

VENTURE CORPORATION LIMITED

Third Quarter and Year-to-Date Financial Statements And Dividend Announcement

The Board of Directors of Venture Corporation Limited wishes to make the following announcement:

Third Quarter and Year-to-date financial statements on consolidated results for the financial period ended 30 September 2005. These figures have not been audited or reviewed.

1.(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			Group		
	3 months ended 30.09.2005 S\$'000	3 months ended 30.09.2004 S\$'000 (Restated)	% increase/ (decrease)	9 months ended 30.09.2005 S\$'000	9 months ended 30.09.2004 S\$'000 (Restated)	% increase/ (decrease)
Revenue	820,189	804,802	1.9	2,360,487	2,189,577	7.8
Other operating income	2,082	614	239.1	6,618	14,815	(55.3)
Changes in inventories of finished goods and work in progress	35,845	(6,928)	n.m.	78,222	11,319	591.1
Raw materials and consumables used	(707,712)	(659,926)	7.2	(2,023,212)	(1,797,827)	12.5
Staff costs	(55,025)	(54,305)	1.3	(158,868)	(156,822)	1.3
Depreciation and amortisation expense	(11,455)	(13,772)	(16.8)	(35,837)	(41,475)	(13.6)
Research and development expense (exclude R&D staff costs)	(8,697)	(9,692)	(10.3)	(22,373)	(24,825)	(9.9)
Foreign currency exchange adjustment (loss) gain	(2,583)	(2,738)	(5.7)	1,512	(3,208)	n.m.
Other operating expense	(26,752)	(21,151)	26.5	(74,726)	(57,527)	29.9
Profit from operations	45,892	36,904	24.4	131,823	134,027	(1.6)
Interest income (net of interest expense)	6,366	6,820	(6.7)	17,950	14,678	22.3
Income from associates	957	259	269.5	1,731	1,415	22.3
Profit before income tax	53,215	43,983	21.0	151,504	150,120	0.9
Income tax expense	(1,601)	(1,651)	(3.0)	(4,903)	(4,002)	22.5
Profit after income tax	51,614	42,332	21.9	146,601	146,118	0.3
Attributable to:						
Shareholders of the company	51,522	42,208	22.1	146,367	145,581	0.5
Minority interests	92	124	(25.8)	234	537	(56.4)
	51,614	42,332	21.9	146,601	146,118	0.3

1.(a)(ii) The profit after income tax includes the following (charges)/credits:

	Group			Group		
	3 months ended 30.09.2005 S\$'000	3 months ended 30.09.2004 S\$'000	% increase/ (decrease)	9 months ended 30.09.2005 S\$'000	9 months ended 30.09.2004 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	337	338	(0.3)	535	1,034	(48.3)
Gain (Loss) on disposal of plant and equipment, net	345	(17)	n.m.	310	64	384.4
Gain on sale of other investments	113	-	n.m.	3,330	1,623	105.2
Gain on disposal of associates	-	-	n.m.	-	10,961	n.m.
Provision for impairment on other investments	(5,000)	-	n.m.	(5,000)	-	n.m.

Note:

