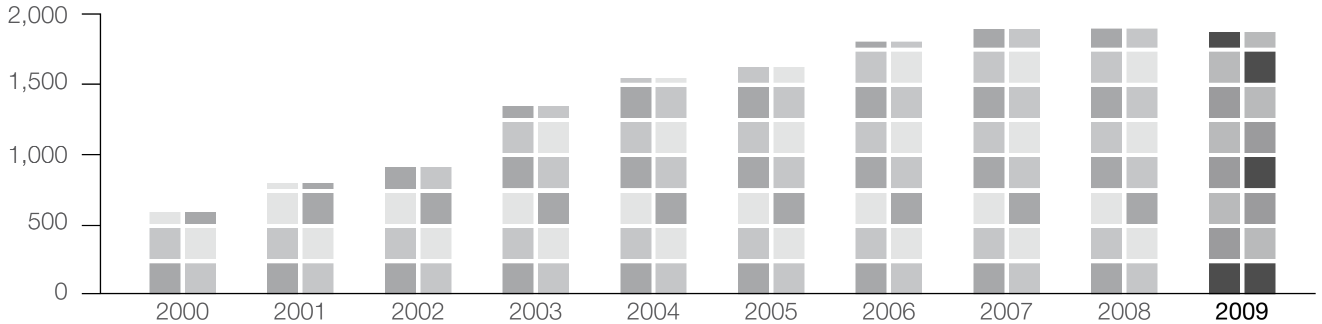
PROFIT AFTER TAX & MINORITY INTEREST ($million)



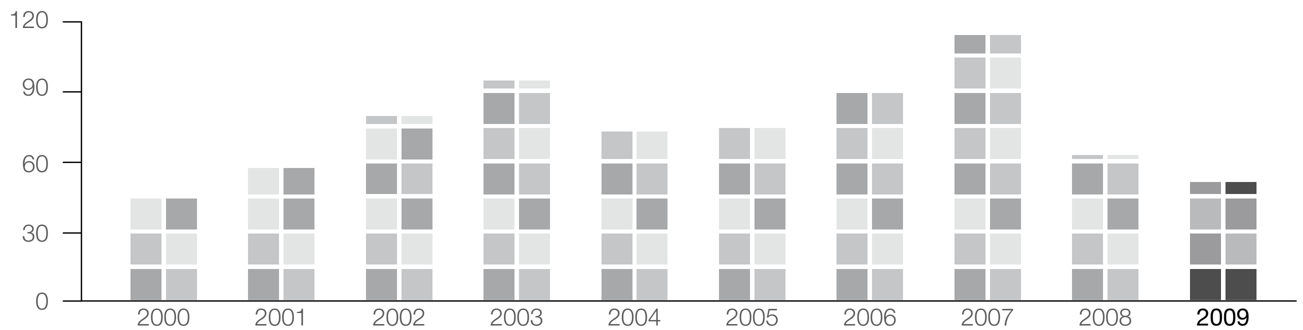
CONSOLIDATED FINANCIAL PERFORMANCE ($million)

	2000	2001	2002	2003	2004
Revenue	1,456.4	1,430.9	2,366.3	3,170.0	3,193.4
Profit Before Tax	115.9	143.7	194.2	250.1	194.6
Profit After Tax & Minority Interest	105.1	134.7	181.1	240.4	188.7
Total Assets	759.2	886.0	1,427.1	1,809.3	2,025.0
Total Liabilities	223.6	220.2	461.7	459.9	452.5
Shareholders' Equity	534.9	665.4	943.0	1,341.1	1,570.3
Cash & Bank Balances	39.9	77.0	153.7	155.6	567.4
PBT Margin (%)	8.0	10.0	8.2	7.9	6.1
PAT Margin (%)	7.2	9.4	7.7	7.6	5.9
Earnings Per Share (cents)	45.7	58.3	77.1	96.3	72.2

SHAREHOLDERS' EQUITY ($million)



EARNINGS PER SHARE (cents)



	2005	2006	2007	2008	2009
Revenue	3,238.0	3,124.8	3,872.8	3,784.1	**3,412.5**
Profit Before Tax	207.1	252.6	294.6	172.6	**140.6**
Profit After Tax & Minority Interest	201.2	239.2	300.0	166.7	**143.7**
Total Assets	2,172.2	3,009.9	3,048.5	2,916.3	**2,744.5**
Total Liabilities	501.4	1,242.2	1,153.0	1,017.5	**878.9**
Shareholders' Equity	1,663.2	1,759.0	1,884.5	1,895.6	**1,862.8**
Cash & Bank Balances	556.6	329.0	493.3	513.8	**567.1**
PBT Margin (%)	6.4	8.1	7.6	4.6	**4.1**
PAT Margin (%)	6.2	7.7	7.8	4.4	**4.2**
Earnings Per Share (cents)	75.1	88.2	109.6	60.8	**52.4**

MESSAGE TO SHAREHOLDERS

MESSAGE TO SHAREHOLDERS

The financial events of 2008 continued to impact the world economy in 2009. Many economies experienced decline. The dynamic marketplace and competitive landscape also presented challenges to the Group. Undaunted by these challenges, the Group kept a keen focus on its corporate goals and steered with a steady hand, throughout the economic turbulence of 2009.

Notwithstanding the challenging operating condition in some periods of the year, the Group was able to continue to deliver quality services, products and solutions expeditiously to its customers.

I am pleased that throughout the year, Venture was able to support and add value to leading global OEMs (Original Equipment Manufacturers) across their entire value-chain.

Though end market demand for the year was relatively soft, it is gratifying that the Group remained on course, profitable and well capitalised in 2009.

"The Group ended the year with a healthy balance sheet. Cash and Cash Equivalent balances were $567.1 million at the end of the year. The Group remained net cash positive at $343.4 million. Compared to the beginning of the year, the net cash position of the Group had improved by more than 78%."

FINANCIAL & OPERATIONAL PERFORMANCE

While many global businesses witnessed steep decline in end-market demand in 2008, Particularly in the later part of the year, Venture held up relatively well. However, as the Group entered into 2009, it experienced its largest decline in revenue in January.

With the industry recovering from the cut-back in the first quarter of the year, the Group's quarterly revenue in subsequent quarters displayed a gradual upward trend. Full year revenue was $3,412.5 million compared to $3,784.1 million in 2008.

Whilst the decline in the Group's revenue was broad-based and relatively spread out across its key segments, revenue from the Printing & Imaging (P&I) segment increased 33% year-on-year. The Networking and Communications segment reported revenue contractions of 31% with the Test & Measurement/Medical/Others segment registering a revenue decline of 27%. The Retail Store Solutions and Industrial segment saw a 25% drop in revenue while revenue for the Computer Peripherals & Data Storage segment dropped by 20% year-on-year.

The increase in revenue in the P&I business segment was primarily due to an inclusion of a full product configuration business activity by a major P&I customer. This particular activity does not come with attendant gross margin.

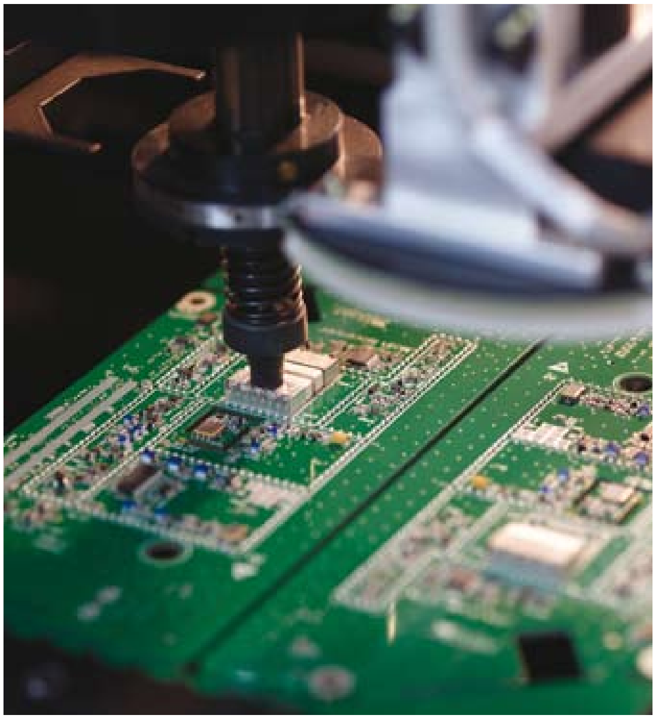
For the year ended 31 December 2009, the Group recorded a PATMI (Profit After Tax and Minority Interests) of $143.7 million, a decline of 13.8% year-on-year.

The decline in PATMI is attributed to several factors including a shift in product mix, a non-operational foreign exchange loss of $0.8 million and a net loss of $18.2 million for the year on the Group's investment in a derivative financial instrument, also known as Collaterised Debt Obligation, which matured on 20 December 2009.

The impact of lower revenue and non-operational charges on PATMI was partially offset by reductions in operating expenses through proactive cost control and management.

As early as 2008, in anticipation of a worsening global business climate, the Group adopted additional measures to better manage its working capital, operational efficiency and the Group's resources. These efforts produced visible results. In particular, the Group's working capital requirement was significantly reduced.

MESSAGE TO SHAREHOLDERS



For the full year ended 31 December 2009, the Group generated cash of $348.3 million from operations.

The Group ended the year with a healthy balance sheet. Cash and Cash Equivalent balances were $567.1 million at the end of the year. The Group remained net cash positive at $343.4 million. Compared to the beginning of the year, the net cash position of the Group had improved by more than 78%.

As at 31 December 2009, total shareholders' equity of the Group amounted to $1.9 billion. The Group recorded Earnings per share of 52.4 cents for the twelve months ended 31 December 2009. Over the same period, the Net Asset Value per share of the Group was $6.79.

DELIVERING VALUE

In the last several years, the Group had re-aligned its corporate resources to rapidly grow a sizable ODM (Original Design Manufacturing) and Solutions Enterprise business.

The R&D (Research and Development) group in Venture is constantly diversifying and deepening its technical capabilities. From highly regarded world-class expertise in printing and imaging, handheld devices, highly sophisticated digital design, the Group continued to advance its core engineering, technical and electro-mechanical design competencies into the data storage, networking, optical, microwave and RF (Radio Frequency) areas.

These technical capabilities have enabled the Group to cater to the varied and evolving needs of its global partners. These have also opened up new opportunities for the Group with a new group of customers.

During the year, the Group had gained greater traction in the Medical segment and anticipates its current activities including the successful creation of IP (Intellectual Property) for various medial devices to engender stronger interest from both existing and potential partners.

The Group continued to strengthen its electro-mechanical design competency in the data storage area. In 2009, Venture helped a key storage customer enhance the storage capacity of its tape library system with the incorporation of an electro-mechanical product designed and innovated by the Group.

The Group has several ongoing product development and ODM projects in collaboration with customers in all the market segments the Group operates in. These are in various stages of development and will be rolled out over the next few years.

It had identified market opportunities unserved by the OEMs and had entered into these markets as a solution provider. In 2009, for example, two of its Solutions Enterprise projects had attracted considerable interests. In the first quarter of 2009, the Group's subsidiary, VIPColor, successfully launched a second generation label printer. The Group had also started installations of MineTracer, an integrated wireless communication and tracking system, in a number of coal mines in the United States in the second half of 2009.

In addition, the Group had identified a number of Solutions Enterprise projects with promising market access. It will continue to channel resources into the development of innovative solutions for these markets.

The Group had successfully added several new customers and projects across all the business segments in the year.

In 2009, the Group began production shipment of digital cinema products for a market leader that develops sound and video processing for use in professional and consumer audio and video equipment. The products built by Venture will support a new wave of digital cinema conversion from theatres around the world, critical to the increasing demands and releases of 3D movies globally.

MESSAGE TO SHAREHOLDERS

As the Group steps into a new decade, it remains focused on execution excellence and will proactively seek out growth opportunities.

During the year, Venture helped a customer to secure substantial design and manufacturing benefits through a collaborative partnership. From initial concept development to manufacturing, Venture provided engineering, product and process re-design services including parts management service to bring about yield improvement and fresh solutions to the customer partnership.

The Group made inroad into the Aerospace sector with the addition of a reputable OEM from Europe.

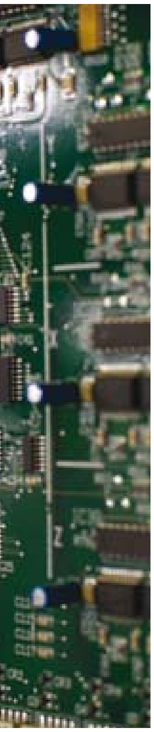
The Group also made significant progress in the development and manufacturing of products in the life sciences, optical and the communications fields. The Group embarked on NPI (New Product Introduction) and initial productions of various devices related to these areas of businesses which are expected to progressively move into mass production.

Some of these projects have contributed to the Group's 2009 revenue ahead of projection. Whilst revenue base of these new customers and projects are initially small, they are anticipated to grow over time.

APPOINTMENT

I am pleased to welcome Mr Wong Yew Meng to the Board. He was appointed to the Board as a Non-Executive Independent Director in September 2009 to further augment Venture's Board composition.

Mr Wong Yew Meng brings with him more than 34 years of experience with PricewaterhouseCoopers, Singapore. With his strong auditing, accounting and financial background, the Board's core competencies in financial review and discussion have been strengthened.



In November 2009, Mr Wong Yew Meng was appointed as a member of the Audit Committee. The Board considers Mr Wong Yew Meng to be independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

APPRECIATION

The Group had several challenging issues to deal with in the past year, Management and every staff rose to the occasion. The Group's financial and operational performance for 2009 would not have been possible without the commitment, dedication and hard work of its global workforce. Once again, on behalf of the Board and Management, I would like to thank every individual for their contributions.

