

## Sectoral Financial Review – Aerospace

### Statement of Profit and Loss

	2005 \$'000	2004 \$'000 (Restated)
<b>Turnover</b>	<b>1,235,911</b>	1,118,309
Cost of sales	(962,407)	(865,813)
<b>Gross profit</b>	<b>273,504</b>	252,496
Other operating income	24,562	29,842
Distribution and selling expenses	946	(8,162)
Administrative expenses	(63,101)	(59,059)
Other operating expenses	(16,859)	(17,220)
<b>Profit from continuing operations before taxation, other (expenses)/income and financial expenses</b>	<b>219,052</b>	197,897
Other (expenses)/income, net	(860)	993
Financial expenses	(919)	(965)
	<b>217,273</b>	197,925
Share of results of associated companies and joint ventures	38,170	37,475
<b>Profit from continuing operations before taxation</b>	<b>255,443</b>	235,400
Taxation	(32,239)	(40,042)
<b>Profit from continuing operations after taxation</b>	<b>223,204</b>	195,358
<b>Attributable to:</b>		
Shareholders of the company	210,294	187,275
Minority interests	12,910	8,083
	<b>223,204</b>	195,358

## Sectoral Financial Review – Aerospace

### Balance Sheet

	2005 \$'000	2004 \$'000 (Restated)
<b>Share capital and reserves</b>	<b>463,025</b>	452,329
<b>Minority interests</b>	<b>34,958</b>	31,771
	<b>497,983</b>	484,100
<b>Fixed assets</b>	<b>244,620</b>	196,928
<b>Associated companies and joint ventures</b>	<b>100,530</b>	98,643
<b>Investments</b>	<b>32,153</b>	7,514
<b>Intangible assets</b>	<b>2,157</b>	2,004
<b>Loans receivable, non-current</b>	<b>417</b>	577
<b>Deferred tax assets</b>	<b>37,104</b>	31,218
<b>Current assets</b>		
Stocks and work-in-progress	163,561	124,218
Debtors, deposits and prepayments	485,382	554,113
Loans receivable, current	373	372
Amounts under fund management	259,680	200,000
Bank balances and other liquid funds	75,389	157,523
	<b>984,385</b>	1,036,226
<b>Current liabilities</b>		
Advance payments from customers, current	113,940	118,360
Creditors and accruals	460,825	442,172
Provisions	47,372	49,100
Progress billing in excess of work-in-progress	45,412	51,557
Provision for taxation	96,004	93,903
Short-term bank loans (unsecured)	2,845	3,083
Lease obligations, current	1,628	1,558
	<b>768,026</b>	759,733
<b>Net current assets</b>	<b>216,359</b>	276,493
<b>Non-current liabilities</b>		
Advance payments from customers, non-current	66,066	59,011
Deferred income	606	689
Deferred tax liabilities	4,554	3,977
Lease obligations, non-current	11,415	12,884
Loan from holding company	52,716	52,716
	<b>135,357</b>	129,277
	<b>497,983</b>	484,100

**Statement of Cash Flows**

	2005 \$'000	2004 \$'000 (Restated)
<b>Net cash from operating activities</b>	<b>183,811</b>	<b>83,769</b>
<b>Net cash used in investing activities</b>	<b>(110,741)</b>	<b>(84,312)</b>
Proceeds from sale of fixed assets	902	231
Dividends from associated companies	36,260	25,689
Dividends from investments	187	69
Proceeds from sale and maturity of investments	5,709	7,153
Proceeds from maturity and withdrawal of amount under fund management	6,947	8,228
Acquisition of amounts under fund management	(50,000)	(53,304)
Purchase of fixed assets	(86,973)	(56,944)
Purchase of investments	(20,051)	(4)
Acquisition of additional interest in subsidiaries	-	(8,361)
Acquisition of an associated company	(3,588)	(8,950)
Exchange difference on investment activities	(134)	1,881
<b>Net cash used in financing activities</b>	<b>(275,214)</b>	<b>(186,725)</b>
Capital contribution from minority shareholders of a subsidiary	880	469
Loans to related corporations	(48,090)	-
Repayment of lease obligations	(1,505)	(1,461)
Dividends paid to shareholders	(215,321)	(183,719)
Dividends paid to minority shareholders of subsidiaries	(10,614)	(2,504)
Interest paid	(908)	(979)
Proceeds of short-term loan	-	1,943
Exchange difference on financing activities	344	(474)
<b>Net decrease in cash and cash equivalents</b>	<b>(202,144)</b>	<b>(187,268)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>493,120</b>	<b>682,610</b>
<b>Exchange difference on cash and cash equivalents at beginning of year</b>	<b>173</b>	<b>(2,222)</b>
<b>Cash and cash equivalents at end of year</b>	<b>291,149</b>	<b>493,120</b>

