

Full Year Financial Statements And Dividend Announcement

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

Fourth Quarter and Year-to-date financial statements on consolidated results for the financial period ended 31 December 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 31.12.2005 S\$'000	3 months ended 31.12.2004 S\$'000 (Restated)	% increase/ (decrease)	12 months ended 31.12.2005 S\$'000	12 months ended 31.12.2004 S\$'000 (Restated)	% increase/ (decrease)
<b>Revenue</b>	877,548	1,003,821	(12.6)	3,238,035	3,193,398	1.4
Other income	6,021	8,212	(26.7)	12,639	23,027	(45.1)
Changes in inventories of finished goods and work in progress	(43,819)	33,342	n.m.	34,404	44,661	(23.0)
Raw materials and consumables used	(678,701)	(903,314)	(24.9)	(2,701,913)	(2,701,141)	0.0
Staff costs	(58,931)	(53,820)	9.5	(217,799)	(210,642)	3.4
Depreciation and amortisation expense	(11,647)	(14,359)	(18.9)	(47,484)	(55,834)	(15.0)
Research and development expense (exclude R&D staff costs)	(12,765)	(10,756)	18.7	(35,138)	(35,581)	(1.2)
Foreign currency exchange adjustment (loss) gain	(1,480)	(6,105)	(75.8)	33	(9,313)	n.m.
Other expense	(28,466)	(19,474)	46.2	(103,195)	(77,001)	34.0
Interest income (net of interest expense)	7,075	5,802	21.9	25,025	20,480	22.2
Income from associates	1,323	1,659	(20.3)	3,054	3,074	(0.7)
<b>Profit before income tax</b>	<b>56,158</b>	<b>45,008</b>	<b>24.8</b>	<b>207,661</b>	<b>195,128</b>	<b>6.4</b>
Income tax expense	(1,082)	(1,794)	(39.7)	(5,985)	(5,796)	3.3
<b>Profit after income tax</b>	<b>55,076</b>	<b>43,214</b>	<b>27.4</b>	<b>201,676</b>	<b>189,332</b>	<b>6.5</b>
Attributable to:						
<b>Shareholders of the company</b>	54,804	43,155	27.0	201,171	188,736	6.6
Minority interests	272	59	361.0	505	596	(15.3)
	<b>55,076</b>	<b>43,214</b>	<b>27.4</b>	<b>201,676</b>	<b>189,332</b>	<b>6.5</b>

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

	Group			Group		
	3 months ended 31.12.2005 S\$'000	3 months ended 31.12.2004 S\$'000	% increase/ (decrease)	12 months ended 31.12.2005 S\$'000	12 months ended 31.12.2004 S\$'000	% increase/ (decrease)
Overprovision of tax in respect of prior years	41	813	(95.0)	576	1,847	(68.8)
(Loss) Gain on disposal of plant and equipment, net	(660)	510	n.m.	(350)	574	n.m.
Gain on sale of available-for-sale investments	-	7,015	n.m.	3,330	8,638	(61.4)
Gain on disposal of associates	621	-	n.m.	621	10,961	(94.3)
Provision for impairment on available-for-sale investments	(4,997)	-	n.m.	(9,997)	-	n.m.
Allowance for doubtful debts	-	(2,826)	n.m.	-	(2,826)	n.m.
Allowance for inventories	(1,700)	(3,697)	(54.0)	(1,700)	(3,697)	(54.0)

