

Sectoral Financial Review – Aerospace

STATEMENT OF PROFIT AND LOSS

	2004 \$'000	2003 \$'000
Turnover	1,118,309	1,092,173
Cost of sales	(865,813)	(824,359)
Gross profit	252,496	267,814
Other operating income	29,842	10,754
Distribution and selling expenses	(8,162)	(19,744)
Administrative expenses	(57,908)	(53,129)
Other operating expenses	(17,220)	(17,010)
Profit from operations	199,048	188,685
Other income, net	993	3,429
Financial expenses	(965)	(972)
	199,076	191,142
Share of results of associated companies and joint ventures	37,475	34,047
Profit before taxation	236,551	225,189
Taxation	(40,042)	(44,379)
Profit after taxation	196,509	180,810
Minority interests	(8,083)	(4,513)
Net profit for the year	188,426	176,297

Sectoral Financial Review – Aerospace

BALANCE SHEET

	2004 \$'000	2003 \$'000
Share capital and reserves	452,329	456,130
Minority interests	31,771	32,334
	484,100	488,464
Fixed assets	196,928	176,676
Associated companies and joint ventures	98,643	84,719
Long-term investments	7,514	8,406
Intangible assets	2,004	56
Loan receivables, non-current	577	657
Deferred tax assets	31,218	37,777
Current assets		
Stocks and work-in-progress	128,890	102,709
Debtors, deposits and prepayments	554,113	639,706
Loan receivables, current	372	338
Amounts under fund management	200,000	146,126
Bank balances and other liquid funds	157,523	234,766
	1,040,898	1,123,645
Current liabilities		
Advance payments from customers, current	128,887	129,782
Creditors and accruals	431,613	471,668
Provisions	47,100	45,118
Progress billing in excess of work-in-progress	58,229	55,133
Provision for taxation	93,903	104,949
Short-term bank loans (unsecured)	3,083	1,057
Lease obligations, current	1,558	1,553
	764,373	809,260
Net current assets	276,525	314,385
Non-current liabilities		
Advance payments from customers, non-current	59,011	63,126
Deferred income	689	806
Deferred tax liabilities	3,977	2,623
Provision for staff retirement benefits	32	34
Lease obligations, non-current	12,884	14,907
Loan from holding company	52,716	52,716
	129,309	134,212
	484,100	488,464

Sectoral Financial Review – Aerospace

STATEMENT OF CASH FLOWS

	2004 \$'000	2003 \$'000
Net cash from operating activities	83,769	206,200
Net cash (used in)/from investing activities	(84,312)	33,205
Proceeds from sale of fixed assets	231	11,412
Dividends from associated companies	25,689	48,657
Dividends from investments	69	198
Proceeds from sale and maturity of investments	7,153	7,969
Proceeds from maturity and withdrawal of amount under fund management	8,228	–
Acquisition of amounts under fund management	(53,304)	–
Purchase of fixed assets	(56,944)	(35,519)
Purchase of investments	(4)	(1,005)
Acquisition of additional interest in subsidiaries	(8,361)	–
Acquisition of an associated company	(8,950)	–
Exchange difference on investment activities	1,881	1,493
Net cash used in financing activities	(186,725)	(191,226)
Capital contribution from minority shareholders of a subsidiary	469	1,163
Repayment of short-term loan from a related corporation	–	(3,461)
Repayment of lease obligations	(1,461)	(1,602)
Dividends paid to shareholders	(183,719)	(174,912)
Dividends paid to minority shareholders of subsidiaries	(2,504)	(2,897)
Interest paid	(979)	(1,000)
Proceeds/(repayment) of short-term loan	1,943	(8,250)
Exchange difference on financing activities	(474)	(267)
Net (decrease)/increase in cash and cash equivalents	(187,268)	48,179
Cash and cash equivalents at beginning of year	682,610	635,467
Exchange difference on cash and cash equivalents at beginning of year	(2,222)	(1,036)
Cash and cash equivalents at end of year	493,120	682,610