## Sectoral Financial Review – Aerospace

### Value Added Statement

	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
<b>Value added from:</b>					
Revenue earned	1,235,911	1,118,309	1,092,173	1,044,110	1,034,033
Bought in materials and services	(567,862)	(507,429)	(473,460)	(485,544)	(466,313)
	<b>668,049</b>	610,880	618,713	558,566	567,720
Income from investments and interest	22,767	23,370	7,599	11,435	26,284
Exchange gain/(loss)	(864)	(770)	(906)	(2,606)	4,000
Other non-operating income	1,799	8,235	7,490	9,884	2,626
Share of results of associated companies and joint ventures	38,170	37,475	34,047	39,333	32,062
<b>Total value added</b>	<b>729,921</b>	679,190	666,943	616,612	632,692
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	437,014	404,562	375,946	342,724	364,065
To government in income and other taxes	35,294	42,609	46,611	54,807	56,083
To providers of capital on:					
• Interest paid on borrowings	919	965	972	2,307	3,056
• Dividends to shareholder	215,321	183,719	174,912	156,774	126,105
	<b>688,548</b>	631,855	598,441	556,612	549,309
<b>Balance retained in/(applied from) business</b>					
Depreciation	39,092	34,117	39,604	38,734	35,337
Impairment of assets	(431)	852	1,112	1,882	2,105
Retained profits	(14,020)	(10,961)	(759)	(5,116)	15,359
	<b>24,641</b>	24,008	39,957	35,500	52,801
<b>Non-production cost and income</b>					
Bad debts	(5,171)	727	21,852	15,671	298
Income from investments and interest	22,767	23,370	7,599	11,435	26,284
Exchange gain/(loss)	(864)	(770)	(906)	(2,606)	4,000
	<b>16,732</b>	23,327	28,545	24,500	30,582
<b>Total distribution</b>	<b>729,921</b>	679,190	666,943	616,612	632,692

## Sectoral Financial Review – Aerospace

### Financial Highlights

	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Turnover	1,235,911	1,118,309	1,092,173	1,044,110	1,034,033
Profit before tax	255,443	235,400	225,189	212,993	225,682
Profit after tax (before extraordinary items)	210,294	187,275	176,297	155,580	160,338
Shareholders' funds	463,025	452,329	456,130	458,962	469,006
Total assets	1,401,366	1,373,110	1,431,936	1,434,821	1,474,808
Net tangible assets	460,868	450,325	456,074	458,870	469,006
Return on turnover (%)	18.1	17.5	16.6	15.4	15.9
Earnings per share (¢)	105.15	93.64	88.15	77.79	80.17
Return on equity (%)	45.4	41.4	38.7	33.9	34.2
Return on total assets (%)	15.9	14.2	12.6	11.2	11.1
Net tangible assets per share (¢)	230.4	225.2	228.0	229.4	234.5
<b>Productivity data</b>					
Average staff strength (number)	5,057	4,869	4,877	4,716	4,480
Sales per employee (\$)	244,396	229,679	223,944	221,397	230,811
Profit after tax per employee (\$)	41,585	38,463	36,149	32,990	35,790
Employment costs	438,163	405,125	376,390	343,194	364,635
Employment costs per \$ of turnover (\$)	0.35	0.36	0.34	0.33	0.35
Economic Value Added	175,200	136,694	149,843	118,054	110,371
Economic Value Added spread (%)	25.8	20.3	22.7	17.9	17.4
Economic Value Added per employee (\$)	34,645	28,074	30,724	25,033	24,636
Value added	729,921	679,190	666,943	616,612	632,692
Value added per employee (\$)	144,339	139,493	136,753	130,749	141,226
Value added per \$ of employment costs (\$)	1.67	1.68	1.77	1.80	1.74
Value added per \$ of gross fixed assets (\$)	1.09	1.16	1.24	1.14	1.24
Value added per \$ of turnover (\$)	0.59	0.61	0.61	0.59	0.61