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	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	99,245	90,929	38,824	16,408
Fixed deposits	457,341	476,499	362,272	361,425
Available-for-sale investments	38,756	42,179	25,000	15,000
Trade receivables	590,598	481,446	220,083	191,196
Other receivables and prepayments	30,214	27,807	3,951	5,732
Inventories	408,136	353,538	98,892	90,540
Amount due from subsidiaries	-	-	101,340	122,925
Amount due from joint venture	-	177	-	-
<b>Total current assets</b>	<b>1,624,290</b>	<b>1,472,575</b>	<b>850,362</b>	<b>803,226</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	190,867	169,954
Investments in associates	21,112	17,810	-	-
Investment in joint venture	-	-	1,000	1,000
Available-for-sale investments	274,779	291,973	253,620	258,807
Property, plant and equipment	168,114	167,714	13,149	21,503
Intangible assets	4,851	8,374	432	921
Goodwill on consolidation	79,086	66,561	-	-
<b>Total non-current assets</b>	<b>547,942</b>	<b>552,432</b>	<b>459,068</b>	<b>452,185</b>
<b>Total assets</b>	<b>2,172,232</b>	<b>2,025,007</b>	<b>1,309,430</b>	<b>1,255,411</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank overdrafts	31	-	-	-
Short-term bank loans	5,813	7,995	-	-
Trade payables	386,709	372,237	64,006	79,845
Other payables and accrued expenses	74,633	63,609	37,238	28,825
Amount due to subsidiaries	-	-	190,038	105,322
Amount due to associates	383	888	-	392
Amount due to joint venture	59	178	48	49
Income tax payable	3,781	4,012	-	-
<b>Total current liabilities</b>	<b>471,409</b>	<b>448,919</b>	<b>291,330</b>	<b>214,433</b>
<b>Non-current liabilities:</b>				
Derivative financial instruments	27,281	-	27,281	-
Long-term bank loans	236	-	-	-
Deferred tax liabilities	2,522	3,577	-	-
<b>Total non-current liabilities</b>	<b>30,039</b>	<b>3,577</b>	<b>27,281</b>	<b>-</b>
<b>Capital and reserves:</b>				
Issued capital	67,368	65,895	67,368	65,895
Share premium	554,145	501,751	554,145	501,751
Share option reserve	21,299	18,017	21,299	18,017
Accumulated profits	1,055,471	1,018,198	358,888	455,315
Investments revaluation reserve	(16,103)	-	(10,881)	-
Reserve on consolidation	51	51	-	-
Currency translation reserves	(19,042)	(33,647)	-	-
<b>Total equity attributable to shareholders of the company</b>	<b>1,663,189</b>	<b>1,570,265</b>	<b>990,819</b>	<b>1,040,978</b>
Minority interests	7,595	2,246	-	-
<b>Total equity</b>	<b>1,670,784</b>	<b>1,572,511</b>	<b>990,819</b>	<b>1,040,978</b>
<b>Total Liabilities and Equity</b>	<b>2,172,232</b>	<b>2,025,007</b>	<b>1,309,430</b>	<b>1,255,411</b>

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 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,137	3,707	1,368	6,627

(b) Amount repayable after one year

As at 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
236	-	-	-

(c) Details of any collateral

Some of the short term bank loans are provided to subsidiaries of Univac Precision Engineering Pte Ltd. These loans are secured by proportionate guarantees provided by the shareholders of the subsidiaries.

The long term bank loan and part of the short term bank loans are provided to Scinetic Engineering Pte Ltd. The loans are secured by a first legal mortgage on its leasehold property and a joint & several directors' guarantee from certain of its directors.