My sincere appreciation also goes to our business partners and customers. Thank you for entrusting your business to us and giving us the opportunity to work in close collaboration with you to pursue many industry opportunities. It had been a very fruitful journey in the last year and the Venture team remains committed to delivering the best support to all its customers.

The Group's suppliers and business associates must be credited for the ability of the Group to deliver to its customers. We acknowledge your co-operation and support. Thank you for being our valued partners.

Lastly, I would also like to register my appreciation to my fellow Board members for their invaluable guidance. My sincere thanks to all Board members for providing wise counsel and insightful perspectives throughout the year. Your advice and guidance have helped to shape and direct the work of the Group.

MESSAGE TO SHAREHOLDERS

DIVIDEND

We would like to express our appreciation to our shareholders for their continued support and trust in the Venture Group.

For the financial year ended 31 December 2009, 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 to be held on 23 April 2010, the proposed dividend will be paid on 20 May 2010.

OUTLOOK

The world economy appears to be pulling out of a recession with improved general market conditions and sentiments across the globe.

Business momentum among its customers has shown improvement over the quarters in 2009. Whilst the Group does not foresee a sharp rebound, it anticipates business volume to remain steady in 2010 with the exception of the lower value-added portion of the P&I segment. The Group has stepped up its efforts in transitioning its business in this segment to an ODM and Solutions Enterprise model. Venture expects the P&I segment to be on a recovery path after this transition period in 2010.

In the short-term, the industry is expected to continue to have assurance of supplies issues. The Group will execute with speed and flexibility in response to changes in its operating environment. It remains focused on achieving operational excellence in all business activities including procurement and supply chain management.

The Group remains steadfast in pursuing quality growth. It has well established strategies and substantial resources to accelerate its growth and traction in ODM and Solutions Enterprise businesses, as well as its core high-mix high value-added services businesses. Each of these businesses will provide a well-balanced revenue stream with healthy margin over time. This can and is expected to mitigate against an expected drop in revenue in the lower value-added portion of the P&I business.

In its pursuit of excellence, innovation and technical competencies, the Group has built depth and density in engineering and R&D, as well as in manufacturing operations and processes. It will continue to build know-how, IP and critical domain technology to further enhance its performance and profitability. These differentiating factors will continue to enable Venture to provide the best-in-class services, products and solutions to its customers.

Venture has built a diversified business across five key segments and an impressive portfolio of products and solutions. This has provided the Group with business stability as well as growth opportunities. Going forward, it will continue to build a well-balanced mix of businesses with a diversified revenue stream.

As the Group steps into a new decade, it remains focused on execution excellence and will proactively seek out growth opportunities. While the Group cannot control the vagaries of the external environment, it can definitely manage and shape its strategies for sustainable growth and profitability.

At Venture, the future is in our hands. It is what we make of it. Every member of the Venture team is challenged to be a catalyst of change, to achieve excellence for themselves and create success for others. Each one of us can shape the future and make tomorrow's future a reality.

WONG NGIT LIONG

Chairman & CEO

BOARD OF DIRECTORS

WONG NGIT LIONG
Chairman & CEO

KOH KHENG SIONG
Non-Executive Director

CECIL VIVIAN RICHARD WONG
Non-Executive Director

KOH LEE BOON
Non-Executive Director

GOH GEOK LING
Non-Executive Director

GOON KOK LOON
Non-Executive Director

TAN CHOON HUAT
Executive Director

WONG YEW MENG
Non-Executive Director

SOO ENG HIONG
Executive Director

BOARD OF DIRECTORS

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 is 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. He had also served on the Board of various listed companies.

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
– DBS Group Holdings Ltd
– DBS Bank 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 currently serves on the Boards of Bukit Sembawang Estates Ltd, British & Malayan Trustees Ltd and Pan-United Corporation Ltd.

Mr Wong had retired as a 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 contributions 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 14 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 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 extensive experience in the electronics sector having worked 28 years for Texas Instruments and a year for Micron Semiconductor Asia Ltd.

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 Group Holdings Ltd
– DBS Bank Ltd

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 Remuneration Committee and the Investment Committee.

Currently, Mr Goon is Chairman of Global Maritime & Port Services Pte Ltd. He also sits on the Board of various companies including Hisaka Holdings 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.

Past Principal Directorship in the Last Three Years
– Singapore Petroleum Company Ltd

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. Prior to August 2005, he held senior management positions in Singapore and the United States with ExxonMobil, including the position of Financial Controller of ExxonMobil Asia-Pacific Pte Ltd before he retired in August 2005.

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

Past Principal Directorship in the Last Three Years
– Mapletree Logistics Trust Management Limited

WONG YEW MENG

Non-Executive Director

Mr Wong Yew Meng was appointed to the Board on 1 September 2009. In November 2009, he was appointed as a member of the Audit Committee.

Mr Wong currently serves in various public organisations such as the Public Utilities Board, People's Association, Singapore Deposit Insurance Corporation Limited and the Singapore Eye Research Institute.

Mr Wong joined Price Waterhouse in 1974 and was admitted as an Audit-Partner in 1985. During his tenure with Price Waterhouse and the merged entity PricewaterhouseCoopers, he played a key role in building up the financial services practice of the accounting firm. His vast audit experience included acting as reporting accountant for Initial Public Offerings and the provision of accounting advice for merger exercises. In addition, he was an investigative accountant in several large scale Singapore corporate investigations.

Mr Wong is a Fellow of the Institute of Chartered Accountants in England and Wales. He was a former Certified Public Accountant of the Institute of Certified Public Accountants of Singapore, as well as the Public Accountants Board of Singapore/Accounting and Corporate Regulatory Authority.

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 Venture Group. 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 more than 20 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 the Group's is 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 degree (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.

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

** Please refer to pages 20 and 21.*

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. He is responsible for the Group's Retail Store Solutions & Industrial Products business ("RSSI") and operations in Singapore, Malaysia, China and the United States. He also leads the Group's business in Life Sciences and Power Management products. He provides stewardship in product and solution development, operations and supply chain management, sales and marketing, customer relationship management, as well as business planning for the RSSI group.

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 (Summa Cum Laude) 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.

DHARMA NADARAJAH
Senior Vice President & General Manager
Electronic Services Provider Business

Mr Dharma Nadarajah joined the Group in February 2001. He is responsible for the Group's Electronic Services Provider ("ESP") operations across the globe covering a full spectrum of high value-added services including product design and engineering, supply chain and supplier management, order management and optimisation, product development and manufacturing and new product introduction management.

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 offshore 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.

TAY WUI KIAN
Senior Vice President
Alliance Management & Special Projects

Mr Tay Wui Kian joined the Group in February 2007. He leads the Alliance Management group and is responsible for building customer relationships and business development across the Group's existing customers. He is also involved in Group-wide strategic projects to grow mutually beneficial partnerships with the customers.

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 played a key role in the establishment of Hewlett-Packard Company 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.

KRIS ALTICE
Senior Vice President
Business & Alliance Development

Mr Kris Altice joined the Group in November 2002. He provides key leadership to the Business & Alliance Development group, reviewing, planning and co-ordinating Group-wide efforts in new business and customer acquisitions and growth. He also has overall responsibility for the Group's sales and marketing activities and related marketing development initiatives and programmes. 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.

GROUP OF COMPANIES

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

EUROPE

Venture Electronics (Europe) B.V.
IMFC Management B.V.
Parklaan 32
3016 BC 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
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F : +36 (1) 451 7196

CHINA

Shanghai GES Information Technology Co., Ltd
668 Li Shi Zhen Road
Zhangjiang Hi-Tech Park
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F : +86 (21) 5080 6968

Shanghai Wai Gao Qiao Venture Electronics Co., Ltd
271 Gang Ao Road
Wai Gao Qiao Free Trade Zone
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Univac Precision Plastics (Shanghai) Co., Ltd
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Wai Gao Qiao Free Trade Zone
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F : +86 (21) 5048 1997

Univac Precision Plastics (SIP) Co., Ltd
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Sheng Pu Town
Suzhou Industrial Park Suzhou 215126
People's Republic of China
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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
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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

MALAYSIA

GES Manufacturing Services (M) Sdn Bhd
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Kawasan Perindustrian Senai
81400 Johor Bahru
Johor, Malaysia
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F : +60 (07) 599 2521

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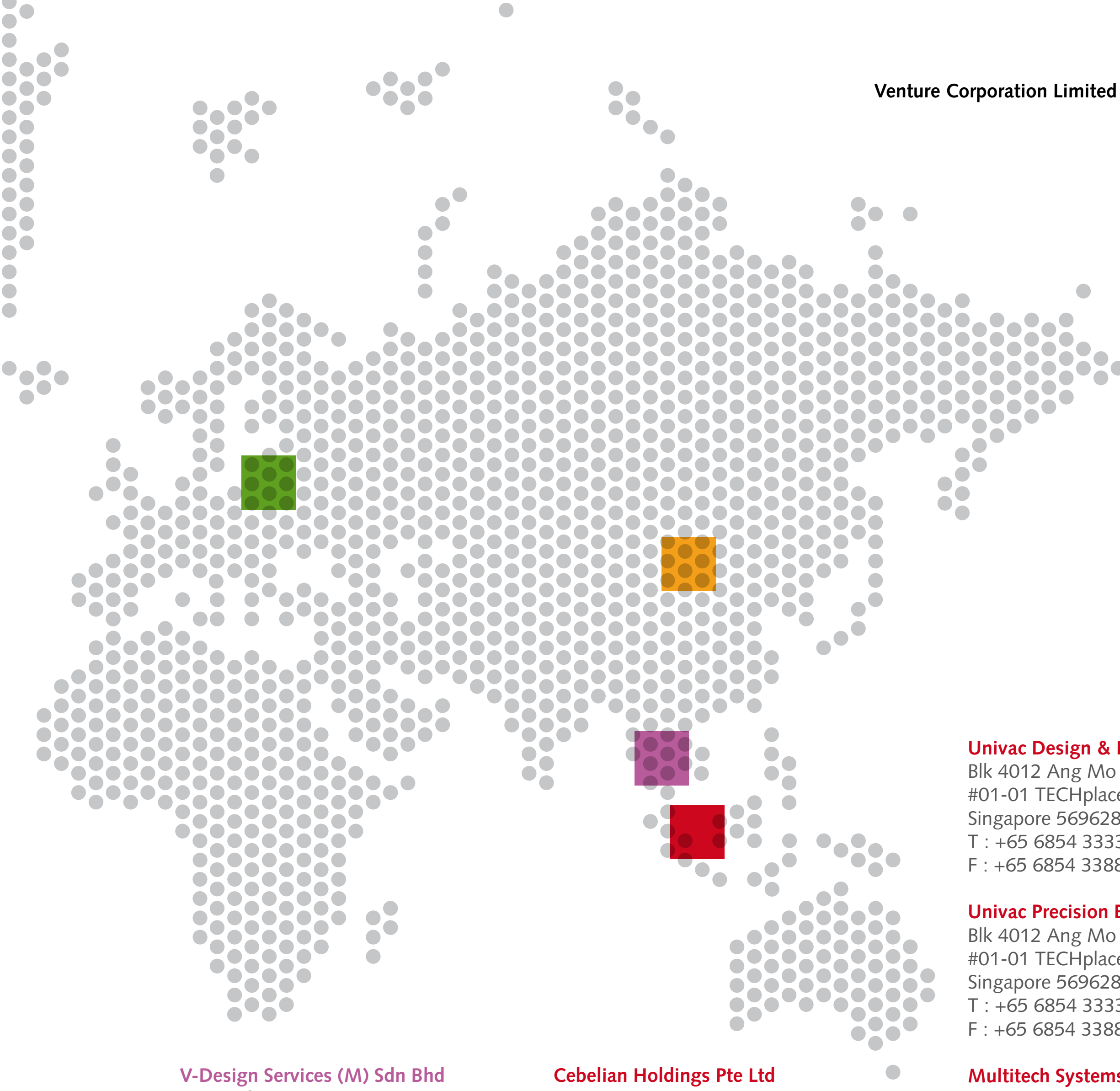
F : +60 (07) 335 0088

Pintarmas Sdn Bhd
6 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 & 4 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 & 4 Jalan Kempas 5/2
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Johor, Malaysia
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Venture Electronics Services (M) Sdn Bhd
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SINGAPORE

Venture Corporation Limited
5006 Ang Mo Kio Avenue 5
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Singapore 569873
T : +65 6482 1755
F : +65 6482 0122

Advanced Products Corporation Pte Ltd
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#05-01/12 TECHplace II
Singapore 569873
T : +65 6482 1755
F : +65 6482 0122

Cebelian Holdings Pte Ltd
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T : +65 6482 1755
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GES International Limited
28 Marsiling Lane
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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
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F : +65 6482 0122

Univac Design & Engineering Pte Ltd
Blk 4012 Ang Mo Kio Avenue 10
#01-01 TECHplace I
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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

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

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
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Singapore 569873
T : +65 6482 1755
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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

LIST OF PROPERTIES

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
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




CORPORATE DIRECTORY

REGISTERED OFFICE

Venture Corporation Limited
5006 Ang Mo Kio Avenue 5
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Singapore 569873
T : +65 6482 1755
F : +65 6482 0122
Email : contact-us@venture.com.sg

COMPANY SECRETARY

Angeline Khoo Cheng Nee

SHARE REGISTRAR

M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
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T : +65 6227 6660
F : +65 6225 1452

AUDITOR

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809
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F : +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 Hong Kong and Shanghai Banking Corporation Ltd
The Royal Bank of Scotland
United Overseas Bank Limited




INVESTOR RELATIONS CALENDAR

26 February 2010	Announcement of Full Year 2009 Results
1 March 2010	Non-Deal Road Show in Singapore Post Full Year 2009 Results
30 March 2010	Dispatch of 2009 Annual Report to Shareholders
23 April 2010	Annual General Meeting
23 April 2010	Extraordinary General Meeting
29 April 2010	Announcement of First Quarter 2010 Results
30 April 2010	Non-Deal Road Show in Singapore Post First Quarter 2010 Results
12 – 14 May 2010	CLSA Corporate Access Forum
8 – 11 June 2010	Nomura Asian Equity Forum
5.00 p.m. 10 – 11 May 2010	Book Closure Dates in Relation to Full Year 2009 Final Dividend
20 May 2010	Dividend Payment Date
5 August 2010	Announcement of Second Quarter 2010 Results
6 August 2010	Non-Deal Road Show in Singapore Post Second Quarter 2010 Results
3 November 2010	Announcement of Third Quarter 2010 Results
4 November 2010	Non-Deal Road Show in Singapore Post Third Quarter 2010 Results
31 December 2010	Financial Year-End

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

CORPORATE GOVERNANCE REPORT

Venture Corporation Limited ("the Company") and its subsidiaries (together, "the Group") firmly believe that a strong foundation of good corporate governance serves to protect the interest of all stakeholders and is key to its growth and continuing success. The Group recognises that transparency, disclosure, financial controls and accountability are essential pillars, upholding an effective framework of corporate governance.

