AT THE CENTRE OF INNOVATION

Venture Corporation Limited
Annual Report 2012

VENTURE

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AT THE CENTRE OF INNOVATION

For many, innovation means the introduction of new technologies and inventions. While it is true that innovation often time leads to the development of new technologies and products, INNOVATION IS MUCH MORE – It's about identifying new approaches and thinking to what has always been done. It's about embracing new ways. It's about bringing ideas to life. And these ideas extend from products and solutions to operations, processes, supply chain, partnerships and more. Indeed, in Venture, innovation is at the heart of its activities.

Innovation runs deep within the entire organisation. From designing to material planning, processing, manufacturing and fulfillment of a product to the way the Group manages its physical, financial and people resources, innovation is highly-valued and encouraged at all levels. It is applied across the entire spectrum of its business.

To Venture, a culture which supports innovation must be customer-focused, value-driven and strategic. Venture has continuously deepened and diversified its technical and product engineering competency, as well as process engineering capabilities to enable it to consistently deliver to its customers – world-class product designs, flawless execution of new product introduction and seamless transition to manufacturing.

As an innovative enterprise, Venture endeavours to surpass expectations on every front. To redefine realms of possibilities. To break new grounds. To make a difference. To stand the test of time as a strategic partner of choice, delivering technology services, products and solutions of the highest quality, excellence and distinction.

In the spirit of innovation, Venture had and will continue to embrace change, with determination, passion and tenacity. It stands poised and at the Centre of Innovation, staying relevant in a constantly evolving world.

STAYING TRUE TO OUR VISION

THE EDGE OF A STRONG FOUNDATION

Venture has made significant progress since its inception. It has relentlessly pursued operational and financial excellence. It has laid a strong foundation over time – a foundation of superior facilities and structures, of strong supply chain and procurement capabilities, of innovative manufacturing and factory processes, of engineering and technical advancement and of operational and manufacturing excellence.

These have differentiated the Group from competition, making Venture the partner of choice, enabling it to forge many enduring partnerships with world-class technology companies. And now on its broad and solid foundation, Venture aspires to build new peaks of excellence, creating extraordinary value to better serve its customers.

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FOUNDATION

PRECISE ETHICAL ENVIRONMENT FLEXIBLE

ENGAGING UNCOMPROMISING

FLEXIBLE VERSATILE

LEADING-EDGE EXPERTISE

DELIVERY COMMITTED

BUSINESS CREATIVE

FOCUSED FUNDAMENTALS STABLE

PROACTIVE

COLLABORATIVE ADVANCED

COMPETENT

RESOURCEFUL STEADFAST BEST-IN-CLASS

ADVANCED CREATIVE EXEMPLARY REPUTABLE

TECHNOLOGY

COMMITTED RELIABLE

PRECISE

RESPONSIVENESS ETHICAL

VERSATILE

UNCOMPROMISING

INNOVATIVE

EXPERTISE

ENGAGING

QUALITY

STEADFAST

FLEXIBLE

EFFICIENT

ADVANCED

COMMITTED

PRECISE

ADVANCED

ENGAGING

RESOURCEFUL

FOCUSED

COST

SETTING INNOVATIVE BREAKTHROUGHS

THE DRIVE TO MAKE A DIFFERENCE

Deeply entrenched in Venture are the beliefs that anything is possible and anyone can make a difference. Together with its core values of relentless pursuit of excellence, rendering the highest level of total customer satisfaction, cohesion and teamwork, creativity and innovation, these have underpinned its accomplishments. Venture has consistently been ranked Best-in-Class in terms of technology, quality, responsiveness, delivery, cost, environment and business fundamentals.

Inspired by Creativity. Empowered by Passion. Driven by Excellence – Venture is on a constant quest to make a difference. It steps out with boldness, commitment and enthusiasm, ready to generate infinite possibilities and break new grounds.

HARNESSING INSPIRING SYNERGIES
THE POWER OF COLLECTIVE VALUES

Venture has always placed great emphasis on building a world-class team that is driven by passion, creativity, innovation and an excellence mindset. These timeless principles not only define Venture, they give its people a great sense of unity and purpose that transcends the bounds of language, culture and nationality.

As the Group constantly seeks perfection to attain excellence, it will inspire and spur its people to higher levels of performance and achievements. These qualities set Venture apart, enabling the Group to forge enduring relationships and strong partnerships that promote mutual success.


RELENTLESS PURSUIT OF EXCELLENCE
RENDERING THE HIGHEST LEVEL OF TOTAL CUSTOMER SATISFACTION
ENCOURAGING EMPLOYEES TO REALISE THEIR FULL POTENTIAL
BUILDING STRONG COHESION AND TEAMWORK
FOSTERING CREATIVITY AND INNOVATION
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UNIQUE DRIVEN
DETERMINED MODERN
VIABLE INFINITE CONSISTENT
RELENTLESS EXCELLENCE
RESILIENT RELEVANT INNOVATION
DIVERSE PROGRESSIVE
GLOBAL MODERN PASSION
DRIVEN SUSTAINABLE INFINITE
TRANSFORMATIONAL MOTIVATED
BOLD INNOVATION
VIBRANT
INTEGRITY INFINITE SUSTAINABLE
DYNAMIC REMARKABLE
RELEVANT RESOLUTE OUTSTANDING
PROGRESSIVE
VISIONARY EXCEPTIONAL VIABLE
SUSTAINABLE
EXCELLENCE INSPIRATIONAL STABLE
COHESIVE DETERMINED DIVERSE ENTERPRISING

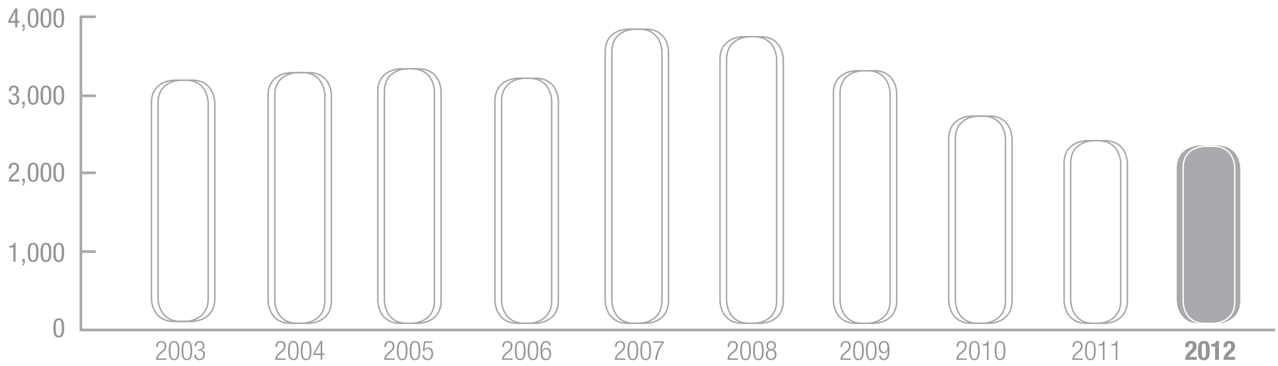
PURSUING HIGHEST EXCELLENCE
THE PASSION FOR PRECISE PERFORMANCE

Relentless Pursuit of Excellence goes beyond words - it calls for action. Every individual at Venture plays a part in upholding the spirit of excellence and the passion for precise performance – two anchoring tenets which have enabled Venture to reach new heights of engineering, manufacturing and service excellence.

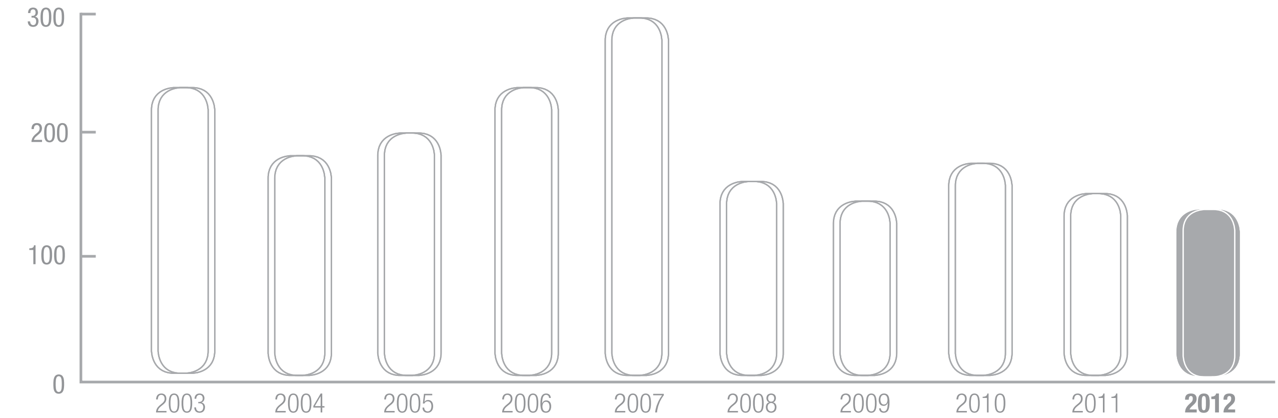
Motivated to Succeed. Committed to Excellence. Energised to Go the Extra Mile – Venture endeavours to keep building new benchmarks of excellence to more than meet the precise and exacting standards of its global partners.

[FINANCIAL HIGHLIGHTS]

REVENUE
($million)



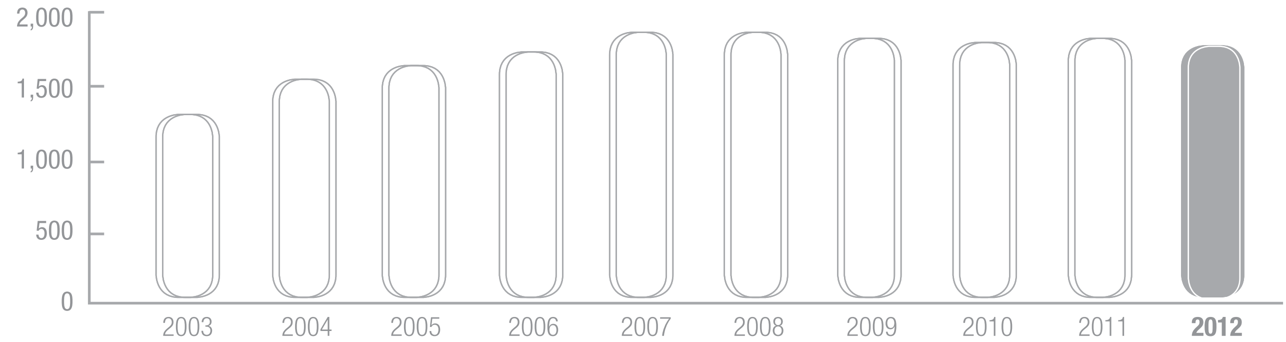
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
($million)



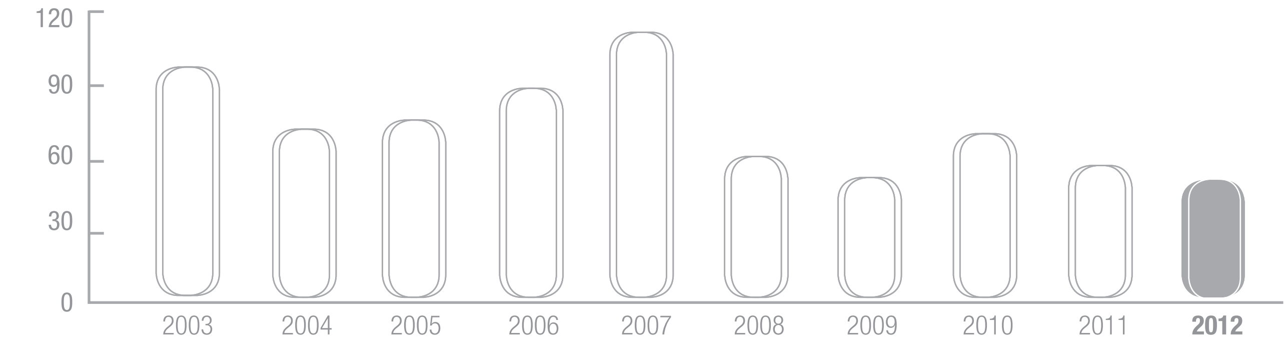
CONSOLIDATED FINANCIAL PERFORMANCE ($million)

	2003	2004	2005	2006	2007
Revenue	3,170.0	3,193.4	3,238.0	3,124.8	3,872.8
Profit Before Tax	250.1	194.6	207.1	252.6	294.6
Profit After Tax	246.5	189.3	201.7	240.9	302.7
Net Profit Attributable to Owners of the Company	240.4	188.7	201.2	239.2	300.0
Total Assets	1,809.3	2,025.0	2,172.2	3,009.9	3,048.5
Total Liabilities	459.9	452.5	501.4	1,242.2	1,153.0
Shareholders' Equity	1,341.1	1,570.3	1,663.2	1,759.0	1,884.5
Cash & Cash Equivalents	155.6	567.4	556.6	329.0	493.3
PBT Margin (%)	7.9	6.1	6.4	8.1	7.6
PAT Margin (%)	7.6	5.9	6.2	7.7	7.8
Earnings Per Share (cents)	96.3	72.2	75.1	88.2	109.6

SHAREHOLDERS' EQUITY
($million)



EARNINGS PER SHARE
(cents)



	2008	2009	2010	2011	2012
Revenue	3,784.1	3,412.5	2,675.8	2,432.4	2,387.7
Profit Before Tax	172.6	140.6	190.4	157.8	143.0
Profit After Tax	167.5	143.4	188.3	156.5	139.0
Net Profit Attributable to Owners of the Company	166.7	143.7	188.1	156.5	139.7
Total Assets	2,916.3	2,744.5	2,545.4	2,555.4	2,372.6
Total Liabilities	1,017.5	878.9	687.8	684.7	572.8
Shareholders' Equity	1,895.6	1,862.8	1,854.6	1,867.6	1,797.4
Cash & Cash Equivalents	513.8	567.1	441.7	513.2	453.4
PBT Margin (%)	4.6	4.1	7.1	6.5	6.0
PAT Margin (%)	4.4	4.2	7.0	6.4	5.8
Earnings Per Share (cents)	60.8	52.4	68.5	57.0	50.8

[MESSAGE TO SHAREHOLDERS]

"The Group stayed the course, steered with resolve and demonstrated strength and resilience. It continued to execute well on ongoing corporate initiatives of operational excellence, disciplined cost management, differentiation and innovation."

WONG NGIT LIONG
Chairman & CEO

DEAR SHAREHOLDERS

Amidst a fragile global economy, 2012 proved to be a challenging year for the global electronics industry. The Group stepped into the year with the initial expectation of progressive market recovery towards the second half of the year. Unfortunately, market demand in general was restrained by uncertainty in the macro-economy, as well as merger and acquisition ("M&A") activities among several of the Group's customers. Notwithstanding that business volume was slightly below that achieved in the prior year, 2012 performance in many other aspects was commendable.

I am pleased to share that the Group continued to maintain its high performance rating and standing as the partner of choice among many of its customers. This has translated to increased market share and new programme wins among existing customers. During the year, the Group also acquired a number of new customers across exciting new market segments.

While operating conditions were demanding throughout the year, the Group stayed the course, steered with resolve and demonstrated strength and resilience. It continued to execute well on ongoing corporate initiatives of operational excellence ("OE"), disciplined cost management, differentiation and innovation.

FINANCIAL REVIEW

For the fiscal year ended 31 December 2012, the Group registered revenue of S$2.4 billion, marginally lower by 1.8% or S$44.7 million compared to the prior year. Despite challenging market conditions, ongoing corporate initiatives to broaden and diversify its customer base enabled the Group to achieve an expanded product portfolio with balanced contribution across customers and segments, thereby increasing the Group's resilience to any downturn in specific customer account and/or segment.

[MESSAGE TO SHAREHOLDERS]

The Retail Store Solutions and Industrial segment captured a revenue growth of 7.5% year-on-year and closed the year with revenue of S$733.6 million. Revenue was largely unchanged from a year ago for the Printing and Imaging ("P&I") segment. For FY 2012, the P&I segment reported revenue of S$402.9 million.

Revenue from all other segments registered a single-digit year-on-year decline. The Test and Measurement/Medical/Others segment which exhibited strong growth in FY 2010/11 slowed in FY 2012 and finished the year with revenue of S$580.9 million, 7.4% lower than the prior year. During the year, revenue contribution from the Networking and Communications ("N&C") segment continued to be negatively affected by ongoing M&A activities among the Group's customers. The N&C segment registered a revenue decline of 7.1% with revenue of S$410.9 million. The Computer Peripherals and Data Storage segment contributed S$259.4 million to the Group's revenue, 5.5% lower compared to the prior year.

Full year profit attributable to owners of the Company ("net profit") for the year ended 31 December 2012 was S$139.7 million, compared to FY 2011 net profit of S$156.5 million. The net profit was lower partly due to foreign currency exchange loss of S$0.2 million (FY 2011: Gain of S$3.9 million) and higher income tax expense of S$3.9 million (FY 2011: S$1.3 million). The additional income tax expense is provisional in view of the ongoing renewal of tax incentives for the Company and its subsidiaries. This translated to

Diluted Earnings Per Share for FY 2012 of 51 cents (FY 2011: 57 cents). The Group recorded a full year net margin of 5.8% (FY2011: 6.4%).

The Group continued to have positive cash flow and generated cash from operations of S$137.1 million for the twelve months ended 31 December 2012. During the year, cash flow used in investing activities included S$29.6 million of investment in factory facility, plant and equipment. This capital expenditure relates to facility acquisition and installation to support customers' new programmes which are expected to be progressively rolled out in FY 2013.

As at the end of the financial year, the Group had cash and cash equivalent balances of S$453.4 million. The Group closed the year with net cash of S$286.0 million.

Equity attributable to owners of the Company as at 31 December 2012 was S$1.8 billion and the Net Asset Value per share was S$6.55 as at 31 December 2012.

[MESSAGE TO SHAREHOLDERS]

OPERATIONAL ACCOMPLISHMENTS

Operationally, 2012 was a banner year in many aspects. Venture, in tight collaboration with a number of key customers, brought several new products to market. It continued its expansion into new market segments and broadened its customer base, as well as reinforced its preeminent position with many customers and gained market share among several key customers.

At the Centre of Innovation

During the year, the Group made significant progress on an ODM/Solution project with one of its key P&I customers. Through active participation in engineering and design, the Group was instrumental in its customer's launch of the world's first mobile all-in-one portable printer. Designed as a multifunctional device, a sheet-fed scanner including a full battery for on-the-go usage is embedded into its compact form. Bluetooth connectivity permits ease of sharing among multiple computers, as well as mobile phones and tablets. This device won the honour of one of "The Best 100 Products of 2012", a recognition bestowed by PCWorld and TechHive.