## Sectoral Financial Review – Electronics

### Statement of Profit and Loss

	2005 \$'000	2004 \$'000 (Restated)
<b>Turnover</b>	<b>712,223</b>	636,681
Cost of sales	(553,354)	(494,803)
<b>Gross profit</b>	<b>158,869</b>	141,878
Other operating income	5,522	1,877
Distribution and selling expenses	(28,592)	(28,044)
Administrative expenses	(40,986)	(34,309)
Other operating expenses	(16,908)	(18,634)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	<b>77,905</b>	62,768
Other income, net	1,210	1,506
Financial expenses	(1,495)	(113)
	<b>77,620</b>	64,161
Share of results of associated companies and joint ventures	(1,598)	345
<b>Profit from continuing operations before taxation</b>	<b>76,022</b>	64,506
Taxation	(16,110)	(14,215)
<b>Profit from continuing operations after taxation</b>	<b>59,912</b>	50,291
<b>Attributable to:</b>		
Shareholders of the company	58,008	51,592
Minority interests	1,904	(1,301)
	<b>59,912</b>	50,291

## Sectoral Financial Review – Electronics

### Balance Sheet

	2005 \$'000	2004 \$'000 (Restated)
<b>Share capital and reserves</b>	137,282	108,095
<b>Minority interests</b>	3,743	5,505
	141,025	113,600
<b>Fixed assets</b>	35,754	32,179
<b>Associated companies and joint ventures</b>	63,727	40,301
<b>Investments</b>	45,663	37,178
<b>Intangible assets</b>	259,507	2,850
<b>Long-term receivables</b>	14,285	18,722
<b>Deferred tax assets</b>	13,248	10,740
<b>Current assets</b>		
Stocks and work-in-progress	234,838	178,096
Debtors, deposits and prepayments	343,278	190,825
Loans receivable, current	54	47
Bank balances and other liquid funds	47,172	58,052
	625,342	427,020
<b>Current liabilities</b>		
Advance payments from customers, current	81,819	37,855
Creditors and accruals	219,681	171,456
Provisions	25,683	27,386
Progress billings in excess of work-in-progress	230,961	133,823
Provision for taxation	24,270	28,755
Short-term bank loans (unsecured)	5,355	-
Lease obligations, current	45	-
Bank overdrafts	731	356
	588,545	399,631
<b>Net current assets</b>	36,797	27,389
<b>Non-current liabilities</b>		
Advance payments from customers, non-current	47,367	55,187
Loan from a related corporation	279,791	-
Deferred income	142	259
Deferred rent	508	-
Deferred tax liabilities	2	313
Lease obligations, non-current	146	-
	327,956	55,759
	141,025	113,600

## Sectoral Financial Review – Electronics

### Statement of Cash Flows

	2005 \$'000	2004 \$'000 (Restated)
<b>Net cash from/(used in) operating activities</b>	<b>3,042</b>	(4,178)
<b>Net cash used in investing activities</b>	<b>(269,921)</b>	(53,583)
Proceeds from sale of fixed assets	9	134
Dividends from associated companies	732	714
Dividends from investments	1,999	1,589
Proceeds from sale of investments	1,813	-
Proceeds from maturity of amounts under fund management	-	10,948
Proceed from convertible loan/promissory note redemption	4,872	-
Proceed from capital redemption of associated company	238	-
Purchase of fixed assets	(7,125)	(16,012)
Purchase of investments	(3,644)	(16,322)
Investment in associated companies	(6,654)	(28,595)
Acquisition of subsidiaries	(261,143)	-
Net cash on dilution of interest in subsidiaries	(963)	(116)
Loan to an investee company	(55)	(5,682)
Loan to an associated company	-	(241)
<b>Net cash from/(used in) financing activities</b>	<b>273,106</b>	(48,410)
Capital contribution from minority shareholders of subsidiaries	133	4,732
Repayment of lease obligation	(9)	-
Proceeds from inter-company loans	327,437	-
Proceeds from short-term bank loans	5,355	-
Dividends paid to shareholder	(58,300)	(52,800)
Dividend paid to minority shareholders of a subsidiary	(1,075)	(229)
Interest paid	(435)	(113)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,227</b>	(106,171)
Cash and cash equivalents at beginning of year	101,400	207,851
Exchange difference on cash and cash equivalents at beginning of year	(818)	(280)
<b>Cash and cash equivalents at end of year</b>	<b>106,809</b>	101,400