(1) n.m. - not meaningful

1.(b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
ASSETS				
Current assets:				
Cash	76,768	90,929	24,938	16,408
Fixed deposits	530,761	518,678	378,232	376,425
Trade receivables	518,094	481,446	198,289	191,196
Other receivables and prepayments	28,324	27,807	3,732	5,732
Inventories	497,685	353,538	138,861	90,540
Amount due from subsidiaries	-	-	111,404	122,925
Amount due from associates	3	-	-	-
Amount due from joint venture	64	177	-	-
Total current assets	1,651,699	1,472,575	855,456	803,226
Non-current assets:				
Investments in subsidiaries	-	-	169,954	169,954
Investments in associates	18,478	17,810	-	-
Investment in joint venture	-	-	1,000	1,000
Other investments	282,251	291,973	256,017	258,807
Property, plant and equipment	177,948	167,714	18,877	21,503
Intangible assets	4,144	8,374	554	921
Goodwill on consolidation	66,561	66,561	-	-
Total non-current assets	549,382	552,432	446,402	452,185
Total assets	2,201,081	2,025,007	1,301,858	1,255,411
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts	2	-	-	-
Short-term bank loans	5,094	7,995	-	-
Trade payables	465,188	372,237	72,082	79,845
Other payables and accrued expenses	79,834	63,609	42,439	28,825
Amount due to subsidiaries	-	-	170,593	105,322
Amount due to associates	1,202	888	572	392
Amount due to joint venture	129	178	72	49
Income tax payable	2,913	4,012	-	-
Total current liabilities	554,362	448,919	285,758	214,433
Non-current liabilities:				
Other payables	26,804	-	26,804	-
Deferred tax liabilities	3,635	3,577	-	-
Total non-current liabilities	30,439	3,577	26,804	-
Capital and reserves:				
Issued capital	67,354	65,895	67,354	65,895
Share premium	553,632	501,751	553,632	501,751
Share option reserve	20,120	18,017	20,120	18,017
Accumulated profits	1,000,211	1,018,198	357,038	455,315
Investments revaluation reserve	(12,866)	-	(8,848)	-
Reserve on consolidation	51	51	-	-
Currency translation reserves	(14,052)	(33,647)	-	-
Total equity attributable to shareholders of the company	1,614,450	1,570,265	989,296	1,040,978
Minority interests	1,830	2,246	-	-
Total equity	1,616,280	1,572,511	989,296	1,040,978
Total Liabilities and Equity	2,201,081	2,025,007	1,301,858	1,255,411

1.(b)(ii) **Aggregate amount of group's borrowings and debt securities**

(a) Amount repayable in one year or less, or on demand

As at 30.09.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,415	3,681	1,368	6,627

(b) Amount repayable after one year

As at 30.09.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

(c) Details of any collateral

The bank loans are provided to subsidiaries of Univac Precision Engineering Pte Ltd. The loans are secured by proportionate guarantees provided by the shareholders of the subsidiaries.

1.(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	3 months ended 30.09.2005 S\$'000	3 months ended 30.09.2004 S\$'000 (Restated)	9 months ended 30.09.2005 S\$'000	9 months ended 30.09.2004 S\$'000 (Restated)
Cash flows from operating activities:				
Profit before income tax and income from associates	52,258	43,724	149,773	148,705
Adjustments for:				
Depreciation expense	10,447	10,230	30,720	30,342
Amortisation of goodwill	-	960	-	2,580
Amortisation of intangible assets	1,008	2,582	5,117	8,553
Interest income	(6,424)	(6,903)	(18,167)	(14,931)
Dividend income	(82)	(45)	(386)	(969)
Interest expense	58	83	217	253
(Gain) Loss on disposal of plant and equipment, net	(345)	17	(310)	(64)
Gain on disposal of other investments	(113)	-	(3,330)	-
Gain on disposal of associates	-	-	-	(10,961)
Share option expense	-	5,893	3,603	13,750
Fair value adjustments on financial instruments	(5,223)	-	(263)	-
Provision for impairment on other investments	5,000	-	5,000	-
Operating profit before working capital changes	56,584	56,541	171,974	177,258
Trade receivables	(44,577)	(116,618)	(36,648)	(82,454)
Other receivables and prepayments	(1,166)	17,220	(628)	(20,436)
Inventories	(73,949)	(47,412)	(144,147)	(95,823)
Amount due to joint venture	26	100	64	150
Amount due to associates	(368)	355	311	76
Trade payables	88,809	69,710	92,951	93,795
Other payables and accrued expenses	23,507	8,740	11,411	(3,769)
Cash generated from (used in) operations	48,866	(11,364)	95,288	68,797
Interest received	6,424	6,903	18,167	14,931
Interest paid	(58)	(83)	(217)	(253)
Income tax paid	(1,800)	(2,063)	(5,560)	(5,823)
Dividends paid	-	-	(133,973)	(42,395)
Dividends received	82	45	386	969
Net cash from (used in) operating activities	53,514	(6,562)	(25,909)	36,226
Cash flows from investing activities:				
Purchase of property, plant and equipment	(16,756)	(15,409)	(39,149)	(41,882)
Proceeds on disposal of plant and equipment	1,432	193	2,988	592
Addition of intangible assets	(286)	(54)	(805)	(1,613)
Purchase of other investments	(26,554)	(171)	(51,475)	(58,879)
Proceeds on disposal of other investments	5,451	-	48,096	9,506
Dividends received from associates	628	628	628	696
Proceeds from disposal of associates	-	-	-	18,926
Payment to minority shareholders for acquisition of additional shares in a subsidiaries	-	(3,987)	(780)	(3,987)
Net cash used in investing activities	(36,085)	(18,800)	(40,497)	(76,641)
Cash flows from financing activities:				
Increase (Decrease) in short-term bank loans	16	(761)	(2,901)	(734)
Proceeds from issue of shares	11,811	5,639	53,340	55,515
Net cash from financing activities	11,827	4,878	50,439	54,781
Net effect of exchange rate changes in consolidating subsidiaries	7,348	(2,408)	13,887	(2,800)
Net increase (decrease) in cash and cash equivalents	36,604	(22,892)	(2,080)	11,566
Cash and cash equivalents at beginning of period	570,923	813,770	609,607	779,312
Cash and cash equivalents at end of period	607,527	790,878	607,527	790,878
Cash and cash equivalents at end of period include the following:				
Cash	76,768	105,554	76,768	105,554
Fixed deposits	530,761	686,962	530,761	686,962
Bank overdrafts	(2)	(1,638)	(2)	(1,638)
	607,527	790,878	607,527	790,878