The year also saw the Group doubling the number of invention disclosures compared to the prior year, with further augmentation to the Group's process and engineering expertise in domain areas such as printing and imaging, wireless devices and systems, as well as storage products.

"Operationally, 2012 was a banner year in many aspects. Venture, in tight collaboration with a number of key customers, brought several new products to market. It continued its expansion into new market segments and broadened its customer base, as well as reinforced its preeminent position with many customers and gained market share among several key customers."

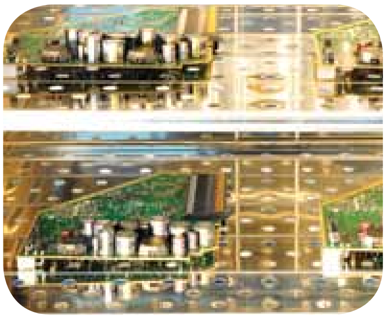
The Group has strengthened its core competency in the manufacturing of complex electro-mechanical systems, ranging from point-of-sales ("POS") and print devices to storage systems and cash dispensers/recyclers with precision motion control mechanism and electronics.

During the year, the Group was able to deepen its expertise in embedded and industrial computing devices, including handheld POS terminals, industrial handheld terminals, industrial tablets, automotive diagnostics stations, vehicular-mount terminals, ruggedised computing devices and kiosk units.

To cater to the varied and evolving needs of its global customer base, the Group has to continue to diversify and deepen its technical competency. It has embarked on many collaboration programmes with its customers to build core competencies in the development of products and solutions for application in mobile payment and data capture devices, life science equipment and a host of industrial products. The Group has also engaged its suppliers to grow its knowledge for fluidics and photonics, as well as to enlarge its supply base for such strategic components.

The Group's design and engineering capabilities have improved over time and most significantly in 2012. It has added key technical and engineering personnel across all geographies as it became increasingly involved in advanced product engineering and architectural designs for and with its major customers. The Group will continue on this momentum of globalising its network of design centres, thereby facilitating the scalability of its design and engineering services over time.

[MESSAGE TO SHAREHOLDERS]



The Drive to Make a Difference

The Group has always placed great emphasis on building a world-class team that is driven by passion, creativity, innovation and an excellence mindset. As the Group constantly seeks perfection to attain excellence, it will inspire and spur its people to higher levels of performance and achievements. These qualities set Venture apart, enabling the Group to forge enduring relationships and strong partnerships that promote mutual success.

The Group gained further traction with many existing customers because of its ability to provide superior engineering and product development support, as well as operational excellence and total customer satisfaction. As the Group progressively rolls out these new programmes with its customers, it expects to bring substantial operational efficiency, yield improvement and manufacturing and design benefits to its customers.

The drive to make a difference goes beyond operational efficiency and efficacy. Given the Group's extensive customer-base and the distribution of its customers' products across the globe, it has to embrace strong corporate governance and practices on safety and security matters. In support of a key customer's initiative, an audit was conducted to assess the integrity of the Group's security practices and that of its business partners within the supply chain. In recognition of the high level of cargo security across its supply chain, the Group was presented with a C-TPAT (Customs-Trade Partnership Against Terrorism) Award by the United States Custom and Border Protection.

The Edge of a Strong Foundation

Venture has made significant progress since its inception. It has laid a strong foundation over time – a foundation of superior facilities and structures, of strong supply chain and procurement capabilities, of innovative manufacturing and factory processes, of engineering and technical advancement and of operational and manufacturing excellence.

These have differentiated the Group from competition, enabling it to keep its existing customers and to attract new customers and talents. These also underpinned the Group's ability to intensify its collaboration with many valued and strategic partners.

The Group remains committed to fortify its strong foundation with strategic and prudent investments. To support new programmes in the pipeline, the Group has made some key investments to its existing facilities and assets. It has also channeled resources to strengthen its capabilities in new domain areas whilst sustaining its resource allocation towards ongoing corporate initiatives of OE and innovation. These investments will enable the Group to continue to deliver reliable and creditable support to its customers.

[MESSAGE TO SHAREHOLDERS]

"The Group will continue to forge ahead with a firm focus on its long-term goals and vision. It will continue to harness the collective strength and competency within the Group and across all stakeholders to achieve strong performance on all fronts. It will stay true to its vision – TO BE A GLOBAL PROVIDER OF TECHNOLOGY SERVICES, PRODUCTS AND SOLUTIONS. And remain at the centre of innovation."

APPRECIATION

In 2012, on visits to several company locations round the world, I was heartened, time and again, to witness the pride of our employees in being part of the Venture Group. This pride has inspired a sense of unity and purpose that transcends the bounds of language, culture and nationality. This has helped to give Venture a distinct competitive advantage and unique brand equity. Thank you for being undaunted by the challenging operating environment during the year and for pressing on to raise our efficiencies, competencies and competitiveness.

The Group would like to acknowledge the co-operation and support of its key suppliers and business associates. It continues to seek strong collaboration and support from all suppliers and business associates to meet the needs and demands of its customers.

The Group had the privilege of serving many leading global technology companies in various fields of interest. We truly appreciate the confidence placed on the Group to deliver some of the most complex and sophisticated electronics devices and solutions. I reaffirm the Group's commitment to hold ourselves and conduct our business to the highest standards.

To all investors who share the Group's optimism for long-term sustainability and growth, I would like to express our sincere appreciation for your continuing confidence and support. Appreciation is also extended to the Board of Directors for their stewardship and wise counsel in the past year.

Mr Soo Eng Hiong, who did not seek re-election at the 2012 Annual General Meeting ("AGM"), retired as a Non-Independent Non-Executive Director with effect from 20 April 2012. On behalf of Management and my fellow Directors, I would like to register our sincere appreciation to Mr Soo for his contributions. He had provided invaluable guidance and tremendous value to the Board. The Group had benefited over many years from his vast industry experience and his leadership.

DIVIDEND

The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for the financial year ended 31 December 2012.

Subject to the approval of shareholders at the Annual General Meeting to be held on 19 April 2013, the proposed dividend will be paid on 15 May 2013. The Share Transfer Books and Register of Members of Venture Corporation Limited will be closed from 5.00 pm on 6 May 2013 to 7 May 2013 (both dates inclusive) for the preparation of dividend warrants.

STAYING TRUE TO OUR VISION

Just as before, the Group has set clear operational objectives for 2013 to support its long-term corporate strategies, as well as to achieve its financial priorities of profitability and returns for each financial year.

[MESSAGE TO SHAREHOLDERS]

The Group expects the numerous alliances and strategic partnerships it has established to provide a stable and steady revenue base. It has secured market share enlargement and new programmes with existing customers and acquired several new customers. Taken together, these developments are encouraging and should be revenue accretive in future periods.

While second-half recoveries are almost always anticipated by companies, but as seen over the past few years, they may not always materialise. The Group is cognizant that the problems afflicting the world economy today are real. They may even cause the opportunities the Group foresees to take shape with less vigor. Notwithstanding this, the Group will relentlessly pursue every business opportunity regardless of economic conditions.

In the same manner, the Group will continue to forge ahead with a firm focus on its long-term goals and vision. It will continue to harness the collective strength and competency within the Group and across all stakeholders to achieve strong performance on all fronts. It will stay true to its vision – TO BE A GLOBAL PROVIDER OF TECHNOLOGY SERVICES, PRODUCTS AND SOLUTIONS. And remain at the centre of innovation.

WONG NGIT LIONG
Chairman & CEO

[BOARD OF DIRECTORS]

WONG NGIT LIONG
Chairman & CEO

Mr Wong Ngit Liong is the Chairman and CEO of the Group. He is also a member of the Nominating Committee and chairs the Investment Committee. He was last re-appointed as Director of the Company on 20 April 2012.

Mr Wong sits on the board of the various Group subsidiaries. He is also the Chairman of the National University of Singapore Board of Trustees and a Member of the Research, Innovation and Enterprise Council under the Prime Minister's Office.

In recognition of his contributions to Singapore, Mr Wong was awarded the Meritorious Service Medal in 2012 at the National Day Awards. This Medal is awarded to a person who has performed service of conspicuous merit characterised by resource and devotion to duty, including long service marked by exceptional ability, merit and exemplary conduct. He was also awarded the Ernst & Young Entrepreneurship of the Year Award (Singapore) in 2002, and the Singapore Business Times/DHL Worldwide Express Businessman of the Year in 1998.

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 in the 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.

Date of first appointment as a Director: 20 January 1989

CECIL VIVIAN RICHARD WONG
Independent Non-Executive Director

Mr Cecil Vivian Richard Wong, who was last re-appointed as Director of the Company on 20 April 2012, is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Mr Wong serves on the Boards of Pan-United Corporation Ltd, Chartered Asset Management Pte Ltd and John K Young Pte Ltd.

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

Date of first appointment as a Director: 6 May 1992

Past Principal Directorships in the Last Three Years (from 1 Jan 2010 – 31 Dec 2012)
- Bukit Sembawang Estates Ltd
- British & Malayan Trustees Ltd

[BOARD OF DIRECTORS]

KOH LEE BOON

Independent Non-Executive Director

Mr Koh Lee Boon serves as Chairman of the Remuneration Committee. He is also a member of the Audit Committee and the Nominating Committee. He was last re-elected as Director of the Company on 28 April 2011.

Mr Koh has more than 13 years of managerial experience in two companies within the electronics manufacturing industry, where he served as Executive Director. Mr Koh retired as Senior Vice President and Partner of SEAVI International Fund Management Pte Ltd in 1996 and retired as Director of SEAVI International Fund Management Pte Ltd and SEAVI Venture Management Pte Ltd on 9 July 2012.

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

Date of first appointment as a Director: 1 August 1996

GOON KOK LOON

Independent Non-Executive Director

Mr Goon Kok Loon serves as Chairman of the Audit Committee and is a member of the Investment Committee and the Remuneration Committee. He was last re-elected as Director of the Company on 23 April 2010.

Currently, Mr Goon is the Executive Chairman of Global Maritime & Port Services Pte Ltd.

Mr Goon also sits on the Board of various companies including Hisaka Holdings Ltd, Jaya Holdings Ltd, Yongnam Holdings Ltd and IPLaboratories Pte 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.

Date of first appointment as a Director: 27 February 2004

KOH KHENG SIONG

Independent Non-Executive Director

Mr Koh Kheng Siong is a member of the Audit Committee and the Remuneration Committee. He was last re-elected as Director of the Company on 28 April 2011.

Mr Koh is also a director of Singapore LNG Corporation Private Limited. Prior to August 2005, he held senior management positions in Singapore and the United States with ExxonMobil. He was Financial Controller of ExxonMobil Asia-Pacific Pte Ltd prior to his retirement in August 2005.

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

Date of first appointment as a Director: 16 July 2007

Past Principal Directorships in the Last Three Years (from 1 Jan 2010 – 31 Dec 2012)
- SIA Engineering Company Limited

WONG YEW MENG

Independent Non-Executive Director

Mr Wong Yew Meng is a member of the Audit Committee and the Investment Committee. He was last re-elected as Director of the Company on 23 April 2010.

Mr Wong currently serves in various public organisations such as the Land Transport Authority of Singapore, Public Utilities Board, People's Association, Competition Commission of Singapore, Nanyang Technological University, Singapore Deposit Insurance Corporation Limited, Kidney Dialysis Foundation Ltd and Singapore Eye Research Institute.

Mr Wong joined Price Waterhouse in 1974 and was admitted as an Audit-Partner in 1985. He played a key role in building up the financial services practice of the accounting firm and had extensive experience auditing companies in a variety of industries such as electronics, manufacturing, trading, petrochemical and service industries. 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 practising 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.

Date of first appointment as a Director: 1 September 2009

TAN CHOON HUAT

Non-Independent Non-Executive Director

Mr Tan Choon Huat has been designated as a Non-Independent Non-Executive Director with effect from 1 January 2012 after his retirement as an executive of the Company effective 31 December 2011. He was last re-elected as Director of the Company on 20 April 2012.

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.

Mr Tan joined the Company in 1989 and as one of the pioneers in the Group, he had made significant contributions towards the transformation of the home-grown Company to a leading global electronics services provider. Mr Tan had various responsibilities during his tenure as an executive of the Company. He had also been involved in planning the strategic direction of the Group and provided mentorship to senior executives.

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.

Date of first appointment as a Director: 6 May 1992

[KEY EXECUTIVES]

WONG NGIT LIONG*
Chairman & CEO

TAN KIAN SENG
President

Mr Tan Kian Seng joined the Group in April 2001 and was appointed to his present role as President in 2011. He leads and provides stewardship to the business units, as well as oversees the performance of the business unit operations. In addition, he has responsibilities on matters related to the Group's Legal and Corporate Secretariat functions and Investor Relations. He also has oversight of corporate & administrative support services including Finance and Accounting, Human Resources and Information Technology. He is also a member of the Investment Committee.

Mr Tan was the Group's Chief Financial Officer from February 2006 to February 2012. Before his appointment as the Chief Financial Officer, Mr Tan was the Vice-President for Operations, overseeing Venture Group's overall management and operations in Malaysia.

Mr Tan has extensive experience in the electronics 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.

VICTORIA KO MIU HA
Chief Financial Officer

Ms Victoria Ko Miu Ha joined the Group in January 2012. She brings to the Venture Group a wealth of commercial experience in corporate finance and audit.

Ms Ko is responsible for the Group's finance and accounting functions including treasury, financial planning, credit management, tax and risk management and other general corporate and administrative functions. She is also a member of the Investment Committee.

Prior to her present appointment, Ms Ko was the Chief Financial Officer at WBL Corporation Limited. She also held senior financial positions in other public listed companies including her appointment as Senior Executive Vice President and Chief Financial Officer of The Straits Trading Company Limited. Ms Ko had also previously served in both finance and audit positions in a number of international accounting firms.

Ms Ko holds a Master of Business Administration in Finance from the City University Business School, United Kingdom, a Bachelor of Science (Economics) from the London School of Economics and an LLB (Honours) from the University of London. She is a Fellow of the Institute of Certified Public Accountants of Singapore and the Chartered Institute of Management Accountants. She is an associate member of the Institute of Chartered Accountants in England and Wales.

Please refer to page 23

LEE GHAI KEEN

Executive Vice President
Technology Products & Solutions

Mr Lee Ghai Keen joined the Group in March 1998 and was appointed to his current position in 2012. He provides key leadership to Group-wide R&D efforts and programmes and leads a large group of R&D engineers across the Group's design centres in Singapore, Malaysia, China and the United States. He is also responsible for the Group's Retail Store Solutions & Industrial Products business and operations in Singapore, Malaysia and China.

Mr Lee has amassed considerable experience in research, engineering and design development in the electronics sector. He holds seven US design patents. 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.

DHARMA NADARAJAH

Executive Vice President
Advanced Manufacturing & Design Solutions

Mr Dharma Nadarajah joined the Group in February 2001. He is responsible for the Group's Electronics Services Provider businesses across the globe covering a full spectrum of high value-added services including product design and engineering, supply chain and supplier management, advanced manufacturing and test process development, 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, specialising in Magnetic Heads manufacturing technology and processes. He had cross-border working exposure in Singapore, Malaysia, the United States, and Indonesia in those companies. Mr Nadarajah was also trained in the United Kingdom as a Field Engineer for Schlumberger Wireline, and deployed on 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.

[CORPORATE DIRECTORY]

REGISTERED OFFICE
Venture Corporation Limited
5006 Ang Mo Kio Avenue 5
#05-01/12 TECHplace II
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
112 Robinson Road
#05-01
Singapore 068902
T : +65 6227 6660
F : +65 6225 1452

AUDITOR
Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way
#32-00 Tower Two
Singapore 068809
T : +65 6224 8288
F : +65 6538 6166

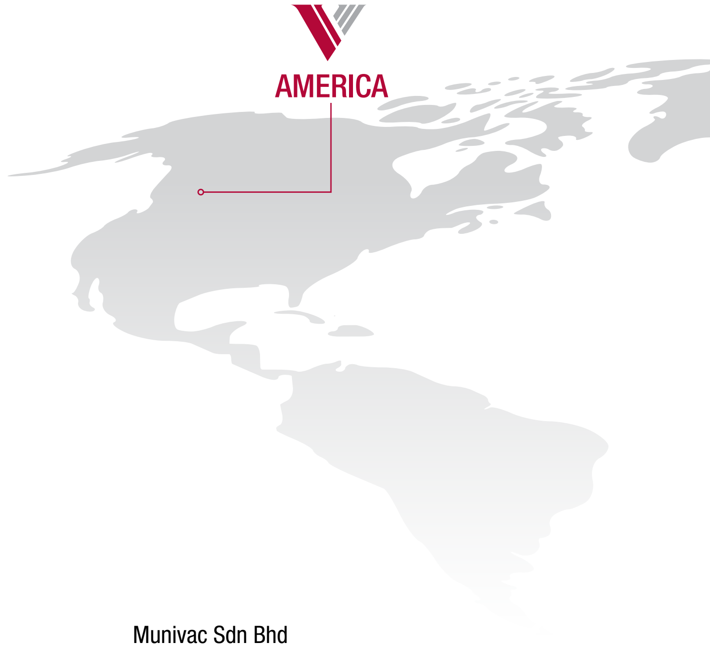
Partner-in-charge
Philip Yuen Ewe Jin
(Appointed with effect from the
financial year ended 31 December 2008)

BANKERS
Citibank N.A.
DBS Bank Ltd
JPMorgan Chase Bank
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The Royal Bank of Scotland Plc

[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
HS(D) 468918 PTD 152116, Mukim Tebrau, Johor Bahru, Johor, Malaysia	4,730	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
Geran 459975 Lot 44895 (formerly known as HS(D) 270912 PTD 68794) Mukim Tebrau, Johor Bahru, Johor, Malaysia	15,443	Leasehold (Expiring 2054)	Office and 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



[GROUP OF COMPANIES]

AMERICA

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) 678 5200
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.
Weena 327
3013 AL Rotterdam
The Netherlands
T : +31 (10) 447 0407
F : +31 (10) 202 6413

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

Venture Hungary Electronics Manufacturing Limited Liability Company
1134 Budapest, Váci út 33
Hungary
T : +36 (1) 451 7100
F : +36 (1) 451 7196

MALAYSIA

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

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

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

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
Tampoi
81200 Johor Bahru
Johor, Malaysia
T : +60 (07) 237 7201
F : +60 (07) 236 4146

Venture Electronics Services (M) Sdn Bhd
Plot 44, Bayan Lepas
Industrial Park IV, 11900
Penang, Malaysia
T : +60 (04) 642 8000
F : +60 (04) 642 9000

CHINA

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

Univac Precision Plastics (SIP) Co., Ltd
30 Min Sheng Road
Sheng Pu Town
Suzhou Industrial Park
Suzhou 215126
People's Republic of China
T : +86 (512) 6282 8828
F : +86 (512) 6282 3318

Venture Electronics (Shanghai) Co., Ltd
1201 Gui Qiao Road
T52/11 Jin Qiao Export Processing Zone
Pudong New Area Shanghai 201206
People's Republic of China
T : +86 (21) 5899 8086
F : +86 (21) 5899 7682

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

SINGAPORE

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

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

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

GES International Limited
28 Marsiling Lane
Singapore 739152
T : +65 6732 9898
F : +65 6368 6225

GES Investment Pte Ltd
28 Marsiling Lane
Singapore 739152
T : +65 6732 9898
F : +65 6368 6225

GES (Singapore) Pte Ltd
28 Marsiling Lane
Singapore 739152
T : +65 6732 9898
F : +65 6368 6225

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

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

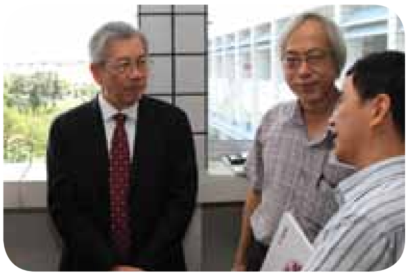
Univac Design & Engineering Pte Ltd
211 Woodlands Avenue 9
#01-86
Singapore 738960
T : +65 6854 3333
F : +65 6516 0835

Univac Precision Engineering Pte Ltd
211 Woodlands Avenue 9
#01-86
Singapore 738960
T : +65 6854 3333
F : +65 6516 0835

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

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

[INVESTOR RELATIONS CALENDAR]



28 February 2013	Announcement of Full Year 2012 Results
1 March 2013	Non-Deal Road Show in Singapore – Post Full Year 2012 Results
3 April 2013	Dispatch of 2012 Annual Report to Shareholders
19 April 2013	Annual General Meeting
30 April 2013	Announcement of First Quarter 2013 Results
2 May 2013	Non-Deal Road Show in Singapore – Post First Quarter 2013 Results
5:00 p.m. 6 May 2013	Book Closure Date in Relation to Full Year 2012 Final Dividend
15 May 2013	Dividend Payment Date
10-12 June 2013	Nomura Asia Equity Forum (Singapore)
2-4 July 2013	DBS Vickers Pulse of Asia Conference (Singapore)
13 August 2013	Announcement of Second Quarter 2013 Results
14 August 2013	Non-Deal Road Show in Singapore – Post Second Quarter 2013 Results
8 November 2013	Announcement of Third Quarter 2013 Results
11 November 2013	Non-Deal Road Show in Singapore – Post Third Quarter 2013 Results
31 December 2013	Financial Year-End

Note: Future dates and events are indicative and subject to change.