**Value Added Statement**

	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
<b>Value added from:</b>					
Revenue earned	712,223	636,681	621,100	579,376	498,477
Bought in materials and services	(443,918)	(396,458)	(389,430)	(351,621)	(295,208)
	<b>268,305</b>	<b>240,223</b>	<b>231,670</b>	<b>227,755</b>	<b>203,269</b>
Income from investments and interest	5,660	1,953	84	4,288	8,253
Exchange gain/(loss)	321	(263)	385	(76)	998
Other operating income/(expenses)	(138)	209	22	-	-
Other non-operating income/(expenses)	889	1,484	1,494	1,398	(6,551)
Share of results of associated companies and joint ventures	(1,598)	345	(269)	(840)	(840)
Amortisation of goodwill on acquisition of associated companies	-	-	(258)	(73)	(27)
<b>Total value added</b>	<b>273,439</b>	<b>243,951</b>	<b>233,128</b>	<b>232,452</b>	<b>205,102</b>
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	187,600	167,821	161,920	167,955	145,699
To government in income and other taxes	16,731	14,821	15,686	15,363	15,763
To providers of capital on:					
• Interest paid on borrowings	1,495	113	48	5	5
• Dividends to shareholder	58,300	52,800	45,600	40,260	24,157
	<b>264,126</b>	<b>235,555</b>	<b>223,254</b>	<b>223,583</b>	<b>185,624</b>
<b>Balance retained in/(applied from) business</b>					
Depreciation	8,781	8,750	7,884	8,332	7,242
Retained profits	(4,059)	(4,097)	969	(2,497)	3,466
	<b>4,722</b>	<b>4,653</b>	<b>8,853</b>	<b>5,835</b>	<b>10,708</b>
<b>Non-production cost and income</b>					
Bad debts	(1,390)	2,053	552	(1,178)	(481)
Income from investments and interest	5,660	1,953	84	4,288	8,253
Exchange gain/(loss)	321	(263)	385	(76)	998
	<b>4,591</b>	<b>3,743</b>	<b>1,021</b>	<b>3,034</b>	<b>8,770</b>
<b>Total distribution</b>	<b>273,439</b>	<b>243,951</b>	<b>233,128</b>	<b>232,452</b>	<b>205,102</b>

## Sectoral Financial Review – Electronics

### Financial Highlights

	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Turnover	<b>712,223</b>	636,681	621,100	579,376	498,477
Profit before tax	<b>76,022</b>	64,506	61,390	56,699	52,151
Profit after tax (before extraordinary items)	<b>58,008</b>	51,592	48,018	42,800	34,499
Shareholders' funds	<b>137,282</b>	108,095	107,882	105,121	102,936
Total assets	<b>1,057,526</b>	568,990	592,583	697,544	691,397
Net tangible assets	<b>(134,489)</b>	103,297	99,894	99,968	102,144
Earnings per share (¢)	<b>55.22</b>	49.11	45.71	40.74	32.84
Return on turnover (%)	<b>8.4</b>	7.9	7.4	7.2	6.9
Return on equity (%)	<b>42.3</b>	47.7	44.5	40.7	33.5
Return on total assets (%)	<b>5.5</b>	9.1	8.1	6.1	5.0
Net tangible assets per share (¢)	<b>(128.0)</b>	98.3	95.1	95.2	97.2
<b>Productivity data</b>					
Average staff strength (number)	<b>2,828</b>	2,649	2,662	2,586	2,310
Sales per employee (\$)	<b>251,847</b>	240,348	233,321	224,043	215,791
Profit after tax per employee (\$)	<b>20,512</b>	19,476	18,038	16,551	14,935
Employment costs	<b>187,664</b>	167,845	161,965	167,976	145,747
Employment costs per \$ of turnover (\$)	<b>0.26</b>	0.26	0.26	0.29	0.29
Economic Value Added	<b>47,378</b>	44,681	39,299	20,157	24,639
Economic Value Added spread (%)	<b>25.6</b>	28.7	27.0	13.8	18.6
Economic Value Added per employee (\$)	<b>16,753</b>	16,867	14,763	7,795	10,666
Value added	<b>273,439</b>	243,951	233,128	232,452	205,102
Value added per employee (\$)	<b>96,690</b>	92,092	87,576	89,889	88,789
Value added per \$ of employment costs (\$)	<b>1.46</b>	1.45	1.44	1.38	1.41
Value added per \$ of gross fixed assets (\$)	<b>2.00</b>	2.10	2.22	2.31	2.11
Value added per \$ of turnover (\$)	<b>0.38</b>	0.38	0.38	0.40	0.41

