

The Board of Directors
Wearnes International (1994) Limited
45 Leng Kee Road
Singapore 159103

PricewaterhouseCoopers
8 Cross Street #17-00
PWC Building
Singapore 048424
Telephone (65) 6236 3388
Facsimile (65) 6236 3300
www.pwc.com/sg

GST No.: 52-871777-D
Co. Reg. No.: 52871777D

27 May 2005

**WEARNES INTERNATIONAL (1994) LIMITED (THE "COMPANY") AND ITS
SUBSIDIARIES**

**REVIEW OF INTERIM FINANCIAL INFORMATION FOR THE HALF-YEAR ENDED
31 MARCH 2005**

We have been engaged by the Company to review the interim financial information for the half-year ended 31 March 2005 as set out in the Announcement dated 11 May 2005 for the half-year ended 31 March 2005 ("Announcement"). We have reviewed Sections 1 and 4 to 7 of the Announcement.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual ("Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The interim financial information is the responsibility of, and has been approved by, the directors. Our responsibility is to issue a report solely for the use of the directors on the interim financial information based on our review.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that there are any material modifications that need to be made to the interim financial information for the half-year ended 31 March 2005 for it to be in accordance with Appendix 7.2 of the Listing Manual.

The comparative interim financial information as at and for the half-year ended 31 March 2004 have not been audited or reviewed.

This report is for your information only and should not be used for any other purposes without our prior written consent.

Yours faithfully



PricewaterhouseCoopers
Certified Public Accountants
Singapore

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WEARNES INTERNATIONAL (1994) LIMITED (THE "COMPANY") AND ITS SUBSIDIARIES

LETTER FROM THE REPORTING AUDITORS IN RELATION TO THE ANNOUNCEMENT FOR THE HALF-YEAR ENDED 31 MARCH 2005

We have examined the following statement ("Prospect Statement") of the Company and its subsidiaries (the "Group") as set out in the Announcement dated 11 May 2005 for the half-year ended 31 March 2005.

"... Excluding the exceptional loss of S\$8.7 million, the Group profit before taxation is expected to show significant improvement in FY 2005."

We have been requested by the Company to report on the underlying forecast ("Forecast") that support the Prospect Statement in accordance with Rule 25 of The Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore (the "Take-over Code"). We conducted our examination in this regard in accordance with Singapore Standard on Assurance Engagements SSAE 3400 "The Examination of Prospective Financial Information" insofar as the Forecast is properly prepared based on the assumptions and is consistent with its accounting policies of the Group. The Directors are responsible for the Prospect Statement set out in the Announcement dated 11 May 2005 for the second quarter and half-year ended 31 March 2005 and the Forecast that support the Prospect Statement including the assumptions on which they are based.

Our responsibility under Rule 25.3 of the Take-over Code is to examine and report on the accounting policies and the calculations for the Forecast.

Based on our examination, in our opinion, the Forecast insofar as the calculations and accounting policies are concerned, is properly prepared on the basis of the assumptions and is consistent with the accounting policies normally adopted by the Group.

This letter is provided only to the Directors solely for the purpose of complying with Rule 25.3 of the Take-over Code and for no other purpose. We do not accept any responsibility to any other person(s) other than the Directors, in respect of, arising out of, or in connection with this letter.

Yours faithfully



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Singapore