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

The Group	Issued capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Investments revaluation reserve S\$'000	Currency translation reserves S\$'000	Reserve on consolidation S\$'000	Accumulated profits S\$'000	Total S\$'000	Minority interests S\$'000	Total equity S\$'000
Balance at 1 January 2004	64,281	420,131	-	-	(15,262)	51	871,857	1,341,058	8,310	1,349,368
Currency translation differences	-	-	-	-	(2,351)	-	-	(2,351)	(42)	(2,393)
Cost of share-based payment	-	-	1,964	-	-	-	(1,964)	-	-	-
Net profit for the period	-	-	-	-	-	-	46,899	46,899	557	47,456
Issue of shares	591	27,454	-	-	-	-	-	28,045	-	28,045
Balance at 31 March 2004	64,872	447,585	1,964	-	(17,613)	51	916,792	1,413,651	8,825	1,422,476
Currency translation differences	-	-	-	-	3,241	-	-	3,241	69	3,310
Cost of share-based payment	-	-	5,893	-	-	-	(5,893)	-	-	-
Acquisition of shareholdings from minority shareholders	-	-	-	-	-	-	-	-	(4,916)	(4,916)
Reduction of shareholdings in a subsidiary	-	-	-	-	-	-	-	-	634	634
Net profit for the period	-	-	-	-	-	-	64,331	64,331	(144)	64,187
First and final tax exempt dividend and bonus dividend less tax paid in respect of the previous financial year	-	-	-	-	-	-	(42,395)	(42,395)	-	(42,395)
Issue of shares	681	36,975	-	-	-	-	-	37,656	-	37,656
Balance at 30 June 2004	65,553	484,560	7,857	-	(14,372)	51	932,835	1,476,484	4,468	1,480,952
Currency translation differences	-	-	-	-	(4,100)	-	-	(4,100)	(25)	(4,125)
Cost of share-based payment	-	-	5,893	-	-	-	-	5,893	-	5,893
Acquisition of shareholdings from minority shareholders	-	-	-	-	-	-	-	-	(2,303)	(2,303)
Net profit for the period	-	-	-	-	-	-	42,208	42,208	124	42,332
Issue of shares	122	5,517	-	-	-	-	-	5,639	-	5,639
Balance at 30 September 2004	65,675	490,077	13,750	-	(18,472)	51	975,043	1,526,124	2,264	1,528,388