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 31.12.2005 S\$'000	3 months ended 31.12.2004 S\$'000 (Restated)	12 months ended 31.12.2005 S\$'000	12 months ended 31.12.2004 S\$'000 (Restated)
<b>Cash flows from operating activities:</b>				
Profit before income tax and income from associates	54,835	43,349	204,607	192,054
Adjustments for:				
Allowance for doubtful trade receivables	-	2,826	-	2,826
Allowance for inventories	1,700	3,697	1,700	3,697
Depreciation expense	10,638	10,801	41,358	41,143
Amortisation of goodwill	-	967	-	3,547
Amortisation of intangible assets	1,009	2,591	6,126	11,144
Provision for impairment on available-for-sale investments	4,997	-	9,997	-
Interest income	(7,155)	(5,877)	(25,322)	(20,808)
Dividend income	(124)	(969)	(510)	(1,938)
Interest expense	80	75	297	328
Gain on disposal of associates	(621)	-	(621)	(10,961)
Gain on disposal of intangible assets	-	(55)	-	(55)
Loss (Gain) on disposal of plant and equipment, net	660	(510)	350	(574)
Gain on disposal of available-for-sale investments	-	(6,133)	(3,330)	(6,133)
Share option expense	1,635	4,267	5,238	18,017
Fair value changes on derivative financial instruments	(4,337)	-	(4,600)	-
<b>Operating profit before working capital changes</b>	<b>63,317</b>	<b>55,029</b>	<b>235,290</b>	<b>232,287</b>
Trade receivables	(62,926)	37,811	(99,574)	(44,643)
Other receivables and prepayments	6,183	15,802	5,555	(4,634)
Inventories	91,590	(7,248)	(52,557)	(103,071)
Amount due to joint venture	(6)	(210)	58	(60)
Amount due to associates	(816)	(472)	(505)	(396)
Trade payables	(88,176)	(101,558)	4,775	(7,763)
Other payables and accrued expenses	(724)	7,687	10,687	3,918
<b>Cash generated from operations</b>	<b>8,442</b>	<b>6,841</b>	<b>103,729</b>	<b>75,638</b>
Interest received	7,155	5,877	25,322	20,808
Interest paid	(80)	(75)	(297)	(328)
Income tax (paid) refunded	(1,753)	6,659	(7,313)	836
Dividends paid	-	-	(133,973)	(42,395)
Dividends received	124	969	510	1,938
<b>Net cash from (used in) operating activities</b>	<b>13,888</b>	<b>20,271</b>	<b>(12,022)</b>	<b>56,497</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(10,606)	(13,690)	(49,755)	(55,572)
Proceeds on disposal of plant and equipment	8,968	1,304	11,956	1,896
Addition of intangible assets	(136)	(814)	(941)	(2,427)
Proceeds on disposal of intangible assets	-	500	-	500
Purchase of available-for-sale investments	(6,219)	(173,290)	(77,694)	(232,169)
Proceeds on disposal of available-for-sale investments	16,730	13,133	76,726	22,639
Dividends received from associates	-	-	628	696
Proceeds from disposal of associates	3,369	-	3,369	18,926
Acquisition of shareholdings in an associate	(3,566)	-	(3,566)	-
Payment to minority shareholders for acquisition of additional shares in a subsidiaries	-	-	(780)	(3,987)
Cash flow resulting from acquisition of a subsidiary (Note A)	(19,149)	-	(19,149)	-
<b>Net cash used in investing activities</b>	<b>(10,609)</b>	<b>(172,857)</b>	<b>(59,206)</b>	<b>(249,498)</b>
<b>Cash flows from financing activities:</b>				
Increase (Decrease) in short-term bank loans	216	(314)	(2,685)	(1,048)
Decrease in long-term bank loans	(14)	-	(14)	-
Proceeds from issue of shares	527	11,894	53,867	67,409
<b>Net cash from financing activities</b>	<b>729</b>	<b>11,580</b>	<b>51,168</b>	<b>66,361</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>(4,701)</b>	<b>(9,868)</b>	<b>9,187</b>	<b>(12,668)</b>
Net decrease in cash and cash equivalents	(693)	(150,874)	(10,873)	(139,308)
Cash and cash equivalents at beginning of period	557,248	718,302	567,428	706,736
<b>Cash and cash equivalents at end of period</b>	<b>556,555</b>	<b>567,428</b>	<b>556,555</b>	<b>567,428</b>
Cash and cash equivalents at end of period include the following:				
Cash	99,245	90,929	99,245	90,929
Fixed deposits	457,341	476,499	457,341	476,499
Bank overdrafts	(31)	-	(31)	-
	<b>556,555</b>	<b>567,428</b>	<b>556,555</b>	<b>567,428</b>

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

**Note A:**

Summary of the effects of acquisition of a subsidiary:

	S\$'000
Net assets acquired:	
Current assets	23,354
Non-current assets	2,282
Current liabilities	(11,391)
Non-current liabilities	(265)
Minority interests	(5,592)
Net assets acquired	<u>8,388</u>
Goodwill arising on acquisition of subsidiary	<u>12,525</u>
Purchase consideration satisfied by cash	<u><u>20,913</u></u>
Net cash flow on acquisition:	
Cash paid	(20,913)
Cash acquired	<u>1,764</u>
Cash outflow on acquisition, net of cash acquired	<u><u>(19,149)</u></u>

1.(d)(i) Statement of changes in equity for the period ended 31 December

	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
<b>The Group</b>										
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)	-	-	-
Acquisition of shareholdings from minority shareholders	-	-	-	-	-	-	-	-	(2,303)	(2,303)
Net profit for the period	-	-	-	-	-	-	48,101	48,101	124	48,225
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
Currency translation differences	-	-	-	-	(15,175)	-	-	(15,175)	(77)	(15,252)
Cost of share-based payment	-	-	4,267	-	-	-	(4,267)	-	-	-
Acquisition of shareholdings from minority shareholders	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	47,422	47,422	59	47,481
Issue of shares	220	11,674	-	-	-	-	-	11,894	-	11,894
Balance at 31 December 2004	65,895	501,751	18,017	-	(33,647)	51	1,018,198	1,570,265	2,246	1,572,511