## Sectoral Financial Review – Land Systems

### Statement of Profit and Loss

	2005 \$'000	2004 \$'000 (Restated)
<b>Turnover</b>	<b>604,647</b>	594,300
Cost of sales	(465,261)	(444,957)
<b>Gross profit</b>	<b>139,386</b>	149,343
Other operating income	11,051	2,471
Distribution and selling expenses	(13,861)	(11,002)
Administrative expenses	(56,051)	(57,258)
Other operating expenses	(30,361)	(35,935)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	<b>50,164</b>	47,619
Other income, net	5,828	3,439
Financial expenses	(702)	(85)
	<b>55,290</b>	50,973
Share of results of associated companies and joint ventures	9,720	20,576
<b>Profit from continuing operations before taxation</b>	<b>65,010</b>	71,549
Taxation	(16,093)	(15,275)
<b>Profit from continuing operations after taxation</b>	<b>48,917</b>	56,274
<b>Attributable to:</b>		
Shareholders of the company	48,997	58,066
Minority interests	(80)	(1,792)
	<b>48,917</b>	56,274

## Sectoral Financial Review – Land Systems

### Balance Sheet

	2005 \$'000	2004 \$'000 (Restated)
<b>Share capital and reserves</b>	<b>173,597</b>	164,471
<b>Minority interests</b>	<b>9,834</b>	660
	<b>183,431</b>	165,131
<b>Fixed assets</b>	<b>82,706</b>	63,012
<b>Associated companies and joint ventures</b>	<b>115,883</b>	120,202
<b>Long-term investments</b>	<b>19,450</b>	1,744
<b>Intangible assets</b>	<b>54,221</b>	10,263
<b>Loans receivable, non-current</b>	<b>573</b>	-
<b>Deferred tax assets</b>	<b>16,187</b>	17,034
<b>Current assets</b>		
Stocks and work-in-progress	298,477	275,726
Debtors, deposits and prepayments	326,322	281,572
Loans receivable, current	63	58
Bank balances and other liquid funds	90,157	113,887
	<b>715,019</b>	671,243
<b>Current liabilities</b>		
Advance payments from customers, current	138,266	117,337
Creditors and accruals	215,953	200,902
Provisions	59,971	59,550
Provision for taxation	33,301	36,555
Forward currency contract	208	-
Long-term loans, current	925	317
Short-term loans from minority shareholders of a subsidiary	2,843	1,192
	<b>451,467</b>	415,853
<b>Net current assets</b>	<b>263,552</b>	255,390
<b>Non-current liabilities</b>		
Advance payments from customers, non-current	264,485	297,064
Loan from related corporations	97,395	3,203
Due to a joint venture	331	-
Long-term loans	2,684	-
Long-term loan from minority shareholder of a subsidiary	194	194
Deferred income	1,047	1,107
Deferred tax liabilities	3,005	203
Due to related corporations	-	743
	<b>369,141</b>	302,514
	<b>183,431</b>	165,131

**Statement of Cash Flows**

	2005 \$'000	2004 \$'000 (Restated)
<b>Net cash from operating activities</b>	<b>7,202</b>	<b>21,472</b>
<b>Net cash used in investing activities</b>	<b>(37,128)</b>	<b>(12,071)</b>
Proceeds from sale and maturity of amounts under fund management	-	2
Proceeds from sale of fixed assets	1,102	214
Proceeds from sale of unquoted long-term investments	-	9
Proceeds from capital redemption of long-term investments	-	86
Dividends from unquoted long-term investments	414	358
Dividends from associated company	8,270	5,553
Purchase of fixed assets	(7,808)	(5,638)
Investment in joint ventures/associated companies	(2,051)	(12,655)
Acquisition of subsidiary	(37,328)	-
Contribution from minority shareholders	895	-
Deconsolidation of subsidiary	(92)	-
Long-term loan to joint venture	(573)	-
Exchange difference on investing activities	43	-
<b>Net cash from/(used in) financing activities</b>	<b>1,583</b>	<b>(77,835)</b>
Interest paid	(102)	(85)
Proceeds from loans from minority shareholders	1,549	230
Proceeds from long-term loans from related corporations	91,658	-
Repayment of long-term bank loan	(30,861)	-
Repayment of short-term loan	(11,914)	-
Repayment of long-term loans	(43)	-
Dividends paid to shareholder of the Company	(48,316)	(78,000)
Exchange difference on financing activities	(388)	20
<b>Net decrease in cash and cash equivalents</b>	<b>(28,343)</b>	<b>(68,434)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>264,335</b>	<b>332,959</b>
<b>Exchange difference on cash and cash equivalents at beginning of year</b>	<b>(1,240)</b>	<b>(190)</b>
<b>Cash and cash equivalents at end of year</b>	<b>234,752</b>	<b>264,335</b>