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

	Issued capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Investments revaluation reserve S\$'000	Currency translation reserves S\$'000	Reserve on consolidation S\$'000	Accumulated profits S\$'000	Total S\$'000	Minority interests S\$'000	Total equity S\$'000
Balance at 1 January 2005										
As previously stated	65,895	501,751	-	-	(33,647)	51	1,036,215	1,570,265	2,246	1,572,511
Cost of share-based payment	-	-	18,017	-	-	-	(18,017)	-	-	-
As restated	65,895	501,751	18,017	-	(33,647)	51	1,018,198	1,570,265	2,246	1,572,511
Transitional adjustment required under FRS 39	-	-	-	(1,665)	-	-	(31,881)	(33,546)	-	(33,546)
	65,895	501,751	18,017	(1,665)	(33,647)	51	986,317	1,536,719	2,246	1,538,965
Currency translation differences	-	-	-	-	(2,620)	-	-	(2,620)	8	(2,612)
Cost of share-based payment	-	-	3,603	-	-	-	-	3,603	-	3,603
Net fair value changes on available-for-sale investments	-	-	-	(1,738)	-	-	-	(1,738)	-	(1,738)
Released on disposal of available-for-sale investments	-	-	-	(1,718)	-	-	-	(1,718)	-	(1,718)
Acquisition of shareholdings from minority shareholders	-	-	-	-	-	-	-	-	(780)	(780)
Net profit for the period	-	-	-	-	-	-	44,805	44,805	87	44,892
Issue of shares	203	8,884	-	-	-	-	-	9,087	-	9,087
Balance at 31 March 2005	66,098	510,635	21,620	(5,121)	(36,267)	51	1,031,122	1,588,138	1,561	1,589,699
Currency translation differences	-	-	-	-	12,529	-	-	12,529	46	12,575
Share options lapsed	-	-	(1,500)	-	-	-	1,500	-	-	-
Net fair value changes on available-for-sale investments	-	-	-	(6,163)	-	-	-	(6,163)	-	(6,163)
Released on disposal of available-for-sale investments	-	-	-	550	-	-	-	550	-	550
Net profit for the period	-	-	-	-	-	-	50,040	50,040	55	50,095
First and final tax exempt dividend and bonus tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(133,973)	(133,973)	-	(133,973)
Issue of shares	977	31,465	-	-	-	-	-	32,442	-	32,442
Balance at 30 June 2005	67,075	542,100	20,120	(10,734)	(23,738)	51	948,689	1,543,563	1,662	1,545,225
Currency translation differences	-	-	-	-	9,686	-	-	9,686	76	9,762
Net fair value changes on available-for-sale investments	-	-	-	(2,419)	-	-	-	(2,419)	-	(2,419)
Released on disposal of available-for-sale investments	-	-	-	287	-	-	-	287	-	287
Net profit for the period	-	-	-	-	-	-	51,522	51,522	92	51,614
Issue of shares	279	11,532	-	-	-	-	-	11,811	-	11,811
Balance at 30 September 2005	67,354	553,632	20,120	(12,866)	(14,052)	51	1,000,211	1,614,450	1,830	1,616,280

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

	Issued capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Investments revaluation reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company						
Balance at 1 January 2004	64,281	420,131	-	-	447,044	931,456
Cost of share-based payment	-	-	1,964	-	(1,964)	-
Net profit for the period	-	-	-	-	18,628	18,628
Issue of shares	591	27,454	-	-	-	28,045
Balance at 31 March 2004	64,872	447,585	1,964	-	463,708	978,129
Cost of share-based payment	-	-	5,893	-	(5,893)	-
Net profit for the period	-	-	-	-	22,992	22,992
First and final tax exempt dividend and bonus dividend less tax paid in respect of the previous financial year	-	-	-	-	(42,395)	(42,395)
Issue of shares	681	36,975	-	-	-	37,656
Balance at 30 June 2004	65,553	484,560	7,857	-	438,412	996,382
Cost of share-based payment	-	-	5,893	-	-	5,893
Net profit for the period	-	-	-	-	14,600	14,600
Issue of shares	122	5,517	-	-	-	5,639
Balance at 30 September 2004	65,675	490,077	13,750	-	453,012	1,022,514
Balance at 1 January 2005 As previously stated	65,895	501,751	-	-	473,332	1,040,978
Cost of share-based payment	-	-	18,017	-	(18,017)	-
As restated	65,895	501,751	18,017	-	455,315	1,040,978
Transitional adjustment required under FRS 39	-	-	-	1,426	(31,881)	(30,455)
	65,895	501,751	18,017	1,426	423,434	1,010,523
Cost of share-based payment	-	-	3,603	-	-	3,603
Net fair value changes on available-for-sale investments	-	-	-	(1,325)	-	(1,325)
Net profit for the period	-	-	-	-	15,716	15,716
Issue of shares	203	8,884	-	-	-	9,087
Balance at 31 March 2005	66,098	510,635	21,620	101	439,150	1,037,604
Share options lapsed	-	-	(1,500)	-	1,500	-
Net fair value changes on available-for-sale investments	-	-	-	(7,149)	-	(7,149)
Released on disposal of available-for-sale investments	-	-	-	636	-	636
Net profit for the period	-	-	-	-	24,394	24,394
First and final tax exempt dividend and bonus tax exempt dividend paid in respect of the previous financial year	-	-	-	-	(133,973)	(133,973)
Issue of shares	977	31,465	-	-	-	32,442
Balance at 30 June 2005	67,075	542,100	20,120	(6,412)	331,071	953,954
Net fair value changes on available-for-sale investments	-	-	-	(2,727)	-	(2,727)
Released on disposal of available-for-sale investments	-	-	-	291	-	291
Net profit for the period	-	-	-	-	25,967	25,967
Issue of shares	279	11,532	-	-	-	11,811
Balance at 30 September 2005	67,354	553,632	20,120	(8,848)	357,038	989,296