Sectoral Financial Review – Aerospace

VALUE ADDED STATEMENT

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Value added from:					
Revenue earned	1,118,309	1,092,173	1,044,110	1,034,033	959,130
Bought in materials and services	(507,429)	(473,460)	(485,544)	(466,313)	(431,211)
Gross value added	610,880	618,713	558,566	567,720	527,919
Income from investments and interest	23,370	7,599	11,435	26,284	34,806
Extraordinary items	–	–	–	–	–
Exchange gain/(loss)	(770)	(906)	(2,606)	4,000	(388)
Other non-operating income	8,235	7,490	9,884	2,626	5,089
Share of results of associated companies and joint ventures	37,475	34,047	39,333	32,062	39,022
Total value added	679,190	666,943	616,612	632,692	606,448
Distribution of value added					
To employees in wages, salaries and benefits	403,411	375,946	342,724	364,065	340,024
To government in income and other taxes	42,609	46,611	54,807	56,083	65,846
To providers of capital on:					
• Interest paid on borrowings	965	972	2,307	3,056	3,969
• Dividends to shareholder	183,719	174,912	156,774	126,105	88,653
	630,704	598,441	556,612	549,309	498,492
Balance retained in/(applied from) business					
Depreciation	34,117	39,604	38,734	35,337	36,751
Impairment of assets	852	1,112	1,882	2,105	–
Retained profits	(9,810)	(759)	(5,116)	15,359	31,711
	25,159	39,957	35,500	52,801	68,462
Non-production cost and income					
Bad debts	727	21,852	15,671	298	5,076
Income from investments and interest	23,370	7,599	11,435	26,284	34,806
Extraordinary items	–	–	–	–	–
Exchange gain/(loss)	(770)	(906)	(2,606)	4,000	(388)
	23,327	28,545	24,500	30,582	39,494
Total distribution	679,190	666,943	616,612	632,692	606,448

Sectoral Financial Review – Aerospace

FINANCIAL HIGHLIGHTS

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Turnover	1,118,309	1,092,173	1,044,110	1,034,033	959,130
Profit before tax	236,551	225,189	212,993	225,682	218,991
Profit after tax (before extraordinary items)	188,426	176,297	155,580	160,338	151,038
Shareholders' funds	452,329	456,130	458,962	469,006	381,397
Total assets	1,377,782	1,431,936	1,434,821	1,474,808	1,323,940
Net tangible assets	450,325	456,074	458,870	469,006	381,397
Return on turnover (%)	17.6	16.6	15.4	15.9	16.1
Earnings per share (¢)	94.21	88.15	77.79	80.17	54.70
Return on equity (%)	41.7	38.7	33.9	34.2	39.6
Return on total assets (%)	14.3	12.6	11.2	11.1	11.7
Net tangible assets per share (¢)	225.2	228.0	229.4	234.5	138.1
Productivity data					
Average staff strength (number)	4,869	4,877	4,716	4,480	4,332
Sales per employee (\$)	229,679	223,944	221,397	230,811	221,406
Profit after tax per employee (\$)	38,699	36,149	32,990	35,790	34,866
Employment costs	403,974	376,390	343,194	364,635	340,373
Employment costs per \$ of turnover (\$)	0.36	0.34	0.33	0.35	0.35
Economic value added	137,838	149,843	118,054	110,371	110,108
Economic value added spread (%)	20.4	22.7	17.9	17.4	16.2
Economic value added per employee (\$)	28,309	30,724	25,033	24,636	25,417
Value added	679,190	666,943	616,612	632,692	606,448
Value added per employee (\$)	139,493	136,753	130,749	141,226	139,993
Value added per \$ of employment costs (\$)	1.68	1.77	1.80	1.74	1.78
Value added per \$ of gross fixed assets (\$)	1.16	1.24	1.14	1.24	1.32
Value added per \$ of turnover (\$)	0.61	0.61	0.59	0.61	0.63

Sectoral Financial Review – Electronics

STATEMENT OF PROFIT AND LOSS

	2004 \$'000	2003 \$'000
Turnover	636,681	621,100
Cost of sales	(494,803)	(479,151)
Gross profit	141,878	141,949
Other operating income	1,877	106
Distribution and selling expenses	(28,044)	(25,397)
Administrative expenses	(33,098)	(32,728)
Other operating expenses	(18,634)	(23,844)
Profit from operations	63,979	60,086
Other income, net	1,506	1,879
Financial expenses	(113)	(48)
	65,372	61,917
Share of results of associated companies and joint ventures	345	(269)
Amortisation of goodwill on acquisition of associated companies	–	(258)
Profit before taxation	65,717	61,390
Taxation	(14,215)	(15,137)
Profit after taxation	51,502	46,253
Minority interests	1,301	1,765
Net profit for the year	52,803	48,018