1.(d)(i) Statement of changes in equity for the period ended 31 December

	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
Currency translation differences	-	-	-	-	(4,990)	-	-	(4,990)	(99)	(5,089)
Cost of share-based payment	-	-	1,635	-	-	-	-	1,635	-	1,635
Share options lapsed	-	-	(456)	-	-	-	456	-	-	-
Net fair value changes on available-for-sale investments	-	-	-	(3,248)	-	-	-	(3,248)	-	(3,248)
Released on disposal of available-for-sale investments	-	-	-	11	-	-	-	11	-	11
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	5,592	5,592
Net profit for the period	-	-	-	-	-	-	54,804	54,804	272	55,076
Issue of shares	14	513	-	-	-	-	-	527	-	527
Balance at 31 December 2005	67,368	554,145	21,299	(16,103)	(19,042)	51	1,055,471	1,663,189	7,595	1,670,784

1.(d)(i) **Statement of changes in equity for the period ended 31 December**

	<b>Issued capital S\$'000</b>	<b>Share premium S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Investments revaluation reserve S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total equity S\$'000</b>
<b>The Company</b>						
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	-	-	-	-	20,493	20,493
Issue of shares	122	5,517	-	-	-	5,639
Balance at 30 September 2004	65,675	490,077	13,750	-	453,012	1,022,514
Cost of share-based payment	-	-	4,267	-	(4,267)	-
Net profit for the period	-	-	-	-	6,570	6,570
Issue of shares	220	11,674	-	-	-	11,894
Balance at 31 December 2004	65,895	501,751	18,017	-	455,315	1,040,978

1.(d)(i) **Statement of changes in equity for the period ended 31 December**

	<b>Issued capital S\$'000</b>	<b>Share premium S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Investments revaluation reserve S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total equity S\$'000</b>
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
Cost of share-based payment	-	-	1,635	-	-	1,635
Share options lapsed	-	-	(456)	-	456	-
Net fair value changes on available-for-sale investments	-	-	-	(2,033)	-	(2,033)
Net profit for the period	-	-	-	-	1,394	1,394
Issue of shares	14	513	-	-	-	527
Balance at 31 December 2005	67,368	554,145	21,299	(10,881)	358,888	990,819



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, 57,000 ordinary shares of S\$0.25 each were issued to holders of options who exercised 57,000 of their options under the Scheme. As at 31 December 2005, there were 12,327,000 unissued shares of the Company under options in the Scheme (31 December 2004: 19,927,000).

Since the end of the previous financial quarter, 1,108,000 options to take up ordinary shares (31 December 2004: 851,000) of S\$0.25 each in the capital of the Company under the Scheme lapsed.

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

Since the end of the previous financial quarter, no ordinary shares of S\$0.25 each were issued to holders of options under the New Scheme. As at 31 December 2005, there were 2,280,000 unissued shares of the Company under the options in the New Scheme (31 December 2004: Nil).

Since the end of the previous financial quarter, 11,000 options to take up ordinary shares (31 December 2004: Nil) of S\$0.25 each in the capital of the Company under the New Scheme lapsed.

Share Capital

As at 31 December 2005, the issued and paid up capital of the Company was S\$67,368,394 divided into 269,473,577 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 31 December 2004 have been restated to include a charge of S\$4.3 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 was S\$1.6m for the quarter ended 31 December 2005 and S\$5.2m for the year ended 31 December 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 is tested annually for impairment before the end of each financial year, as well as when there are indications of impairment.

No impairment loss was required for the financial year ended 31 December 2005 for the goodwill assessed as their recoverable amounts were in excess of their carrying values.

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)

	<b>12 months ended 31.12.2005</b>	12 months ended 31.12.2004 (Restated)
(a)	<b>75.1</b>	72.2
(b)	<b>74.5</b>	70.5

#### **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)

<b>Group</b>		<b>Company</b>	
<b>31.12.2005</b>	31.12.2004	<b>31.12.2005</b>	31.12.2004
<b>617.2</b>	595.7	<b>367.7</b>	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.**

Compared to FY2004, the Group reported a 1.4% increase in revenue from S\$3.19b to S\$3.24b. Profit attributable to shareholders for the year increased 6.6% to S\$201m. This was lifted by 4th quarter profits that rose 27.0% as compared to the corresponding quarter ended 31 December 2004.

The Group achieved a more balanced business portfolio with good contribution from a wide spectrum of products and services. In the course of the year, the Group also reduced its proportion of low margin manufacturing activities in favour of higher value-added business.

The Group secured more customers in the course of the year, thereby broadening and diversifying its customer base in terms of geography and industry. In the process, the Group's customer mix improved. Along with this was the addition of substantial capabilities and knowledge that enabled Venture to serve customers in various niche markets. As a result, the Group was able to increase the proportion of high value-added activities in the second half of the year, which provided for overall margin stability.