Venture Corporation Limited ("the Company") and its subsidiaries (together, "the Group") firmly believe that a strong commitment to good corporate governance is essential for continued growth and performance while protecting the interests of all stakeholders.

The revised Code of Corporate Governance 2012 ("Code"), which was issued on 2 May 2012, will only take effect for the financial year commencing 1 January 2013 for the Company. Nonetheless, the Company has incorporated many of the revised principles into its corporate governance practices. It is cognizant that corporate governance is not merely about compliance to baseline regulations. It embraces the spirit of the Code, anchored on key principles of corporate integrity, transparency, responsibility and accountability. This is demonstrated through the adoption of internal principles, standards and policies which go beyond recommended best practices and regulations.

The Group upholds and maintains high standards of corporate governance. In 2012, the Company was once again honoured with the "Most Transparent Company Award" in recognition of its commitment to sound corporate governance practices. The 2012 award, under the Industrials Category by the Securities Investors Association (Singapore) ("SIAS"), is its sixth consecutive win since 2007. Since 2011, the Company has taken the Corporate Governance Pledge, an initiative of SIAS, as a commitment to pursue high standards of corporate governance.

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 ensuring that the Group maintains a sound system of risk management and internal controls, as well as approving the Group's strategic operational initiatives, major investments and capital structure. In addition to its statutory responsibilities, the Board reviews the Group's financial performance regularly.

The Board has adopted internal guidelines setting out approval limits for capital expenditure, bank facilities and cheque signatories, and matters requiring its approval, such as investment proposals and major transactions. The matters requiring the Board's review and approval include, *inter alia*,:

a. release of any financial results and disclosures of material information;

b. amendment of the Company's Articles of Association for shareholders' approval;

c. appointment of Corporate Representative to subsidiaries for representing the Company in various matters;

d. opening or closing of bank accounts, change of bank authorised signatories, mode of operations and dealing mandate with the Company's banks and acceptance of offers of banking facilities, any borrowings, or financial commitment related to grant of guarantees, securities and collateral guarantees by the Company;

e. acquisition or disposition of any material interest in any land or real property or assets other than in the ordinary course of business;

f. establishment, acquisition or incorporation of any subsidiary or winding up, dissolution or placement of any subsidiary under receivership or judicial management; and

g. creation of any mortgage, pledge, bond, charge, lien or any other encumbrance on the Company's assets, in whole or in part.

The Board is supported by Board Committees which include the Audit Committee, Nominating Committee, Remuneration Committee and Investment Committee which have clearly written Terms of Reference ("TOR") that set out their duties and responsibilities in line with the Code. In view of the revision of the Code, the TOR of the Board Committees have been reviewed and revised to ensure that they are aligned with the revised Code.

The Company held four Board meetings in 2012 and 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 Committees			
Meetings held for FY 2012	Board	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
Wong Ngit Liong	4 of 4	–	2 of 2	–	3 of 3
Cecil Vivian Richard Wong	4 of 4	4 of 4	2 of 2	2 of 2	–
Koh Lee Boon	4 of 4	4 of 4	2 of 2	2 of 2	–
Goon Kok Loon	4 of 4	4 of 4	–	2 of 2	3 of 3
Koh Kheng Siong	4 of 4	4 of 4	–	2 of 2	–
Wong Yew Meng	4 of 4	4 of 4	–	–	2 of 3
Tan Choon Huat	4 of 4	–	–	–	–
Soo Eng Hiong*	1 of 4	–	–	–	1 of 3

* Mr Soo attended one Board meeting and one Investment Committee meeting before his retirement as a Director on 20 April 2012.

The Directors have also held several informal discussions when needed by specific circumstances, and as deemed appropriate by the Board members.

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. In order for the Directors to keep abreast of recent changes in the revised Code and Financial Reporting Standards, external consultants were invited to brief the Board on these changes. Site visits are organised as appropriate for Directors to have an intimate understanding of the Group's key business operations and to familiarise and interact with the executives of the Group.

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 Board Committees, together with the appropriate supporting documents, are circulated to the Board and Board Committees prior to the meetings.

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

Board Composition

The Board comprises seven members of which five are Independent Non-Executive Directors. They are Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon, Mr Goon Kok Loon, Mr Koh Kheng Siong and Mr Wong Yew Meng. These Independent Non-Executive Directors have no relationship with the Company, its related corporations, its shareholders holding not less than 10% of its shares or its officers that could interfere, or be reasonably perceived to interfere with the exercise of their independent judgement.

The Independent Non-Executive Directors and their immediate family members:

a. are not a substantial shareholder of the Company;

b. are not a substantial shareholder of or a partner in (with 10% or more shareholding); not an executive officer of; not a Director of, any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services (aggregated over any financial year in excess of S$200,000) in the current or immediate past financial year;

c. have not accepted any significant compensation from the Company or any of its related corporations for the provision of services, for the current or immediate past financial year, other than for Board services; and

d. are not been accustomed to, or under an obligation, formal or informal, to act in accordance with directions, instructions or wishes of substantial shareholder in relation to the corporate affairs of the Company, in the current or past three financial years.

Mr Wong Ngit Liong is the Executive Director as well as the Chief Executive Officer ("CEO") of the Company and Chairman of the Board. There is a clear division of responsibilities between the CEO and Chairman. As CEO, Mr Wong is responsible for leading the management of the Company and presides over the implementation of strategic objectives of the Company. In his role as Chairman, he is responsible for board proceedings and *inter alia*, managing the communication and information dissemination process and exchanges between the Company and its stakeholders. By combining these roles, Mr Wong has been able to consistently ensure that strategic objectives are implemented seamlessly in the Company's interest. Independent Non-Executive Directors form the majority in the Board and that also promotes an appropriate balance of power and authority within the spirit of good corporate governance. The Audit Committee, Nominating Committee and Remuneration Committee are also chaired by Independent Non-Executive Directors. This ensures adequate accountability, safeguards and internal controls are in place to facilitate independent decision-making.

Key information regarding the Directors is given on pages 23 to 25 of this Annual Report.

The Board endeavours to ensure that the Board and its Board Committees comprise experienced members who as a group provide an appropriate balance and diversity of skills, experience, and knowledge of the Company. They possess core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge and who are able to make positive contributions to the Company.

The Nominating Committee has a formal and transparent selection process for new Directors. 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 experience, expertise and current board composition. It considers prospective candidates from an extensive network of contacts, evaluates and shortlists candidates with the relevant experience and expertise in some or all of the following areas of general management; finance, accounting and governance aspects; and knowledge of the Group's industry, business and markets. Suitable candidates are then recommended to the Board for consideration.

On appointment, a new Director is advised of his duties and obligations. Lines of communication, including direct access to the Chairman, Company Secretary and Management are immediately established. This provides a new Director with the opportunity to establish exchanges and to exercise his statutory duties.

Pursuant to the Code, the Board is required to determine the maximum number of listed company board representations which a Director may hold. The Board concurred with the Nominating Committee's recommendation that the maximum number of listed company board representations which a Director may have should not exceed six, taking into consideration, *inter alia*, market capitalisation of the other listed companies, financial year end, schedule of meetings, time commitment required, intensity of participation, whether the Director has executive responsibilities in other organisation or other principal commitments, as well as the individual Director's ability.

Nominating Committee

The Nominating Committee, which is chaired by Mr Cecil Vivian Richard Wong, comprises two Independent Non-Executive Directors and one Executive Director. The other members are Mr Koh Lee Boon and Mr Wong Ngit Liong. The Nominating Committee met twice in 2012 and had informal discussions on a number of occasions.

The Nominating Committee's main responsibilities are, *inter alia*, 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 or re-appointment at every Annual General Meeting ("AGM") pursuant to Articles 74, 92 and 93 of the Company's Articles of Association ("Articles"), and Section 153(6) of the Singapore Companies Act, Chapter 50 ("Companies Act");

d. to assess the Directors' independence and provide its views to the Board for the Board's consideration;

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, taking into consideration the Director's number of listed companies board representations and other principal commitments and provide its views to the Board for the Board's consideration;

f. to assess the independence of a Director who has served on the Board beyond nine years from the date of his first appointment annually and provide its views to the Board for the Board's consideration; and

g. to evaluate the Board's and Board Committees' 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 Articles. Directors appointed by the Board during the financial year shall only hold office until the next AGM, and thereafter, be eligible for re-election at the AGM.

The Nominating Committee has recommended the nomination of the Directors retiring by rotation for re-election at the forthcoming AGM. Mr Wong Yew Meng will retire by rotation and the Nominating Committee has nominated him for re-election in the forthcoming AGM. The Nominating Committee has also recommended the nomination of Mr Cecil Vivian Richard Wong, Mr Wong Ngit Liong and Mr Goon Kok Loon 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 meetings of Board and Board Committees, as well as the proficiency with which they have discharged their responsibilities.

INDEPENDENCE OF DIRECTORS

The Nominating Committee performs an annual review of Directors' interests in which all potential or perceived conflicts, including time commitments, length of service and other issues relevant to their independence, are considered. Where a director has served on the Board for more than nine years, the Board has further reviewed whether such a Director should be considered independent.

The following were some of the factors considered in reviewing the independence of Directors who have served beyond nine years:-

a. whether the Director is free from any dealings, relationships or circumstances that could affect or appear to affect their independent judgement, particularly with regards to whether the Director has indicated or demonstrated an alignment or habitual support for any specific group of stakeholders e.g. specific shareholders, instead of representing the interests of all stakeholders;

b. whether the length of service has had any adverse impact on the Director's objectivity and judgement and whether during the tenure there has been any impairment to his ability to discharge his duties and responsibilities in the overall interest of the Group, taking into consideration the interests of all stakeholders; and

c. whether the Director continues to exhibit a firm commitment to his role and continues to actively contribute with the knowledge and experience of the Group's business built up over the years.

Based on these considerations, the Board concurred with the Nominating Committee's views that the three Directors who have served beyond nine years on the Board, namely, Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon and Mr Goon Kok Loon are considered independent.

PRINCIPLE 5
BOARD PERFORMANCE

A Board performance evaluation exercise is carried out annually to evaluate the performance of the Board and its Board Committees. The evaluation is formally and collectively conducted by the Board. The objective of the annual Board and Board Committees performance evaluation exercise is to assess the contribution and effectiveness of the Board and Board Committees as a whole and the quality of interaction between the Management and the Board.

The evaluation process includes distributing evaluation questionnaires to the Directors, collating the feedback of the individual Directors for the Nominating Committee to review and thereafter present to the Board, and the Board to discuss the findings collectively.

The evaluation conducted for FY 2012 concluded that:

a. the quality of information disseminated to members of the Board and Board Committees 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;

f. the Board comprised competent Directors with varied and relevant experience and expertise; and

g. The Board and Board Committees had allocated sufficient time to consider all matters.

PRINCIPLE 6
ACCESS TO INFORMATION

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

The Management is invited to attend Board meetings to provide updates on the Group's operations and business, to furnish additional information on various corporate matters and/or to discuss issues which the Directors may raise. The Management also provides additional information needed by the Directors to enable them to make informed decisions in a timely manner.

Analysts' reports on the Company have been forwarded to the Directors on an on-going basis for information. The Directors, individually or collectively, may in furtherance of their duties, seek and obtain independent professional advice as and when the need arises, at the expense of the Company.

PRINCIPLES 7, 8 & 9
REMUNERATION MATTERS

Remuneration Committee

The Remuneration Committee comprises four Independent Non-Executive Directors, Mr Koh Lee Boon, Mr Cecil Vivian Richard Wong, Mr Goon Kok Loon and Mr Koh Kheng Siong. The Remuneration Committee which is chaired by Mr Koh Lee Boon met twice in 2012.

The Remuneration Committee's principal functions are:

a. to review and recommend to the Board the specific remuneration packages for each Director and key management personnel and the terms of employment for the CEO and Executive Director of the Group, and for employees related to the Executive Director and controlling shareholders of the Group (if any);

b. to review and recommend to the Board the remuneration framework for the Board and the key management personnel;

c. to administer the Company's Executives' Share Option Scheme adopted by the Company in 2004 ("2004 Scheme") and Restricted Share Plan ("RSP"), which had been approved by shareholders of the Company;

d. to review whether Executive Director and key management personnel should be eligible for benefits under long-term incentive schemes and carefully evaluate the cost and benefits of such schemes; and

e. to review the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses.

Directors' Fees for Non-Executive Directors

Independent Non-Executive Directors' and Non-Independent Non-Executive Directors' fees are based on a remuneration framework of basic fees and require shareholders' approval at the Company's AGM.

Directors' fees take into account a Director's contribution, additional responsibilities on Board Committees, his experience, qualification and time spent.

The Directors' fee structure for annual fees of the Board and Board Committees is as follows:

Annual Fees for Board Members	S$
Board Chairman	Not applicable
Non-Executive Director	40,000

Annual Fees for Board Committee Members	Chairman S$	Member S$
Audit Committee	30,000	20,000
Nominating Committee	20,000	10,000
Remuneration Committee	20,000	10,000
Investment Committee	Not applicable	10,000

The Remuneration Committee has recommended payment of Directors' fees of S$466,666 for FY 2012, subject to approval by shareholders at the Company's forthcoming AGM. There has been no change to the Directors' fees per annum since the last revision for FY 2010. The increase in aggregate amount of S$56,666 tabled for FY 2012 is in respect of the services rendered by Mr Soo Eng Hiong and Mr Tan Choon Huat as Non-Independent Non-Executive Directors. Both Mr Soo Eng Hiong and Mr Tan Choon Huat had retired as executives of the Company with effect from 31 December 2011 and had been re-designated as Non-Independent Non-Executive Directors. Subsequently, Mr Soo Eng Hiong had retired as a Director of the Company in April 2012 whilst Mr Tan Choon Huat continues to serve as Non-Independent Non-Executive Director. A breakdown showing the proposed Directors' fee of each Director for FY 2012 is included in this report.

Executive Directors do not receive Directors' fees.

Name of Director	Director's Fees+ S$	Director's Fees+ %	Total Fixed Remuneration %	Total Variable Remuneration %	Total %
Cecil Vivian Richard Wong	90,000	100	–	–	100
Koh Lee Boon	90,000	100	–	–	100
Goon Kok Loon	90,000	100	–	–	100
Koh Kheng Siong	70,000	100	–	–	100
Wong Yew Meng	70,000	100	–	–	100
Tan Choon Huat	40,000	100	–	–	100
Soo Eng Hiong^	16,666	100	–	–	100

\+ Lump sum amount subject to approval by shareholders at AGM to be held on 19 April 2013
^ Pro-rated fees up to retirement as a Director on 20 April 2012.

CEO's Remuneration

As Chairman of the Board and Executive Director, CEO Mr Wong Ngit Liong does not receive Director's fees. As a member of Management, his remuneration is reviewed by the Remuneration Committee and it comprises cash-based and share-based components. Information on the CEO's remuneration including options granted pursuant to the 2004 Scheme is set out below:

	Remuneration				
	Cash-based				Share-based
CEO and Chairman	Total(1) (S$)	Total Fixed %	Total Variable %	Total %	Number of options granted under the 2004 Scheme during the financial year
Wong Ngit Liong	3,450,680	27	73	100	60,000

Note:

(1) The total remuneration does not include the value of share options granted under the 2004 Scheme.

Key Management Personnel's Remuneration

The Code and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") encourage companies to disclose the remuneration of their top five key management personnel in bands of S$250,000 with a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through fixed or variable remuneration. The aggregate of the total remuneration paid to the top five key management personnel (who are not directors or the CEO) is also to be disclosed. The Company otherwise is to explain the deviation from such recommendation.

The key management personnel (who are not directors or CEO) are Mr Tan Kian Seng, Mr Dharma Nadarajah, Mr Lee Ghai Keen and Ms Victoria Ko Miu Ha. The aggregate cash-based remuneration of these key management personnel in FY 2012 is S$2,651,950. The percentage breakdown of the fixed and variable component, as well as options granted pursuant to the 2004 Scheme and awards made pursuant to the RSP, for each individual is as set out below. In making available the aggregate remuneration of the key management personnel, the Company provides a macro perspective without compromising the Group's business interests and minimises competitive pressures which would arise from more detailed disclosures.