The Company's corporate governance practices are built upon the framework of the Code of Corporate Governance ("Code"). More importantly, the Company has embraced the spirit of the Code. The Company's missions, core values, quality policies and business principles underpin its commitment to uphold and maintain high standards of corporate responsibility at all levels within the Group. Even the Company's Social Code of Conduct is closely aligned to the governance standards and principles prescribed in the Code.

In recognition of its commitment to sound corporate governance practices, the Company was again awarded the "Most Transparent Company Award" under the Technology and Electronics Category in 2009 by the Securities Investors Association (Singapore) ("SIAS"). The Management and Board of the Company acknowledge the presentation of this accolade by SIAS and express their gratitude to SIAS and the selection panel for such honour for the third consecutive year.

This Corporate Governance Report ("report") describes the Company's corporate governance practices with specific reference to the Code. Unless otherwise stated in the report 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 2009. The Board also holds informal discussions when needed by particular circumstances, as deemed appropriate by Board members. 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			
		Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
Executive Directors					
Wong Ngit Liong	5 of 5	–	2 of 2	2 of 2	2 of 2
Tan Choon Huat	4 of 5	–	–	–	–
Soo Eng Hiong	5 of 5	–	–	–	1 of 2
Non-Executive Independent Directors					
Cecil Vivian Richard Wong	5 of 5	4 of 4	2 of 2	2 of 2	–
Koh Lee Boon	5 of 5	4 of 4	2 of 2	2 of 2	–
Goh Geok Ling	5 of 5	4 of 4	–	–	–
Goon Kok Loon	5 of 5	4 of 4	–	2 of 2	2 of 2
Koh Kheng Siong	5 of 5	4 of 4	–	–	–
Wong Yew Meng*	1 of 5	–	–	–	–

**Attended all Board meetings held after his appointment to the Board on 1 September 2009 and appointed member of the Audit Committee on 11 November 2009.*

CORPORATE GOVERNANCE REPORT

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 Chief Executive Officer ("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

With the appointment of Mr Wong Yew Meng to the Board on 1 September 2009, the Board comprises nine members of which six 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 20 and 21 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 the opportunity to establish direct 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 2009.

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 Annual General Meeting ("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;

CORPORATE GOVERNANCE REPORT

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 Wong Yew Meng, being a new director who was appointed to the Board on 1 September 2009, is required to submit himself for re-election at the forthcoming AGM pursuant to Article 74.

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 2009. 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.

All analysts' reports on the Company have been forwarded to the Directors on an on-going basis, as and when received by the Company. 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.

CORPORATE GOVERNANCE REPORT

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 2009.

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 2009, 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 2009 is detailed in this report.

Remuneration Band and Name of Director	Fees+ %	Total Fixed 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
Wong Yew Meng	100	–	–	100
$500,000 to $749,999				
Tan Choon Huat	–	63	37	100
Soo Eng Hiong	–	63	37	100
$3,000,000 to $3,499,999				
Wong Ngit Liong	–	26	74	100

\+ Lump sum amount subject to approval by shareholders at AGM to be held on 23 April 2010
* Includes bonuses

CORPORATE GOVERNANCE REPORT

Key Executives' Remuneration

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

Remuneration Band	No. of Key Executives+	Total Fixed Remuneration %	Total Variable Remuneration %	Total Remuneration %
Below $250,000	24	78	22	100
$250,000 to $499,999	14	68	32	100
$500,000 to $749,999	7	64	36	100

\+ Includes executives who have worked with the Group for less than one year

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

Audit Committee

The Audit Committee comprises six Non-Executive Independent Directors. They are Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon, Mr Goh Geok Ling, Mr Goon Kok Loon, Mr Koh Kheng Siong and Mr Wong Yew Meng who was appointed on 11 November 2009. Mr Cecil Vivian Richard Wong is the Chairman of the committee. The Audit Committee met four times in 2009.

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 have 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.

CORPORATE GOVERNANCE REPORT

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 Group has in place an Enterprise Risk Management ("ERM") Integrated Framework. This ERM Framework sets out the formal, systematic and comprehensive guidelines and rules to identify and manage significant risks that might affect the Group's achievement of its business objectives. The risk management process has been integrated throughout the Group in phases and is becoming an essential part of its business planning and monitoring process. Policy and methodology have been introduced detailing procedures, methodologies and evaluation criteria to ensure clarity and consistency in the application of the risk management process across the Group.

The Audit Committee reviews the Group's risk assessment programme not less than once annually, and based on management controls in place, is satisfied that there are adequate internal controls within the Group. 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.

CORPORATE GOVERNANCE REPORT

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 2009.

PRINCIPLES 14 & 15
COMMUNICATION WITH SHAREHOLDERS

In upholding the highest standard of corporate governance, the Group has established policies and procedures to ensure compliance with its continuous disclosure obligations, as well as accountability at a senior management level for corporate compliance. Its robust corporate governance framework has enabled the Company to provide prompt, accurate and meaningful disclosure, fully compliant to the provisions of the Code and the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company recognises the importance of dialogue with its shareholders and the investment community and is committed to providing a high standard of communication to enable both existing and potential investors to make informed assessments of the Company's value and prospects. In 2009, the Company reviewed and enhanced several key communication programmes to augment and expand its shareholders-investors' communication platform. It has also adopted practices and processes by which material corporate information is disclosed on a timely basis.

The Company's corporate announcements, including its 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 materials and/or financial statements. This information package is made available on the Company's website following the issuance of the same to SGX-ST. In addition, the Company maintains a comprehensive investor relations database and proactively sends out the same information package to shareholders and interested persons strictly on a request basis only.

The Company practises voluntary 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 disclosure.

Every quarter, the Company holds a press and analyst briefing session immediately following the issuance of its quarterly financial results. These briefing sessions are open to shareholders of the Company. At the briefing session, 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, including global video conferences and conference calls. These meetings and calls enable the Company to share the same information across a wider group of investors, thus ensuring the timeliness of the Company's information dissemination and its accuracy.

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.

CORPORATE GOVERNANCE REPORT

Throughout the year, the CEO, CFO and the Corporate Communications team are available to meet and hold conference calls with local and foreign shareholders and analysts on request. In 2009, the Company received many requests for corporate updates from both institutional and retail investors. These updates were provided by means of both local and overseas one-on-one meetings and conference calls. The Corporate Communications team also attends to all shareholders' enquiries received in the form of letters, electronic mails, web portal mails and telephone calls. All communications comply with SGX-ST's rules on prompt and fair disclosure.

During the year, the Company participated in four local corporate access conferences which were well attended by investors from around the world. The Company also conducted four local post-results non-deal road shows in 2009. More than 20 global research companies cover the Company with issuance of regular reports and notes on the Company.

The Company's Report to Shareholders is 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 and Notice of Extraordinary General Meeting ("EGM"), if applicable, in a major local newspaper.

The AGM and EGM, if applicable, are attended by all the Directors, external auditors, the Company Secretary and Management. At the meeting, the Company will make a presentation to highlight key business developments and its full year financial performance. Shareholders are given the opportunity to share their views and put questions to the Directors, Management or external auditors. The Company's Chairman and chairmen of all Board Committees will be available to answer questions at the meeting. 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.

The Company places great importance on communication with its shareholders, institutional or retail, and will continue to maintain regular, effective and fair communication with its stakeholders.

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

REPORT OF THE DIRECTORS

The Directors present their report together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2009.

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
Wong Yew Meng (Appointed on 1 September 2009)

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 2009	At 31 December 2009
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

REPORT OF THE DIRECTORS

Names of Directors and Company in which interests are held	Shareholdings registered in the names of Directors At 1 January 2009	 At 31 December 2009
	Share options to subscribe for shares of the Company	
The Company		
Wong Ngit Liong	256,000	196,000
Tan Choon Huat	209,000	164,000
Soo Eng Hiong	209,000	164,000

The Directors' interests as at 21 January 2010 are the same as those as at 31 December 2009.

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 2009 were as follows:

	Number of options to subscribe for ordinary shares of the Company					
Date of grant	Outstanding at 1 January 2009	Exercised	Cancelled /Lapsed	Outstanding at 31 December 2009	Subscription price per share	Exercisable period
27 February 2004	2,466,000	–	(2,466,000)	–	$21.53	27 February 2005 to 26 February 2009

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.

REPORT OF THE DIRECTORS

(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)	(660,000)	–
Tan Choon Huat	–	3,773,989	(3,658,989)	(115,000)	–
Soo Eng Hiong	–	3,523,989	(3,408,989)	(115,000)	–
ii) Employees	–	51,268,747	(40,020,254)	(11,248,493)	–
Total	–	63,726,725	(51,588,232)	(12,138,493)	–

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.

REPORT OF THE DIRECTORS

(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 2009 were as follows:

Number of options to subscribe for ordinary shares of the Company							
Date of grant	Outstanding at 1 January 2009	Granted	Exercised	Cancelled /Lapsed	Outstanding at 31 December 2009	Subscription price per share	Exercisable period
1 September 2005	1,537,000	–	–	(92,000)	1,445,000	$18.288 (a) $16.764 (b) $16.002 (c)	1 September 2006 to 31 August 2010
15 September 2006	2,179,000	–	–	(166,000)	2,013,000	$14.275 (d) $12.562 (e) $11.991 (f) $11.420 (g)	15 September 2007 to 14 September 2011
15 September 2007	2,781,000	–	–	(107,000)	2,674,000	$19.850 (h) $17.468 (i) $16.674 (j) $15.880 (k)	15 September 2008 to 14 September 2012
15 September 2008	3,287,000	–	–	(160,000)	3,127,000	$10.463 (l) $9.207 (m) $8.789 (n) $8.370 (o)	15 September 2009 to 14 September 2013
	9,784,000	–	–	(525,000)	9,259,000		

(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

REPORT OF THE DIRECTORS

(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	–	196,000	–	–	196,000
	Tan Choon Huat	–	164,000	–	–	164,000
	Soo Eng Hiong	–	164,000	–	–	164,000
ii)	Employees	–	10,917,000	(83,000)	(2,099,000)	8,735,000
	Total	–	11,441,000	(83,000)	(2,099,000)	9,259,000

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

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

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

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

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

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

6 AUDIT COMMITTEE

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

Cecil Vivian Richard Wong (Chairman)
Koh Lee Boon
Goh Geok Ling
Goon Kok Loon
Koh Kheng Siong
Wong Yew Meng (Appointed as a member of the Audit Committee on 11 November 2009)

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

REPORT OF THE DIRECTORS

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

19 March 2010

STATEMENT OF DIRECTORS

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company set out on pages 46 to 107 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 2009, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company, 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

19 March 2010

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VENTURE CORPORATION LIMITED

We have audited the accompanying financial statements of Venture Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 107.

