

## Balance Sheets

as at 31 December 2005

(Currency - Singapore dollars)

	Note	Group		Company	
		2005 \$'000	2004 \$'000 (Restated)	2005 \$'000	2004 \$'000 (Restated)
<b>Share capital and reserves</b>					
Share capital	3	291,450	289,217	291,450	289,217
Share premium	4	117,197	76,602	117,197	76,602
Capital reserve	5	115,948	115,948	–	–
Other reserves	6	52,957	(1,676)	1,974	526
Unappropriated profit	7	915,246	878,318	396,815	358,900
		1,492,798	1,358,409	807,436	725,245
Minority interests		49,058	37,936	–	–
		1,541,856	1,396,345	807,436	725,245
<b>Fixed assets</b>					
Subsidiaries	8	475,197	415,490	741	452
Associated companies and joint ventures	9	–	–	406,692	326,091
Investments	10	281,963	267,992	50	50
Intangible assets	11	101,347	48,433	–	–
Long-term receivables	12	360,205	56,204	–	–
Deferred tax assets	13	15,329	19,394	–	–
	14	95,349	84,772	–	–
<b>Current assets</b>					
Stocks and work-in-progress	15	812,186	663,592	–	–
Debtors, deposits and prepayments	16	1,806,731	1,660,244	397,663	255,720
Long-term receivables, current	13	698	555	1	3
Other assets	17	–	17,202	–	–
Amounts under fund management	18	311,062	250,000	–	–
Bank balances and other liquid funds	19	306,328	558,249	47,406	182,717
		3,237,005	3,149,842	445,070	438,440
<b>Current liabilities</b>					
Advance payments from customers, current		460,623	394,083	–	–
Creditors and accruals	23	1,142,937	1,061,551	38,023	32,622
Provisions	24	177,064	170,329	–	–
Progress billings in excess of work-in-progress	15	291,304	241,802	–	–
Provision for taxation		208,764	200,248	6,904	7,005
Short-term bank loans (unsecured)	25	323,594	128,798	–	–
Lease obligations, current	26	2,391	1,760	–	–
Long-term bank loans, current	30	9,430	864	–	–
Other loans, current	31	3,512	1,509	–	–
Bank overdrafts		731	356	–	–
		2,620,350	2,201,300	44,927	39,627
<b>Net current assets</b>		616,655	948,542	400,143	398,813
<b>Non-current liabilities</b>					
Advance payments from customers, non-current		377,918	411,262	–	–
Deferred income	28	2,303	2,055	–	–
Deferred tax liabilities	29	7,751	4,654	190	161
Lease obligations, non-current	26	12,201	13,000	–	–
Long-term bank loans, non-current	30	1,138	13,317	–	–
Other loans, non-current	31	2,878	194	–	–
		1,541,856	1,396,345	807,436	725,245

The accompanying notes are an integral part of the financial statements.

# Statement of Profit and Loss

for the year ended 31 December 2005

(Currency - Singapore dollars)

	Note	2005 \$'000	Group 2004 \$'000 (Restated)
<b>Turnover</b>	32	<b>3,337,895</b>	2,948,127
Cost of sales		(2,621,679)	(2,294,341)
<b>Gross profit</b>		<b>716,216</b>	653,786
Other operating income	33	54,847	46,447
Distribution and selling expenses		(54,399)	(60,326)
Administrative expenses		(226,546)	(206,994)
Other operating expenses		(45,775)	(49,638)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	34	<b>444,343</b>	383,275
Other income, net	37	20,921	8,765
Financial expenses	38	(7,952)	(4,182)
		457,312	387,858
Share of results of associated companies and joint ventures		45,933	58,386
<b>Profit from continuing operations before taxation</b>		<b>503,245</b>	446,244
Taxation	39	(91,993)	(87,056)
<b>Profit from continuing operations after taxation</b>		<b>411,252</b>	359,188
<b>Attributable to:</b>			
Shareholders of the Company		396,308	354,198
Minority interests		14,944	4,990
		411,252	359,188
<b>Earnings per share (cents)</b>	41		
Basic		13.64	12.26
Diluted		13.54	12.23

The accompanying notes are an integral part of the financial statements.

