

SECTORAL FINANCIAL REVIEW – AEROSPACE

STATEMENT OF PROFIT AND LOSS

	2006 \$'000	2005 \$'000
Turnover	1,675,493	1,235,911
Cost of sales	(1,287,577)	(962,407)
Gross profit	387,916	273,504
Other operating income	41,433	24,562
Distribution and selling expenses	5,489	946
Administrative expenses	(137,116)	(63,101)
Other operating expenses	(19,209)	(16,859)
Profit from continuing operations before taxation, other income and financial expenses	278,513	219,052
Other income/(expenses), net	1,546	(860)
Financial expenses	(11,962)	(919)
	268,097	217,273
Share of results of associated companies and joint ventures	37,183	38,170
Profit from continuing operations before taxation	305,280	255,443
Taxation	(43,621)	(32,239)
Profit from continuing operations after taxation	261,659	223,204
Attributable to:		
Shareholders of the company	255,036	210,294
Minority interests	6,623	12,910
	261,659	223,204

SECTORAL FINANCIAL REVIEW – AEROSPACE

BALANCE SHEET

	2006 \$'000	2005 \$'000
Share capital and reserves	417,680	463,025
Minority interests	115,574	34,958
	533,254	497,983
Property, plant and equipment	722,359	244,620
Associated companies and joint ventures	111,781	100,530
Investments	4,173	32,153
Intangible assets	16,204	2,157
Long-term receivables	275	417
Deferred tax assets	57,011	37,104
Current assets		
Stocks and work-in-progress	271,466	163,561
Debtors, deposits and prepayments	441,372	485,382
Long-term receivables, current	367	373
Amounts under fund management	170,700	259,680
Bank balances and other liquid funds	169,451	75,389
	1,053,356	984,385
Current liabilities		
Advance payments from customers, current	152,324	113,940
Creditors and accruals	642,160	460,825
Provisions	53,106	47,372
Progress billing in excess of work-in-progress	52,674	45,412
Provision for taxation	103,212	96,004
Short-term bank loans (unsecured)	24,223	2,845
Long-term bank loans, current	5,571	–
Lease obligations, current	1,567	1,628
	1,034,837	768,026
Net current assets	18,519	216,359
Non-current liabilities		
Advance payments from customers, non-current	63,936	66,066
Deferred income	478	606
Deferred tax liabilities	4,696	4,554
Lease obligations, non-current	9,019	11,415
Long-term bank loans, non-current	265,890	–
Loans from related corporation	53,049	52,716
	397,068	135,357
	533,254	497,983

SECTORAL FINANCIAL REVIEW – AEROSPACE

STATEMENT OF CASH FLOWS

	2006	2005
	\$'000	\$'000
Net cash from operating activities	291,335	183,811
Net cash used in investing activities	(136,545)	(110,741)
Proceeds from sale of property, plant and equipment	406	954
Dividends from associated companies	42,630	36,260
Dividends from investments	9,637	187
Proceeds from sale and maturity of investments	136,435	12,656
Purchase of investments	(155)	(70,051)
Purchase of property, plant and equipment	(158,373)	(86,973)
Acquisition of a subsidiary	(119,538)	–
Acquisition of additional interest in subsidiaries	(1,520)	–
Additional investment in an associated company	(27,647)	(3,588)
Exchange difference on investment activities	(18,420)	(186)
Net cash used in financing activities	(218,708)	(275,214)
Capital contribution from minority shareholders of a subsidiary	–	880
Loans from/(to) related corporations	92,270	(48,090)
Repayment of lease obligations	(1,477)	(1,505)
Dividends paid to shareholders	(299,699)	(215,321)
Dividends paid to minority shareholders of subsidiaries	(14,204)	(10,614)
Interest paid	(11,876)	(908)
Proceeds from short-term bank loans	3,243	–
Exchange difference on financing activities	13,035	344
Net decrease in cash and cash equivalents	(63,918)	(202,144)
Cash and cash equivalents at beginning of year	291,149	493,120
Exchange difference on cash and cash equivalents at beginning of year	(2,366)	173
Cash and cash equivalents at end of year	224,865	291,149