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 judgment, including the assessment of the 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 statement of financial position 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 2009 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
19 March 2010

STATEMENTS OF FINANCIAL POSITION

31 December 2009

	Note	The Company 2009 $'000	The Company 2008 $'000	The Group 2009 $'000	The Group 2008 $'000
ASSETS					
Current assets					
Cash and cash equivalents	6	252,539	144,699	567,068	513,770
Available-for-sale investments	7	5,038	156,278	5,038	158,259
Trade receivables	8	100,141	112,225	588,449	537,296
Other receivables and prepayments	9	22,273	5,380	41,775	36,621
Inventories	10	62,253	80,248	475,832	538,734
Trade receivables due from subsidiaries	11	21,721	8,229	–	–
Other receivables due from subsidiaries	11	2,338	341	–	–
Income tax recoverable		–	–	5,057	–
Total current assets		466,303	507,400	1,683,219	1,784,680
Non-current assets					
Investments in subsidiaries	11	1,234,726	1,234,726	–	–
Investments in associates	12	–	89,661	17,979	113,616
Investment in a joint venture	13	–	–	–	–
Available-for-sale investments	7	94,338	37,110	104,617	42,994
Property, plant and equipment	14	7,450	11,716	165,367	196,036
Intangible assets	15	13,335	2,682	131,705	137,369
Goodwill	16	–	–	640,593	640,593
Deferred tax assets	21	–	–	1,006	1,038
Total non-current assets		1,349,849	1,375,895	1,061,267	1,131,646
Total assets		1,816,152	1,883,295	2,744,486	2,916,326
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	17	221,578	187,740	223,688	201,680
Trade payables	18	92,187	74,132	509,115	436,855
Other payables and accrued expenses	19	24,448	23,776	118,141	95,988
Trade payables due to subsidiaries	11	17,114	18,955	–	–
Other payables due to subsidiaries	11	7,259	5,422	–	–
Trade payables due to associates	12	–	–	838	296
Income tax payable		1,295	2,114	2,490	1,258
Derivative financial instruments	20	–	132,473	–	132,473
Total current liabilities		363,881	444,612	854,272	868,550
Non-current liabilities					
Bank loans	17	–	119,854	–	119,854
Deferred tax liabilities	21	–	–	24,607	29,074
Total non-current liabilities		–	119,854	24,607	148,928
Capital and reserves					
Share capital	24	671,906	671,906	671,906	671,906
Share options reserve	24	31,518	30,853	32,185	31,805
Investments revaluation reserve	24	(29,497)	(14,777)	(31,564)	(15,611)
Translation reserve		–	–	(160,953)	(136,015)
Reserve fund	24	–	–	924	690
Accumulated profits		778,344	630,847	1,350,252	1,342,865
Equity attributable to owners of the Company		1,452,271	1,318,829	1,862,750	1,895,640
Minority interests		–	–	2,857	3,208
Total equity		1,452,271	1,318,829	1,865,607	1,898,848
Total liabilities and equity		1,816,152	1,883,295	2,744,486	2,916,326

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Note	The Group 2009 $'000	The Group 2008 $'000
Revenue	25	3,412,511	3,784,120
Changes in inventories of finished goods and work in progress		(66,186)	4,775
Raw materials and consumables used		(2,798,907)	(3,027,201)
Employee benefits expense		(221,951)	(292,446)
Depreciation and amortisation expense		(59,617)	(60,773)
Research and development expense		(13,402)	(20,964)
Foreign currency exchange adjustment (loss) gain		(752)	5,776
Other operating expenses		(96,555)	(117,160)
Other expenses	26	(16,996)	(112,214)
Investment revenue	27	6,833	16,805
Finance cost (interest expense on bank loans)		(3,573)	(8,333)
Share of (loss) profit of associates		(765)	197
Profit before tax		140,640	172,582
Income tax benefit (expense)	28	2,759	(5,033)
Profit for the year	29	143,399	167,549
Other comprehensive expense			
Loss on available-for-sale investments taken to equity		(42,965)	(12,544)
Exchange differences on translation of foreign operations		(24,982)	(12,613)
Reclassification adjustment upon maturity of available-for-sale investment		27,012	–
Other comprehensive expense for the year, net of tax		(40,935)	(25,157)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		102,464	142,392
Profit attributable to:			
Owners of the Company		143,706	166,692
Minority interests		(307)	857
		143,399	167,549
Total comprehensive income attributable to:			
Owners of the Company		102,815	141,721
Minority interests		(351)	671
		102,464	142,392
		Cents	Cents
Basic earnings per share	30	52.4	60.8
Fully diluted earnings per share	30	52.4	60.8

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2009

	Note	Share capital $'000	Share options reserve $'000	Investments revaluation reserve $'000	Accumulated profits $'000	Total $'000
Company						
Balance at 1 January 2008		671,906	29,385	(2,483)	447,272	1,146,080
Total comprehensive (expense) income for the year		–	–	(12,294)	315,941	303,647
Share options lapsed		–	(4,761)	–	4,761	–
Recognition of share-based payments	23	–	6,229	–	–	6,229
First and 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
Total comprehensive (expense) income for the year		–	–	(14,720)	283,582	268,862
Share options lapsed		–	(1,042)	–	1,042	–
Recognition of share-based payments	23	–	1,707	–	–	1,707
First and final tax exempt dividend paid in respect of the previous financial year	35	–	–	–	(137,127)	(137,127)
Balance at 31 December 2009		671,906	31,518	(29,497)	778,344	1,452,271

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2009

	Note	Share capital $'000	Share options reserve $'000	Investments revaluation reserve $'000	Translation reserve $'000	Reserve fund $'000	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Minority interests $'000	Total $'000
Group										
Balance at 1 January 2008		671,906	30,052	(3,067)	(123,588)	371	1,308,858	1,884,532	10,912	1,895,444
Total comprehensive (expense) income for the year		–	–	(12,544)	(12,427)	–	166,692	141,721	671	142,392
Share of an associate's share options reserve		–	285	–	–	–	–	285	–	285
Share options lapsed		–	(4,761)	–	–	–	4,761	–	–	–
Recognition of share-based payments	23	–	6,229	–	–	–	–	6,229	–	6,229
Acquisition of remaining interest in a subsidiary		–	–	–	–	–	–	–	(8,375)	(8,375)
First and 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
Total comprehensive (expense) income for the year		–	–	(15,953)	(24,938)	–	143,706	102,815	(351)	102,464
Reversal of share of an associate's share options reserve		–	(285)	–	–	–	–	(285)	–	(285)
Share options lapsed		–	(1,042)	–	–	–	1,042	–	–	–
Recognition of share-based payments	23	–	1,707	–	–	–	–	1,707	–	1,707
First and final tax exempt dividend paid in respect of the previous financial year	35	–	–	–	–	–	(137,127)	(137,127)	–	(137,127)
Appropriation to reserve fund		–	–	–	–	234	(234)	–	–	–
Balance at 31 December 2009		671,906	32,185	(31,564)	(160,953)	924	1,350,252	1,862,750	2,857	1,865,607

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	The Group	
	2009	2008
	$'000	$'000
Operating activities		
Profit before tax	140,640	172,582
Adjustments for:		
Share of loss (profit) of associates	765	(197)
Allowance for inventories	19	611
Inventories written off	2,094	1,195
Depreciation expense	41,304	41,208
Bad debts written off	210	–
Allowance (reversal of allowance) for doubtful trade receivables	2,947	(385)
Amortisation of intangible assets	18,313	19,565
Amortisation of deferred expenditure	710	–
Transfer from investments revaluation reserve on maturity of Collaterised Debt Obligation	27,012	–
Loss on maturity of Collaterised Debt Obligation	3,627	–
Impairment loss on available-for-sale investments	426	–
Impairment loss on property, plant and equipment	–	26
Impairment loss on investment in an associate	–	6,314
Interest income	(6,833)	(14,855)
Dividend income	(640)	(226)
Interest expense	3,573	8,333
Share-based payments expense	1,707	6,229
Fair value (gain) loss on Collaterised Debt Obligation	(12,401)	114,511
Gain on disposal of available-for-sale investment	–	(1,950)
(Gain) loss on disposal of plant and equipment	(2,043)	1,039
Loss on disposal of intangible assets	–	10
Operating profit before working capital changes	221,430	354,010
Trade receivables	(61,082)	80,806
Other receivables and prepayments	29,583	(3,144)
Inventories	51,232	6,972
Trade payables	83,305	(37,031)
Other payables and accrued expenses	23,289	(18,776)
Trade payables due to associates	559	(1,305)
Cash generated from operations	348,316	381,532
Interest paid	(2,371)	(7,415)
Income tax paid	(6,563)	(15,782)
Net cash from operating activities	339,382	358,335

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	The Group	
	2009	2008
	$'000	$'000
Investing activities		
Interest income received	6,870	14,855
Dividends received	640	226
Purchase of property, plant and equipment	(16,368)	(32,566)
Proceeds on disposal of plant and equipment	3,848	1,728
Addition of intangible assets	(13,434)	(2,990)
Estimated recoverable amount of Collaterised Debt Obligation	(17,090)	–
Proceeds on disposal of available-for-sale investments	7,000	44,214
Purchase of available-for-sale investments	(5,146)	(8,039)
Acquisition of shareholdings in an associate	–	(7,125)
Payment to minority shareholders for acquisition of additional shares in subsidiary (Note A)	–	(18,553)
Net cash used in investing activities	(33,680)	(8,250)
Financing activities		
Dividends paid	(137,127)	(137,127)
Proceeds from new bank loans	101,721	11,007
Repayment of bank loans	(201,311)	(199,970)
Net cash used in financing activities	(236,717)	(326,090)
Net increase in cash and cash equivalents	68,985	23,995
Cash and cash equivalents at beginning of year	513,770	493,326
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(15,687)	(3,551)
Cash and cash equivalents at end of year (Note 6)	567,068	513,770

Note 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 had 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.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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 statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2009 were authorised for issue by the Board of Directors on 19 March 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, 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 the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. 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 except as disclosed below:

FRS 1 – *Presentation of Financial Statements (Revised)*

FRS 1(2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Amendments to FRS 107 – *Financial Instruments : Disclosures - Improving Disclosures about Financial Instruments*

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

FRS 108 – *Operating Segments*

The Group adopted FRS 108 with effect from 1 January 2009. 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, the predecessor standard (FRS 14 - Segment Reporting) required 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 has changed (Note 34).

The comparatives have been restated to conform to the requirements of FRS 108.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 27 - Consolidated and Separate Financial Statements (Revised)
FRS 39 - Financial Instruments: Recognition and Measurement (Amendments relating to Embedded Derivatives)
FRS 103 - Business Combinations (Revised)

Amendments arising from Improvements to FRSs (issued in June 2009)

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 27 (Revised) *Consolidated and Separate Financial Statements;* and FRS 103 (Revised) *Business Combinations*

FRS 27 (Revised) is effective for annual periods beginning on or after 1 July 2009. FRS 103 (Revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

Apart from matters of presentation, the principal amendments to FRS 27 that will impact the Group concern the accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions in future accounting periods, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated. The changes will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

Similarly, FRS 103 is concerned with accounting for business combination transactions. The changes to the standard are significant, but their impact can only be determined once the detail of future business combination transactions is known. The amendments to FRS 103 will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 28 (Revised) *Investments in Associates*

In FRS 28 (Revised), the principle adopted under FRS 27 (Revised) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to FRS 28 (Revised); therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

FRS 28 (Revised) will be adopted for periods beginning on or after 1 July 2009 and will be applied prospectively in accordance with the relevant transitional provisions and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Amendments to FRS 7 - *Statement of Cash Flows*

The amendments (part of Improvements to FRSs issued in June 2009) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in FRS 38 - Intangible Assets for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) will be reclassified from investing to operating activities in the statement of cash flows. The amendments to FRS 7 will be adopted for periods beginning on or after 1 January 2010.

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 statement of comprehensive income 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 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 profit or loss.

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 the profit or loss.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position 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 in other comprehensive income 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 or loss. Where the investment is disposed of or is determined to be impaired, the gain or loss previously recognised in other comprehensive income and accumulated in the investments revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the 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 or loss, and other changes are recognised in other comprehensive income.

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 the end of each reporting period. 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to the profit or loss.

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

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 profit or loss.

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

The Group as lessee

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

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

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 proceed and the carrying amount 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".

i) INTANGIBLE ASSETS

Internally generated intangible assets – Research and development expenditure

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. 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 the end of each reporting period, 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 for which the estimates of future cash flows have not been adjusted.

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 profit or loss.

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 profit or loss.

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. Under the equity method, investments in associates are carried in the consolidated statement of financial position 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 profit or loss.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. 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 end of the reporting period, 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.

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 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 the number of equity instruments that will eventually vest. At the end of each reporting period, 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 in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to 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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Dividend income

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

Interest income

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

q) BORROWING COSTS – Borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognised in profit or loss 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 end of the reporting period.

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 statement of comprehensive income 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 Company and subsidiaries operate by the end of the reporting period.

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 the end of each reporting period 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 end of the reporting period.

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 or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), 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 statement of financial position 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 the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. 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 profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

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 at the end of the reporting period. 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 recognised in other comprehensive income and accumulated in a separate component of equity transferred to the Group's translation reserve. The cumulative amount of translation differences are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised 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 recognised in other comprehensive income and accumulated in translation reserve (attributed to minority interest, as appropriate).

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 JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

a) *Critical judgments in applying the Group's accounting policies*

The following is the critical judgment, apart from those involving estimates (see below), that management has made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

Loss of significant influence in associates

During the current financial year, management assessed and is of the view that significant influence over an associate was lost due to a divergence in strategic focus between the investor and the investee company. This factor amongst others, resulted in management losing the power to participate in the financial and operating policy decisions of this associate. Accordingly, the carrying amount of the investment in the associate, at the date that significant influence was lost, was reclassified to available-for-sale investments.

b) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

i) Impairment of investments 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.

In 2008, management had considered, among other factors, the duration and extent to which the fair value of an associate had fallen short of its carrying amounts as an indication of impairment. An exercise to determine the recoverable amount on the basis of value in use calculations of the associate was conducted. This exercise incorporated a determination of the following:

- 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;

- A review of the cash flow forecast and the basis and assumptions underlying the forecast;

As the exercise was based on both prospective financial and non-financial information, it required considerable judgment and was 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

b) *Key sources of estimation uncertainty (cont'd)*

i) Impairment of investments in associates (cont'd)

Management is of the view that the carrying amounts of the investments in associates do not exceed their respective recoverable amounts.

ii) Impairment of available-for-sale investments

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 exposures, adequate impairment loss has been recognised in the financial statements.

iii) Fair value of Collaterised Debt Obligation

The Group's available-for-sale investment in a Collaterised Debt Obligation ("CDO") had matured on 20 December 2009. In determining the fair value of the investment, the structuring bank had used proprietary valuation models, and incorporated assumptions and estimates based on observable market data that the bank believed to be appropriate, as well as the recovery values of the credit events that cumulatively have had an impact on the valuation of the CDO. On maturity, the structuring bank had advised that the estimated recoverable value of the CDO was $17,090,000. Though management has recorded the recoverable value in the current financial year, they are reviewing with the structuring bank these assumptions, estimates and recovery values of the credit events to determine the final recoverable value of the CDO.