Remuneration Bands[(1)] / Key Management Personnel	Remuneration				
	Cash-based			Share-based	
	Total Fixed %	Total Variable %	Total %	Number of options granted under the 2004 Scheme during the financial year	Number of awards granted under the RSP during the financial year
Between S$750,000-S$999,999					
Tan Kian Seng	54	46	100	50,000	30,000
Between S$500,000-S$749,999					
Lee Ghai Keen	54	46	100	50,000	30,000
Dharma Nadarajah	54	46	100	50,000	30,000
Below S$500,000					
Victoria Ko Miu Ha	74	26	100	0	0

Note:

(1) The above remuneration bands do not include the value of share options granted under the 2004 scheme and the value of awards granted under the RSP.

Venture believes in attracting, motivating and retaining talent to achieve its business goals and to create long-term sustainable value for its stakeholders. Total remuneration comprises fixed and variable elements and some of the factors determining the total remuneration include contribution to achievement of organisation and business objectives. Employees are encouraged to be innovative, entrepreneurial and impactful to transform and differentiate the Group for further competitiveness, with appropriate rewards and recognition policies.

There are no immediate family members of a Director in a managerial role in the Company.

PRINCIPLES 10, 11, 12 & 13
ACCOUNTABILITY, RISK MANAGEMENT & INTERNAL CONTROLS, AUDIT COMMITTEE & INTERNAL AUDIT

Accountability

The Board presents a balanced and easily understood assessment of the Group's performance, position and prospects to the public via the release of its quarterly and full year financial results. The Board reviews and approves the results before its dissemination as well any media release of its financial results. Since the SGX-ST's introduction of the requirement for Directors to issue a Negative Assurance Statement to accompany its quarterly financial results announcement, a process has been introduced to support Management's representations to the Board on the integrity of the Group's financial statements before the Negative Assurance Statement is given by the Board.

Audit Committee

The Audit Committee comprises five Independent Non-Executive Directors. They are Mr Goon Kok Loon, Mr Cecil Vivian Richard Wong, Mr Koh Lee Boon, Mr Koh Kheng Siong and Mr Wong Yew Meng. Mr Goon Kok Loon is the Chairman of the Audit Committee. The Audit Committee met four times in 2012.

CORPORATE GOVERNANCE REPORT

The functions of the Audit Committee are:

a. to recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of external auditors;

b. to approve the remuneration and terms of engagement of external auditors;

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

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

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

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

   ii. the external auditors' audit of the annual financial statements and reports thereto;

   iii. the adequacy of the Group's system of accounting controls;

   iv. the assistance given by Management to the external auditors;

   v. any related significant findings and recommendations of the external auditors and internal auditors together with Management's response thereto; and

   vi. any significant changes required in the external auditors' plan, serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and any other matters relating to the conduct of the audit;

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

   i. significant findings during the year and Management's response thereto;

   ii. the adequacy and effectiveness of the Group'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;

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

j. to review and report to the Board on the adequacy and effectiveness of internal controls;

k. to approve the hiring, removal, evaluation and compensation of the head of the Internal Audit function; and

l. to review the independence of the external auditors annually.

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 and meet with the Audit Committee without the presence of Management, at least once a year.

The Audit Committee, with the assistance of internal auditors, reviews and reports to the Board on the adequacy and effectiveness of the Group's system of controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by Management. In assessing the effectiveness of the Group's internal controls, the Audit Committee ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

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 Audit Committee has further taken measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with briefings provided by professionals or external consultants.

Risk Management & Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls. The Group has in place an Enterprise Risk Management Integrated Framework ("ERM 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 and is 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. Key risks, control measures and management actions are continually identified and monitored by the operational units and reviewed by Management. Leveraging on the results of the ERM, the CEO and the CFO would in turn provide an annual attestation to the Audit Committee relating to adequacy and effectiveness of the Group's risk management and internal control systems.

The Board has together with the Audit Committee reviewed the Group's risk assessment programmes and internal control processes. Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and various Board Committees, the Board, and the assurance from the CEO and the CFO, the Board in concurrence with the Audit Committee, is of the opinion that the Group's internal controls:

- including financial, operational, compliance and information technology were adequate and effective as at 31 December 2012

- were adequate to address financial, operational and compliance risks, which the Company had considered relevant and material to its operations as at 31 December 2012.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The Board has received assurance from the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

In addition, the Company has adopted a Whistle-Blowing Policy for the Group 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.

Internal Audit

The Internal Audit Department is an independent function that reports directly to the Chairman of the Audit Committee on audit matters and administratively to the CFO. The Audit Committee approves the hiring, removal, evaluation and compensation of the head of the internal audit department.

The Internal Audit Charter empowers the internal auditors to provide independent and objective assessments and consulting services which are designed to evaluate the adequacy and effectiveness of the Group's system of internal controls. A risk-based approach is used to develop the annual audit plan to ensure that all high risk areas are monitored for proper coverage and audit frequency.

The Audit Committee reviews and approves the audit plans and resources to ensure that the internal auditors have the necessary resources to adequately and effectively perform their duties. The internal audit team employs suitably qualified and experienced personnel with at least three years of audit experience to provide audit and consulting services. They either possess a recognised degree in Accountancy or an equivalent professional qualification. A training and development programme is in place to ensure that the internal auditors are equipped with technical knowledge and skill sets that are appropriate and relevant. The internal auditors will ensure that the standards set by locally or internationally recognised professional bodies are met.

Investment Committee

The Investment Committee comprises two Independent Non-Executive Directors, one Executive Director, the President and Chief Financial Officer of the Company. They are Mr Goon Kok Loon, Mr Wong Yew Meng, Mr Wong Ngit Liong, Mr Tan Kian Seng and Ms Victoria Ko Miu Ha. The role of the Investment Committee is to set broad overall investment policies and guidelines for the Company and to assess and review investments, opportunities and performance. The Investment Committee is chaired by Mr Wong Ngit Liong.

PRINCIPLES 14, 15 & 16
COMMUNICATION WITH SHAREHOLDERS

Prompt and Fair Disclosure

The Company recognises the importance of effective communication with all shareholders and has established policies and procedures to ensure that all shareholders have equal and timely access to material information concerning the Company. It provides prompt and relevant information with regard to the Company's corporate developments and financial performance, in compliance with its continuous disclosure obligations in line with the Code and the Listing Manual of the SGX-ST.

The Company's communication framework and practices provide open and fair, as well as meaningful and timely shareholders' communication and interaction.

In FY 2012, the Company was presented with the Certificate of Excellence in Investor Relations at the IR Magazine South East Asia Awards for the second year running. This award is a testament to the Company's continuing efforts to provide the investment community with prompt, effective and meaningful communication.

Every quarter, the Company holds a briefing session after the release of its quarterly financial results. The CEO, President and the CFO preside over the briefing session and offer a comprehensive review of the Company's performance. Financial analysts, shareholders and the media have access to the briefing session. An information package comprising the financial statements, press announcement and a set of presentation slides are shared with all participants. The same information package is disseminated through the SGX-ST SGXNET System at the time of the briefing and simultaneously made available on the Company's corporate website for ease of access and download.

Immediately following its results announcement each quarter, the Company establishes shareholder communication via a series of local non-deal road shows, global video conferences, conference calls and one-on-one meetings. The increased concentration of shareholder communication enables Management and the Corporate Communications team to share the same information across a wider group of investors.

During the year, the Company actively engaged with shareholders and the investment community through various platforms and events. The Company conducted more than 200 investor communication engagements covering non-deal road shows, corporate access forums/conferences, one-on-one and group meetings and conference calls.

The Corporate Communications team handles queries by analysts, investors and shareholders in the form of letters, facsimile, electronic mail, web portal mails and telephone calls. The Company endeavours to respond to all queries expeditiously. All forms of communication are in line with SGX-ST rules on prompt and fair disclosure.

In addition, explanations and clarifications are provided to all interested parties on an equal-opportunity basis. This practice by the Company is in-line with its commitment towards fair disclosure.

The Company continues to receive support from over 20 equity sales and research institutions that regularly provide reports and updates on the Company to the investment community. To ensure accuracy of the coverage, the Company initiates direct and regular communications with the financial analysts and equity sales teams of the institutions.

The Company's Report to Shareholders is filed on an annual basis. The Report, together with the Notice of AGM, Circular and Letter to Shareholders, if applicable, are delivered by post to all shareholders, including overseas shareholders, within the mandatory period, providing shareholders with adequate time to review the documents thoroughly.

The Company also publishes the Notice of AGM and Notice of Extraordinary General Meeting ("EGM"), if applicable, in a major local news publication and on its corporate website. Full copies of the Notices are also lodged with the SGX-ST.

Shareholders' Interactions

Shareholders are encouraged to attend the Company's AGM and EGM. However if they are not able to, the Articles allow each shareholder to appoint up to two proxies to attend and vote at general meetings on his/her behalf. The Articles do not provide for shareholders to vote at the Company's AGMs and EGMs in absentia such as via mail, electronic mail or facsimile transmission. It will consider implementing the relevant amendment to its Articles 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's AGM and EGM, if applicable, are attended by all the Directors, external auditors, the Company Secretary and Management. Prior to the commencement of the AGM, the Company makes a presentation, highlighting key business developments and its full year financial performance. Shareholders are given the opportunity to share their views and put their questions to the meeting(s). The Company encourages active discussion and interaction with its shareholders during the meeting(s).

The Company will continue to engage its investors and shareholders through various channels of communication on the premise of providing accurate, consistent and timely information at all times.

Dividend

The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for the financial year ended 31 December 2012. When considering dividend payments, the Board reviews a wide range of factors including the Company's profitability, cash flow, future earnings, working capital, capital expenditure requirements, investment plans, as well as other corporate considerations. Dividends have been declared on an annual basis.

Subject to the approval of shareholders at the AGM to be held on 19 April 2013, the proposed dividend will be paid on 15 May 2013. The Share Transfer Books and Register of Members of Venture Corporation Limited will be closed from 5.00 pm on 6 May 2013 to 7 May 2013 (both dates inclusive) for the preparation of dividend warrants.

ENGAGEMENT OF EXTERNAL AUDITORS

The Company has considered the adequacy of the resources and experience of the audit firm, the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit and is satisfied that the re-appointment of the external auditors, Deloitte & Touche LLP would be in compliance with Rule 712 of the Listing Manual of the SGX-ST.

The Board and the Audit Committee have also reviewed and are accordingly satisfied that the appointment of different audit firms for a small number of the Company's subsidiaries and associates (as set out on pages 93 and 97 of this Annual Report) would not compromise the standard and effectiveness of the audit of the Company and the Group. None of the Company's subsidiaries are listed on a stock exchange and other than Fischer Tech Ltd and DMX Technologies Group Limited which are also listed on the SGX-ST, there are no significant associates. The subsidiaries which have significant contributions in terms of revenue and net assets are all audited by member firms of Deloitte Touche Tohmatsu Limited ("DTTL"). The subsidiaries and associates which are audited by non-DTTL member firms are insignificant and do not have material revenue contribution or net assets. In this regard, the Company has complied with Rule 716 of the Listing Manual of the SGX-ST.

The aggregate amount of fees paid to the external auditors for audit and non-audit services are set out in Note 28 to the financial statements.

INTERNAL CODE ON DEALINGS WITH SECURITIES

An internal code, which complies with Rule 1207(19) 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 (Cap 289) 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.

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 2012.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEO, Directors, controlling shareholders or key executives, 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.

STATUTORY ACCOUNTS & INFORMATION FOR SHAREHOLDERS

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 2012.

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
Goon Kok Loon
Koh Kheng Siong
Wong Yew Meng
Tan Choon Huat

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 and awards mentioned in paragraphs 3, 5 and 6 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:

Names of Directors and Company in which interests are held	Shareholdings registered in the names of Directors	
	At 1 January 2012	At 31 December 2012
	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
	Share options to subscribe for shares of the Company	
Wong Ngit Liong	320,000	310,000
Tan Choon Huat	170,000	110,000

The Directors' interests as at 21 January 2013 are the same as those as at 31 December 2012.

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

The Venture Corporation Executives' Share Option Scheme ("2004 Scheme")

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

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

(iii) Details of the unissued shares under options granted pursuant to the 2004 Scheme, options granted, exercised and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2012 were as follows:

	Number of options to subscribe for ordinary shares of the Company						
Date of grant	Outstanding at 1 January 2012	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2012	Subscription price per share	Exercisable period
15 September 2007	2,178,000	–	–	(2,178,000)	–	$19.850 (a) $17.468 (b) $16.674 (c) $15.880 (d)	15 September 2008 to 14 September 2012
15 September 2008	2,496,000	–	–	(175,000)	2,321,000	$10.463 (e) $9.207 (f) $8.789 (g) $8.370 (h)	15 September 2009 to 14 September 2013
16 March 2010	2,517,000	–	–	(187,000)	2,330,000	$10.590 (i) $9.320 (j) $8.890 (k) $8.470 (l)	16 March 2011 to 15 March 2015
15 September 2010	2,590,000	–	–	(202,000)	2,388,000	$11.010 (m) $9.689 (n) $9.248 (o) $8.808 (p)	15 September 2011 to 14 September 2015
16 September 2011	2,954,000	–	–	(225,000)	2,729,000	$8.880 (q) $7.814 (r) $7.459 (s) $7.104 (t)	16 September 2012 to 15 September 2016
14 September 2012	–	3,029,000	–	(3,000)	3,026,000	$9.895 (u) $8.708 (v) $8.312 (w) $7.916 (x)	14 September 2013 to 13 September 2017
	12,735,000	3,029,000	–	(2,970,000)	12,794,000		

(a) If exercised between 15 September 2008 and 14 September 2009
(b) If exercised between 15 September 2009 and 14 September 2010
(c) If exercised between 15 September 2010 and 14 September 2011
(d) If exercised between 15 September 2011 and 14 September 2012
(e) If exercised between 15 September 2009 and 14 September 2010
(f) If exercised between 15 September 2010 and 14 September 2011
(g) If exercised between 15 September 2011 and 14 September 2012
(h) If exercised between 15 September 2012 and 14 September 2013
(i) If exercised between 16 March 2011 and 15 March 2012
(j) If exercised between 16 March 2012 and 15 March 2013
(k) If exercised between 16 March 2013 and 15 March 2014
(l) If exercised between 16 March 2014 and 15 March 2015
(m) If exercised between 15 September 2011 and 14 September 2012
(n) If exercised between 15 September 2012 and 14 September 2013
(o) If exercised between 15 September 2013 and 14 September 2014
(p) If exercised between 15 September 2014 and 14 September 2015
(q) If exercised between 16 September 2012 and 15 September 2013
(r) If exercised between 16 September 2013 and 15 September 2014
(s) If exercised between 16 September 2014 and 15 September 2015
(t) If exercised between 16 September 2015 and 15 September 2016
(u) If exercised between 14 September 2013 and 13 September 2014
(v) If exercised between 14 September 2014 and 13 September 2015
(w) If exercised between 14 September 2015 and 13 September 2016
(x) If exercised between 14 September 2016 and 13 September 2017

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	60,000	436,000	–	(126,000)	310,000
Tan Choon Huat	–	264,000	–	(154,000)	110,000
ii) Other Employees	2,969,000	22,638,000	(226,000)	(10,038,000)	12,374,000
Total	3,029,000	23,338,000	(226,000)	(10,318,000)	12,794,000

The 2004 Scheme is administered by the Remuneration Committee whose members are:

Koh Lee Boon (Chairman)
Cecil Vivian Richard Wong
Goon Kok Loon
Koh Kheng Siong

No employee of the Company or employee of related corporations has received five per cent or more of the total options available under this scheme.

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 RESTRICTED SHARES

The Venture Corporation Restricted Share Plan ("RSP") was approved at the Extraordinary General Meeting held on 28 April 2011.

The RSP is to encourage sustained commitment from key leaders to grow shareholder value over a long period of time through a sense of ownership in the Company. The RSP will also align the interests of key leaders as stakeholders of the Company.

The RSP is administered by the Remuneration Committee ("Committee") whose members are all Independent Non-Executive Directors.

Managers in senior positions in the Group or leadership positions in management, technology or possess other domain expertise and competencies and who are in a position to contribute or have significantly contributed to the performance, growth and profitability of the Group, as may be designated by the Committee, shall be eligible to participate in the RSP. Such managers must have been employed in the Company and/or its subsidiaries for a minimum period of years as determined by the Committee.

6 RESTRICTED SHARES (cont'd)

The mode of settlement of the awards under the RSP may be by way of:

(i) allotment and issue of new shares; and/or

(ii) the delivery of existing shares; and/or

(iii) payment of the equivalent value in cash (after deduction of any applicable taxes and Central Provident Fund and/or other statutory contributions); and/or

(iv) a combination of (i), (ii) and (iii).

Size of the RSP

If new shares are issued to participants, the number of new shares issued:

(i) when added to the number of new shares issued and issuable and existing shares delivered and deliverable in respect of all awards granted under the RSP, shall not exceed three per cent of the total number of issued shares (excluding shares held in treasury) from time to time; and

(ii) when added to the number of new shares issued and issuable and existing shares delivered and deliverable in respect of (a) all awards granted under the RSP; and (b) all options granted and outstanding under the 2004 Scheme, shall not exceed 15% of the total number of issued shares (excluding shares held in treasury) on the day preceding the relevant date of grant, where the relevant date of grant falls on or prior to 30 April 2014.

Movement in the awards by the Company during the financial year was as follows:

	2012
At 1 January	–
Granted	180,000
Lapsed	(30,000)
At 31 December	150,000

REPORT OF THE DIRECTORS

7 AUDIT COMMITTEE

The Audit Committee comprises five members, all of whom are Independent Non-Executive Directors. The members of the Committee are:

Goon Kok Loon (Chairman)
Cecil Vivian Richard Wong
Koh Lee Boon
Koh Kheng Siong
Wong Yew Meng

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

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

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

8 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

Goon Kok Loon
Director

21 March 2013

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 57 to 121 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 2012, 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

Goon Kok Loon
Director

21 March 2013

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF VENTURE CORPORATION LIMITED

Report on the Financial Statements

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 2012 and 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 57 to 121.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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 accounts and balance sheets and to maintain accountability of assets.