## Sectoral Financial Review – Land Systems

### Value Added Statement

	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
<b>Value added from:</b>					
Revenue earned	604,647	594,300	717,711	711,160	607,465
Bought in materials and services	(428,872)	(423,482)	(487,411)	(443,416)	(391,896)
	<b>175,775</b>	<b>170,818</b>	<b>230,300</b>	<b>267,744</b>	<b>215,569</b>
Income from investments and interest	9,604	2,068	9,911	11,166	30,625
Exchange gain/(loss)	(329)	(796)	(806)	(1,568)	3,776
Other non-operating income	7,604	4,638	6,652	3,385	4,200
Share of results of associated companies and joint ventures	9,720	20,576	11,970	3,123	7,141
<b>Total value added</b>	<b>202,374</b>	<b>197,304</b>	<b>258,027</b>	<b>283,850</b>	<b>261,311</b>
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	124,881	117,191	135,401	169,147	156,582
To government in income and other taxes	17,668	16,294	23,401	(2,243)	(135)
To providers of capital on:					
• Interest paid on borrowings	702	85	29	110	144
• Dividends to shareholder	48,316	78,000	105,000	40,000	50,500
	<b>191,567</b>	<b>211,570</b>	<b>263,831</b>	<b>207,014</b>	<b>207,091</b>
<b>Balance retained in/(applied from) business</b>					
Depreciation	10,740	10,594	15,560	17,603	18,155
Retained profits	(3,780)	(22,270)	(35,588)	53,702	14,472
	<b>6,960</b>	<b>(11,676)</b>	<b>(20,028)</b>	<b>71,305</b>	<b>32,627</b>
<b>Non-production cost and income</b>					
Bad debts	(5,428)	(3,862)	5,119	(4,067)	(12,808)
Income from investments and interest	9,604	2,068	9,911	11,166	30,625
Exchange gain/(loss)	(329)	(796)	(806)	(1,568)	3,776
	<b>3,847</b>	<b>(2,590)</b>	<b>14,224</b>	<b>5,531</b>	<b>21,593</b>
<b>Total distribution</b>	<b>202,374</b>	<b>197,304</b>	<b>258,027</b>	<b>283,850</b>	<b>261,311</b>

## Sectoral Financial Review – Land Systems

### Financial Highlights

	<b>2005</b>	2004	2003	2002	2001
	<b>\$'000</b>	\$'000	\$'000	\$'000	\$'000
Turnover	<b>604,647</b>	594,300	717,711	711,160	607,465
Profit before tax	<b>65,010</b>	71,549	96,458	96,877	97,108
Profit after tax (before extraordinary items)	<b>48,997</b>	58,066	76,538	100,602	100,223
Shareholders' funds	<b>173,597</b>	164,471	183,807	213,373	152,969
Total assets	<b>1,004,039</b>	883,498	1,014,346	1,169,273	1,357,664
Net tangible assets	<b>115,058</b>	149,890	168,841	198,040	152,760
Return on turnover (%)	<b>8.1</b>	9.5	10.4	13.9	16.6
Earnings per share (¢)	<b>40.64</b>	48.16	63.48	83.44	83.13
Return on equity (%)	<b>28.2</b>	35.3	41.6	47.1	65.5
Return on total assets (%)	<b>4.9</b>	6.4	7.3	8.5	7.4
Net tangible assets per share (¢)	<b>95.4</b>	124.3	140.0	164.3	126.7