In 2008, the fair value of the CDO was provided by the structuring banks using proprietary valuation models, and incorporating assumptions and estimates based on observable market data that the banks believed to be appropriate. To the extent that the actual variables deviate from the assumptions and estimates made by the structuring banks as at the end of the reporting period, there existed the risk that recorded values using the said methodologies would not be reflective of the fair values.

iv) 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 judgment 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 current and prior financial years. The carrying amounts of goodwill of the Group and investments in subsidiaries of the Company are disclosed in the respective notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

b) *Key sources of estimation uncertainty (cont'd)*

v) 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 from customers with contracts as at the date of acquisition, with expected renewals, and applying suitable churn rates and discount rates in order to calculate the present value of cash flows. The customer relationships are amortised over the estimated remaining useful life of 10 years which reflect the pattern in which the asset's future economic benefits are expected to be consumed. Based on management's assessment of the recoverable amount of intangible assets, no indication of impairment was noted.

The carrying amount of intangible assets is disclosed in Note 15.

vi) 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.

The carrying amount of inventories is disclosed in Note 10.

vii) Allowances for doubtful debts

The policy for allowance for doubtful debts of the Group is based on management's evaluation of collectibility and ageing analysis of accounts. A considerable amount of judgment and estimate is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of trade and other receivables are disclosed in Notes 8 and 9 respectively.

viii) 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.

ix) Useful lives of property, plant and equipment

The carrying amount of property, plant and equipment disclosed in Note 14 has been determined after charging depreciation on a straight line basis over the estimated useful life of these assets.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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 end of the reporting period:

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial assets				
Loans and receivables at amortised cost:				
Cash and cash equivalents	252,539	144,699	567,068	513,770
Trade receivables	100,141	112,225	588,449	537,296
Trade receivables due from subsidiaries	21,721	8,229	–	–
Other receivables	20,537	4,190	30,453	28,238
Other receivables due from subsidiaries	2,338	341	–	–
	397,276	269,684	1,185,970	1,079,304
Available-for-sale investments	99,376	193,388	109,655	201,253
Total	496,652	463,072	1,295,625	1,280,557
Financial liabilities				
Derivative financial instruments (at fair value through profit or loss)	–	132,473	–	132,473
Amortised cost:				
Bank loans	221,578	307,594	223,688	321,534
Trade payables	92,187	74,132	509,115	436,855
Trade payables due to subsidiaries	17,114	18,955	–	–
Trade payables due to associates	–	–	838	296
Other payables	190	328	9,850	34,324
Other payables due to subsidiaries	7,259	5,422	–	–
	338,328	406,431	743,491	793,009
Total	338,328	538,904	743,491	925,482

(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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

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. As at end of the reporting period, the carrying amounts of significant monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	The Company				The Group*			
	Liabilities		Assets		Liabilities		Assets	
	2009	2008	2009	2008	2009	2008	2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Singapore dollar	–	–	–	–	47,620	30,362	25,493	38,981
United States dollar	157,791	90,382	164,689	194,957	272,703	185,096	309,372	376,507
Euro	425	1,293	292	1,064	3,202	4,488	10,911	6,743
Japanese Yen	960	358	–	–	1,334	2,379	194	7
Renminbi	–	–	–	–	13,104	10,603	14,270	10,869
Malaysian Ringgit	4	4	–	–	68,026	21,788	33,260	16,340

* Figures include intercompany monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(i) Foreign exchange risk management (cont'd)

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 would (decrease) increase by the following amounts, mainly due to year end exposures on monetary balances denominated in the respective foreign currencies.

	Singapore Dollar impact		Malaysian Ringgit impact		United States Dollar impact		Euro impact	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Group								
Effect on profit for the year	(1,106)	431	(1,738)	(272)	1,833	9,571	385	113
Company								
Effect on profit for the year	–	–	–	–	345	5,229	(7)	(11)

If the relevant foreign currency weakens by 5% against the functional currency of each Group entity as at the year end, impact on profit for the year would be vice versa.

(ii) Interest rate risk management

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

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

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

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

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 investments revaluation reserve would increase (decrease) as follows:

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Effect on profit for the year [i]				
Interest-bearing financial assets	119	725	294	1,380
Interest-bearing financial liabilities	(1,849)	(2,156)	(1,892)	(2,290)
	(1,730)	(1,431)	(1,598)	(910)
Effect on investments revaluation reserve for the year [ii]	(900)	(1,714)	(963)	(1,790)

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

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

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

(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

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of quoted available-for-sale equity investments, if the market value had been 5% higher/lower while all other variables were held constant:

- the Group's and the Company's net profit for the year ended 31 December 2009 would have been unaffected as the equity investments are classified as available for sale and no investments were disposed of or impaired; and
- the Group's investments revaluation reserve would increase/decrease by $3,477,000 (2008: increase/decrease by $293,000).
- the Company's investments revaluation reserve would increase/decrease by $3,469,000 (2008: increase/decrease by $288,000).

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Equity price risk management (cont'd)

In respect of unquoted available-for-sale equity investments, the impact on the Group's and the Company's profit for the year and investments revaluation reserves as a result of changes in inputs to the valuation model is not expected to be material.

(iv) Credit risk management

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

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

The Group has concentration of credit risk with its largest customers as disclosed in Note 34.

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 Note 8 and Note 9 respectively.

(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. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (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	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Group						
2009						
Non-interest-bearing		993,589	138	64,542	–	1,058,269
Fixed interest rate instruments	4.19	199,159	10,382	41,874	(14,059)	237,356
		1,192,748	10,520	106,416	(14,059)	1,295,625
2008						
Non-interest-bearing		757,940	–	2,140	–	760,080
Fixed interest rate instruments	12.22	486,716	14,372	38,355	(18,966)	520,477
		1,244,656	14,372	40,495	(18,966)	1,280,557
Company						
2009						
Non-interest-bearing		270,276	–	58,425	–	328,701
Fixed interest rate instruments	4.33	133,622	5,961	41,874	(13,506)	167,951
		403,898	5,961	100,299	(13,506)	496,652
2008						
Non-interest-bearing		164,267	–	–	–	164,267
Fixed interest rate instruments	12.42	268,598	10,061	38,356	(18,210)	298,805
		432,865	10,061	38,356	(18,210)	463,072

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. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000
Group					
2009					
Non-interest-bearing		519,803	–	–	519,803
Variable interest rate instruments	0.94	223,688	–	–	223,688
		743,491	–	–	743,491
2008					
Non-interest-bearing		471,475	–	–	471,475
Variable interest rate instruments	1.82	204,396	121,059	(3,921)	321,534
		675,871	121,059	(3,921)	793,009
Company					
2009					
Non-interest-bearing		116,750	–	–	116,750
Variable interest rate instruments	0.92	221,578	–	–	221,578
		338,328	–	–	338,328
2008					
Non-interest-bearing		98,837	–	–	98,837
Variable interest rate instruments	1.71	189,867	121,059	(3,332)	307,594
		288,704	121,059	(3,332)	406,431

(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.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair values of financial assets and financial liabilities (cont'd)

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 using prices from observable current market transactions and dealer quotes for similar instruments; and
- in 2008, the fair value of CDOs with embedded credit derivatives (Notes 7 and 20) were derived from valuation models that are proprietary to the structuring banks. The structuring banks had confirmed among others, that the valuations were computed by an independent valuation team and that the valuations reflected the current economic assessment of the transactions and took into consideration, observable market data that the banks believe to be appropriate.
- unquoted equity investments (Note 7) are measured at cost less accumulated impairment loss because their fair value cannot be measured reliably.

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

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair values of financial assets and financial liabilities (cont'd)

Financial instruments measured at fair value

Financial Assets

	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group				
2009				
Available-for-sale investments:				
- Quoted equity shares	69,533	69,533	–	–
- Quoted debt securities	24,968	24,968	–	–
- Unquoted equity shares	6,091	–	–	6,091
- Unquoted debt securities	9,063	–	9,063	–
Total	109,655	94,501	9,063	6,091
Company				
Available-for-sale investments:				
- Quoted equity shares	69,370	69,370	–	–
- Quoted debt securities	24,968	24,968	–	–
- Unquoted debt securities	5,038	–	5,038	–
Total	99,376	94,338	5,038	–

Financial instruments measured at fair value based on level 3.

	Available-for-sale financial assets (Unquoted equities) $'000
Group	
2009	
As at 1 January 2009	2,044
Impairment loss recognised in profit or loss	(426)
Total gains in other comprehensive income	577
Purchases	1,071
Transfer from investment in associate	2,847
Exchange difference	(22)
As at 31 December 2009	6,091

NOTES TO FINANCIAL STATEMENTS

31 December 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) 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 2008.

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	
	2009 $'000	2008 $'000
Purchases of goods from associates	4,666	5,153
Sale of goods to associates	366	316

Compensation of Directors and key management personnel

The remuneration of 9 (2008 : 8) directors and 45 (2008 : 39) other key management personnel during the year were as follows:

	The Group	
	2009 $'000	2008 $'000
Short-term benefits	17,845	18,184
Post-employment benefits	370	323
Share-based payments	703	2,196
	18,918	20,703
Directors' fees	339	324
	19,257	21,027

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

6 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash	125,539	39,282	374,688	192,407
Fixed deposits	127,000	105,417	192,380	321,363
	252,539	144,699	567,068	513,770

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

The fixed deposit interest rates for the Company and the Group range from 0.01% to 3.60% (2008 : 0.01% to 4.85%) 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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Singapore dollar	–	–	12,641	23,374
United States dollar	76,796	87,330	105,111	128,982
Euros	292	1,059	4,611	3,626
Japanese Yen	–	–	194	7
Renminbi	–	–	6,029	4,276
Malaysian Ringgit	–	–	21,335	10,394

7 AVAILABLE-FOR-SALE INVESTMENTS

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Available-for-sale investments, at fair value:				
(a) Quoted equity shares	69,370*	5,766	69,533*	5,861
(b) Unquoted equity shares	–	–	6,091*	2,044
(c) Quoted debt securities	24,968	26,360	24,968	28,341
(d) Collaterised Debt Obligations (unquoted)	–	151,259	–	151,259
(e) Unquoted debt securities	5,038	10,003	9,063	13,748
Total	99,376	193,388	109,655	201,253
Analysed as:				
Current assets	5,038	156,278	5,038	158,259
Non-current assets	94,338	37,110	104,617	42,994
Total	99,376	193,388	109,655	201,253

* Includes equity investments which were reclassified from investments in associates due to loss of significant influence during the year (Note 12).

NOTES TO FINANCIAL STATEMENTS

31 December 2009

7 AVAILABLE-FOR-SALE INVESTMENTS (CONT'D)

(a) Investments in quoted equity securities offer the Company and the Group the opportunity for returns through dividend income and fair value gains. Quoted equity shares have no fixed maturity or coupon rate except for preference shares amounting to $10,945,000 (2008 : $5,766,000). These shares pay a non-cumulative fixed dividend rate of 5.75% per annum up to 15 June 2018, after which 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.

(b) The investments in unquoted equity shares represent investments in venture capital funds, club membership and other investee companies.

The investments in unquoted equity shares for the Group include an impairment loss charged to the profit for the year of $426,000 (2008 : $Nil) recorded as other expenses.

(c),(e) The investments in quoted and unquoted debt securities of the Company have effective interest yields ranging from 2.77% to 4.02% (2008 : 2.86% to 3.94%) per annum and of the Group ranging from 2.63% to 4.02% (2008 : 2.86% to 6.50%) per annum. These investments of the Company and the Group have maturity dates ranging from 16 June 2010 to 1 September 2018 (2008 : 5 March 2009 to 1 September 2018).

(d) In 2008, this pertained to a CDO with embedded credit derivatives (Note 20). The CDO had a principal amount of $167,800,000 and effective interest rate of 14.85% which matured on 20 December 2009. The estimated recoverable value of $17,090,000 on maturity of the CDO has been reclassified to other receivables (Note 9).

The Company recorded a net loss of $18,238,000 (Note 26) which includes the net impact of the following:

1) Derecognition of available-for-sale investment of $140,789,000 recorded as current asset and derivative financial instrument of $120,072,000 recorded as current liability prior to maturity of the CDO.

2) Estimated recoverable amount of $17,090,000 (Note 9) on maturity of the CDO (included in other receivables as at 31 December 2009).

3) Recycling of loss of $27,012,000 from investments revaluation reserve to profit or loss.

4) Fair value gain on derivative financial instruments recognised during the year of $12,401,000 (Note 26).

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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Singapore dollar	–	–	3,006	2,992
United States dollar	–	–	2,986	1,758

NOTES TO FINANCIAL STATEMENTS

31 December 2009

8. TRADE RECEIVABLES

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Outside parties	100,141	112,225	588,449	537,296

The average trade credit period on sales of goods is 60 days (2008 : 56 days). No interest is charged on the trade receivables.

An allowance of $2,947,000 (2008 : a reversal of $385,000) is debited to the profit or loss for the year in 2009.

The accumulated allowance as at year end for the Group amounted to $3,495,000 (2008 : $662,000) and for the Company amounted to $2,947,000 (2008 : $Nil). 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% (2008 : 10%) of the total trade receivables as at the year end) that are outstanding for periods longer than the contracted credit terms as agreed with the customers. The average age of these receivables is 69 days (2008 : 70 days). No allowance has been made on these receivables by management as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Movement in the allowance for doubtful debts:

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at beginning of the year	–	2,488	662	3,515
Amounts written off during the year	–	(2,488)	(99)	(2,488)
Allowance (Reversal of allowance) for the year	2,947	–	2,947	(385)
Exchange differences	–	–	(15)	20
Balance at end of the year	2,947	–	3,495	662

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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Singapore dollar	–	–	5,220	4,392
United States dollar	87,893	107,627	106,897	131,514
Euro	–	5	5,370	2,985
Renminbi	–	–	5,417	4,696
Malaysian Ringgit	–	–	1,012	1,583

9 OTHER RECEIVABLES AND PREPAYMENTS

	The Company		The Group	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Other receivables	20,537*	4,190	30,453*	28,238
Deposits	–	1,014	1,914	3,835
Prepayments	1,736	176	9,408	4,548
	22,273	5,380	41,775	36,621

* Includes estimated recoverable value of $17,090,000 arising on maturity of CDO (Note 7).