Sectoral Financial Review – Electronics

BALANCE SHEET

	2004 \$'000	2003 \$'000
Share capital and reserves	108,095	107,882
Minority interests	5,505	5,081
	113,600	112,963
Fixed assets	32,179	25,162
Associated companies and joint ventures	40,301	10,213
Long-term investments	37,178	22,120
Intangible assets	2,850	7,988
Long-term receivables	18,722	9,280
Deferred tax assets	10,740	10,064
Current assets		
Stocks and work-in-progress	188,840	189,751
Debtors, deposits and prepayments	190,825	197,738
Loan receivables, current	47	72
Amounts under fund management	–	10,000
Bank balances and other liquid funds	58,052	110,195
	437,764	507,756
Current liabilities		
Advance payments from customers, current	37,855	63,632
Creditors and accruals	278,558	267,218
Provisions	27,386	35,579
Progress billings in excess of work-in-progress	37,213	17,829
Provision for taxation	28,755	27,715
Bank overdrafts (secured)	356	421
	410,123	412,394
Net current assets	27,641	95,362
Non-current liabilities		
Advance payments from customers, non-current	55,187	66,212
Deferred income	259	373
Deferred tax liabilities	313	309
Provision for staff retirement benefits	252	290
Hire purchase creditors	–	42
	56,011	67,226
	113,600	112,963

Sectoral Financial Review – Electronics

STATEMENT OF CASH FLOWS

	2004 \$'000	2003 \$'000
Net cash used in operating activities	(4,178)	(36,297)
Net cash used in investing activities	(53,583)	(19,942)
Proceeds from sale of fixed assets	134	25
Dividend from an associated company	714	119
Dividends from investments	1,589	1,516
Proceeds from sale of investment	–	116
Proceeds from maturity of amounts under fund management	10,948	–
Purchase of fixed assets	(16,012)	(7,426)
Purchase of investments	(16,322)	(7,304)
Investment in associated companies	(28,595)	(6,598)
Acquisition of a subsidiary	–	(390)
Dilution of interest in subsidiaries	(116)	–
Loans to an investee company	(5,682)	–
Loan to an associated company	(241)	–
Net cash used in financing activities	(48,410)	(45,598)
Capital contribution from minority shareholders of subsidiaries	4,732	50
Dividends paid to shareholder	(52,800)	(45,600)
Dividend paid to minority shareholders of a subsidiary	(229)	–
Interest paid	(113)	(48)
Net decrease in cash and cash equivalents	(106,171)	(101,837)
Cash and cash equivalents at beginning of year	207,851	308,793
Exchange difference on cash and cash equivalents at beginning of year	(280)	895
Cash and cash equivalents at end of year	101,400	207,851

Sectoral Financial Review – Electronics

VALUE ADDED STATEMENT

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Value added from:					
Revenue earned	636,681	621,100	579,376	498,477	423,533
Bought in materials and services	(396,458)	(389,430)	(351,621)	(295,208)	(247,801)
Gross value added	240,223	231,670	227,755	203,269	175,732
Income from investments and interest	1,953	84	4,288	8,253	8,409
Exchange gain/(loss)	(263)	385	(76)	998	782
Other operating income/(expenses)	209	22	–	–	–
Other non-operating income/(expenses)	1,484	1,494	1,398	(6,551)	1,974
Share of results of associated companies and joint ventures	345	(269)	(840)	(840)	(220)
Amortisation of goodwill on acquisition of associated companies	–	(258)	(73)	(27)	–
Total value added	243,951	233,128	232,452	205,102	186,677
Distribution of value added					
To employees in wages, salaries and benefits	166,610	161,920	167,955	145,699	134,482
To government in income and other taxes	14,821	15,686	15,363	15,763	16,632
To providers of capital on:					
• Interest paid on borrowings	113	48	5	5	7
• Dividends to shareholder	52,800	45,600	40,260	24,157	19,040
	234,344	223,254	223,583	185,624	170,161
Balance retained in/(applied from) business					
Depreciation	8,750	7,884	8,332	7,242	5,329
Retained profits	(2,886)	969	(2,497)	3,466	2,067
	5,864	8,853	5,835	10,708	7,396
Non-production cost and income					
Bad debts	2,053	552	(1,178)	(481)	(71)
Income from investments and interest	1,953	84	4,288	8,253	8,409
Exchange gain/(loss)	(263)	385	(76)	998	782
	3,743	1,021	3,034	8,770	9,120
Total distribution	243,951	233,128	232,452	205,102	186,677