### Productivity Data

Average staff strength (number)	<b>3,417</b>	2,389	2,483	2,738	2,858
Sales per employee (\$)	<b>176,953</b>	248,765	289,050	259,737	212,549
Profit after tax per employee (\$)	<b>14,339</b>	24,306	30,825	36,743	35,068
Employment costs	<b>125,030</b>	117,116	135,417	169,111	156,550
Employment costs per \$ of turnover (\$)	<b>0.21</b>	0.20	0.19	0.24	0.26
Economic Value Added	<b>34,087</b>	34,821	62,799	81,320	25,721
Economic Value Added spread (%)	<b>12.0</b>	11.3	18.2	29.4	8.9
Economic Value Added per employee (\$)	<b>9,976</b>	14,576	25,292	29,701	9,000
Value added	<b>202,374</b>	197,304	258,027	283,850	261,311
Value added per employee (\$)	<b>59,226</b>	82,589	103,917	103,671	91,431
Value added per \$ of employment costs (\$)	<b>1.62</b>	1.68	1.91	1.68	1.67
Value added per \$ of gross fixed assets (\$)	<b>0.62</b>	0.66	0.84	0.91	0.84
Value added per \$ of turnover (\$)	<b>0.33</b>	0.33	0.36	0.40	0.43

## Sectoral Financial Review – Marine

### Statement of Profit and Loss

	2005 \$'000	2004 \$'000 (Restated)
<b>Turnover</b>	<b>659,847</b>	484,364
Cost of sales	(551,530)	(399,342)
<b>Gross profit</b>	<b>108,317</b>	85,022
Other operating income	9,320	11,102
Distribution and selling expenses	(3,970)	(6,276)
Administrative expenses	(19,218)	(17,485)
Other operating expenses	(6,689)	(4,087)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	<b>87,760</b>	68,276
Other income, net	2,644	2,763
Financial expenses	(2,472)	(1,253)
<b>Profit from continuing operations before taxation</b>	<b>87,932</b>	69,786
Taxation	(17,665)	(16,045)
<b>Profit from continuing operations after taxation</b>	<b>70,267</b>	53,741
<b>Attributable to:</b>		
Shareholders of the company	70,267	53,741
Minority interests	-	-
	<b>70,267</b>	53,741

## Sectoral Financial Review – Marine

### Balance Sheet

	2005 \$'000	2004 \$'000 (Restated)
<b>Share capital and reserves</b>	<b>111,992</b>	<b>107,779</b>
<b>Fixed assets</b>	<b>100,697</b>	<b>113,353</b>
Associated companies and joint ventures	-	6,664
Long-term investments	2,402	2
Intangible assets	181	330
Loans receivable, non-current	54	81
Deferred tax assets	15,412	12,079
<b>Current assets</b>		
Stocks and work-in-progress	70,152	57,901
Debtors, deposits and prepayments	408,178	357,313
Loans receivable, current	180	44
Other assets	-	17,202
Amounts under fund management	51,382	50,000
Bank balances and other liquid funds	54,137	49,587
	<b>584,029</b>	<b>532,047</b>
<b>Current liabilities</b>		
Advance payments from customers, current	138,807	120,531
Creditors and accruals	250,007	201,970
Provisions	42,258	32,714
Progress billings in excess of work-in-progress	14,291	56,422
Provision for taxation	39,440	32,176
Lease obligations, current	12	64
	<b>484,815</b>	<b>443,877</b>
<b>Net current assets</b>	<b>99,214</b>	<b>88,170</b>
<b>Non-current liabilities</b>		
Loans from a related company	102,763	108,588
Lease obligations, non-current	-	12
Accrued staff benefits	3,205	4,300
	<b>105,968</b>	<b>112,900</b>
	<b>111,992</b>	<b>107,779</b>

**Value Added Statement**

	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
<b>Value added from:</b>					
Revenue earned	659,847	484,364	387,323	281,231	335,770
Bought in materials and services	(444,879)	(298,043)	(249,406)	(190,567)	(228,273)
	214,968	186,321	137,917	90,664	107,497
Income from investments and interest	6,998	7,944	14,520	18,023	17,818
Exchange gain/(loss)	(334)	(231)	47	4	27
Other non-operating income	5,300	6,152	4,401	3,324	993
Share of results of associated companies and joint ventures	-	-	-	-	(3,351)
<b>Total value added</b>	<b>226,932</b>	<b>200,186</b>	<b>156,885</b>	<b>112,015</b>	<b>122,984</b>
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	104,216	104,072	97,909	54,676	44,666
To government in income and other taxes	19,986	18,506	6,595	13,079	18,028
To providers of capital on:					
• Interest paid on borrowings	2,472	1,253	1,184	556	-
• Dividends to shareholder	70,249	55,133	-	70,000	32,999
	196,923	178,964	105,688	138,311	95,693
<b>Balance retained in/(applied from) business</b>					
Depreciation	18,974	22,241	22,811	13,338	13,751
Retained profits	5,913	(9,105)	16,241	(58,826)	(5,241)
	24,887	13,136	39,052	(45,488)	8,510
<b>Non-production cost and income</b>					
Bad debts	(1,542)	373	(2,422)	1,165	936
Income from investments and interest	6,998	7,944	14,520	18,023	17,818
Exchange gain/(loss)	(334)	(231)	47	4	27
	5,122	8,086	12,145	19,192	18,781
<b>Total distribution</b>	<b>226,932</b>	<b>200,186</b>	<b>156,885</b>	<b>112,015</b>	<b>122,984</b>