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	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
United States dollar	–	–	1,864	2,636
Malaysian Ringgit	–	–	4,874	2,784
Renminbi	–	–	1,735	1,897
Singapore dollar	–	–	3,538	7,548
Euro	–	–	261	83

10 INVENTORIES

	The Company		The Group	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Raw materials	28,759	36,414	265,668	262,384
Work in progress	23,447	29,882	89,332	101,281
Finished goods	10,047	13,952	120,832	175,069
	62,253	80,248	475,832	538,734

The Group's cost of inventories recognised as an expense includes $19,000 (2008 : $611,000) in respect of write down of inventory to net realisable value and inventories written off amounting to $2,094,000 (2008 : $1,195,000).

NOTES TO FINANCIAL STATEMENTS

31 December 2009

11 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2009 $'000	2008 $'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

Details of the Company's subsidiaries as at 31 December 2009 are as follows:

Name of subsidiaries	Country of incorporation and operation	Cost of investment		Proportion of ownership interest and voting power held		Principal activities
		2009 $'000	2008 $'000	2009 %	2008 %	
Advanced Products Corporation Pte Ltd	Singapore	863	863	100	100	Trading and manufacturing of electronics products and provision of electronic services
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) (6)	India	–	–	100	100	Dormant
Venture Electronics (Europe) B.V. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (6)	Netherlands	–	–	100	100	Investment holding

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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
		2009 $'000	2008 $'000	2009 %	2008 %	
Venture Hungary Electronics Manufacturing Limited Liability Company (95% owned by Venture Electronics (Europe) B.V. and 5% owned by Cebelian Holdings Pte Ltd) (3)	Hungary	–	–	100	100	Design, manufacture, assemble and distribute electronic products
Venture Electronics Spain S.L. (wholly-owned subsidiary of Venture Electronics (Europe) B.V.) (6)	Spain	–	–	100	100	Manufacture, design, engineering, customisation and logistic services
Venture Electronics (Shanghai) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (1)	People's Republic of China	–	–	100	100	Trading in and manufacturing of electronic and computer - related products
Venture Electronics (Shenzhen) Co., Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (5)	People's Republic of China	–	–	100	100	Manufacture and sale of terminal units
VM Services, Inc. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (6)	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.) (6)	United States of America	–	–	100	100	Manufacture, design, engineering, customisation and logistic services
Venture Design Services, Inc. (wholly-owned subsidiary of VM Services, Inc.) (6)	United States of America	–	–	100	100	Trading and manufacturing of electronics and computer - related products, provision of engineering, customisation, logistics and repair services

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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
		2009 $'000	2008 $'000	2009 %	2008 %	
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) (6)	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
Scinetic Engineering Pte Ltd (60% owned by the Company and 40% owned by GES Investment Pte Ltd)	Singapore	20,913	20,913	100	100	Design, trading in and manufacturing of electronic and mechanical products
Technocom Systems Sdn Bhd (1)	Malaysia	1,543	1,543	100	100	Manufacturing and assembly of electronic and other computer products and peripherals
Pintarmas Sdn Bhd (wholly-owned subsidiary of Technocom Systems Sdn Bhd) (1)	Malaysia	–	–	100	100	Manufacturing and assembling of electronic and other computer products and peripherals
V-Design Services (M) Sdn Bhd (wholly-owned subsidiary of Technocom Systems Sdn Bhd) (1)	Malaysia	–	–	100	100	Design and development for electronics products

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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
		2009 $'000	2008 $'000	2009 %	2008 %	
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 voluntary liquidation)
Winza Pte Ltd (previously known as 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	Manufacturing and assembly of electronic and other computer products and peripherals
Venture Electronics Solutions Pte Ltd	Singapore	16,626	16,626	100	100	Manufacture, design, engineering and logistic services to electronics equipment manufacturers
Ventech Investments Ltd (6)	British Virgin Islands	90	90	100	100	Investment holding
Univac Precision Engineering Pte Ltd	Singapore	120,223	120,223	100	100	Manufacture, design, fabrication, stamping and injection, metal punching and spraying of industrial metal parts, tools and dies
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) (6)	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

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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
		2009 $'000	2008 $'000	2009 %	2008 %	
Univac Precision Plastics (Shanghai) Co., Ltd (wholly-owned subsidiary of Univac Design & Engineering Pte Ltd) (4)	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) (4)	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
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) (6)	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			

11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

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, Moore Stephens Hezicomp Kft.
(4) Audited by another firm of auditors, Shanghai Huashen Certified Public Accountants Co., Ltd.
(5) Audited by another firm of auditors, BDO Guangdong Dahua Delu.
(6) Not required to be audited by law in its country of incorporation and not material to the results of the Group.

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 (2008 : $82,000,000) which are extension of the Company's investments in the subsidiaries and hence are capital in nature.

The trade receivables from subsidiaries of $21,721,000 (2008 : $8,229,000) are stated at net of allowance for doubtful trade receivables of $30,000,000 (2008 : $30,000,000).

The receivables due from and payables due to subsidiaries denominated in United States dollar are $54,178,000 (2008 : $27,219,000) and $38,277,000 (2008 : $24,920,000) respectively.

12 INVESTMENTS IN ASSOCIATES

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Quoted equity shares, at cost	–	89,661	11,492	101,153
Unquoted equity shares, at cost	–	–	453	4,019
	–	89,661	11,945	105,172
Share of post-acquisition profits, net of dividend received	–	–	6,092	14,648
Impairment loss	–	–	–	(6,314)
Share of associate's share option reserve	–	–	–	285
Currency realignment on translation of foreign associates	–	–	(58)	(175)
Net	–	89,661	17,979	113,616
Market value of quoted equity shares	–	13,538	5,495	16,678

NOTES TO FINANCIAL STATEMENTS

31 December 2009

12 INVESTMENTS IN ASSOCIATES (CONT'D)

Details of the Group's significant associates as at 31 December 2009 are as follows:

Name of Associates	Country of Incorporation and Operation	Proportion of Ownership Interest and Voting Power Held		Principal Activities
		2009 %	2008 %	
DMX Technologies Group Ltd [1]	Bermuda	*	26.8	Provision of broadband network infrastructure, digital video and advanced mobile solutions
Acumen Engineering Pte Ltd [1]	Singapore	42.7	42.7	Trading of plastic resins
Fischer Tech Ltd [2]	Singapore	22.9	22.9	Manufacturing of plastic precision and engineering products
Hartec Asia Pte Ltd [3]	Singapore	*	30.0	Manufacturing of nano coating machines and provision of nano coating products and services

* During the current financial year, management assessed and is of the view that significant influence over these associates was lost. Accordingly, the carrying amounts of the investments in associates were reclassified to available-for-sale investments on the date when significant influence was lost (Note 7).

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

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

	The Group	
	2009 $'000	2008 $'000
Total assets	132,236	485,991
Total liabilities	(58,527)	(126,438)
Net assets	73,709	359,553
Group's share of associates' net assets	17,979	94,987
Revenue	338,036	442,346
Profit for the year	3,115	1,785
Group's share of associates' (loss) profit for the year	(765)	197

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

NOTES TO FINANCIAL STATEMENTS

31 December 2009

13 INVESTMENT IN A JOINT VENTURE

	The Group	
	2009	2008
	$'000	$'000
Unquoted equity shares, at cost	–	–

Details of the Group's joint venture as at 31 December 2009 are as follows:

Name of Joint Venture	Country of Incorporation and Operation	Proportion of Ownership Interest and Voting Power Held		Principal Activities
		2009	2008	
		%	%	
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.

	2009	2008
	$'000	$'000
Current assets	44	50
Non-current assets	1,688	1,735
Current liabilities	4	5
Net loss after tax	4	426

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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 2008	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
Additions	692	6	178	–	876
Disposals	(1,656)	(85)	(137)	(78)	(1,956)
At 31 December 2009	63,802	3,068	8,569	703	76,142
Accumulated depreciation:					
At 1 January 2008	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
Depreciation	3,893	393	565	113	4,964
Disposals	(1,523)	(44)	(133)	(78)	(1,778)
At 31 December 2009	57,580	2,709	8,035	368	68,692
Carrying amount:					
At 31 December 2009	6,222	359	534	335	7,450
At 31 December 2008	9,556	787	925	448	11,716

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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 2008	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
Exchange differences	(166)	(1,806)	–	(1,147)	(7,828)	(554)	(1,112)	–	(135)	(12,748)
Additions	–	–	–	6,802	6,849	666	1,521	483	47	16,368
Disposals	–	(279)	–	–	(19,015)	(2,655)	(1,523)	–	(600)	(24,072)
At 31 December 2009	6,019	65,076	337	47,645	335,429	28,959	46,179	3,961	2,400	536,005
Accumulated depreciation:										
At 1 January 2008	–	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
Exchange differences	–	(771)	–	(523)	(5,860)	(540)	(1,004)	–	(122)	(8,820)
Depreciation	–	2,863	8	1,402	29,324	3,317	3,324	722	344	41,304
Disposals	–	(24)	–	–	(17,708)	(2,461)	(1,508)	–	(566)	(22,267)
At 31 December 2009	–	27,003	126	18,045	258,629	21,039	40,552	3,258	1,705	370,357
Impairment:										
At 1 January 2008	–	–	–	–	8	36	174	–	37	255
Impairment loss	–	–	–	–	10	–	16	–	–	26
At 31 December 2008 and 31 December 2009	–	–	–	–	18	36	190	–	37	281
Carrying amount:										
At 31 December 2009	6,019	38,073	211	29,600	76,782	7,884	5,437	703	658	165,367
At 31 December 2008	6,185	42,226	219	24,824	102,532	10,743	7,363	942	1,002	196,036

NOTES TO FINANCIAL STATEMENTS

31 December 2009

15 INTANGIBLE ASSETS

	Development expenditure $'000	Computer software $'000	Total $'000
The Company			
Cost:			
At 1 January 2008	–	1,467	1,467
Additions	2,682	–	2,682
At 31 December 2008	2,682	1,467	4,149
Additions	11,205	–	11,205
At 31 December 2009	13,887	1,467	15,354
Accumulated amortisation:			
At 1 January 2008 and 31 December 2008	–	1,467	1,467
Amortisation for the year	552	–	552
At 31 December 2009	552	1,467	2,019
Carrying amount:			
At 31 December 2009	13,335	–	13,335
At 31 December 2008	2,682	–	2,682

	Customer relationships $'000	Development expenditure $'000	Computer software $'000	Total $'000
The Group				
Cost:				
At 1 January 2008	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
Additions	–	11,249	2,185	13,434
Exchange differences	–	(73)	(50)	(123)
At 31 December 2009	168,483	37,808	25,572	231,863
Accumulated amortisation:				
At 1 January 2008	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
Amortisation for the year	16,848	710	1,465	19,023
Exchange differences	–	(70)	22	(48)
At 31 December 2009	51,948	24,219	23,991	100,158
Carrying amount:				
At 31 December 2009	116,535	13,589	1,581	131,705
At 31 December 2008	133,383	3,053	933	137,369

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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 (2008 : $16,848,000) has been recorded in profit or loss.

16 GOODWILL

	The Group
	$'000
Cost:	
At 1 January 2008	630,415
Arising from acquisition of additional equity interest in a subsidiary	10,178
At 31 December 2008 and 31 December 2009	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:

	2009	2008
	$'000	$'000
Retail Store Solutions and Industrial		
(a) GES International Limited and its subsidiaries ("GES") (single CGU)	573,568	550,865
(b) Scinetic Engineering Pte Ltd ("Scinetic")[1]	–	22,703
Component Technology		
(c) Univac Precision Engineering Pte Ltd and its subsidiaries (single CGU)	53,046	53,046
Electronic Services Provider		
(d) Venture Electronics Solutions Pte Ltd (single CGU)	10,635	10,635
(e) Others	3,344	3,344
Total	640,593	640,593

(1) In 2009, Scinetic's business was integrated with the business of GES to form a single CGU [2008: Scinetic was a separate CGU on its own].

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, 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 discount rates, revenue growth rates, profitability margins, capital expenditures, working capital cycles and non-operating cash balances, as at the assessment date.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

16 GOODWILL (CONT'D)

The discount rates applied to the cash flows projections are derived from the weighted average 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% (2008 : 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 rate used to discount the cash flows from GES International Limited and its subsidiaries is 12.0% (2008 : 12.0%). As Scinetic now forms a single CGU with GES, its cash flows are subject to the same rates as GES (2008 : discount rate for Scinetic was 9.4%).

(b) The rate used to discount the cash flows from Univac Precision Engineering Pte Ltd and its subsidiaries is 11.7% (2008 : 11.7%).

(c) The rate used to discount the cash flows from Venture Electronics Solutions Pte Ltd is 14.4% (2008 : 14.4%).

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 for the current and prior financial years.

17 BANK LOANS

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current liabilities				
Bank loans	221,578	187,740	223,688	201,680
Non-current liabilities				
Bank loans	–	119,854	–	119,854

The bank loan comprises:

1) term loan of $119,857,000 (2008 : $258,684,000) which was raised on 17 September 2007. The repayments commenced on 29 February 2008 and will continue until 30 August 2010 and the loan bears effective interest rate of 1.165% (2008 : 1.831%) per annum. The loan is unsecured and interest is charged at Swap Offer Rate plus a margin of 0.28% per annum.

2) bank borrowings of $101,721,000 (2008 : $48,910,000) which is a revolving credit facility. The loan bears effective interest rate of 0.626% (2008 : 1.073%) per annum. The loan is unsecured and interest is charged at SIBOR plus a margin of 0.28% per annum.

3) bank borrowings of $2,110,000 (2008 : $2,650,000) which is a revolving credit facility. The loan bears effective interest rate of 3.763% (2008 : 5.887%) per annum. The loan is unsecured and interest is charged at SIBOR plus a margin of 1.625% per annum.