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 about 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 of financial statements that give a true and fair view 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, 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 2012 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.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
21 March 2013

STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2012

	Note	The Company 2012 $'000	The Company 2011 $'000	The Group 2012 $'000	The Group 2011 $'000
ASSETS					
Current assets					
Cash and cash equivalents	6	82,533	195,778	453,424	513,218
Trade receivables	7	51,893	67,625	433,831	479,280
Other receivables and prepayments	8	3,185	4,650	29,227	24,312
Inventories	9	46,393	44,051	497,352	513,660
Trade receivables due from subsidiaries	10	34,251	39,072	–	–
Other receivables due from subsidiaries		7,788	8,357	–	–
Income tax recoverable		–	–	234	1,798
Total current assets		226,043	359,533	1,414,068	1,532,268
Non-current assets					
Investments in subsidiaries	10	1,228,711	1,234,476	–	–
Investments in associates	11	51,300	51,300	70,492	72,714
Investment in a joint venture	12	–	–	–	–
Available-for-sale investments	13	16,209	54,006	25,840	66,480
Property, plant and equipment	14	2,556	3,564	138,568	143,895
Intangible assets	15	10,089	11,848	78,651	96,413
Goodwill	16	–	–	639,708	639,708
Deferred tax assets	17	–	–	5,315	3,957
Total non-current assets		1,308,865	1,355,194	958,574	1,023,167
Total assets		1,534,908	1,714,727	2,372,642	2,555,435

STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2012

	Note	The Company 2012 $'000	The Company 2011 $'000	The Group 2012 $'000	The Group 2011 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	18	117,388	81,733	167,402	84,198
Trade payables	19	34,828	37,103	288,592	331,592
Other payables and accrued expenses	20	18,388	24,670	95,665	123,949
Trade payables due to subsidiaries		8,484	2,699	–	–
Other payables due to subsidiaries		191	7,225	–	–
Trade payables due to associates	11	–	–	–	678
Income tax payable		685	735	7,601	6,900
Total current liabilities		179,964	154,165	559,260	547,317
Non-current liabilities					
Bank loans	18	–	119,881	–	119,881
Deferred tax liabilities	17	–	–	13,580	17,503
Total non-current liabilities		–	119,881	13,580	137,384
Capital and reserves					
Share capital	21	673,223	673,223	673,223	673,223
Treasury shares	21	(569)	–	(569)	–
Share-based awards reserve	21	40,523	38,737	41,190	39,404
Investments revaluation reserve	21	(37,704)	(33,186)	(39,901)	(35,302)
Translation reserve	22	–	–	(277,676)	(220,837)
Reserve fund	21	–	–	1,592	1,589
Capital reserve		–	–	42	(142)
Accumulated profits		679,471	761,907	1,399,451	1,409,627
Equity attributable to owners of the Company		1,354,944	1,440,681	1,797,352	1,867,562
Non-controlling interests		–	–	2,450	3,172
Total equity		1,354,944	1,440,681	1,799,802	1,870,734
Total liabilities and equity		1,534,908	1,714,727	2,372,642	2,555,435

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2012

	Note	The Group 2012 $'000	The Group 2011 $'000
Revenue	24	2,387,730	2,432,406
Changes in inventories of finished goods and work in progress		(4,329)	(21,912)
Raw materials and consumables used		(1,853,854)	(1,835,330)
Employee benefits expense		(242,844)	(249,493)
Depreciation and amortisation expense		(44,367)	(47,070)
Research and development expense		(24,268)	(29,550)
Foreign currency exchange adjustment (loss) gain		(159)	3,898
Other operating expenses		(87,875)	(99,804)
Other income	25	2,593	2,433
Investment revenue	26	5,812	2,035
Finance cost (interest expense on bank loans)		(1,616)	(1,777)
Share of profit of associates	11	6,141	1,915
Profit before tax		142,964	157,751
Income tax expense	27	(3,919)	(1,265)
Profit for the year	28	139,045	156,486
Other comprehensive (loss) income			
Loss on available-for-sale investments taken to equity	21	(698)	(4,619)
Exchange differences on translation of foreign operations	22	(56,956)	5,704
Reclassification adjustment on disposal of available-for-sale investments	21	(3,901)	(37)
Other comprehensive (loss) income for the year, net of tax		(61,555)	1,048
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		77,490	157,534
Profit attributable to:			
Owners of the Company		139,650	156,546
Non-controlling interests		(605)	(60)
		139,045	156,486
Total comprehensive income attributable to:			
Owners of the Company		78,212	157,366
Non-controlling interests		(722)	168
		77,490	157,534
		Cents	Cents
Basic earnings per share	29	50.9	57.1
Fully diluted earnings per share	29	50.8	57.0

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2012

	Note	Share capital $'000	Treasury shares $'000	Share-based awards reserve $'000	Investments revaluation reserve $'000	Accumulated profits $'000	Total $'000
Company							
Balance at 1 January 2011		671,952	–	35,262	(28,596)	818,601	1,497,219
Issue of shares	21	1,271	–	–	–	–	1,271
Total comprehensive income for the year		–	–	–	(4,590)	92,304	87,714
Share options lapsed		–	–	(1,912)	–	1,912	–
Recognition of share-based payments	23	–	–	5,387	–	–	5,387
First and final tax-exempt dividend paid in respect of the previous financial year	34	–	–	–	–	(150,918)	(150,918)
Refund of unclaimed dividends		–	–	–	–	8	8
Balance at 31 December 2011		673,223	–	38,737	(33,186)	761,907	1,440,681
Repurchase of shares	21	–	(569)	–	–	–	(569)
Total comprehensive income for the year		–	–	–	(4,518)	67,387	62,869
Share options lapsed		–	–	(1,092)	–	1,092	–
Recognition of share-based payments	23	–	–	2,878	–	–	2,878
First and final tax-exempt dividend paid in respect of the previous financial year	34	–	–	–	–	(150,918)	(150,918)
Refund of unclaimed dividend		–	–	–	–	3	3
Balance at 31 December 2012		673,223	(569)	40,523	(37,704)	679,471	1,354,944

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2012

	Note	Share capital	Treasury shares	Share-based awards reserve	Investments revaluation reserve	Translation reserve	Reserve fund	Capital reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
Balance at 1 January 2011		671,952	–	35,929	(30,646)	(226,313)	1,414	–	1,402,254	1,854,590	3,004	1,857,594
Issue of shares	21	1,271	–	–	–	–	–	–	–	1,271	–	1,271
Total comprehensive income for the year		–	–	–	(4,656)	5,476	–	–	156,546	157,366	168	157,534
Share options lapsed		–	–	(1,912)	–	–	–	–	1,912	–	–	–
Recognition of share-based payments	23	–	–	5,387	–	–	–	–	–	5,387	–	5,387
First and final tax-exempt dividend paid in respect of the previous financial year	34	–	–	–	–	–	–	–	(150,918)	(150,918)	–	(150,918)
Appropriation to reserve fund		–	–	–	–	–	175	–	(175)	–	–	–
Share of associate's reserves		–	–	–	–	–	–	(142)	–	(142)	–	(142)
Refund of unclaimed dividends		–	–	–	–	–	–	–	8	8	–	8
Balance at 31 December 2011		673,223	–	39,404	(35,302)	(220,837)	1,589	(142)	1,409,627	1,867,562	3,172	1,870,734
Repurchase of shares	21	–	(569)	–	–	–	–	–	–	(569)	–	(569)
Total comprehensive income for the year		–	–	–	(4,599)	(56,839)	–	–	139,650	78,212	(722)	77,490
Share options lapsed		–	–	(1,092)	–	–	–	–	1,092	–	–	–
Recognition of share-based payments	23	–	–	2,878	–	–	–	–	–	2,878	–	2,878
First and final tax-exempt dividend paid in respect of the previous financial year	34	–	–	–	–	–	–	–	(150,918)	(150,918)	–	(150,918)
Appropriation to reserve fund		–	–	–	–	–	3	–	(3)	–	–	–
Share of associate's reserves		–	–	–	–	–	–	184	–	184	–	184
Refund of unclaimed dividends		–	–	–	–	–	–	–	3	3	–	3
Balance at 31 December 2012		673,223	(569)	41,190	(39,901)	(277,676)	1,592	42	1,399,451	1,797,352	2,450	1,799,802

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2012

	The Group	
	2012	2011
	$'000	$'000
Operating activities		
Profit before tax	142,964	157,751
Adjustments for:		
Share of profit of associates	(6,141)	(1,915)
(Reversal of) Allowance for inventories	(7)	252
Inventories written off	838	882
Depreciation expense	27,015	29,141
Bad debts written off	81	141
Allowance for (Reversal of) doubtful trade receivables	329	(331)
Amortisation of intangible assets	22,944	27,396
Impairment loss on goodwill	–	885
Interest income	(1,580)	(2,035)
Dividend income	(1,333)	(1,176)
Interest expense	1,616	1,777
Share-based payments expense	2,878	5,387
Loss on disposal of plant and equipment	155	260
Gain on disposal of an associate	(1,551)	–
Gain on disposal of available-for-sale investments	(4,232)	(20)
Operating profit before working capital changes	183,976	218,395
Trade receivables	22,415	45,573
Other receivables and prepayments	(6,159)	(3,502)
Inventories	(13,119)	(1,319)
Trade payables	(26,174)	(21,130)
Other payables and accrued expenses	(23,388)	18,511
Trade payables due to associates, net	(424)	136
Cash generated from operations	137,127	256,664
Interest paid	(1,513)	(1,620)
Income tax paid	(6,760)	(6,436)
Net cash from operating activities	128,854	248,608

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2012

	The Group	
	2012	2011
	$'000	$'000
Investing activities		
Interest income received	1,627	2,225
Dividends received from associates	742	–
Dividends received from other equity investment	1,333	1,294
Purchase of property, plant and equipment	(29,552)	(28,970)
Proceeds on disposal of plant and equipment	210	701
Addition of intangible assets	(5,250)	(5,934)
Proceeds on disposal of an associate	5,867	–
Proceeds on disposal of available-for-sale investments	40,820	1,882
Purchase of available-for-sale investments	(552)	(2,954)
Net cash from (used in) investing activities	15,245	(31,756)
Financing activities		
Dividends paid	(150,918)	(150,918)
Refund of unclaimed dividends (net of charges)	3	6
Proceeds from new bank loans	49,267	18,482
Repayment of bank loans	(83,054)	(17,713)
Proceeds from issuance of shares	–	1,271
Purchase of treasury shares	(569)	–
Net cash used in financing activities	(185,271)	(148,872)
Net (decrease) increase in cash and cash equivalents	(41,172)	67,980
Cash and cash equivalents at beginning of year	513,218	441,700
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(18,622)	3,538
Cash and cash equivalents at end of year (Note 6)	453,424	513,218

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2012

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 Company is a leading global provider of technology services, products and solutions. The principal activities of the Company are to provide manufacturing, product design and development, engineering and supply-chain management services.

The principal activities of the subsidiaries, associates and joint venture are detailed in Notes 10, 11 and 12 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 2012 were authorised for issue by the Board of Directors on 21 March 2013.

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").

b) ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2012, the Group and the Company have adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

- Amendments to FRS 1 *Presentation of Financial Statements - Amendments relating to Presentation of Items of Other Comprehensive Income*
- FRS 27 (Revised) *Separate Financial Statements*
- FRS 28 (Revised) *Investments in Associates and Joint Ventures*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 113 *Fair Value Measurement*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosure - Offsetting Financial Assets and Financial Liabilities*

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

Management anticipates that the adoption of the above FRS 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 adoption except for the following:

Amendments to FRS 1 *Presentation of Financial Statements - Amendments relating to Presentation of Items of Other Comprehensive Income ("OCI")*

The amendment on OCI presentation will require the Group to present in separate groupings, OCI items that might be recycled i.e., reclassified to profit or loss (e.g. those arising from foreign currency translation) and those items that would not be recycled. The tax effects recognised for the OCI items would also be captured in the respective grouping, although there is a choice to present OCI items before tax or net of tax.

Changes arising from these amendments to FRS 1 will take effect from financial years beginning on or after 1 July 2012, with full retrospective application.

The Group is currently evaluating the effects of FRS 1 in the period of initial adoption, if any.

FRS 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation - Special Purpose Entities.*

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after 1 January 2014, with full retrospective application subject to transitional provisions.

The Group is currently evaluating the effects of FRS 110 on its investments in the period of initial adoption, if any.

FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures*

FRS 111 supersedes FRS 31 *Interests in Joint Ventures* and INT FRS 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*.

FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The existence of a separate legal vehicle is no longer the key factor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

The joint venture should use the equity method under the revised FRS 28 *Investments in Associates and Joint Ventures* to account for a joint venture. The option to use proportionate consolidation method has been removed. For joint operations, the Group directly recognises its rights to the assets, liabilities, revenues and expenses of the investee in accordance with applicable FRS.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures* (cont'd)

FRS 111 will take effect from financial years beginning on or after 1 January 2014, with full retrospective application subject to transitional provisions.

When the Group adopts FRS 111, a jointly controlled entity may be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement. For arrangements that are joint ventures and were previously proportionately consolidated as jointly controlled entities, the Group will have to adopt equity accounting. The Group is currently evaluating the effects of FRS 111 in the period of initial adoption, if any.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after 1 January 2014, and the Group is currently evaluating the extent of additional disclosures needed, if any.

FRS 113 *Fair Value Measurement*

FRS 113 is a single new standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other standards, with the exception of measurement dealt with under FRS 102 *Share-based Payment*, FRS 17 *Leases*, net realisable value in FRS 2 *Inventories* and value-in-use in FRS 36 *Impairment of Assets*.

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change in the requirements in other standards regarding which items should be measured or disclosed at fair value.

The disclosure requirements in FRS 113 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 107 *Financial Instruments*: *Disclosures* will be extended by FRS 113 to cover all assets and liabilities within its scope.

FRS 113 will be effective prospectively from annual periods beginning on or after 1 January 2013. Comparative information is not required for periods before initial application.

The Group is currently evaluating the effects of FRS 113 in the period of initial adoption, if any.

Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities* (cont'd)

The amendments to FRS 107 require entities to disclose information about rights of set-off and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to FRS 107 are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to FRS 32 are effective for annual periods beginning on or after 1 January 2014 with retrospective application required.

The Group is currently evaluating the effects of FRS 32 and 107 in the period of initial adoption, if any.

c) BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose 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 and 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 in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) BASIS OF CONSOLIDATION (cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment that has been recognised in profit or loss.

d) BUSINESS COMBINATIONS - The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition-date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) BUSINESS COMBINATIONS (cont'd)

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- 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* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from the acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

e) 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 on points 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

All financial assets are recognised and derecognised 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.

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.

NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

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 profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative 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 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 period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Unquoted equity shares are measured at cost less accumulated impairment loss as the fair value cannot be measured reliably.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

Impairment of financial assets (cont'd)

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence for impairment.

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 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. In respect of available-for-sale debt instruments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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.

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.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) FINANCIAL INSTRUMENTS (cont'd)

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

f) 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.

g) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) 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
Motor vehicles	-	2 to 10 years
Computer hardware	-	3 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, 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.

i) GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. 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 its carrying amount, 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 the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets acquired separately, such as computer software and intellectual property, are recorded at cost less accumulated amortisation (where they have finite useful lives). Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives of three to five years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

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

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

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

Intangible assets acquired in a business combination

Customer relationships acquired in a business combination are identified and recognised separately from goodwill. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) 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.

l) 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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m) JOINT VENTURE (cont'd)

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

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation. 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.

n) 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.

o) SHARE-BASED PAYMENTS - The Group issues equity-settled and restricted share-based payments to qualifying employees. Equity-settled and restricted share-based payments are measured at fair value of the equity instruments at the date of grant. The fair values determined at the grant date of the equity-settled and restricted share-based payments are 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 its 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 the share-based awards reserve.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

p) GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

q) REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from manufacturing services is recognised when the service is completed and when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the manufactured goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the manufactured goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

r) 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. No interest expense has been capitalised during the year.

s) RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. 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.

t) 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.

u) 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.

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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

u) INCOME TAX (cont'd)

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.

v) 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 under the header of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

v) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (cont'd)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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 a separate component of equity under the header of translation reserve.

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

w) CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - 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.

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 are the critical judgments, apart from those involving estimates (see below), that management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

(i) Income tax

The Company was granted pioneer status by the Economic Development Board ("EDB") of Singapore for two years from 1 August 2010, with extension of two years subject to fulfilment of additional conditions. Since the previous financial year, the Company has entered into discussions with EDB to re-negotiate certain terms and conditions that the Company would have to meet in order to maintain its pioneer status. Management has assessed and is of the view that the Company would be able to satisfy the conditions that are being re-negotiated. Accordingly, no tax provision has been made on the qualifying activities approved under the pioneer status.

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

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

(i) Income tax (cont'd)

In addition, pioneer status of one of the Company's subsidiaries had expired in the prior year. The application for a new pioneer status term is currently under review by the relevant authorities. Management has assessed and is of the view that the subsidiary would be able to obtain the new pioneer status term for its new products. On this basis, management had provided for tax of $2,300,000 for the year of assessment ("YA") 2012 on taxable profits arising from some of the existing products which are deemed ineligible for the new pioneer status term. In the event that the application is unsuccessful, management would have to provide for additional tax of approximately $4,000,000 for YA2012.

(ii) Investment in an associate

Management has assessed and is of the view that the Group continues to exercise significant influence over the associates, as disclosed in Note 11 to the financial statements notwithstanding that the Group holds less than 20% voting power in these companies. The Group is deemed to exercise significant influence by virtue of its board representation and through participation in decision making process.

(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.

Management has considered, among other factors, the duration and extent to which the market value of the associates had fallen short of its carrying amounts as an indication of impairment. Management has considered the financial position and long-term business outlook of the associate, including factors such as changes in technology, overall industry and sector performance and related market risks, as well as prospective financial information.

This assessment is highly subjective in nature. Accordingly, actual outcome may be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material.

Management is of the view that the carrying amount of the investments in associates as disclosed in Note 11, do not exceed their respective recoverable amounts.

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

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

(ii) 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 to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units 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 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.

The carrying amounts of goodwill of the Group and investments in subsidiaries of the Company are disclosed in Notes 16 and 10 respectively.

(iii) 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 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.

(iv) 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 9.

(v) Allowances for doubtful debts

The policy for allowance for doubtful debts of the Group is based on management's evaluation of collectibility and aging analysis of accounts. A considerable amount of estimate is required in assessing the ultimate realisation of these receivables, including the current creditworthiness 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 7 and 8 respectively.

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	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
<u>Financial assets</u>				
Cash and cash equivalents	82,533	195,778	453,424	513,218
Trade receivables	51,893	67,625	433,831	479,280
Trade receivables due from subsidiaries	34,251	39,072	–	–
Other receivables	–	2,463	16,036	16,389
Other receivables due from subsidiaries	7,788	8,357	–	–
Other receivables due from associates	–	–	2	–
Loans and receivables at amortised cost	176,465	313,295	903,293	1,008,887
Available-for-sale investments	16,209	54,006	25,840	66,480
Total	192,674	367,301	929,133	1,075,367
<u>Financial liabilities</u>				
Amortised cost:				
Bank loans	117,388	201,614	167,402	204,079
Trade payables	34,828	37,103	288,592	331,592
Trade payables due to subsidiaries	8,484	2,699	–	–
Trade payables due to associates	–	–	–	678
Other payables	17,643	23,848	94,920	121,359
Other payables due to subsidiaries	191	7,225	–	–
Total	178,534	272,489	550,914	657,708

(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 financial risk management programmes seek to minimise potential adverse effects of financial performance of the Group. These programmes cover specific areas, such as market risk (including foreign exchange risk and interest risk), credit risk, and liquidity risk and are reviewed regularly by the Board of Directors to ensure that they remain pertinent to the Group's operations.