SECTORAL FINANCIAL REVIEW – AEROSPACE

VALUE ADDED STATEMENT

	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000
Value added from:					
Revenue earned	1,675,493	1,235,911	1,118,309	1,092,173	1,044,110
Bought in materials and services	(774,346)	(567,862)	(507,429)	(473,460)	(485,544)
	901,147	668,049	610,880	618,713	558,566
Income from investments and interest	29,789	22,767	23,370	7,599	11,435
Exchange gain/(loss)	935	(864)	(770)	(906)	(2,606)
Other non-operating income	12,255	1,799	8,235	7,490	9,884
Share of results of associated companies and joint ventures	37,183	38,170	37,475	34,047	39,333
Total value added	981,309	729,921	679,190	666,943	616,612
Distribution of total value added					
To employees in wages, salaries and benefits	588,048	437,014	404,562	375,946	342,724
To government in income and other taxes	47,123	35,294	42,609	46,611	54,807
To providers of capital on:					
• Interest paid on borrowings	11,962	919	965	972	2,307
• Dividends to shareholder	299,699	215,321	183,719	174,912	156,774
	946,832	688,548	631,855	598,441	556,612
Balance retained in/(applied from) business					
Depreciation	84,366	39,092	34,117	39,604	38,734
Impairment of assets	1,784	(431)	852	1,112	1,882
Retained profits	(68,764)	(14,020)	(10,961)	(759)	(5,116)
	17,386	24,641	24,008	39,957	35,500
Non-production cost and income					
Bad debts	(13,633)	(5,171)	727	21,852	15,671
Income from investments and interest	29,789	22,767	23,370	7,599	11,435
Exchange gain/(loss)	935	(864)	(770)	(906)	(2,606)
	17,091	16,732	23,327	28,545	24,500
Total distribution	981,309	729,921	679,190	666,943	616,612

SECTORAL FINANCIAL REVIEW – AEROSPACE

FINANCIAL HIGHLIGHTS

	2006	2005	2004	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	1,675,493	1,235,911	1,118,309	1,092,173	1,044,110
Profit before tax	305,280	255,443	235,400	225,189	212,993
Profit after tax (before extraordinary items)	255,036	210,294	187,275	176,297	155,580
Shareholders' funds	417,680	463,025	452,329	456,130	458,962
Total assets	1,965,159	1,401,366	1,373,110	1,431,936	1,434,821
Net tangible assets	401,476	460,868	450,325	456,074	458,870
Return on turnover (%)	15.6	18.1	17.5	16.6	15.4
Earnings per share (¢)	127.52	105.15	93.64	88.15	77.79
Return on equity (%)	54.2	40.8	37.1	34.6	30.4
Return on total assets (%)	13.3	15.9	14.2	12.6	11.2
Net tangible assets per share (¢)	200.7	230.4	225.2	228.0	229.4
Productivity data					
Average staff strength (number)	5,880	5,057	4,869	4,877	4,716
Sales per employee (\$)	284,948	244,396	229,679	223,944	221,397
Profit after tax per employee (\$)	43,373	41,585	38,463	36,149	32,990
Employment costs	589,440	438,163	405,125	376,390	343,194
Employment costs per \$ of turnover (\$)	0.35	0.35	0.36	0.34	0.33
Economic Value Added	194,390	175,200	136,694	149,843	118,054
Economic Value Added spread (%)	19.5	25.8	20.3	22.7	17.9
Economic Value Added per employee (\$)	33,060	34,645	28,074	30,724	25,033
Value added	981,309	729,921	679,190	666,943	616,612
Value added per employee (\$)	166,889	144,339	139,493	136,753	130,749
Value added per \$ of employment costs (\$)	1.66	1.67	1.68	1.77	1.80
Value added per \$ of gross property, plant and equipment (\$)	0.81	1.09	1.16	1.24	1.14
Value added per \$ of turnover (\$)	0.59	0.59	0.61	0.61	0.59