17 BANK LOANS (CONT'D)

4) bank borrowings of $11,290,000 which bore effective interest rate of 3.835% per annum in 2008. The loan was unsecured and interest was charged at the bank's cost of funds plus a margin of 1% per annum. This loan was repaid during the year.

On 31 December 2009, the Group had $159,000,000 (2008 : $166,000,000) 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	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
United States dollar	71,721	28,910	73,831	28,910

18 TRADE PAYABLES

	The Company		The Group	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Outside parties	92,187	74,132	509,115	436,855

The average credit period on purchases of goods is 60 days (2008 : 55 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	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Singapore dollar	–	–	8,951	7,095
United States dollar	86,070	61,472	110,783	86,390
Japanese Yen	960	358	1,334	2,379
Euro	425	1,293	2,832	4,381
Malaysian Ringgit	4	4	15,505	9,905
Renminbi	–	–	8,846	7,224
Swiss Franc	258	130	258	130

NOTES TO FINANCIAL STATEMENTS

31 December 2009

19 OTHER PAYABLES AND ACCRUED EXPENSES

	The Company		The Group	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Other payables	190	328	9,850	34,324
Salary related accruals	11,292	11,342	25,921	18,315
Accrued expenses	12,966	12,106	82,370	43,349
	24,448	23,776	118,141	95,988

Salary related accruals for both the Company and the Group include $2,915,000 (2008 : $3,606,000) due to Directors. The amount due to Directors is unsecured, interest-free and payable within 12 months.

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	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Singapore dollar	–	–	14,127	13,810
United States dollar	–	–	956	848
Renminbi	–	–	3,200	3,379
Malaysian Ringgit	–	–	46,482	10,308

20 DERIVATIVE FINANCIAL INSTRUMENTS

	The Company and the Group	
	2009	2008
	$'000	$'000
Derivative financial instruments	–	132,473

In 2008, the derivative related to credit derivative notes embedded in the CDO (Note 7) that were not closely related to the host contract. A gain from fair value change of $12,401,000 (2008 : a loss of $114,511,000) has been recognised in profit or loss during the year. The CDO matured on 20 December 2009.

21 DEFERRED TAX ASSETS (LIABILITIES)

	The Group	
	2009	2008
	$'000	$'000
Deferred tax liabilities:		
Balance at beginning of year	29,074	32,931
Credit to profit and loss for the year (Note 28)	(4,442)	(3,795)
Exchange differences	(25)	(62)
Balance at end of year	24,607	29,074

21 DEFERRED TAX ASSETS (LIABILITIES) (CONT'D)

	Accelerated tax depreciation	Fair value of assets acquired on acquisition of subsidiaries	Total
	$'000	$'000	$'000
<u>Components of deferred tax liabilities:</u>			
Balance at 1 January 2008	3,929	29,002	32,931
Credit to profit and loss for the year	(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
Credit to profit and loss for the year	(112)	–	(112)
Overprovision in prior years	(381)	–	(381)
Released upon the amortisation of customer relationships[(1)]	–	(2,424)	(2,424)
Released due to reduction in corporate tax rates (Note 28)	(17)	(1,508)	(1,525)
Exchange differences	(25)	–	(25)
Balance at 31 December 2009	2,789	21,818	24,607

(1) The deferred tax liabilities in 2009 and 2008 mainly comprise of the tax effect of fair valuation of net assets acquired from GES in 2006 and these were released upon the amortisation of customer relationships (Note 15).

	The Group	
	2009	2008
	$'000	$'000
<u>Deferred tax assets:</u>		
Balance at beginning of year	1,038	1,037
(Charged) Credit to profit and loss for the year (Note 28)	(3)	5
Exchange differences	(29)	(4)
Balance at end of year	1,006	1,038

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 Company 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 for the year of $15,326,000 (2008 : $15,872,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2009, contributions of $1,804,000 (2008 : $1,693,000) due in respect of current financial year had not been paid over to the plans. The amounts were settled subsequent to 31 December 2009.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

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			
	2009		2008	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at beginning of the year	12,250,000	15.89	12,865,000	18.23
Granted during the year	–	–	3,297,000	10.46
Forfeited during the year	(525,000)	13.83	(1,636,000)	17.74
Expired during the year	(2,466,000)	21.53	(2,276,000)	16.17
Outstanding at end of the year	9,259,000	13.68	12,250,000	15.89
Exercisable at end of the year	9,259,000	13.68	8,963,000	17.88

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 2.5 years (2008 : 2.8 years).

The Group recognised total expenses of $1,707,000 (2008 : $6,229,000) relating to equity-settled share-based payment transactions during the year.

No share options were granted in 2009.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

24 SHARE CAPITAL AND RESERVES

SHARE CAPITAL

	The Company and the Group			
	2009	2008	2009	2008
	Number of ordinary shares			
	’000	’000	$’000	$’000
Issued and fully paid up:				
At beginning of year and 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.

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 for the year. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in the profit for the year.

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

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	
	2009	2008
	$’000	$’000
Electronic manufacturing, engineering, design and fulfilment services revenue	3,411,871	3,783,894
Dividend income	640	226
	3,412,511	3,784,120

NOTES TO FINANCIAL STATEMENTS

31 December 2009

26 OTHER EXPENSES

	The Group	
	2009 $'000	2008 $'000
Transfer from investments revaluation reserve on maturity of Collaterised Debt Obligation	(27,012)*	–
Loss on maturity of Collaterised Debt Obligation	(3,627)*	–
Impairment loss on available-for-sale investments	(426)	–
Fair value gain (loss) on derivative financial instruments at fair value through profit or loss	12,401*	(114,511)
Government grants	74	139
Other income	1,594	2,158
Total	(16,996)	(112,214)

* Represents a net loss of $18,238,000 (Note 7) on maturity of CDO.

27 INVESTMENT REVENUE

	The Group	
	2009 $'000	2008 $'000
Interest on bank deposits	1,063	6,704
Interest on available-for-sale debt securities	1,309	1,502
Interest on Collaterised Debt Obligations	4,461	6,649
Gain on disposal of available-for-sale investment	–	1,950
Total	6,833	16,805

28 INCOME TAX (BENEFIT) EXPENSE

	The Group	
	2009 $'000	2008 $'000
Income tax on profit for the year:		
Current year - Singapore	2,597	5,170
- Foreign	964	4,507
Overprovision in prior years	(1,881)	(844)
Deferred income tax (Note 21):		
Current year	(2,533)	(3,800)
Overprovision in prior years	(381)	–
Released due to reduction in corporate tax rates	(1,525)	–
Total	(2,759)	5,033

Domestic income tax is calculated at 17% (2008 : 18%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

28 INCOME TAX (BENEFIT) EXPENSE (CONT'D)

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

	The Group	
	2009 $'000	2008 $'000
Profit before tax	140,640	172,582
Income tax expense at statutory tax rate	23,909	31,065
Non-allowable items	12,827	23,331
Overprovision of income tax in prior years, net	(2,262)	(844)
Deferred tax benefits not recognised	386	1,665
Effect of different tax rates of overseas operations	7,586	(430)
Effect on deferred tax balances due to change in income tax rate from 18% to 17% (effective 2009)	(1,525)	–
Tax exempt income	(43,091)	(49,207)
Utilisation of deferred tax benefits previously not recognised	(1,039)	(373)
Other items	450	(174)
Total income tax	(2,759)	5,033

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 July 2010, with extension of four years subject to the fulfilment of additional conditions.

The following subsidiaries 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), with extension for a period of 5 years from 1 September 2009 to 31 August 2014.

d) V-Design Services (M) Sdn Bhd : 5 years commencing 31 August 2006.

e) GES Manufacturing Services (M) Sdn Bhd : 5 years commencing 1 January 2008.

f) GES Singapore Pte Ltd : 2 years commencing 1 June 2008, with extension of another one year subject to the fulfilment of additional conditions.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

28 INCOME TAX (BENEFIT) EXPENSE (CONT'D)

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

	2009 $'000	2008 $'000
Amount at beginning of year	19,683	36,070
Adjustments	(7,541)	(18,694)
Amount in current year	1,255	3,200
Amount utilised in current year	(2,051)	(893)
	11,346	19,683
Deferred tax benefit on above not recorded	1,929	3,543

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

	2009 $'000	2008 $'000
Amount at beginning of year	11,170	2,524
Adjustments	(3,966)	3,772
Amount in current year	1,018	6,051
Amount utilised in current year	(4,059)	(1,177)
	4,163	11,170
Deferred tax benefit on above not recorded	708	2,011

At the end of the reporting period, the aggregate amount of deferred tax liabilities in respect of temporary differences associated with undistributed earnings of subsidiaries that have not been recognised is $4,693,000 (2008 : $6,044,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

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

Group Relief

Subject to the satisfaction of the conditions for Group relief, $1,081,000 (2008 : $4,651,000) of tax losses and unabsorbed capital allowances incurred by Singapore incorporated subsidiaries during the year were transferred to the Company under the Group relief system.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

29 PROFIT FOR THE YEAR

Other than as disclosed elsewhere in the financial statements, profit for the year has been arrived at after charging (crediting):

	The Group	
	2009 $'000	2008 $'000
(Gain) Loss on disposal of plant and equipment	(2,043)	1,039
Loss on disposal of intangible assets	–	10
Impairment loss of property, plant and equipment (included in other operating expenses)	–	26
Impairment loss on investment in an associate (included in other operating expenses)	–	6,314
Directors' remuneration:		
- Directors of the Company	4,662	5,950
- Directors of the subsidiaries and joint venture	6,750	5,128
- Directors' fees payable to Directors of the Company	339	324
Total Directors' remuneration	11,751	11,402
Employee benefits expense (including Directors' remuneration):		
- Equity settled share-based payments	1,707	6,229
- Defined contribution plans	15,326	15,872
- Salaries	204,918	270,345
Total employee benefits expense	221,951	292,446
Impairment loss on financial assets:		
- Allowance (Reversal of allowance) for doubtful trade receivables	2,947	(385)
- Impairment loss on available-for-sale investments	426	–
Total impairment loss on financial assets	3,373	(385)
Cost of inventories recognised as expense	2,865,093	3,022,426
Allowance for inventories	19	611

NOTES TO FINANCIAL STATEMENTS

31 December 2009

30 EARNINGS PER SHARE

	The Group			
	2009		2008	
	Basic $'000	Diluted $'000	Basic $'000	Diluted $'000
Profit for the year	143,706	143,706	166,692	166,692
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares used to compute earnings per share	274,253	274,253	274,253	274,253
Earnings per share (cents)	52.4	52.4[1]	60.8	60.8[1]

(1) Diluted earnings per share is the same as basic earnings per share as the share options were anti-dilutive.

31 OPERATING LEASE ARRANGEMENTS

The Group as lessee:

	The Group	
	2009 $'000	2008 $'000
Minimum lease payments paid under operating leases and recognised as an expense during the year	15,630	16,198

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Company		The Group	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Within one year	2,870	6,573	7,630	15,315
In the second to fifth year inclusive	1,681	319	11,074	7,711
After the fifth year	–	–	1,966	1,946
	4,551	6,892	20,670	24,972

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

32 CAPITAL EXPENDITURE COMMITMENTS

	The Group	
	2009	2008
	$'000	$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	1,156	153

33 COMMITMENTS AND CONTINGENT LIABILITIES (UNSECURED)

	The Company		The Group	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Letters of guarantee issued by bankers	5,731	6,248	8,191	20,395

34 SEGMENT INFORMATION

The Group operates predominantly as a provider of manufacturing, engineering, design and fulfilment services to the electronics industry. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is as follows:

(i) Electronic Services Provider
(ii) Retail Store Solutions and Industrial
(iii) Component Technology

Accordingly, the above are the Group's reportable segments under FRS 108.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

34 SEGMENT INFORMATION (CONT'D)

Segment revenues and results

	Electronic Services Provider	Retail Store Solutions and Industrial	Component Technology	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
2009					
Revenue:					
External sales	2,749,941	560,615	101,955	–	3,412,511
Inter-segment sales	10,042	9,990	8,102	(28,134)	–
Total revenue	2,759,983	570,605	110,057	(28,134)	3,412,511
Results:					
Segment profit	121,116	35,139	128		156,383
Loss on maturity of Collaterised Debt Obligation (Notes 7 and 26)					(18,238)
Investment revenue					6,833
Interest expense					(3,573)
Share of loss of associates					(765)
Profit before income tax					140,640
Income tax benefit					2,759
Profit for the year					143,399
2008					
Revenue:					
External sales	2,922,940	747,379	113,801	–	3,784,120
Inter-segment sales	2,322	–	17,697	(20,019)	–
Total revenue	2,925,262	747,379	131,498	(20,019)	3,784,120
Results:					
Segment profit	224,282	58,654	1,802		284,738
Fair value loss on derivative financial instruments (Note 26)					(114,511)
Impairment loss on investment in associates					(6,314)
Investment revenue					16,805
Interest expense					(8,333)
Share of profit of associates					197
Profit before income tax					172,582
Income tax expense					(5,033)
Profit for the year					167,549

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of share of profits of associates, investment revenue, finance costs, fair value gain or loss on derivative financial instruments, loss on maturity of Collaterised Debt Obligation and income tax benefit (expense). This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

34 SEGMENT INFORMATION (CONT'D)

Segment assets

	Electronic Services Provider	Retail Store Solutions and Industrial	Component Technology	Group
	$'000	$'000	$'000	$'000
2009				
Segment assets	1,411,662	1,042,462	156,665	2,610,789
Investments in associates				17,979
Available-for-sale investments				109,655
Income tax recoverable / deferred tax assets				6,063
Consolidated total assets				2,744,486
2008				
Segment assets	1,334,695	1,107,324	158,400	2,600,419
Investments in associates				113,616
Available-for-sale investments				201,253
Deferred tax assets				1,038
Consolidated total assets				2,916,326

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment.