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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.

(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	
	2012	2011	2012	2011	2012	2011	2012	2011
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Singapore dollar	–	–	–	–	24,928	24,178	29,109	26,805
United States dollar	84,648	124,571	90,617	136,305	114,735	151,849	138,522	188,516
Euro	771	935	853	554	3,637	4,186	6,683	6,906
Japanese yen	313	311	–	–	4,950	6,501	134	228
Chinese renminbi	–	–	–	–	23,634	20,324	18,628	20,196
Malaysian ringgit	–	1	–	–	50,782	42,270	37,024	30,434

* 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 five per cent change in the following foreign currencies against the functional currencies of each group entity. Five per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably 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 five per cent 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.

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 five per cent against the functional currency of each group entity as at the year end, profit for the year would increase (decrease) by the following amounts, mainly due to year-end exposures on significant net monetary balances denominated in the respective foreign currencies.

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Singapore dollar impact	–	–	209	131
United States dollar impact	298	587	1,189	1,833
Euro impact	4	(19)	152	136
Japanese yen impact	(16)	(16)	(241)	(314)
Chinese renminbi impact	–	–	(250)	(6)
Malaysian ringgit impact	–	–	(688)	(592)

If the relevant foreign currency weakens by five per cent 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.

Interest rate sensitivity analysis has not been presented as management does not expect any reasonable changes in interest rates to have a material impact on the Group's and Company's profit or loss.

(iii) 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 33.

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

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

(iii) Credit risk management (cont'd)

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 receivables are disclosed in Note 7.

(iv) 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 18) to fund its capital investments and working capital requirements.

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 anticipate 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.

	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						
2012						
Non-interest-bearing	–	884,158	16	10,239	–	894,413
Fixed interest rate instruments	3.00	19,917	2,820	17,115	(5,132)	34,720
		904,075	2,836	27,354	(5,132)	929,133
2011						
Non-interest-bearing	–	1,000,823	16	9,782	–	1,010,621
Fixed interest rate instruments	3.98	10,375	11,517	57,006	(14,152)	64,746
		1,011,198	11,533	66,788	(14,152)	1,075,367

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

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

(iv) 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
Company						
2012						
Non-interest-bearing	–	176,465	–	624	–	177,089
Fixed interest rate instruments	4.70	705	2,820	17,115	(5,055)	15,585
		177,170	2,820	17,739	(5,055)	192,674
2011						
Non-interest-bearing	–	313,295	–	–	–	313,295
Fixed interest rate instruments	4.05	2,195	8,781	57,006	(13,976)	54,006
		315,490	8,781	57,006	(13,976)	367,301

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables below 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.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000
Group					
2012					
Non-interest-bearing	–	383,512	–	–	383,512
Variable interest rate instruments	0.90	167,909	–	(507)	167,402
		551,421	–	(507)	550,914
2011					
Non-interest-bearing	–	453,629	–	–	453,629
Variable interest rate instruments	1.01	84,270	121,680	(1,871)	204,079
		537,899	121,680	(1,871)	657,708

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

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

(iv) Liquidity risk management (cont'd)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	Adjustment $'000	Total $'000
Company					
2012					
Non-interest-bearing	–	61,146	–	–	61,146
Variable interest rate instruments	0.92	117,861	–	(473)	117,388
		179,007	–	(473)	178,534
2011					
Non-interest-bearing	–	70,875	–	–	70,875
Variable interest rate instruments	0.98	81,798	121,680	(1,864)	201,614
		152,673	121,680	(1,864)	272,489

(v) Fair values of financial assets and financial liabilities

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

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- 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.

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

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

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

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

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).

The above classification has been disclosed in Note 13.

(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 18, and equity attributable to owners of the Company, comprising issued capital, reserves and accumulated profits 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 2011.

5 RELATED PARTY TRANSACTIONS

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	
	2012	2011
	$'000	$'000
Purchases of goods from associates	313	4,307
Sale of goods to associates	25	105

Compensation of Directors and key management personnel

The remuneration of 7 (2011 : 8) directors and 4 (2011 : 3) other key management personnel during the year were as follows:

	The Group	
	2012	2011
	$'000	$'000
Short-term benefits	6,054	6,928
Post-employment benefits	48	40
Share-based payments	259	469
	6,361	7,437
Directors' fees	467	410
	6,828	7,847

The remuneration of Directors and other key management personnel is determined by the Remuneration Committee having regard to various factors including the individual's contribution to the achievement of the organisation and business objectives.

6 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Cash	82,533	195,778	434,289	505,155
Fixed deposits	–	–	19,135	8,063
	82,533	195,778	453,424	513,218

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 0.02% to 3.20% (2011 : 0.01% to 3.10%) per annum.

7 TRADE RECEIVABLES

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Outside parties	51,893	67,625	433,831	479,280

The average trade credit period on sales of goods is 70 days (2011 : 75 days). No interest is charged on the trade receivables.

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 counterparties with good track record of credit history.

Management is of the view that majority of the Company's and Group's trade receivables are within their expected cash collection cycle. There are certain trade receivables which are less than 10% (2011 : less than 10%) of the total trade receivables as at the year-end that are outstanding for periods longer than the contracted credit terms as agreed with the customers. The average age of these receivables is 77 days (2011 : 61 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	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Balance at beginning of the year	2,947	2,947	3,122	3,850
Allowance for (Reversal of) the year	–	–	329	(331)
Amount written off during the year	–	–	–	(335)
Exchange differences	–	–	(13)	(62)
Balance at end of the year	2,947	2,947	3,438	3,122

The above allowance for doubtful debts has been determined by reference to past default experience. The Group and the Company do not hold any collateral over these balances.

8 OTHER RECEIVABLES AND PREPAYMENTS

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Other receivables	610	3,300	13,930	14,798
Deposits	–	–	2,718	2,428
Prepayments	2,575	1,350	12,579	7,086
	3,185	4,650	29,227	24,312

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9 INVENTORIES

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Raw materials	21,512	19,150	256,844	277,733
Work in progress	14,329	15,812	73,001	81,896
Finished goods	10,552	9,089	167,507	154,031
	46,393	44,051	497,352	513,660

In 2011, the Group's cost of inventories recognised as an expense included $252,000 in respect of write-down of inventory to net realisable value. In 2012, a reversal of allowance of $7,000 was recorded as a result of inventories sold above their respective carrying amounts. Inventories amounting to $838,000 (2011 : $882,000) has been written off.

10 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2012	2011
	$'000	$'000
Unquoted equity shares, at cost	1,148,474	1,148,474
Less: Impairment loss	(2,341)	(838)
Net carrying amount	1,146,133	1,147,636
Advances to subsidiaries [1]	112,840	112,840
Less: Impairment in advances to subsidiaries [2]	(30,262)	(26,000)
	1,228,711	1,234,476

Trade receivables from subsidiaries of $34,251,000 (2011 : $39,072,000) are stated at net of allowance for doubtful trade receivables of $5,000,000 (2011 : $5,000,000). Amounts due to and from subsidiaries are unsecured, interest-free and payable within 12 months other than advances to subsidiaries as mentioned below.

(1) Advances to subsidiaries are an extension of the Company's investment and hence are capital in nature.

(2) During 2011, trade receivables from subsidiaries amounting to $26,000,000 were reclassified to advances to subsidiaries. Accordingly, impairment loss of $25,000,000 previously made was transferred and an additional $1,000,000 was charged to the Company's profit or loss. During the current financial year, an impairment loss of $4,262,000 was charged to the Company's profit or loss.

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10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the Company's significant subsidiaries as at 31 December 2012 are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2012	2011	
		%	%	
Advanced Products Corporation Pte Ltd	Singapore	100	100	Trading and manufacturing of electronics products and provision of electronics services
Cebelian Holdings Pte Ltd	Singapore	100	100	Investment holding
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
Venture Electronics (Europe) B.V. (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (6)	Netherlands	100	100	Investment holding
Venture Hungary Electronics Manufacturing Limited Liability Company (95% owned by Venture Electronics (Europe) B.V. and 5% owned by Cebelian Holdings Pte Ltd) (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 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 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 engineering, and logistic services

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10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held 2012 %	2011 %	Principal activities
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
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	100	100	Information system development and support
Multitech Systems Pte Ltd	Singapore	100	100	Trading 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	100	100	Design, trading and manufacturing of electronic and mechanical products
Technocom Systems Sdn Bhd (1)	Malaysia	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 assembly 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 of electronic products and services
Venture Electronics Services (Malaysia) Sdn Bhd (1)	Malaysia	100	100	Manufacturing and assembly of electronic and other computer products and peripherals

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2012	2011	
		%	%	
Venture Electronics Solutions Pte Ltd	Singapore	100	100	Manufacture, design, engineering and logistic services to electronics equipment manufacturers
Ventech Investments Ltd (wholly-owned subsidiary of Cebelian Holdings Pte Ltd) (6)	British Virgin Islands	100	100	Investment holding
Univac Precision Engineering Pte Ltd	Singapore	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 mechanic 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
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	100	100	Investment holding and provision of management services

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10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2012	2011	
		%	%	
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	Dormant
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

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 Limited.
(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 China Li Xin Da Hua Certified Public Accountants Co., Ltd.
(6) Not required by law to be audited 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 as at the financial year end.

11 INVESTMENTS IN ASSOCIATES

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Quoted equity shares, at cost	51,300	51,300	62,792	62,792
Unquoted equity shares, at cost	–	–	60	453
	51,300	51,300	62,852	63,245
Share of post-acquisition profits, net of dividend received	–	–	10,798	9,320
Loss on dilution of an investment in an associate	–	–	(769)	(769)
Share of associate's reserve	–	–	41	(142)
Currency realignment on translation of foreign associates	–	–	(2,430)	1,060
Net	51,300	51,300	70,492	72,714
Market value of quoted equity shares	31,350	33,488	37,630	35,790

Details of the Group's significant associates as at 31 December 2012 are as follows:

Name of associates	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2012	2011	
		%	%	
Acumen Engineering Pte Ltd (1)	Singapore	– (3)	42.7	Trading of plastic resins
Fischer Tech Ltd (2)	Singapore	19.2 (4)	19.2 (4)	Manufacturing of plastic precision and engineering products
DMX Technologies Group Limited (1)	Bermuda/ Hong Kong SAR	12.3 (4)	12.4 (4)(5)	Provision of broadband network infrastructure, digital video and advanced mobile solutions

(1) Audited by Deloitte & Touche LLP, Singapore

(2) Audited by Ernst & Young LLP, Singapore

(3) Disposed of during the year

(4) The results of these associates were equity accounted for in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its board representation and through participation in decision making process.

(5) During 2011, DMX was reclassified from an available-for-sale investment to an associate at $51,300,000 being the market value at the date of transfer. The fair value of the identifiable assets and liabilities acquired was assessed by management and approximated their carrying amount as at the date of transfer. Following the reclassification of this investment to an associate, the Group recognised its share of profits of $1,454,000 for the prior year.

11 INVESTMENTS IN ASSOCIATES (cont'd)

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

	The Group 2012 $'000	The Group 2011 $'000
Total assets	697,044	678,328
Total liabilities	(145,183)	(130,526)
Non-controlling interests	(3,933)	(2,600)
Net assets	547,928	545,202
Group's share of associates' net assets	70,492	72,714
Revenue	593,627	320,715
Profit for the year	34,237	12,543
Group's share of associates' profit for the year	6,141	1,915

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

12 INVESTMENT IN A JOINT VENTURE

	The Group 2012 $'000	The Group 2011 $'000
Unquoted equity shares, at cost	–	–

Details of the Group's joint venture as at 31 December 2012 are as follows:

Name of joint venture	Country of incorporation and operation	Proportion of ownership interest and voting power held 2012 %	2011 %	Principal activities
SME Investment 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.

	2012 $'000	2011 $'000
Current assets	31	37
Non-current assets	1,467	1,558
Current liabilities	5	5
Loss for the year	4	3

13 AVAILABLE-FOR-SALE INVESTMENTS

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Measured at fair value (Level 1)				
Quoted equity shares [a]	16,209	27,432	16,209	27,432
Quoted debt securities [b]	–	26,574	–	26,574
Total	16,209	54,006	16,209	54,006
Unquoted debt securities at fair value (Level 2) [c]	–	–	–	2,677
Unquoted equity shares [d]	–	–	9,631	9,797
	16,209	54,006	25,840	66,480

(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 held by the Company and the Group amounting to $15,585,000 (2011 : $27,432,000). The preference shares pay a non-cumulative fixed dividend rate of 4.7% (2011 : 4.7% to 5.75% per annum). The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

(b) In 2011, the investment in quoted debt security of the Company and the Group had an effective interest yield of 2.95% per annum. This investment was disposed of during the year.

(c) In 2011, the investment in unquoted debt security of the Group had an effective interest yield of 2.39% per annum. This investment was disposed of during the year.

(d) The investments in unquoted equity shares represent investments in venture capital funds, club membership and other investee companies. These have been stated at cost less accumulated impairment losses.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy in 2011 and 2012.

14 PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment $'000	Leasehold improvements and renovations $'000	Office equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company					
Cost:					
At 1 January 2011	63,050	3,063	8,612	703	75,428
Additions	802	496	342	–	1,640
Disposals	(11,200)	(235)	(430)	(40)	(11,905)
At 31 December 2011	52,652	3,324	8,524	663	65,163
Additions	112	229	236	51	628
Disposals	(1,926)	(25)	(212)	–	(2,163)
At 31 December 2012	50,838	3,528	8,548	714	63,628
Accumulated depreciation:					
At 1 January 2011	59,305	2,885	8,132	470	70,792
Depreciation	2,052	114	341	92	2,599
Disposals	(11,110)	(218)	(424)	(40)	(11,792)
At 31 December 2011	50,247	2,781	8,049	522	61,599
Depreciation	1,083	151	303	97	1,634
Disposals	(1,926)	(25)	(210)	–	(2,161)
At 31 December 2012	49,404	2,907	8,142	619	61,072
Carrying amount:					
At 31 December 2012	1,434	621	406	95	2,556
At 31 December 2011	2,405	543	475	141	3,564

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 2011	5,561	60,605	337	44,312	319,311	29,405	47,277	3,961	2,219	512,988
Exchange differences	(5)	(1,808)	–	1,326	1,366	619	95	–	17	1,610
Additions	931	4,728	–	–	14,285	6,118	2,690	–	218	28,970
Disposals	–	(8,923)	–	–	(22,134)	(2,357)	(3,569)	–	(192)	(37,175)
At 31 December 2011	6,487	54,602	337	45,638	312,828	33,785	46,493	3,961	2,262	506,393
Exchange differences	(379)	(3,192)	–	(2,677)	(14,457)	(1,575)	(2,034)	–	(85)	(24,399)
Reclassification	–	(161)	–	–	–	161	–	–	–	–
Additions	–	80	–	9,229	13,110	4,852	1,365	855	61	29,552
Disposals	–	–	–	(2,041)	(5,295)	(2,610)	(1,685)	–	(51)	(11,682)
At 31 December 2012	6,108	51,329	337	50,149	306,186	34,613	44,139	4,816	2,187	499,864
Accumulated depreciation:										
At 1 January 2011	–	27,495	134	18,433	253,056	22,735	40,864	3,432	1,565	367,714
Exchange differences	–	(344)	–	426	1,162	224	89	–	13	1,570
Depreciation	–	1,653	8	1,443	20,007	2,721	2,894	170	245	29,141
Disposals	–	(8,923)	–	–	(21,462)	(2,153)	(3,498)	–	(178)	(36,214)
At 31 December 2011	–	19,881	142	20,302	252,763	23,527	40,349	3,602	1,645	362,211
Exchange differences	–	(1,200)	–	(1,224)	(11,599)	(1,049)	(1,762)	–	(66)	(16,900)
Depreciation	–	1,580	8	1,440	17,873	2,986	2,746	171	211	27,015
Disposals	–	–	–	(2,041)	(4,975)	(2,604)	(1,646)	–	(51)	(11,317)
At 31 December 2012	–	20,261	150	18,477	254,062	22,860	39,687	3,773	1,739	361,009
Impairment:										
At 1 January 2011 and 31 December 2011	–	–	–	–	18	36	190	–	43	287
Impairment loss										
At 31 December 2012	–	–	–	–	18	36	190	–	43	287
Carrying amount:										
At 31 December 2012	6,108	31,068	187	31,672	52,106	11,717	4,262	1,043	405	138,568
At 31 December 2011	6,487	34,721	195	25,336	60,047	10,222	5,954	359	574	143,895

15 INTANGIBLE ASSETS

	Development expenditure $'000	Computer software $'000	Total $'000
The Company			
Cost:			
At 1 January 2011	22,731	1,467	24,198
Additions	4,180	–	4,180
At 31 December 2011	26,911	1,467	28,378
Additions	3,832	–	3,832
At 31 December 2012	30,743	1,467	32,210
Accumulated amortisation:			
At 1 January 2011	5,596	1,467	7,063
Amortisation for the year	9,467	–	9,467
At 31 December 2011	15,063	1,467	16,530
Amortisation for the year	5,591	–	5,591
At 31 December 2012	20,654	1,467	22,121
Carrying amount:			
At 31 December 2012	10,089	–	10,089
At 31 December 2011	11,848	–	11,848

15 INTANGIBLE ASSETS (cont'd)

	Customer relationships $'000	Development expenditure $'000	Computer software $'000	Intellectual property $'000	Total $'000
The Group					
Cost:					
At 1 January 2011	168,483	46,527	25,588	–	240,598
Additions	–	4,201	–	1,733	5,934
Exchange differences	–	140	–	33	173
At 31 December 2011	168,483	50,868	25,588	1,766	246,705
Additions	–	5,250	–	–	5,250
Exchange differences	–	(1,208)	–	(103)	(1,311)
At 31 December 2012	168,483	54,910	25,588	1,663	250,644
Accumulated amortisation:					
At 1 January 2011	68,797	29,212	24,742	–	122,751
Amortisation for the year	16,849	9,554	739	254	27,396
Exchange differences	–	134	–	11	145
At 31 December 2011	85,646	38,900	25,481	265	150,292
Amortisation for the year	16,848	5,655	100	341	22,944
Exchange differences	–	(1,220)	–	(23)	(1,243)
At 31 December 2012	102,494	43,335	25,581	583	171,993
Carrying amount:					
At 31 December 2012	65,989	11,575	7	1,080	78,651
At 31 December 2011	82,837	11,968	107	1,501	96,413

The amortisation period for development expenditure and computer software is three years which approximates the useful lives of the intangible assets. Intellectual property relates to licensing rights for manufacture of equipment and is amortised over its estimated useful life of five years.