## Statements of Changes in Equity

for the year ended 31 December 2005

(Currency - Singapore dollars)

	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Minority Interests \$'000	Total equity \$'000
<b>The Group</b>								
At 31.12.2003 as previously reported	288,603	67,557	115,948	931	851,488	1,324,527	39,630	1,364,157
Cumulative effects of adopting FRS 102	-	-	-	1,398	(1,398)	-	-	-
Cumulative effects of adopting FRS 103	-	-	-	-	650	650	-	650
At 1.1.2004 as restated	288,603	67,557	115,948	2,329	850,740	1,325,177	39,630	1,364,807
Foreign currency translation differences	-	-	-	(8,320)	-	(8,320)	(153)	(8,473)
Net income recognised directly in equity	-	-	-	(8,320)	-	(8,320)	(153)	(8,473)
Net profit for the year	-	-	-	-	354,198	354,198	4,990	359,188
Total recognised net income for the year	-	-	-	(8,320)	354,198	345,878	4,837	350,715
Issue of shares	614	9,045	-	-	-	9,659	-	9,659
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(8,999)	(8,999)
Capital contribution	-	-	-	-	-	-	5,201	5,201
Cost of share-based payment	-	-	-	4,187	-	4,187	-	4,187
Dividends (Note 40)	-	-	-	-	(326,492)	(326,492)	(2,733)	(329,225)
Transfer from unappropriated profit to statutory reserve	-	-	-	128	(128)	-	-	-
At 31.12.2004	289,217	76,602	115,948	(1,676)	878,318	1,358,409	37,936	1,396,345
<b>The Group</b>								
At 31.12.2004 as previously reported	289,217	76,602	115,948	(7,261)	883,903	1,358,409	37,936	1,396,345
Cumulative effects of adopting FRS 102	-	-	-	5,585	(5,585)	-	-	-
At 31.12.2004 as restated	289,217	76,602	115,948	(1,676)	878,318	1,358,409	37,936	1,396,345
Net effects of adopting FRS 39	-	-	-	49,221	522	49,743	-	49,743
At 1.1.2005 as restated	289,217	76,602	115,948	47,545	878,840	1,408,152	37,936	1,446,088
Net fair value changes on available-for-sale financial assets	-	-	-	(1,931)	-	(1,931)	-	(1,931)
Net fair value changes on cash flow hedges	-	-	-	(2,550)	-	(2,550)	-	(2,550)
Foreign currency translation differences	-	-	-	1,223	-	1,223	(61)	1,162
Net income recognised directly in equity	-	-	-	(3,258)	-	(3,258)	(61)	(3,319)
Net profit for the year	-	-	-	-	396,308	396,308	14,590	410,898
Total recognised net income for the year	-	-	-	(3,258)	396,308	393,050	14,529	407,579
Issue of shares	2,233	40,595	-	-	-	42,828	-	42,828
Dilution of interests in a subsidiary	-	-	-	-	-	-	(3,440)	(3,440)
Acquisition of subsidiaries	-	-	-	-	-	-	1,016	1,016
Capital contribution	-	-	-	-	-	-	10,703	10,703
Cost of share-based payment	-	-	-	8,537	-	8,537	3	8,540
Dividends (Note 40)	-	-	-	-	(359,769)	(359,769)	(11,689)	(371,458)
Transfer from unappropriated profit to statutory reserve	-	-	-	133	(133)	-	-	-
At 31.12.2005	291,450	117,197	115,948	52,957	915,246	1,492,798	49,058	1,541,856

## Statements of Changes in Equity

for the year ended 31 December 2005

(Currency - Singapore dollars)