Sectoral Financial Review – Electronics

FINANCIAL HIGHLIGHTS

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Turnover	636,681	621,100	579,376	498,477	423,533
Profit before tax	65,717	61,390	56,699	52,151	46,591
Profit after tax (before extraordinary items)	52,803	48,018	42,800	34,499	30,580
Shareholders' funds	108,095	107,882	105,121	102,936	78,746
Total assets	579,734	592,583	697,544	691,397	592,884
Net tangible assets	103,297	99,894	99,968	102,144	78,746
Earnings per share (¢)	50.27	45.71	40.74	32.84	29.11
Return on turnover (%)	8.1	7.4	7.2	6.9	7.2
Return on equity (%)	48.8	44.5	40.7	33.5	38.8
Return on total assets (%)	9.1	8.1	6.1	5.0	5.2
Net tangible assets per share (¢)	98.3	95.1	95.2	97.2	75.0
Productivity data					
Average staff strength (number)	2,649	2,662	2,586	2,310	2,030
Sales per employee (\$)	240,348	233,321	224,043	215,791	208,637
Profit after tax per employee (\$)	19,933	18,038	16,551	14,935	15,064
Employment costs	166,634	161,965	167,976	145,747	134,135
Employment costs per \$ of turnover (\$)	0.26	0.26	0.29	0.29	0.32
Economic value added	45,892	39,299	20,157	24,639	22,957
Economic value added spread (%)	29.5	27.0	13.8	18.6	18.8
Economic value added per employee (\$)	17,324	14,763	7,795	10,666	11,309
Value added	243,951	233,128	232,452	205,102	186,677
Value added per employee (\$)	92,092	87,576	89,889	88,789	91,959
Value added per \$ of employment costs (\$)	1.46	1.44	1.38	1.41	1.39
Value added per \$ of gross fixed assets (\$)	2.10	2.22	2.31	2.11	2.08
Value added per \$ of turnover (\$)	0.38	0.38	0.40	0.41	0.44

Sectoral Financial Review – Land Systems

STATEMENT OF PROFIT AND LOSS

	2004 \$'000	2003 \$'000
Turnover	594,300	717,711
Cost of sales	(444,957)	(501,517)
Gross profit	149,343	216,194
Other operating income	2,471	10,345
Distribution and selling expenses	(11,002)	(21,863)
Administrative expenses	(56,182)	(79,554)
Other operating expenses	(35,935)	(46,017)
Profit from operations	48,695	79,105
Other income, net	3,439	5,412
Financial expenses	(85)	(29)
	52,049	84,488
Share of results of associated companies and joint ventures	20,576	13,547
Amortisation of goodwill on acquisition of associated companies	–	(1,577)
Profit before taxation	72,625	96,458
Taxation	(15,275)	(22,102)
Profit after taxation	57,350	74,356
Minority interests	1,790	2,182
Net profit for the year	59,140	76,538