1.(d)(ii) **Details of any changes in the Company's issued share capital**

Venture Manufacturing (Singapore) Ltd Executives' Share Option Scheme ("The Scheme")

Since the end of the previous financial quarter, 1,118,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 1,118,000 of their options under the Scheme. As at 30 September 2005, there were 13,492,000 unissued shares of the Company under the options in the Scheme (30 September 2004: 21,659,000).

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

Since the end of the previous financial year, options were granted in respect of 2,291,000 unissued shares of S\$0.25 each in the capital of the Company to 3 directors and 901 employees of the Group at the following subscription prices payable during different exercise periods in accordance with the New Scheme which was adopted by the Company during an Extraordinary General Meeting held on 28 April 2004.

<u>Exercise period</u>	<u>Exercise price</u>
1 September 2006 to 31 August 2007	S\$18.288
1 September 2007 to 31 August 2008	S\$16.764
1 September 2008 to 31 August 2010	S\$16.002

The options are exercisable during the period commencing twelve (12) months from the date of offer and expiring at the end of five (5) years from the date of offer.

Since the end of the previous financial quarter, no options to take up ordinary shares (30 September 2004: Nil) of S\$0.25 each in the capital of the Company lapsed.

Share Capital

As at 30 September 2005, the issued and paid up capital of the Company was S\$67,354,144 divided into 269,416,577 shares of S\$0.25 each.

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

These figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2004 as well as all the applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 January 2005.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The impact of the adoption of the new FRS are as follows:

FRS 39 Financial Instruments: Recognition and Measurement

FRS 39 establishes the accounting and reporting standards for recognising and measuring a company's financial assets and financial liabilities. The standard requires a financial asset or financial liability to be recognised initially at fair value. Subsequent to initial recognition, the Group will continue to measure financial assets at their fair values, except for loans and receivables and held-to-maturity investments, which are to be measured at cost or amortised cost using the effective interest rate method. Financial liabilities will subsequently be measured at cost or amortised cost, except for liabilities classified as "at fair value through profit and loss" and derivatives, which will subsequently be measured at fair value.

FRS 39 also covers accounting for derivative instruments. This standard has expanded the definition of a derivative instrument to include derivatives (and derivative-like provisions) embedded in non-derivative contracts. Under the standard, every derivative instrument is recorded in the balance sheet as either an asset or liability measured at its fair value. Derivatives that do not qualify as hedges are adjusted to fair value through income. If a derivative is designated and qualify as a hedge, depending on the nature of the hedging relationship, changes in the fair value of the derivative are either offset against the changes in the fair value of the hedged assets, liabilities and firm commitments through earnings, or recognised in equity until the hedged item is recognised in earnings.

The effect of the transitional adjustments required under FRS 39 is reflected in the statement of changes in equity.

FRS 102 Share-based Payment

The Group's share option schemes are equity settled, share-based compensation plans. FRS 102 requires the Group and the Company to recognise an expense in the profit and loss statement for share options granted after 22 November 2002 and not vested as at 1 January 2005, the effective date of FRS 102.