	Share capital \$'000	Share premium \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total \$'000
<b>The Company</b>					
At 31.12.2003 as previously reported	288,603	67,557	–	327,921	684,081
Cumulative effects of adopting FRS 102	–	–	130	(130)	–
At 1.1.2004 as restated	288,603	67,557	130	327,791	684,081
Net profit for the year	–	–	–	357,601	357,601
Total recognised net income for the year	–	–	–	357,601	357,601
Issue of shares	614	9,045	–	–	9,659
Cost of share-based payment	–	–	396	–	396
Dividends (Note 40)	–	–	–	(326,492)	(326,492)
At 31.12.2004	289,217	76,602	526	358,900	725,245
At 31.12.2004 as previously reported	289,217	76,602	–	359,426	725,245
Cumulative effects of adopting FRS 102	–	–	526	(526)	–
At 31.12.2004 as restated	289,217	76,602	526	358,900	725,245
Net effects of adopting FRS 39	–	–	–	14	14
At 1.1.2005 as restated	289,217	76,602	526	358,914	725,259
Net profit for the year	–	–	–	397,670	397,670
Total recognised net income for the year	–	–	–	397,670	397,670
Issue of shares	2,233	40,595	–	–	42,828
Cost of share-based payment	–	–	1,448	–	1,448
Dividends (Note 40)	–	–	–	(359,769)	(359,769)
At 31.12.2005	291,450	117,197	1,974	396,815	807,436

The accompanying notes are an integral part of the financial statements.

# Consolidated Statement of Cash Flows

for year ended 31 December 2005

(Currency - Singapore dollars)

	2005 \$'000	2004 \$'000 (Restated)
<b>Cash flows from operating activities</b>		
Profit before taxation including share of results of associated companies and joint ventures	503,245	446,244
Adjustments:		
Share of results of associated companies and joint ventures	(45,933)	(58,386)
Depreciation of fixed assets	79,092	77,691
Provision/(write-back of provision) for impairment in value of investments	3,905	(1,965)
Fixed assets written off	372	441
Impairment of fixed assets	12,213	796
Profit on disposal of fixed assets	(1,241)	(265)
Profit on disposal of investments	(13,199)	(1,151)
Loss on dilution of interest in subsidiaries	-	285
Profit on maturity of amounts under fund management	(6,947)	(13,094)
Provision for impairment of investment in associated companies and joint ventures	700	2,325
Write-back of provision for impairment of amounts under fund management	-	(570)
(Write-back of provision)/provision for loan to an investee company	(821)	822
Share-based payment expense	8,540	4,187
Changes in fair value of financial instruments and hedged items	(657)	-
Interest expense	7,952	4,182
Interest income	(30,610)	(19,326)
Dividends from investments	(3,012)	(2,372)
Impairment of goodwill	4,483	158
Amortisation of other intangible assets	1,522	802
Write-back of impairment of other intangible assets	(234)	-
<b>Operating profit before working capital changes</b>	<b>519,370</b>	<b>440,804</b>
(Increase)/decrease in working capital:		
Stocks and work-in-progress	(82,942)	(22,673)
Progress billings in excess of work-in-progress	49,502	122,361
Assets held for disposal	17,374	3,154
Trade debtors	(123,228)	(74,234)
Advance payments to suppliers	(5,181)	7,884
Other debtors, deposits and prepayments	(24,263)	(5,544)
Holding company and related corporations balances	2,430	3,532
Associated companies	(5,537)	(243)
Joint ventures	(3,567)	(10,835)
Trade creditors	(4,648)	(78,630)
Advance payments from customers	10,624	(110,878)
Other creditors, accruals and provisions	3,095	(42,463)
Loans to staff and third parties, net of repayments	5,792	547
<b>Cash generated from operations</b>	<b>358,821</b>	<b>232,782</b>
Interest received	29,491	18,521
Income tax paid	(83,416)	(71,532)
Deferred income	243	(263)
Exchange difference on operating activities	(1,626)	(5,084)
<b>Net cash from operating activities</b>	<b>303,513</b>	<b>174,424</b>

# Consolidated Statement of Cash Flows

for year ended 31 December 2005

(Currency - Singapore dollars)