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 ten years and the amortisation charge for the year of $16,848,000 (2011 : $16,849,000) has been recorded in profit or loss.

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16 GOODWILL

	The Group $'000
Cost:	
At 1 January 2011, 31 December 2011 and 31 December 2012	640,593
Impairment:	
At 1 January 2011, and 31 December 2011	885
Impairment loss recognised during the year	–
At 31 December 2012	885
Carrying amount:	
At 31 December 2012	639,708
At 31 December 2011	639,708

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:

		2012 $'000	2011 $'000
Retail Store Solutions and Industrial			
(a)	GES International Limited and its subsidiaries ("GES") (single CGU)	573,568	573,568
Components Technology			
(b)	Univac Precision Engineering Pte Ltd and its subsidiaries (single CGU)	55,160	55,160
Electronics Services Provider			
(c)	Venture Electronics Solutions Pte Ltd (single CGU)	10,635	10,635
(d)	Others	345	345
	Total	639,708	639,708

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 management approved 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.

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% (2011 : 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 10.1% (2011 : 11.9%).

(b) The rate used to discount the cash flows from Univac Precision Engineering Pte Ltd and its subsidiaries is 9.5% (2011 : 13.0%).

(c) The rate used to discount the cash flows from Venture Electronics Solutions Pte Ltd is 11.7% (2011 : 14.4%).

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

In 2011, an impairment loss of $885,000 was charged to other expenses in profit or loss as management was of the view that the goodwill was no longer recoverable.

As at the end of the respective reporting periods, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amount of the CGUs.

17 DEFERRED TAX ASSETS (LIABILITIES)

	The Group	
	2012	2011
	$'000	$'000
Deferred tax assets:		
Balance at beginning of year	3,957	61
Credit to profit or loss for the year (Note 27)	1,623	3,656
Exchange differences	(265)	240
Balance at end of year	5,315	3,957

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17 DEFERRED TAX ASSETS (LIABILITIES) (cont'd)

The deferred tax assets mainly comprise the tax effect of temporary differences associated with tax credits for certain overseas research and development activities and accelerated accounting depreciation.

	The Group	
	2012 $'000	2011 $'000
Deferred tax liabilities:		
Balance at beginning of year	17,503	20,687
Credit to profit or loss for the year (Note 27)	(3,241)	(3,154)
Overprovision in prior years	(647)	–
Exchange differences	(35)	(30)
Balance at end of year	13,580	17,503

	Accelerated tax depreciation $'000	Fair value of assets acquired on acquisition of subsidiaries $'000	Total $'000
Components of deferred tax liabilities:			
Balance at 1 January 2011	2,504	18,183	20,687
Credit to profit or loss for the year	(151)	–	(151)
Released upon the amortisation of customer relationships (1)	–	(3,003)	(3,003)
Exchange differences	(30)	–	(30)
Balance at 31 December 2011	2,323	15,180	17,503
Credit to profit or loss for the year	(337)	–	(337)
Overprovision in prior years	(647)	–	(647)
Released upon the amortisation of customer relationships (1)	–	(2,904)	(2,904)
Exchange differences	(35)	–	(35)
Balance at 31 December 2012	1,304	12,276	13,580

(1) The deferred tax liabilities in 2012 and 2011 mainly comprise 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).

18 BANK LOANS

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Current liabilities				
Bank loans	117,388	81,733	167,402	84,198
Non-current liabilities				
Bank loans	–	119,881	–	119,881

The bank loans comprise:

1) Term loans of $70,954,000 (2011 : $119,881,000) which were raised by the Company on 27 August 2010. The loans, which have a maturity date of 18 August 2013, bear effective interest rates ranging from 0.966% to 2.983% (2011 : 0.914% to 0.988%) per annum. The loans are unsecured and interest is charged at Swap Offer Rate ("SOR") or Cost of Funds plus a margin of 0.5% per annum. An early full repayment has since been made in February 2013.

2) Bank borrowings of $46,434,000 (2011 : $81,733,000) which is a revolving credit facility drawn down by the Company. The loans bear effective interest rates ranging from 0.766% to 3.358% (2011 : 0.837% to 1.473%) per annum. The loans are unsecured and interest is charged at Singapore Interbank Offered Rate ("SIBOR") or Cost of Funds plus 0.5% per annum.

3) Bank borrowings of $1,110,000 (2011 : $777,000) which is a revolving credit facility drawn down by a subsidiary. The loan bears effective interest rate of 5.607% (2011 : 6.301%) per annum. The loan is unsecured and interest is charged at London Interbank Offered Rate ("LIBOR") plus a margin of 1.625% per annum.

4) Bank borrowings of $48,904,000 (2011 : $1,688,000) which is a revolving credit facility drawn down by a subsidiary. The loans bear effective interest rate of 0.64% to 0.75% (2011 : 1.95%) per annum. The loans are unsecured and interest is charged at Cost of Funds plus a margin of 0.55% (2011 : 1%) per annum.

The carrying amount of the loans approximates the fair values.

19 TRADE PAYABLES

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Outside parties	34,828	37,103	288,592	331,592

The average credit period on purchases of goods is 60 days (2011 : 60 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.

20 OTHER PAYABLES AND ACCRUED EXPENSES

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Other payables	1,281	–	12,251	35,938
Salary related accruals	10,804	12,478	30,998	35,025
Accrued expenses	6,303	12,192	52,416	52,986
	18,388	24,670	95,665	123,949

Salary related accruals for both the Company and the Group include $2,515,000 (2011 : $2,691,000) due to Directors. The amount due to Directors is unsecured, interest-free and payable within 12 months.

21 SHARE CAPITAL, TREASURY SHARES AND RESERVES

SHARE CAPITAL

	The Company and the Group			
	2012	2011	2012	2011
	Number of ordinary shares			
	'000	'000	$'000	$'000
Issued and fully paid up:				
At beginning of the year	274,396	274,258	673,223	671,952
Issuance of shares	–	138	–	1,271
At the end of the year	274,396	274,396	673,223	673,223

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

TREASURY SHARES

	The Company and the Group			
	2012	2011	2012	2011
	Number of ordinary shares			
	'000	'000	$'000	$'000
At beginning of the year	–	–	–	–
Repurchased during the year	74	–	569	–
At the end of the year	74	–	569	–

During the year, the Company paid $569,000 to acquire 74,000 of its own shares through purchases on the Singapore Exchange (2011: Nil). These are held as treasury shares which can, in accordance with the Companies Act be sold for cash, transferred for the purposes of or pursuant to an employee's share-based scheme; transferred as consideration for the acquisition of shares in or assets of another company or assets of a person; or cancelled.

21 SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

SHARE-BASED AWARDS RESERVE

This arises on the grant of share options to employees under the employee share option schemes and restricted share plan. 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 13). 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 profit or loss for the year. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit or loss 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 ("PRC") 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.

22 TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserve.

23 SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company has a share option scheme for qualifying employees of the Company and the Group. The scheme is 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.

23 SHARE-BASED PAYMENTS (cont'd)

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

	The Company and the Group			
	2012		2011	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at beginning of the year	12,735,000	10.83	12,890,000	11.64
Granted during the year	3,029,000	9.90	2,983,000	8.88
Forfeited during the year	(989,000)	10.60	(1,351,000)	11.51
Exercised during the year	–	–	(138,000)	9.21
Expired during the year	(1,981,000)	15.88	(1,649,000)	11.42
Outstanding at end of the year	12,794,000	9.26	12,735,000	10.83
Exercisable at end of the year	9,768,000	9.06	9,781,000	11.42

The weighted average share price at the date of exercise for share options exercised during the year was $Nil (2011 : $9.21). The options outstanding at the end of the year have a weighted average remaining contractual life of 2.9 years (2011 : 2.9 years).

The Group recognised total expenses of $2,793,000 (2011 : $5,387,000) relating to share option scheme transactions during the year.

GRANTED IN 2012

Options were granted on 14 September 2012 with the estimated fair value of the options granted at $1.12 per option. Under this scheme, values were calculated using the trinomial model with the following inputs:

	14 September 2012
Share price at valuation date	$ 7.97
Exercise price	$ 9.895 (1)
	$ 8.708 (2)
	$ 8.312 (3)
	$ 7.916 (4)
Expected volatility	37% (5)
Exercise multiple (times)	1.3
Risk free rate	0.59%
Expected dividend yield	6.67%

(1) If exercised between 14 September 2013 and 13 September 2014
(2) If exercised between 14 September 2014 and 13 September 2015
(3) If exercised between 14 September 2015 and 13 September 2016
(4) If exercised between 14 September 2016 and 13 September 2017
(5) Expected volatility was determined by considering the historical volatility of the Company's share price.

23 SHARE-BASED PAYMENTS (cont'd)

GRANTED IN 2011

Options were granted on 16 September 2011 with the estimated fair value of the options granted at $0.95 per option. Under this scheme, values were calculated using the trinomial model with the following inputs:

	16 September 2011
Share price at valuation date	$6.95
Exercise price	$8.880 (1)
	$7.814 (2)
	$7.459 (3)
	$7.104 (4)
Expected volatility	39% (5)
Exercise multiple (times)	1.3
Risk free rate	0.66%
Expected dividend yield	7.62%

(1) If exercised between 16 September 2012 and 15 September 2013
(2) If exercised between 16 September 2013 and 15 September 2014
(3) If exercised between 16 September 2014 and 15 September 2015
(4) If exercised between 16 September 2015 and 15 September 2016
(5) Expected volatility was determined by considering the historical volatility of the Company's share price.

Restricted Share Plan

The Venture Corporation Restricted Share Plan ("RSP") was approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 28 April 2011. The RSP is administered by the Remuneration Committee ("Committee").

Managers in senior positions in the Group or leadership positions in management, technology or possess other domain expertise and competencies and who are in a position to contribute or have significantly contributed to the performance, growth and profitability of the Group, as may be designated by the Committee, shall be eligible to participate in the RSP. Such managers must have been employed in the Company and/or its subsidiaries for a minimum period of years as determined by the Committee.

Movement in the awards by the Company during the financial year was as follows:

	2012
At 1 January	–
Granted	180,000
Lapsed	(30,000)
At 31 December	150,000

The Group recognised total expenses of $85,000 (2011 : $Nil) relating to RSP transactions during the year.

The awards have a five-year vesting period (vest on 18 May 2017) and are subject to the rules of the RSP.

23 SHARE-BASED PAYMENTS (cont'd)

The mode of settlement of the awards under the RSP may be by way of:

(i) allotment and issue of new shares; and/or

(ii) the delivery of existing shares; and/or

(iii) payment of the equivalent value in cash (after deduction of any applicable taxes and Central Provident Fund and/or other statutory contributions); and/or

(iv) a combination of (i), (ii) and (iii).

The fair value of the contingent award of shares under the RSP was determined to be $4.93 at the grant date using valuation based on the risk-free interest rate of 0.67%, share price at valuation date of $7.63 and expected annual dividend per share of $0.55 over the vesting period of the restricted shares.

24 REVENUE

	The Group	
	2012	2011
	$'000	$'000
Electronic manufacturing, engineering, design and fulfilment services revenue	2,386,397	2,431,230
Dividend income	1,333	1,176
	2,387,730	2,432,406

25 OTHER INCOME

	The Group	
	2012	2011
	$'000	$'000
Gain on disposal of an associate	1,551	–
Government grants	146	55
Reversal of accruals	10	1,535
Other income	886	843
Total	2,593	2,433

26 INVESTMENT REVENUE

	The Group	
	2012	2011
	$'000	$'000
Interest on bank deposits	1,149	991
Interest on available-for-sale debt securities	431	1,044
Gain on disposal of available-for-sale debt securities	4,232	–
Total	5,812	2,035

27 INCOME TAX EXPENSE

	The Group	
	2012	2011
	$'000	$'000
Income tax on profit for the year:		
Current year	10,656	7,667
(Over) Under provision in prior years	(1,226)	408
Deferred income tax (Note 17):		
Current year	(4,864)	(6,810)
Overprovision in prior years	(647)	–
Total	3,919	1,265

Domestic income tax is calculated at 17% (2011 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	The Group	
	2012	2011
	$'000	$'000
Profit before tax	142,964	157,751
Income tax expense at statutory tax rate	24,304	26,818
Non-allowable items	465	6,865
(Over) Under provision of income tax in prior years, net	(1,226)	408
Deferred tax benefits not recognised	1,331	546
Effect of different tax rates of overseas operations	9,545	13,953
Tax-exempt income	(29,208)	(44,168)
Recognition of deferred tax benefits	(1,623)	(3,656)
Utilisation of deferred tax benefits previously not recognised	(249)	–
Other items	580	499
Total income tax	3,919	1,265

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 Company was granted pioneer status by the Economic Development Board ("EDB") of Singapore for two years from 1 August 2010, with extension of two years subject to fulfilment of additional conditions. Since the previous financial year, the Company has entered into discussions with EDB to re-negotiate certain terms and conditions that the Company would have to meet in order to maintain its pioneer status. Management has assessed and is of the view that the Company would be able to satisfy the conditions that are being re-negotiated. Accordingly, no tax provision has been made on the qualifying activities approved under the pioneer status.

NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2012

27 INCOME TAX EXPENSE (cont'd)

The following subsidiaries have been granted pioneer status which exempts profits derived from pioneer products from income tax for the following periods:

a)	Pintarmas Sdn Bhd	:	Ten years commencing 1 January 2007.
b)	Venture Electronics Services (Malaysia) Sdn Bhd	:	Five years commencing 1 September 2009 to 31 August 2014 (for communications and networking equipment, data processing equipment and medical scientific equipment and instrumentation)
c)	GES Manufacturing Services (M) Sdn Bhd	:	Five years commencing 1 January 2008.

In addition, pioneer status of one of the Company's subsidiaries had expired in the prior year. The application for a new pioneer status term is currently under review by the relevant authorities. Management has assessed and is of the view that the subsidiary would be able to obtain the new pioneer status term for its new products. On this basis, management had provided for tax of $2,300,000 for the year of assessment ("YA") 2012 on taxable profits arising from some of the existing products which are deemed ineligible for the new pioneer status term. In the event that the application is unsuccessful, management would have to provide for additional tax of approximately $4,000,000 for YA2012.

Subject to agreement with the relevant tax authorities, the Group has the following available for offsetting against future taxable income:

	Tax losses carryforwards $'000	Temporary difference on capital allowance $'000	Total $'000
Balance at 1 January 2011	2,915	175	3,090
Adjustments	(15)	–	(15)
Amount in current year	3,209	–	3,209
Balance at 31 December 2011	6,109	175	6,284
Amount in current year	3,969	3,860	7,829
Amount utilised in current year	(1,461)	–	(1,461)
Balance at 31 December 2012	8,617	4,035	12,652
Deferred tax benefit on above not recorded:			
At 31 December 2012	1,465	686	2,151
At 31 December 2011	1,039	30	1,069

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 $11,831,000 (2011 : $9,720,000). 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.

28 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	
	2012	2011
	$'000	$'000
Loss on disposal of plant and equipment	155	260
Directors' remuneration:		
- Directors of the Company	3,510	4,939
- Directors of the subsidiaries and joint venture	7,128	6,766
- Directors' fees payable to Directors of the Company	467	410
Total Directors' remuneration	11,105	12,115
Employee benefits expense (including Directors' remuneration):		
- Equity settled share-based payments	2,878	5,387
- Defined contribution plans	21,672	20,355
- Salaries	218,294	223,751
Total employee benefits expense	242,844	249,493
Impairment loss (Reversal of impairment loss) on financial assets:		
- Allowance for (Reversal of) doubtful trade receivables	329	(331)
Cost of inventories recognised as expense	1,858,183	1,857,242
Audit fees:		
- Paid to auditors of the Company	446	446
- Paid to other auditors	174	174
Total audit fees	620	620
Non-audit fees:		
- Non-audit fees paid to auditors of the Company	–	13
- Non-audit fees paid to other auditors	–	24
Total non-audit fees	–	37
Aggregate amount of fees paid to auditors	620	657

29 EARNINGS PER SHARE

	The Group			
	2012		2011	
	Basic $'000	Diluted $'000	Basic $'000	Diluted $'000
Profit for the year attributable to owners of the Company	139,650	139,650	156,546	156,546
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares used to compute earnings per share	274,384	274,651	274,359	274,438
Earnings per share (cents)	50.9	50.8	57.1	57.0

30 OPERATING LEASE ARRANGEMENTS

	The Group	
	2012 $'000	2011 $'000
Minimum lease payments paid under operating leases and recognised as an expense during the year	13,947	13,639

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

	The Company		The Group	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Within one year	6,758	3,324	13,349	10,049
In the second to fifth year inclusive	2,468	1,637	11,147	13,336
After the fifth year	–	–	1,128	1,226
	9,226	4,961	25,624	24,611

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.

31 CAPITAL EXPENDITURE COMMITMENTS

	The Group	
	2012	2011
	$'000	$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	52,571	397

In 2012, the Company entered into a put and call option agreement for the purchase of 5006 Ang Mo Kio Avenue 5 TECHplace II, Singapore 569873 for $38,000,000.

Venture Electronics Services (Malaysia) Sdn Bhd, a subsidiary, entered into conditional sale and purchase agreements to acquire properties in Malaysia. The properties consist of one plot of land and another separate plot of land comprising a factory building. The cost of the proposed acquisitions amounted to $18,808,000 of which $3,761,000 had been paid in 2012.

The above proposed acquisitions are subject to and conditional upon obtaining approvals from government authorities as well as the fulfillment of other conditions precedents. They will be completed only if all the relevant approvals have been obtained and conditions precedents have been fulfilled.