All assets are allocated to reportable segments other than investments in associates (Note 12), available-for-sale investments (Note 7) and income tax assets. Goodwill has been allocated to reportable segments as described in Note 16.

Other segment information

	Electronic Services Provider	Retail Store Solutions and Industrial	Component Technology	Group
	$'000	$'000	$'000	$'000
2009				
Addition to non-current assets	26,318	1,619	1,865	29,802
Depreciation and amortisation	28,607	23,937	7,073	59,617
Amortisation of deferred expenditure	710	–	–	710
Inventories written off	2,090	–	4	2,094
Allowance for doubtful trade receivables	2,947	–	–	2,947
(Gain) Loss on disposal of plant and equipment	(2,097)	–	54	(2,043)
Foreign currency exchange adjustment loss (gain)	621	434	(303)	752

NOTES TO FINANCIAL STATEMENTS

31 December 2009

34 SEGMENT INFORMATION (CONT'D)

	Electronic Services Provider	Retail Store Solutions and Industrial	Component Technology	Group
	$'000	$'000	$'000	$'000
2008				
Addition to non-current assets	23,503	5,071	6,982	35,556
Depreciation and amortisation	29,784	24,193	6,796	60,773
Inventories written off	1,167	–	28	1,195
Reversal of allowance for doubtful trade receivables	–	(385)	–	(385)
Loss (gain) on disposal of plant and equipment	1,046	5	(12)	1,039
Impairment losses in property, plant and equipment	22	4	–	26
Foreign currency exchange adjustment gain	(4,798)	(899)	(79)	(5,776)

Major components of Group's revenue

	2009	2008
	$'000	$'000
Printing and imaging	1,376,708	1,036,929
Networking and communications	490,360	708,311
Retail store solutions and industrial	560,829	750,819
Computer peripherals and data storage	566,023	711,135
Test and measurement/medical/others	418,591	576,926
Consolidated revenue (excluding investment revenue)	3,412,511	3,784,120

Geographical information

The Group operates in two principal geographical areas – Singapore (country of domicile) and Asia-Pacific (excluding Singapore).

The Group's revenue from external customers and information about its segment assets (non-current assets excluding investments in associates, available-for-sale investments and deferred tax assets) by geographical locations are detailed below:

	Revenue from external customers		Non-current assets	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Singapore	906,840	1,355,535	792,056	809,521
Asia-Pacific (excluding Singapore)	2,389,855	2,218,914	140,087	156,649
Others	115,816	209,671	5,522	7,828
	3,412,511	3,784,120	937,665	973,998

Information about major customers

The total revenue for the Electronic Services Provider segment includes revenue from 1 customer (2008 : 2 customers) which makes up more than 10% of the Group's total revenue.

NOTES TO FINANCIAL STATEMENTS

31 December 2009

35 DIVIDENDS

(i) 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.

(ii) During the financial year ended 31 December 2009, 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 2008.

(iii) In respect of the financial year ended 31 December 2009, the Directors of the Company propose that a final one-tier tax-exempt dividend of $0.50 per ordinary share be paid to all shareholders. Subject to the approval by shareholders at the Annual General Meeting to be held on 23 April 2010, 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.

ANALYSIS OF SHAREHOLDINGS

as at 2 March 2010

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	69	0.92	17,240	0.01
1,000 - 10,000	7,005	93.18	17,334,323	6.32
10,001 - 1,000,000	436	5.80	19,971,503	7.28
1,000,001 and above	8	0.10	236,930,511	86.39
	7,518	100.00	274,253,577	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares held	%
1	DBS Nominees Pte Ltd	62,819,379	22.91
2	Citibank Nominees Singapore Pte Ltd	55,136,349	20.10
3	DBSN Services Pte Ltd	39,985,396	14.58
4	Raffles Nominees (Pte) Ltd	23,699,033	8.64
5	BNP Paribas Securities Services Singapore	20,515,846	7.48
6	HSBC (Singapore) Nominees Pte Ltd	16,369,067	5.97
7	United Overseas Bank Nominees Pte Ltd	16,338,210	5.96
8	Merrill Lynch (Singapore) Pte Ltd	2,067,231	0.75
9	DB Nominees (S) Pte Ltd	994,053	0.36
10	Thioequities Pte Ltd	870,000	0.32
11	Phillip Securities Pte Ltd	633,286	0.23
12	BNP Paribas Nominees Singapore Pte Ltd	586,000	0.21
13	Wong Ngit Liong	574,619	0.21
14	Pay Ah Lui	510,000	0.19
15	DBS Vickers Securities (Singapore) Pte Ltd	494,567	0.18
16	Goodpack Holdings Pte Ltd	475,000	0.17
17	Shamsher Hassanali Moti Kanji	440,000	0.16
18	OCBC Nominees Singapore Pte Ltd	392,122	0.14
19	Citibank Consumer Nominees Pte Ltd	382,000	0.14
20	OCBC Securities Private Ltd	330,020	0.12
		243,612,178	88.82

ANALYSIS OF SHAREHOLDINGS

as at 2 March 2010

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Aberdeen Asset Management PLC [(1)]	–	–	46,755,980	17.05
Aberdeen Asset Management Asia Limited [(2)]	–	–	46,446,730	16.94
Aberdeen Asset Managers Limited [(3)]	–	–	22,085,300	8.05
Credit Suisse and Credit Suisse Group AG [(4)]	–	–	49,674,295	18.11
FMR LLC and FIL Ltd [(5)]	–	–	21,984,000	8.02
Invesco Hong Kong Limited [(6)]	–	–	16,547,000	6.03
Sprucegrove Investment Management Ltd	–	–	22,103,702	8.06
Wong Ngit Liong	19,166,619	6.99	–	–

Notes:

(1) Information is based on notice dated 17 November 2008 from Aberdeen Asset Management PLC. The deemed interest of 46,755,980 shares is held by Aberdeen Asset Management PLC and its subsidiaries. The number of shares held without proxy voting rights but with disposal rights are 17,379,770 and the number of shares held with both proxy voting and disposal rights are 29,376,210.

(2) Information is based on the notice dated 18 January 2010 from Aberdeen Asset Management Asia Limited. The number of shares held without proxy voting rights but with disposal rights are 15,847,000. The number of shares held with both proxy voting and disposal rights are 30,599,730.

(3) Information is based on the notice dated 8 July 2009 from Aberdeen Asset Managers Limited. The number of shares held without proxy voting rights but with disposal rights are 11,740,000. The number of shares held with both proxy voting rights and disposal rights are 10,345,300.

(4) Effective 1 July 2009, Credit Suisse and Credit Suisse Group AG hold more than 20% equity stake in Aberdeen Asset Management PLC. The substantial shareholding interests of Credit Suisse and Credit Suisse Group AG arise from deemed interest mainly as a result of the holdings in the Company's shares by Aberdeen Asset Management PLC and its subsidiaries.

(5) Information is based on the notice dated 28 January 2010. The deemed interest of 21,984,000 shares is held by FMR LLC on behalf of the managed accounts of its direct and indirect subsidiaries and by FIL Ltd. on behalf of the managed accounts of its direct and indirect subsidiaries.

(6) Information is based on the notice dated 3 November 2009. The deemed interest of 16,547,000 shares is held by Invesco Hong Kong Limited (in its capacity as manager/advisor of various accounts).

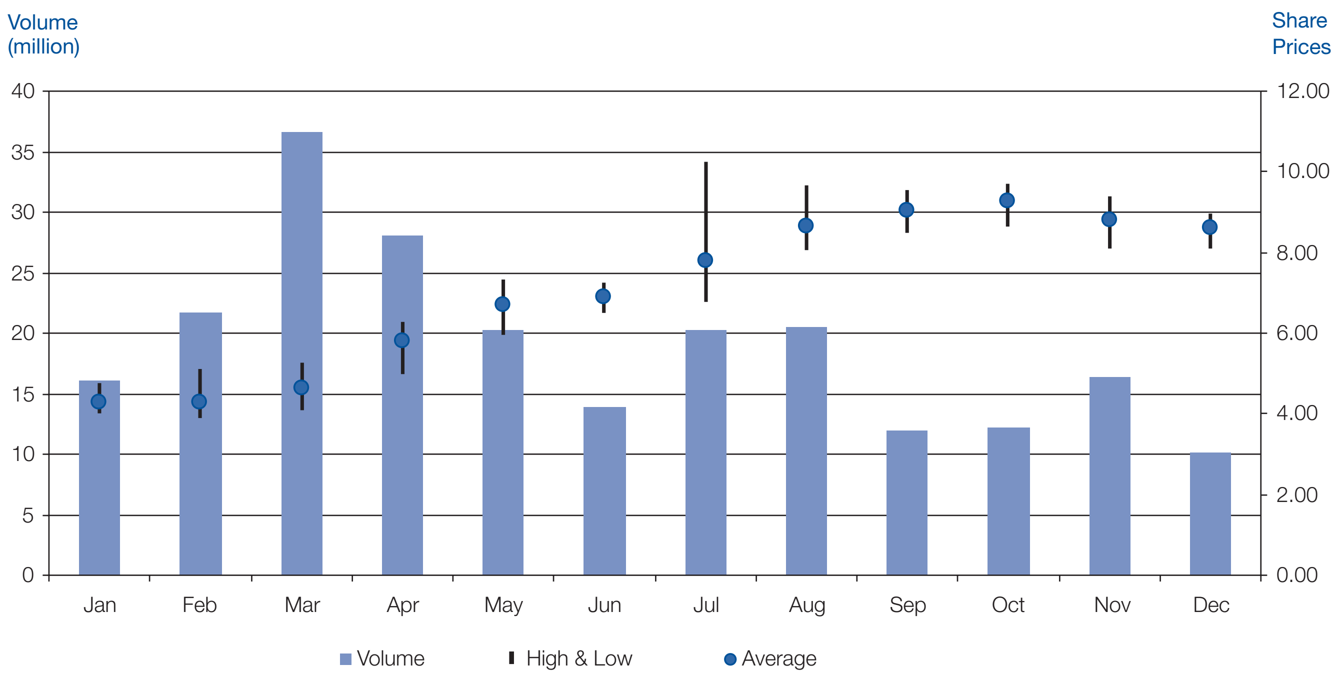
SHARES HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 2 March 2010, approximately 49.73% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

The Company does not hold any Treasury Shares.

SHARE PERFORMANCE

2009 Share Prices	(S$)
Last Transacted	8.85
High	10.20
Low	3.95
Average	7.09
Total Volume for 2009	227,874,000



NOTICE OF ANNUAL GENERAL MEETING

Informal Briefing on Venture Corporation Limited FY 2009 Results
Chief Financial Officer Tan Kian Seng will take questions on the Venture Corporation Limited FY 2009 Results and contents of the 2009 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 ("Company") will be held at The Board Room, 5006 Ang Mo Kio Avenue 5 #05-01/12, TECHplace II, Singapore 569873 on 23 April 2010 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 2009 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 2009 (2008 : final one-tier tax-exempt dividend of 50 cents per ordinary share). (Resolution 2)

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

   Retiring under Article 92
   Mr Goon Kok Loon (Resolution 3)

   Retiring under Article 74
   Mr Wong Yew Meng (Resolution 4)

   (Mr Goon Kok Loon and Mr Wong Yew Meng will, upon re-election as Directors of the Company remain as members of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")).

4. To reappoint Mr Cecil Vivian Richard Wong, pursuant to Section 153(6) of the Companies Act, Cap. 50 as a Director of the Company to hold office from the date of the Annual General Meeting 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 SGX-ST.).

5. To approve the payment of Directors' fees of $339,300 for the year ended 31 December 2009 (2008 : $324,000). [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.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

8. Authority to allot and issue shares

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

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

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

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

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

provided that:-

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares excluding treasury shares (as calculated in accordance with paragraph (b) 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 (b) below);

(b) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under paragraph (a) 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;

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

(d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest. [See Explanatory Note (iii)] (Resolution 8)

NOTICE OF ANNUAL GENERAL MEETING

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 2010

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 $339,300 (2008 : $324,000) for the year ended 31 December 2009, 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 2007 and FY 2008. 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 the Directors from the date of the above Annual General Meeting until the date of the next Annual General Meeting or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest (unless varied or revoked by the Company in general meeting), to allot and issue Shares and/or make or grant offers or options or other convertible securities in the Company up to an aggregate of not more than 50% of the total number of issued Shares (excluding treasury shares), of which up to 20% may be issued other than on a pro rata basis to shareholders.

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.

NOTICE OF ANNUAL GENERAL MEETING

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

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

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Venture Corporation Limited (the Company) will be closed from 5.00 p.m. on 10 May 2010 to 11 May 2010 (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 10 May 2010 will be registered to determine shareholders' entitlements to the proposed dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 10 May 2010 will be entitled to the proposed dividend.

Payment of the proposed dividend, if approved by the shareholders at the Annual General Meeting to be held on 23 April 2010 will be made on 20 May 2010.

By Order of the Board
Angeline Khoo Cheng Nee
Company Secretary

Singapore
1 April 2010

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VENTURE CORPORATION LIMITED

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

IMPORTANT:

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

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____

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

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

and/or (delete as appropriate)

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

or failing him/her, the Chairman of the Meeting 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, 23 April 2010 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 2009		
2	Payment of proposed final one-tier tax-exempt dividend		
3	Re-election of Mr Goon Kok Loon as a Director		
4	Re-election of Mr Wong Yew Meng as a Director		
5	Re-appointment of Mr Cecil Vivian Richard Wong as a Director		
6	Approval of Directors' fees amounting to S$339,300.00		
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 ____________________ 2010

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

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

Notes:

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

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

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

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

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

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

General:

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

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VENTURE CORPORATION LIMITED
Company Registration No.: 198402886H
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
Singapore 569873