	2005 \$'000	2004 \$'000 (Restated)
<b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	1,614	3,623
Dividends from associated companies	45,262	31,956
Dividends from investments	3,012	2,372
Proceeds from sale and maturity of investments	15,714	35,717
Proceeds from convertible loan/promissory note redemption	4,872	–
Purchase of fixed assets	(117,535)	(83,907)
Purchase of investments	(73,695)	(69,969)
Proceeds from capital redemption of investments	238	2,211
Loan to an investee company	(1,136)	(6,540)
Additional investment/acquisition of associated companies and joint ventures	(12,293)	(50,250)
Acquisition of other intangible assets	(10)	(8)
Acquisition of subsidiaries	(298,471)	–
Acquisition of additional interest in subsidiaries	–	(8,361)
Dilution of interest in subsidiaries	(963)	(116)
Loans to associated companies and joint ventures	(185)	(241)
Exchange difference on investing activities	(1,542)	8,753
<b>Net cash used in investing activities</b>	<b>(435,118)</b>	<b>(134,760)</b>
<b>Cash flows from financing activities</b>		
Capital contribution from minority shareholders of subsidiaries	2,231	5,201
Proceeds from issue of shares	42,781	9,659
Loan from minority shareholders	1,549	230
Repayment of other loans	(79)	–
Repayment of lease obligations, net	(476)	(2,093)
Proceeds from bank loans, net	147,208	3,062
Dividend paid to shareholders of the Company	(359,769)	(326,492)
Dividend paid to minority shareholders of subsidiaries	(11,689)	(2,733)
Interest paid	(7,556)	(3,675)
Exchange difference on financing activities	1,762	(5,135)
<b>Net cash used in financing activities</b>	<b>(184,038)</b>	<b>(321,976)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(315,643)</b>	<b>(282,312)</b>
Cash and cash equivalents at beginning of year	1,515,661	1,801,892
Exchange difference on cash and cash equivalents at beginning of year	(1,770)	(3,919)
<b>Cash and cash equivalents at end of year (Note 43)</b>	<b>1,198,248</b>	<b>1,515,661</b>

## Consolidated Statement of Cash Flows

for year ended 31 December 2005

(Currency - Singapore dollars)

### Summary of Effect on Acquisition and Dilution of Interest in Subsidiaries:

In 2005, the fair value of the identifiable assets and liabilities of the subsidiaries acquired (as disclosed in Note 9(b)) and the effect thereof as at the date of acquisition were as follows :

	Recognised on acquisition \$'000	Carrying amount before combination \$'000
Fixed assets	23,405	23,405
Deferred tax assets	4,905	4,905
Intangible assets	1,076	1,076
Stocks and work-in-progress	62,041	62,041
Debtors, deposits and prepayment	62,188	62,188
Cash and cash equivalents	29,307	29,307
Other non-current assets	–	590
	<u>182,922</u>	<u>183,512</u>
Creditors and accruals	(106,192)	(106,192)
Provisions	(4,343)	(4,343)
Provision for taxation	(617)	(617)
Deferred tax liabilities	(2,791)	(2,791)
Other non-current liabilities	(45,948)	(45,948)
	<u>(159,891)</u>	<u>(159,891)</u>
Net identifiable assets	23,031	<u>23,621</u>
Goodwill arising on consolidation	305,763	
	<u>328,794</u>	
Minority interests	(1,016)	
Total purchase consideration	<u>327,778</u>	
<b>Cash outflow on acquisition:</b>		
Cost of acquisition	(327,778)	
Net cash acquired with the subsidiaries	29,307	
Net cash outflow on acquisition	<u>(298,471)</u>	

Included in the carrying amount before combination are the assets and liabilities of iDirect, Inc. and Specialized Vehicle Corporation. The purchase price allocation of these two subsidiaries to goodwill, intangible assets (excluding goodwill) and other assets is currently being assessed and is expected to be finalised within 12 months from the date of acquisition in Note 9(b).

From the dates of acquisitions, the acquired subsidiaries have contributed \$2.7 million to the net profit of the Group. If the acquisitions had taken place at the beginning of the year, the turnover and net profit of the Group would have been \$3,611 million and \$406.2 million respectively.

# Consolidated Statement of Cash Flows

for year ended 31 December 2005

(Currency - Singapore dollars)

## Summary of Effect on Acquisition and Dilution of Interest in Subsidiaries (continued):

The effect of dilution of interest in a subsidiary for the financial year ended 31 December 2005 is as follows:

	\$'000
Fixed assets	313
Current assets	5,842
Current liabilities	(98)
Net assets disposed	6,057
Minority interests	(3,440)
	2,617
Reclassified to associated company	(3,580)
Net cash outflow on dilution of interest in a subsidiary	(963)

*The accompanying notes are an integral part of the financial statements.*