SECTORAL FINANCIAL REVIEW – ELECTRONICS

STATEMENT OF PROFIT AND LOSS

	2006 \$'000	2005 \$'000
Turnover	965,757	712,223
Cost of sales	(664,529)	(553,354)
Gross profit	301,228	158,869
Other operating income	17,674	5,522
Distribution and selling expenses	(69,034)	(28,592)
Administrative expenses	(103,265)	(40,986)
Other operating expenses	(37,847)	(16,908)
Profit from continuing operations before taxation, other income and financial expenses	108,756	77,905
Other income, net	99	1,210
Financial expenses	(8,879)	(1,495)
	99,976	77,620
Share of results of associated companies and joint ventures	4,674	(1,598)
Profit from continuing operations before taxation	104,650	76,022
Taxation	(26,515)	(16,110)
Profit from continuing operations after taxation	78,135	59,912
Attributable to:		
Shareholders of the company	76,318	58,008
Minority interests	1,817	1,904
	78,135	59,912

SECTORAL FINANCIAL REVIEW – ELECTRONICS

BALANCE SHEET

	2006 \$'000	2005 \$'000 (Restated)
Share capital and reserves	103,619	137,282
Minority interests	10,555	3,743
	114,174	141,025
Property, plant and equipment	39,365	35,754
Associated companies and joint ventures	61,573	63,727
Investments	8,299	45,663
Intangible assets	278,407	243,984
Long-term receivables	2,872	14,285
Deferred tax assets	25,487	28,771
Current assets		
Stocks and work-in-progress	313,867	234,838
Trade debtors	267,009	196,101
Due from related corporations	66,201	99,705
Debtors, deposits and prepayments	23,910	31,991
Advance payments to suppliers	21,642	15,481
Long-term receivables, current	43	54
Bank balances and other liquid funds	92,300	47,172
	784,972	625,342
Current liabilities		
Advance payments from customers, current	89,568	81,819
Creditors and accruals	336,773	219,681
Provisions	27,983	25,683
Progress billings in excess of work-in-progress	210,692	230,961
Provision for taxation	33,969	24,270
Short-term bank loans (unsecured)	19,868	5,355
Long-term bank loans, current	231	–
Lease obligations, current	51	45
Other loan, current	980	–
Bank overdrafts	800	731
	720,915	588,545
Net current assets	64,057	36,797
Non-current liabilities		
Advance payments from customers, non-current	60,490	47,367
Loans from a related corporation	298,325	279,791
Deferred income	76	142
Deferred rent	736	508
Deferred tax liabilities	5,351	2
Lease obligations, non-current	89	146
Long-term bank loans, non current	819	–
	365,886	327,956
	114,174	141,025

SECTORAL FINANCIAL REVIEW – ELECTRONICS

STATEMENT OF CASH FLOWS

	2006 \$'000	2005 \$'000
Net cash from operating activities	34,760	3,042
Net cash used in investing activities	(19,998)	(269,921)
Proceeds from sale of property, plant and equipment	262	9
Dividends from associated companies	2,025	732
Dividends from investments	378	1,999
Proceeds from sale of investments	29,264	1,813
Proceed from convertible loan/promissory note redemption	-	4,872
Proceed from capital redemption of an associated company	170	238
Purchase of property, plant and equipment	(12,006)	(7,125)
Purchase of investments/convertible loan	(725)	(3,644)
Investment in associated companies/joint venture	(6,611)	(6,654)
Acquisition of subsidiaries	(32,615)	(261,143)
Dilution of interest in subsidiary	-	(963)
Loan to an investee company	-	(55)
Loan to an associated company	(140)	-
Net cash from financing activities	19,242	273,106
Capital contribution from minority shareholders of a subsidiary	-	133
Repayment of lease obligations	(51)	(9)
Proceeds from inter-company loans, net of repayment	98,040	327,437
Proceeds from bank loans, net of repayment	2,591	5,355
Dividends paid to shareholder	(76,000)	(58,300)
Dividend paid to minority shareholders of a subsidiary	(889)	(1,075)
Interest paid	(4,449)	(435)
Net increase in cash and cash equivalents	34,004	6,227
Cash and cash equivalents at beginning of year	106,809	101,400
Exchange difference on cash and cash equivalents at beginning of year	(3,307)	(818)
Cash and cash equivalents at end of year	137,506	106,809