Sectoral Financial Review – Land Systems

BALANCE SHEET

	2004 \$'000	2003 \$'000
Share capital and reserves	164,471	183,807
Minority interests	660	2,215
	165,131	186,022
Fixed assets	63,012	68,654
Associated companies and joint ventures	120,202	92,829
Long-term investments	1,744	4,613
Intangible assets	10,263	14,966
Loan receivables, non-current	–	2
Deferred tax assets	17,034	15,858
Current assets		
Stocks and work-in-progress	275,726	271,863
Debtors, deposits and prepayments	281,572	361,643
Loan receivables, current	58	119
Amounts under fund management	–	–
Bank balances and other liquid funds	113,887	183,799
	671,243	817,424
Current liabilities		
Advance payments from customers, current	117,337	156,074
Creditors and accruals	200,902	245,599
Provisions	59,550	66,121
Provision for taxation	36,555	35,278
Long-term loan, current	317	303
Short-term loans from minority shareholders of a subsidiary	1,192	915
	415,853	504,290
Net current assets	255,390	313,134
Non-current liabilities		
Advance payments from customers, non-current	297,064	317,934
Deferred income	1,107	1,167
Deferred tax liabilities	203	1,536
Loan from holding company	3,203	3,203
Due to related company (non-trade)	743	–
Long-term loan from minority shareholder of a subsidiary	194	194
	302,514	324,034
	165,131	186,022

Sectoral Financial Review – Land Systems

STATEMENT OF CASH FLOWS

	2004 \$'000	2003 \$'000
Net cash from operating activities	21,472	8,496
Net cash (used in)/from investing activities	(12,071)	15,329
Proceeds from sale and maturity of amounts under fund management	2	11,577
Proceeds from sale of fixed assets	214	3,146
Proceeds from sale of unquoted long-term investments	9	27
Dividends from unquoted long-term investments	358	414
Dividends from associated company	5,553	4,563
Purchase of fixed assets	(5,638)	(9,120)
Purchase of commercial and intellectual property rights	–	(3,688)
Proceeds from capital redemption of long-term investments	86	9,460
Loan to investee entity	–	(886)
Acquisition/additional investment of associated company and joint venture	(12,655)	(201)
Exchange difference on investing activities	–	37
Net cash used in financing activities	(77,835)	(104,111)
Interest paid	(85)	(29)
Proceeds from loans from minority shareholders	230	905
Repayment of long-term loan, current	–	(34)
Dividends paid to shareholder of the Company	(78,000)	(105,000)
Exchange difference on financing activities	20	47
Net decrease in cash and cash equivalents	(68,434)	(80,286)
Cash and cash equivalents at beginning of year	332,959	413,293
Exchange difference on cash and cash equivalents at beginning of year	(190)	(48)
Cash and cash equivalents at end of year	264,335	332,959

Sectoral Financial Review – Land Systems

VALUE ADDED STATEMENT

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Value added from:					
Revenue earned	594,300	717,711	711,160	607,465	528,241
Bought in materials and services	(423,482)	(487,411)	(443,416)	(391,896)	(331,921)
Gross value added	170,818	230,300	267,744	215,569	196,320
Income from investments and interest	2,068	9,911	11,166	30,625	30,220
Exchange gain/(loss)	(796)	(806)	(1,568)	3,776	(201)
Other non-operating income	4,638	6,652	3,385	4,200	3,255
Share of results of associated companies and joint ventures	20,576	11,970	3,123	7,141	6,179
Total value added	197,304	258,027	283,850	261,311	235,773
Distribution of value added					
To employees in wages, salaries and benefits	116,115	135,401	169,147	156,582	128,354
To government in income and other taxes	16,294	23,401	(2,243)	(135)	21,333
To providers of capital on:					
• Interest paid on borrowings	85	29	110	144	374
• Dividends to shareholder	78,000	105,000	40,000	50,500	32,000
	210,494	263,831	207,014	207,091	182,061
Balance retained in/(applied from) business					
Depreciation	10,594	15,560	17,603	18,155	21,707
Retained profits	(21,194)	(35,588)	53,702	14,472	2,825
	(10,600)	(20,028)	71,305	32,627	24,532
Non-production cost and income					
Bad debts	(3,862)	5,119	(4,067)	(12,808)	(839)
Income from investments and interest	2,068	9,911	11,166	30,625	30,220
Exchange gain/(loss)	(796)	(806)	(1,568)	3,776	(201)
	(2,590)	14,224	5,531	21,593	29,180
Total distribution	197,304	258,027	283,850	261,311	235,773