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**

The initiatives undertaken over the past two years have positioned the Group well for the future, and give good reason for a cautiously optimistic view of its prospects for 2006.

While the business environment will continue to be demanding, the Group's relentless focus on enhancing its operational excellence and technological edge should generate a steady flow of business both from the traditional computer-related market segment, and from the newer, more complex and high-mix business, such as test and instrumentation, enterprise storage, and network storage infrastructure.

The Group expects a continued growth in activities with its customers, with a deepening of partnerships and the engagement with more business units within the customer organizations. With its partnership with medium-sized customers who are leaders in their respective fields and engaged in various niche industries, the Group's push towards higher value-added, higher-mix activities is also growing in momentum.

The Group is strengthening its position in the communication and instrumentation technologies, as well as in storage test development to enable it to carry out more co-development work with its customers in these areas. The Group will also continue to extend its competitive advantage in high-mix operations by enhancing its IT systems, particularly in the area of advanced planning and materials management. With the acquisition of Scinetic Engineering Pte Ltd, the Group has added yet another core competency to support growing demand from customers dealing with products such as point of sales products, data capture terminals, and other retail systems solutions.

11. **Dividend**

**(a) Current Financial Period Reported On**

Name of Dividend	Final	Bonus
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	25.0 cents per ordinary share (tax exempt)	25.0 cents per ordinary share (tax exempt)
Dividend Rate	100%	100%
Par value of shares	S\$0.25	S\$0.25
Tax Rate	Exempt	Exempt

The above proposed dividends are subject to shareholders' approval.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend	Final	Bonus
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	25.0 cents per ordinary share (tax exempt)	25.0 cents per ordinary share (tax exempt)
Dividend Rate	100%	100%
Par value of shares	S\$0.25	S\$0.25
Tax Rate	Exempt	Exempt

**(c) Date payable**

Date of payment of dividend will be announced at a later date.

**(d) Books closure date**

Notice of book closure will be announced at a later date.

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

Not applicable.

13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

**Segmental Results**

**a) By Geographical Segments**

	Singapore S\$'000	Asia Pacific (excluding Singapore) S\$'000	United States of America/Mexico/ Others S\$'000	Eliminations S\$'000	Group S\$'000
<b>2005</b>					
Revenue:					
External sales	2,645,519	436,274	156,242	-	3,238,035
Inter-segment sales	294,790	1,698,465	25,426	(2,018,681)	-
Total revenue	2,940,309	2,134,739	181,668	(2,018,681)	3,238,035
Results:					
Profit from operations	45,786	102,466	9,041	22,289	179,582
Interest income (net of interest expense)	21,667	3,204	154	-	25,025
Income from associates	3,054	-	-	-	3,054
Profit before income tax	70,507	105,670	9,195	22,289	207,661
Income tax expense					(5,985)
Profit after income tax					201,676
<b>2004 (Restated)</b>					
Revenue:					
External sales	2,727,458	350,616	115,324	-	3,193,398
Inter-segment sales	289,050	1,637,750	12,483	(1,939,283)	-
Total revenue	3,016,508	1,988,366	127,807	(1,939,283)	3,193,398
Results:					
Profit from operations	48,006	105,123	5,932	12,513	171,574
Interest income (net of interest expense)	18,958	1,366	156	-	20,480
Income from associates	3,074	-	-	-	3,074
Profit before income tax	70,038	106,489	6,088	12,513	195,128
Income tax expense					(5,796)
Profit after income tax					189,332

**b) By Business Segments**

	2005 S\$'000	2004 S\$'000
Design, manufacturing and fulfillment services in electronics industry	3,238,035	3,193,398

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

See item 8.

15. A breakdown of sales

		Group	
	Year Ended 31.12.2005 S\$'000	Year Ended 31.12.2004 S\$'000 (Restated)	% increase/ (decrease)
(a) Revenue reported for first half year	1,540,298	1,384,775	11.2
(b) Operating profit after income tax before deducting minority interests reported for first half year	94,987	103,786	(8.5)
(c) Revenue reported for second half year	1,697,737	1,808,623	(6.1)
(d) Operating profit after income tax before deducting minority interests reported for second half year	106,689	85,546	24.7

16. **A breakdown of the annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend	Latest Full Year (Proposed) S\$'000	Previous Full Year (Paid) S\$'000
Ordinary	134,737	133,973
Preference	-	-
Total	134,737	133,973

**BY ORDER OF THE BOARD**

Yvonne Choo  
Company Secretary  
20 February 2006