## Sectoral Financial Review – Marine

<b>Statement of Cash Flows</b>	2005 \$'000	2004 \$'000 (Restated)
<b>Net cash from operating activities</b>	<b>89,458</b>	<b>73,055</b>
<b>Net cash (used in)/from investing activities</b>	<b>(11,829)</b>	<b>7,836</b>
Dividends from investments	412	356
Proceeds from capital redemption of long-term investments	-	2,125
Proceeds from sale and maturity of investments	952	3,104
Proceeds from sale of fixed assets	20	235
Purchase of fixed assets	(12,678)	(2,952)
Refund of foreshore lease premium	-	2,808
Exchange difference on investing activities	(535)	2,160
<b>Net cash used in financing activities</b>	<b>(72,407)</b>	<b>(64,678)</b>
Dividends paid to shareholder of the Company	(70,249)	(55,133)
Interest paid	(2,472)	(1,253)
Repayment of lease obligations	(64)	(66)
Repayment of loans and borrowings, net	(837)	(4,968)
Repayment of loan by a joint venture	388	-
Exchange difference on financing activities	827	(3,258)
<b>Net increase in cash and cash equivalents</b>	<b>5,222</b>	<b>16,213</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>216,436</b>	<b>200,695</b>
<b>Exchange difference on cash and cash equivalents at beginning of year</b>	<b>5</b>	<b>(472)</b>
<b>Cash and cash equivalents at end of year</b>	<b>221,663</b>	<b>216,436</b>

## Sectoral Financial Review – Marine

<b>Financial Highlights</b>	<b>2005 \$'000</b>	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Turnover	<b>659,847</b>	484,364	387,323	281,231	335,770
Profit before tax	<b>87,932</b>	69,786	35,172	41,132	65,631
Profit after tax	<b>70,267</b>	53,741	30,808	29,201	45,671
Shareholders' funds	<b>111,992</b>	107,779	109,316	78,808	119,617
Total assets	<b>702,775</b>	664,556	594,272	530,419	509,388
Net tangible assets	<b>111,811</b>	107,449	109,316	78,808	119,617
Earnings per share (¢)	<b>35.93</b>	27.48	15.75	14.93	23.35
Return on turnover (%)	<b>10.6</b>	11.1	8.0	10.4	13.6
Return on equity (%)	<b>62.7</b>	49.9	28.2	37.1	38.2
Return on total assets (%)	<b>10.0</b>	8.1	5.2	5.5	9.0
Net tangible assets per share (¢)	<b>57.2</b>	54.9	55.9	40.3	61.2
<b>Productivity data</b>					
Average staff strength (number)	<b>1,416</b>	1,514	1,490	1,168	934
Sales per employee (\$)	<b>465,994</b>	319,923	259,948	240,780	359,497
Profit after tax per employee (\$)	<b>49,624</b>	35,496	20,677	25,001	48,898
Employment costs	<b>104,448</b>	104,238	98,028	54,809	44,836
Employment costs per \$ of turnover (\$)	<b>0.16</b>	0.22	0.25	0.19	0.13
Economic Value Added	<b>49,061</b>	32,501	10,363	5,056	28,897
Economic Value Added spread (%)	<b>18.0</b>	11.7	3.9	2.4	16.5
Economic Value Added per employee (\$)	<b>34,648</b>	21,467	6,955	4,329	30,939
Value added	<b>226,932</b>	200,186	156,885	112,015	122,984
Value added per employee (\$)	<b>160,263</b>	132,223	105,292	95,903	131,675
Value added per \$ of employment costs (\$)	<b>2.17</b>	1.92	1.60	2.04	2.74
Value added per \$ of gross fixed assets (\$)	<b>0.75</b>	0.70	0.54	0.39	0.68
Value added per \$ of turnover (\$)	<b>0.34</b>	0.41	0.41	0.40	0.37