Sectoral Financial Review – Land Systems

FINANCIAL HIGHLIGHTS

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Turnover	594,300	717,711	711,160	607,465	528,241
Profit before tax	72,625	96,458	96,877	97,108	84,650
Profit after tax (before extraordinary items)	59,140	76,538	100,602	100,223	64,948
Shareholders' funds	164,471	183,807	213,373	152,969	95,075
Total assets	883,498	1,014,346	1,169,273	1,357,664	1,513,789
Net tangible assets	149,890	168,841	198,040	152,760	95,075
Return on turnover (%)	9.7	10.4	13.9	16.6	12.3
Earnings per share (¢)	49.05	63.48	83.44	83.13	53.87
Return on equity (%)	36.0	41.6	47.1	65.5	68.3
Return on total assets (%)	6.5	7.3	8.5	7.4	4.3
Net tangible assets per share (¢)	124.3	140.0	164.3	126.7	78.9
Productivity data					
Average staff strength (number)	2,389	2,483	2,738	2,858	2,679
Sales per employee (\$)	248,765	289,050	259,737	212,549	197,178
Profit after tax per employee (\$)	24,755	30,825	36,743	35,068	24,243
Employment costs	116,040	135,417	169,111	156,550	128,372
Employment costs per \$ of turnover (\$)	0.20	0.19	0.24	0.26	0.24
Economic value added	35,918	62,799	81,320	25,721	41,755
Economic value added spread (%)	11.7	18.2	29.4	8.9	17.6
Economic value added per employee (\$)	15,035	25,292	29,701	9,000	15,586
Value added	197,304	258,027	283,850	261,311	235,773
Value added per employee (\$)	82,589	103,917	103,671	91,431	88,008
Value added per \$ of employment costs (\$)	1.70	1.91	1.68	1.67	1.84
Value added per \$ of gross fixed assets (\$)	0.66	0.84	0.91	0.84	0.76
Value added per \$ of turnover (\$)	0.33	0.36	0.40	0.43	0.45

Sectoral Financial Review – Marine

STATEMENT OF PROFIT AND LOSS

	2004 \$'000	2003 \$'000
Turnover	484,364	387,323
Cost of sales	(399,153)	(342,332)
Gross profit	85,211	44,991
Other operating income	11,102	16,593
Distribution and selling expenses	(6,260)	(3,186)
Administrative expenses	(17,416)	(18,315)
Other operating expenses	(4,087)	(6,102)
Profit from operations	68,550	33,981
Other income, net	2,763	2,375
Financial expenses	(1,253)	(1,184)
Profit before taxation	70,060	35,172
Taxation	(16,045)	(4,364)
Net profit for the year	54,015	30,808

Sectoral Financial Review – Marine

BALANCE SHEET

	2004 \$'000	2003 \$'000
Share capital and reserves	107,779	109,316
Fixed assets	113,353	138,692
Associated companies and joint ventures	6,664	6,987
Long-term investments	332	923
Loan receivables, non-current	81	110
Deferred tax assets	12,079	10,620
Current assets		
Stocks and work-in-progress	57,901	43,166
Debtors, deposits and prepayments	357,313	265,681
Loan receivables, current	44	78
Other assets	17,202	20,325
Amounts under fund management	50,000	50,000
Bank balances and other liquid funds	49,587	57,690
	532,047	436,940
Current liabilities		
Advance payments from customers, current	120,531	116,957
Creditors and accruals	201,970	158,517
Provisions	32,714	24,050
Progress billings in excess of work-in-progress	56,422	46,479
Provision for taxation	32,176	21,997
Lease obligations, current	64	63
	443,877	368,063
Net current assets	88,170	68,877
Non-current liabilities		
Loans from a related company	108,588	116,814
Lease obligations, non-current	12	79
Accrued staff benefits	4,300	–
	112,900	116,893
	107,779	109,316

Sectoral Financial Review – Marine

STATEMENT OF CASH FLOWS

	2004 \$'000	2003 \$'000
Net cash from operating activities	73,055	40,188
Net cash from investing activities	7,836	46,790
Dividends from investments	356	416
Investment in a joint venture	–	(256)
Proceeds from capital redemption of long-term investments	2,125	2,194
Proceeds from liquidation of a joint venture	–	30
Proceeds from sale and maturity of investments	3,104	52,132
Proceeds from sale of fixed assets	235	–
Purchase of fixed assets	(2,952)	(9,100)
Refund of foreshore lease premium	2,808	–
Exchange difference on investing activities	2,160	1,374
Net cash used in financing activities	(64,678)	(15,346)
Dividends paid to shareholder of the Company	(55,133)	–
Interest paid	(1,253)	(1,184)
Repayment of lease obligations	(66)	(59)
Repayment of loans and borrowings	(4,968)	(12,183)
Exchange difference on financing activities	(3,258)	(1,920)
Net increase in cash and cash equivalents	16,213	71,632
Cash and cash equivalents at beginning of year	200,695	129,271
Exchange difference on cash and cash equivalents at beginning of year	(472)	(208)
Cash and cash equivalents at end of year	216,436	200,695