32 COMMITMENTS AND CONTINGENT LIABILITIES (UNSECURED)

	The Company		The Group	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Letters of guarantee issued by bankers	4,311	3,927	9,410	9,085

33 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) Electronics 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 2012

33 SEGMENT INFORMATION (cont'd)

Segment revenues and results

	Electronics services provider $'000	Retail store solutions and industrial $'000	Component technology $'000	Eliminations $'000	Group $'000
2012					
Revenue:					
External sales	1,563,755	733,627	90,348	–	2,387,730
Inter-segment sales	3,961	1,655	7,290	(12,906)	–
Total revenue	1,567,716	735,282	97,638	(12,906)	2,387,730
Results:					
Segment profit	90,149	43,993	(1,515)	–	132,627
Investment revenue					5,812
Interest expense					(1,616)
Share of profit of associates					6,141
Profit before income tax					142,964
Income tax expense					(3,919)
Profit for the year					139,045
2011					
Revenue:					
External sales	1,638,831	682,181	111,394	–	2,432,406
Inter-segment sales	20,467	19,241	2,666	(42,374)	–
Total revenue	1,659,298	701,422	114,060	(42,374)	2,432,406
Results:					
Segment profit	118,143	37,258	177	–	155,578
Investment revenue					2,035
Interest expense					(1,777)
Share of profit of associates					1,915
Profit before income tax					157,751
Income tax expense					(1,265)
Profit for the year					156,486

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 and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

33 SEGMENT INFORMATION (cont'd)

Segment assets

	Electronics services provider $'000	Retail store solutions and industrial $'000	Component technology $'000	Group $'000
2012				
Segment assets	1,007,049	1,132,906	130,806	2,270,761
Investments in associates				70,492
Available-for-sale investments				25,840
Income tax recoverable/deferred tax assets				5,549
Consolidated total assets				2,372,642
2011				
Segment assets	1,175,223	1,095,995	139,268	2,410,486
Investments in associates				72,714
Available-for-sale investments				66,480
Income tax recoverable/deferred tax assets				5,755
Consolidated total assets				2,555,435

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 11), available-for-sale investments (Note 13) and income tax assets. Goodwill has been allocated to reportable segments as described in Note 16.

NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2012

33 SEGMENT INFORMATION (cont'd)

Other segment information

	Electronics services provider $'000	Retail store solutions and industrial $'000	Component technology $'000	Group $'000
2012				
Additions to non-current assets	28,053	4,686	2,063	34,802
Depreciation and amortisation	19,477	24,467	6,015	49,959
Inventories written off	713	18	107	838
Allowance (Reversal of allowance) for inventories	26	(17)	(16)	(7)
Allowance for doubtful trade receivables	128	–	201	329
Loss (Gain) on disposal of plant and equipment	60	(53)	148	155
Foreign currency exchange adjustment loss (gain)	1,445	(753)	(533)	159
2011				
Additions to non-current assets	9,936	13,398	11,570	34,904
Depreciation and amortisation	27,067	23,438	6,032	56,537
Inventories written off	710	35	137	882
Allowance for inventories	86	151	15	252
Reversal of allowance for doubtful trade receivables	–	(331)	–	(331)
Loss (Gain) on disposal of plant and equipment	271	(242)	231	260
Foreign currency exchange adjustment gain	(2,285)	(1,341)	(272)	(3,898)
Impairment of goodwill	885	–	–	885

Major components of Group's revenue

	2012 $'000	2011 $'000
Printing and imaging	402,888	406,395
Networking and communications	410,945	442,140
Retail store solutions and industrial	733,627	682,181
Computer peripherals and data storage	259,386	274,402
Test and measurement/medical/others	580,884	627,288
Consolidated revenue (excluding investment revenue)	2,387,730	2,432,406

33 SEGMENT INFORMATION (cont'd)

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	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Singapore	738,337	759,472	728,074	751,627
Asia-Pacific (excluding Singapore)	1,529,747	1,546,940	126,407	126,170
Others	119,646	125,994	2,446	2,219
	2,387,730	2,432,406	856,927	880,016

Information about major customers

The total revenue for the Electronics Services Provider segment includes revenue from two customers (2011 : two customers) which individually makes up more than 10% of the Group's total revenue.

34 DIVIDENDS

During the financial year ended 31 December 2011, the Company declared and paid a final one-tier tax-exempt dividend of $0.55 per ordinary share on the ordinary shares of the Company totalling $150,918,000 in respect of the financial year ended 31 December 2010.

During the financial year ended 31 December 2012, the Company declared and paid a final one-tier tax-exempt dividend of $0.55 per ordinary share on the ordinary shares of the Company totalling $150,918,000 in respect of the financial year ended 31 December 2011.

In respect of the financial year ended 31 December 2012, 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 the shareholders at the Annual General Meeting to be held on 19 April 2013, this proposed dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $137,148,000.

ANALYSIS OF SHAREHOLDINGS
AS AT 7 MARCH 2013

Number of shares	:	274,396,577
Number of treasury shares	:	100,000
Number of shares (excluding Treasury Shares)	:	274,296,577
Class of shares	:	Ordinary
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	62	0.66	14,748	0.00
1,000 – 10,000	8,663	91.96	22,570,958	8.23
10,001 – 1,000,000	685	7.27	24,343,311	8.87
1,000,001 and above	10	0.11	227,467,560	82.90
	9,420	100.00	274,396,577	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares held	%
1	DBS NOMINEES PTE LTD	60,714,413	22.13
2	CITIBANK NOMINEES SINGAPORE PTE LTD	48,696,271	17.75
3	BNP PARIBAS SECURITIES SERVICES	38,573,846	14.06
4	DBSN SERVICES PTE LTD	36,544,611	13.32
5	HSBC (SINGAPORE) NOMINEES PTE LTD	16,164,309	5.89
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	11,585,088	4.22
7	RAFFLES NOMINEES (PTE) LTD	10,697,200	3.90
8	MERRILL LYNCH (SINGAPORE) PTE LTD	2,076,770	0.76
9	BANK OF SINGAPORE NOMINEES PTE LTD	1,326,179	0.48
10	DB NOMINEES (S) PTE LTD	1,088,873	0.40
11	YONG YING-I	612,000	0.22
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	585,122	0.21
13	WONG NGIT LIONG	574,619	0.21
14	YONG WEI-WOO NEE CHEANG WEI-WOO	533,000	0.19
15	SOO ENG HIONG	532,518	0.19
16	PAY AH LUI	470,000	0.17
17	DBS VICKERS SECURITIES (S) PTE LTD	463,915	0.17
18	SHAMSHER HASSANALI MOTI KANJI	440,000	0.16
19	PHILLIP SECURITIES PTE LTD	430,694	0.16
20	GOODPACK HOLDINGS PTE LTD	416,000	0.15
		232,525,428	84.74

ANALYSIS OF SHAREHOLDINGS
AS AT 7 MARCH 2013

Name	Direct Interest	% [1]	Deemed Interest[2]	% [1]
Aberdeen Asset Management PLC[3]	–	–	68,757,530	25.07
Aberdeen Asset Management Asia Limited	–	–	65,927,730	24.04
Aberdeen Asset Managers Limited	–	–	27,427,300	10.00
Aberdeen International Fund Managers Limited	–	–	24,796,430	9.04
Sprucegrove Investment Management Ltd	–	–	22,103,702	8.06
Wong Ngit Liong	19,166,619	6.99	–	–

Notes:

(1) Based on 274,296,577 Shares in issue at the Latest Practicable Date (being 274,396,577 Shares in issue and disregarding 100,000 Shares held in treasury).

(2) Deemed interest refer to interests determined pursuant to Section 7 of the Companies Act.

(3) Deemed interest of Aberdeen Asset Management PLC includes the deemed interest of Aberdeen Asset Management Asia Limited, Aberdeen Asset Managers Limited and Aberdeen International Fund Managers Limited.

SHARES HELD IN THE HANDS OF THE PUBLIC

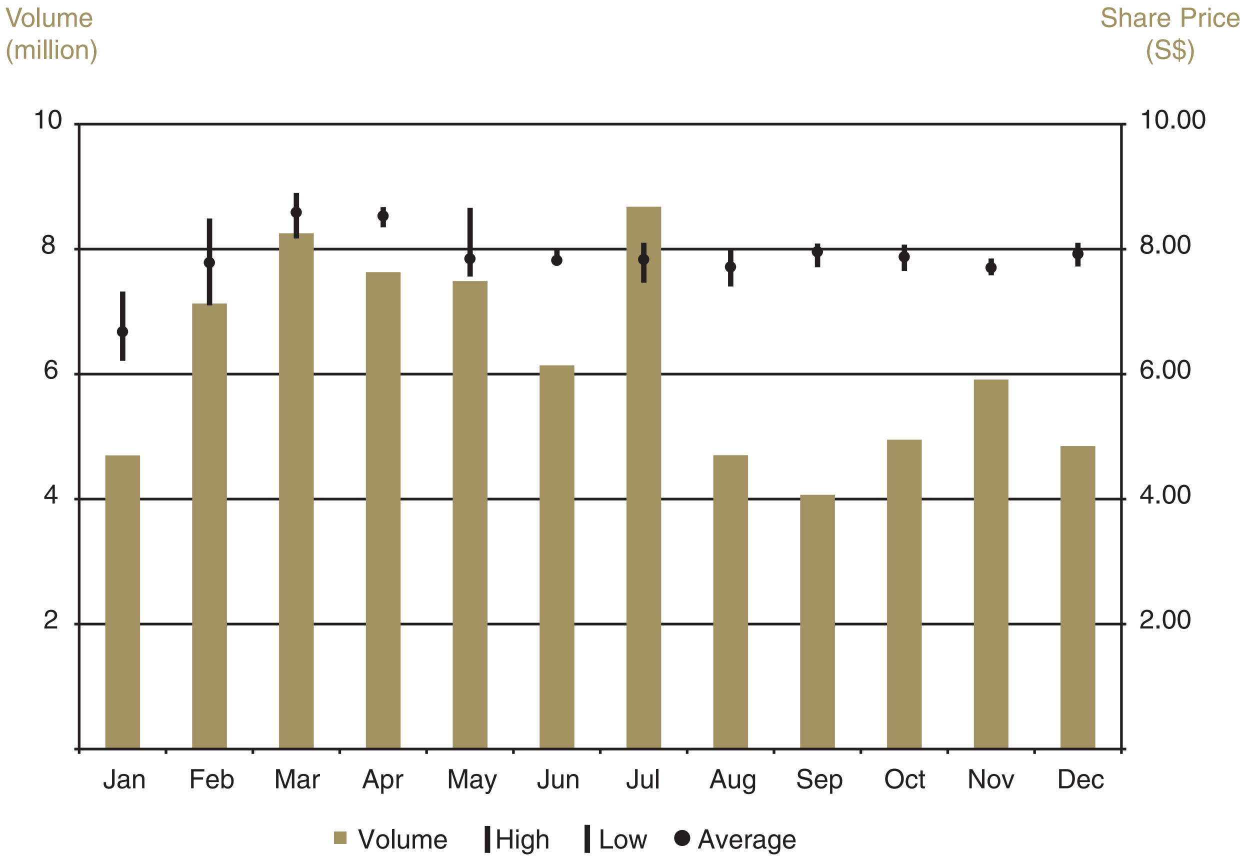
Based on information available to the Company as at 7 March 2013, approximately 58.38%[1] of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

Note:

(1) Percentage is calculated based on the total number of 274,296,577 shares, excluding treasury shares.

SHARE PERFORMANCE

Share Price	2012 (S$)
Last Transacted	8.06
High	8.90
Low	6.21
Average	7.86
Total Volume for 2012	74,498,000



NOTICE OF ANNUAL GENERAL MEETING

Informal Briefing on Venture Corporation Limited FY 2012 Results

President Tan Kian Seng will take questions on Venture Corporation Limited FY 2012 Results and contents of the 2012 Annual Report at 11.00 a.m. immediately preceding the formal commencement of the Annual General Meeting.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of VENTURE CORPORATION LIMITED ("the Company") will be held at The Boardroom, 5006 Ang Mo Kio Avenue 5 #05-01/12 TECHplace II Singapore 569873 on 19 April 2013 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 2012 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 2012 (2011 : final one-tier tax-exempt dividend of 55 cents per ordinary share). (Resolution 2)

3. To re-elect the following Director retiring pursuant to Article 92 of the Company's Articles of Association and who, being eligible, offers himself for re-election:

   Mr Wong Yew Meng (Resolution 3)

4. To re-appoint the following Directors, pursuant to Section 153(6) of the Singapore's Companies Act, Chapter 50 ("Companies Act") to hold office from the date of the Annual General Meeting until the next Annual General Meeting:

   Mr Cecil Vivian Richard Wong (Resolution 4)
   Mr Wong Ngit Liong (Resolution 5)
   Mr Goon Kok Loon (Resolution 6)

5. To approve the payment of Directors' fees of S$466,666 for the year ended 31 December 2012 (2011 : S$410,000). (Resolution 7)

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

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

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 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("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, awards, 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 Instruments 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 10% 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 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 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.

(Resolution 9)

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

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

(a) offer and grant options from time to time in accordance with the rules of the Venture Corporation Executives' Share Option Scheme adopted by the Company in 2004 ("2004 Scheme");

(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. (Resolution 10)

10. Renewal of the Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("Share Purchase Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held; and

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held;

(c) in this Resolution:

"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive Market Days (as defined in the Letter to Shareholders) on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the Listing Manual of the SGX-ST for any corporate action which occurs after the relevant five-day period;

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"Maximum Limit" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:-

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. (Resolution 11)

By Order of the Board

Angeline Khoo Cheng Nee
Company Secretary

Singapore
4 April 2013

Explanatory Notes:

Resolution 3 For Ordinary Resolution 3, Mr Wong Yew Meng will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Investment Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. The profile and experience of Mr Wong Yew Meng can be found on page 25 of the Company's Annual Report 2012.

The effect of the Ordinary Resolutions 4, 5 and 6 proposed above, is to re-appoint directors who are over 70 years of age.

Resolution 4 For Ordinary Resolution 4, Mr Cecil Vivian Richard Wong will, upon re-appointment as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX¬ST.

Mr Cecil Vivian Richard Wong was last re-appointed as Director of the Company on 20 April 2012. The profile and experience of Mr Cecil Vivian Richard Wong can be found on page 23 of the Company's Annual Report 2012.

Resolution 5 For Ordinary Resolution 5, Mr Wong Ngit Liong will, upon re-appointment as a Director of the Company, remain as the Chief Executive Officer, Chairman of the Board, Chairman of the Investment Committee and a member of the Nominating Committee.

Mr Wong Ngit Liong was last re-appointed as Director of the Company on 20 April 2012. The profile and experience of Mr Wong Ngit Liong can be found on page 23 of the Company's Annual Report 2012.

Resolution 6 For Ordinary Resolution 6, Mr Goon Kok Loon will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee, and a member of the Remuneration Committee and Investment Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Goon Kok Loon was last re-elected as Director of the Company on 23 April 2010. The profile and experience of Mr Goon Kok Loon can be found on page 24 of the Company's Annual Report 2012.

Resolution 7 The Ordinary Resolution 7 proposed in Item 5 above, is to approve the payment of Directors' fees of S$466,666 (2011 : S$410,000) for the year ended 31 December 2012, for services rendered by the Independent Non-Executive Directors and Non-Independent Non-Executive Directors on the Board as well as the Board Committees, which are the Audit Committee, Remuneration Committee, Nominating Committee and Investment Committee. There has been no change to the Board's fee structure since the last revision at the Annual General Meeting for FY 2010. The increase of S$56,666 is in respect of the services rendered by Mr Soo Eng Hiong and Mr Tan Choon Huat as Non-Independent Non-Executive Directors. Both Mr Soo and Mr Tan had retired as executives of the Company with effect from 31 December 2011 and had been redesignated as Non-Independent Non-Executive Directors. Subsequently, Mr Soo Eng Hiong had retired as a Director of the Company in April 2012 whilst Mr Tan Choon Huat continues to serve as Non-Independent Non-Executive Director.

Resolution 9 The Ordinary Resolution 9 proposed in Item 8 above, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of the next Annual General Meeting or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest (unless varied or revoked by the Company in general meeting), to allot and issue Shares and/or make or grant offers, awards, agreements, 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) ("50% Limit"), of which up to 10% 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 9 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or the vesting of awards which are outstanding or subsisting at the time Ordinary Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of Shares.

Although the Listing Manual of the SGX-ST enables the Company to seek a mandate to permit its Directors to issue Shares up to the 50% limit if made on a *pro rata* basis to shareholders, and up to 20% if made other than on a *pro rata* basis to shareholders, the Company is nonetheless only seeking the mandate for a sub-limit of 10%. The Company believes that the lower limit sought for the issue of Shares made other than on a *pro rata* basis to shareholders is adequate for the time being and will review this limit annually.

Resolution 10 The Ordinary Resolution 10 proposed in Item 9 above, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest, to 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.

NOTICE OF ANNUAL GENERAL MEETING

Although the 2004 Scheme prescribes a 15% scheme limit, the Committee administering the 2004 Scheme has resolved that if Ordinary Resolution 10 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 10 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.

Resolution 11 The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are cancelled or held in treasury.

Based on the existing issued Shares as at 7 March 2013 ("Latest Practicable Date") (and disregarding 100,000 Ordinary Shares held in treasury as at the Latest Practicable Date), the purchase by the Company of 10% of its issued Shares (excluding the 100,000 Ordinary Shares held in treasury) will result in the purchase or acquisition of 27,429,657 Shares.

In the case of market purchases by the Company and assuming that the Company purchases or acquires the 27,429,657 Shares at the Maximum Price of S$8.89 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares, the maximum amount of funds required for the purchase or acquisition of the 27,429,657 Shares is S$243,849,651.

In the case of off-market purchases by the Company and assuming that the Company purchases or acquires the 27,429,657 Shares at the Maximum Price of S$9.31 for one Share (being the price equivalent to 110% of the Average Closing Price of the Shares, the maximum amount of funds required for the purchase or acquisition of the 27,429,657 Shares is S$255,370,107.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate are based on the audited financial statements of the Group for the financial year ended 31 December 2012 and the assumptions set out in paragraph 2.7 of the Letter to the Shareholders which is appended to this Notice of Annual General Meeting.

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 forty-eight (48) hours before the time appointed for the Annual General Meeting.

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

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

6 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.

NOTICE OF BOOK 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 6 May 2013 to 7 May 2013 (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, 112 Robinson Road #05-01 Singapore 068902 up to 5.00 p.m. on 6 May 2013 will be registered to determine shareholders' entitlements to the said dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares on or before 5.00 p.m. on 6 May 2013 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the shareholders at the Annual General Meeting to be held on 19 April 2013, will be made on 15 May 2013.

By Order of the Board

Angeline Khoo Cheng Nee
Company Secretary

Singapore
4 April 2013

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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, ____ (name)

of ____ (address)

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

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, 19 April 2013 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 2012		
2	Payment of proposed final one-tier tax-exempt dividend		
3	Re-election of Mr Wong Yew Meng as a Director		
4	Re-appointment of Mr Cecil Vivian Richard Wong as a Director		
5	Re-appointment of Mr Wong Ngit Liong as a Director		
6	Re-appointment of Mr Goon Kok Loon as a Director		
7	Approval of Directors' fees amounting to S$466,666		
8	Re-appointment of Deloitte & Touche LLP as Auditors		
9	Authority to allot and issue new shares		
10	Authority to allot and issue shares under the Venture Corporation Executives' Share Option Scheme		
11	Renewal of Share Purchase Mandate		

* *Delete where inapplicable*

Dated this ______ day of ____________ 2013

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 Singapore's Companies Act, Chapter 50), 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.

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7. 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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www.venture.com.sg