The total amount of the expense will equal to the multiplication of the total number of share options that are expected to vest and the fair value of each option determined at the date of grant. The total amount of the expense is recognised over the share options' vesting period. At each reporting date, the amount expensed should be adjusted to reflect the Group's and the Company's best estimate of the number of share options that will vest.

Under the transitional provision of FRS 102, the comparative financial information needs to be restated for all grants of share options to which the requirements of FRS 102 are applied.

Accordingly, as a result of the adoption of FRS 102, the comparative financial information for the quarter ended 30 September 2004 have been restated to include a charge of S\$5.9 million for the share option expense applicable to that quarter. In addition, the accumulated profits of the Group and the Company as at 1 January 2005 were adjusted downwards by S\$18 million, the estimated share option expense applicable for the full year ended 31 December 2004. As part of the restatement, there is a corresponding increase in share option reserve of S\$18 million resulting in no net impact to the opening balance of shareholders' equity of the Group and the Company as at 1 January 2005.

The impact of the adoption of FRS 102 on the net profit of the Group for the quarter ended 30 September 2005 was nil as the date of acceptance for the grant under the New Scheme was on 30 September 2005.

FRS 103 Business Combinations

Until 31 December 2004, goodwill was amortised on a straight line basis up to a maximum period of 20 years; and at each balance sheet date, the Group will assess if there was any indication of impairment of the cash-generating-unit in which the goodwill was attached to.

In accordance with the provisions of FRS 103,

- the Group ceased amortisation of goodwill from 1 January 2005;
- the accumulated amortisation as at 31 December 2004 has been eliminated by offsetting it against the cost of goodwill; and
- from the financial year commencing 1 January 2005 onwards, goodwill will be tested annually for impairment before the end of each financial year, as well as when there are indications of impairment.

Apart from the above, the adoption of the new/revised FRS does not have a material financial impact on the Group and the Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

- (a) Based on the weighted average number of ordinary shares on issue (cents)
- (b) On a fully diluted basis (cents)
(detailing any adjustments made to the earnings)

9 months ended 30.09.2005	9 months ended 30.09.2004 (Restated)
54.8	55.8
54.3	54.4

7. Net asset value per ordinary share

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

Group		Company	
30.09.2005	31.12.2004	30.09.2005	31.12.2004
599.2	595.7	367.2	394.9

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group reported an 8% increase in revenue to S\$2.36 billion for the nine months ended 30 September 2005 compared to S\$2.19 billion for the same period last year. The networking / communication segment saw a 123% revenue increase while revenue for test & measurement / automotive / medical products rose 23%. However, revenue for the printing / imaging product segment, and the computer peripherals / data storage product segment declined 15% and 13% respectively.

The Group achieved a market share improvement for the test & measurement business, as well as higher contribution from some new customers in the networking / communication product segment. New product introductions ("NPI") planned for the third quarter of year were generally on schedule, although the high-volume products in the printing / imaging, and computer peripherals / data storage category saw weaker than expected demand.

Year-to-date group profit attributable to shareholders was S\$146.4 million compared to S\$145.6 million in the corresponding period last year. The 2004 profit includes an S\$11 million non-recurring gain on the disposal of the Group's shareholding in Avaplas Ltd. Third-quarter profit grew 22% year-on-year. If not for the S\$5 million provision for impairment on other investments, third-quarter profit would have increased by 34%.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Market conditions continue to be very competitive and challenging, with further pricing pressure expected over the next 12 months, primarily in the high-volume, highly commoditized market segment. However, the Group believes that its increased engagement with customers requiring higher value-added services will help it meet the challenges of the marketplace. In this regard, it will continue to pursue its strategy of increasing its proportion of high-mix business with high technological content, and expanding its scope of services along the value chain. The Group will also continue its focus on enhancing its operational excellence.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend	Nil
Dividend Type	Nil
Dividend Amount per Share (in cents)	Nil
Dividend Rate	Nil
Par value of shares	Nil
Tax Rate	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Nil
Dividend Type	Nil
Dividend Amount per Share (in cents)	Nil
Dividend Rate	Nil
Par value of shares	Nil
Tax Rate	Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. **If no dividend has been declared (recommended), a statement to that effect.**

No dividend for the period ended 30 September 2005 is recommended or declared.

BY ORDER OF THE BOARD

Yvonne Choo
Company Secretary
4 November 2005