Sectoral Financial Review – Marine

VALUE ADDED STATEMENT

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Value added from:					
Revenue earned	484,364	387,323	281,231	335,770	359,112
Bought in materials and services	(298,043)	(249,406)	(190,567)	(228,273)	(246,900)
Gross value added	186,321	137,917	90,664	107,497	112,212
Income from investments and interest	7,944	14,520	18,023	17,818	4,039
Exchange gain/(loss)	(231)	47	4	27	(29)
Other non-operating income	6,152	4,401	3,324	993	1,384
Share of results of associated companies and joint ventures	–	–	–	(3,351)	(1,915)
Total value added	200,186	156,885	112,015	122,984	115,691
Distribution of value added					
To employees in wages, salaries and benefits	103,798	97,909	54,676	44,666	42,916
To government in income and other taxes	18,506	6,595	13,079	18,028	21,029
To providers of capital on:					
• Interest paid on borrowings	1,253	1,184	556	–	10
• Dividends to shareholder	55,133	–	70,000	32,999	54,968
	178,690	105,688	138,311	95,693	118,923
Balance retained in/(applied from) business					
Depreciation	22,241	22,811	13,338	13,751	12,142
Retained profits	(8,831)	16,241	(58,826)	(5,241)	(15,148)
	13,410	39,052	(45,488)	8,510	(3,006)
Non-production cost and income					
Bad debts	373	(2,422)	1,165	936	(4,236)
Income from investments and interest	7,944	14,520	18,023	17,818	4,039
Exchange gain/(loss)	(231)	47	4	27	(29)
	8,086	12,145	19,192	18,781	(226)
Total distribution	200,186	156,885	112,015	122,984	115,691

Sectoral Financial Review – Marine

FINANCIAL HIGHLIGHTS

	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000	2000 \$'000
Turnover	484,364	387,323	281,231	335,770	359,112
Profit before tax	70,060	35,172	41,132	65,631	63,935
Profit after tax (before extraordinary items)	54,015	30,808	29,201	45,671	43,830
Shareholders' funds	107,779	109,316	78,808	119,617	93,174
Total assets	664,556	594,272	530,419	509,388	479,205
Net tangible assets	107,779	109,316	78,808	119,617	93,174
Earnings per share (¢)	27.62	15.75	14.93	23.35	22.41
Return on turnover (%)	11.2	8.0	10.4	13.6	12.2
Return on equity (%)	50.1	28.2	37.1	38.2	47.0
Return on total assets (%)	8.1	5.2	5.5	9.0	9.1
Net tangible assets per share (¢)	55.1	55.9	40.3	61.2	47.6
Productivity data					
Average staff strength (number)	1,514	1,490	1,168	934	951
Sales per employee (\$)	319,923	259,948	240,780	359,497	377,615
Profit after tax per employee (\$)	35,677	20,677	25,001	48,898	46,088
Employment costs	103,964	98,028	54,809	44,836	43,077
Employment costs per \$ of turnover (\$)	0.21	0.25	0.19	0.13	0.12
Economic value added	32,775	10,363	5,056	28,897	38,747
Economic value added spread (%)	11.8	3.9	2.4	16.5	25.0
Economic value added per employee (\$)	21,648	6,955	4,329	30,939	40,743
Value added	200,186	156,885	112,015	122,984	115,691
Value added per employee (\$)	132,223	105,292	95,903	131,675	121,652
Value added per \$ of employment costs (\$)	1.93	1.60	2.04	2.74	2.69
Value added per \$ of gross fixed assets (\$)	0.70	0.54	0.39	0.68	0.67
Value added per \$ of turnover (\$)	0.41	0.41	0.40	0.37	0.32