SECTORAL FINANCIAL REVIEW – ELECTRONICS

VALUE ADDED STATEMENT

	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000
Value added from:					
Revenue earned	965,757	712,223	636,681	621,100	579,376
Bought in materials and services	(580,970)	(443,918)	(396,458)	(389,430)	(351,621)
	384,787	268,305	240,223	231,670	227,755
Income from investments and interest	17,037	5,660	1,953	84	4,288
Exchange gain/(loss)	(726)	321	(263)	385	(76)
Other operating income/(expenses)	637	(138)	209	22	–
Other non-operating income	825	889	1,484	1,494	1,398
Share of results of associated companies and joint ventures	4,674	(1,598)	345	(269)	(840)
Amortisation of goodwill on acquisition of associated companies	–	–	–	(258)	(73)
Total value added	407,234	273,439	243,951	233,128	232,452
Distribution of total value added					
To employees in wages, salaries and benefits	270,816	187,600	167,821	161,920	167,955
To government in income and other taxes	27,170	16,731	14,821	15,686	15,363
To providers of capital on:					
• Interest paid on borrowings	8,879	1,495	113	48	5
• Dividends to shareholder	76,000	58,300	52,800	45,600	40,260
	382,865	264,126	235,555	223,254	223,583
Balance retained in/(applied from) business					
Depreciation	15,520	8,781	8,750	7,884	8,332
Retained profits	(12,481)	(4,059)	(4,097)	969	(2,497)
	3,039	4,722	4,653	8,853	5,835
Non-production cost and income					
Bad debts	5,019	(1,390)	2,053	552	(1,178)
Income from investments and interest	17,037	5,660	1,953	84	4,288
Exchange gain/(loss)	(726)	321	(263)	385	(76)
	21,330	4,591	3,743	1,021	3,034
Total distribution	407,234	273,439	243,951	233,128	232,452

SECTORAL FINANCIAL REVIEW – ELECTRONICS

FINANCIAL HIGHLIGHTS

	2006	2005	2004	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	965,757	712,223	636,681	621,100	579,376
Profit before tax	104,650	76,022	64,506	61,390	56,699
Profit after tax (before extraordinary items)	76,318	58,008	51,592	48,018	42,800
Shareholders' funds	103,619	137,282	108,095	107,882	105,121
Total assets	1,200,975	1,057,526	568,990	592,583	697,544
Net tangible assets	(182,493)	(118,966)	103,297	99,894	99,968
Return on turnover (%)	8.1	8.4	7.9	7.4	7.2
Earnings per share (¢)	72.65	55.22	49.11	45.71	40.74
Return on equity (%)	32.8	23.3	47.7	44.5	40.7
Return on total assets (%)	6.4	5.5	9.1	8.1	6.1
Net tangible assets per share (¢)	(173.7)	(113.3)	98.3	95.1	95.2
Productivity data					
Average staff strength (number)	3,256	2,828	2,649	2,662	2,586
Sales per employee (\$)	296,608	251,847	240,348	233,321	224,043
Profit after tax per employee (\$)	23,439	20,512	19,476	18,038	16,551
Employment costs	270,901	187,664	167,845	161,965	167,976
Employment costs per \$ of turnover (\$)	0.28	0.26	0.26	0.26	0.29
Economic Value Added	67,295	47,378	44,681	39,299	20,157
Economic Value Added Spread (%)	12.5	25.6	28.7	27.0	13.8
Economic Value Added per employee (\$)	20,668	16,753	16,867	14,763	7,795
Value added	407,234	273,439	243,951	233,128	232,452
Value added per employee (\$)	125,072	96,690	92,092	87,576	89,889
Value added per \$ of employment costs (\$)	1.50	1.46	1.45	1.44	1.38
Value added per \$ of gross property, plant and equipment (\$)	3.00	2.00	2.10	2.22	2.31
Value added per \$ of turnover (\$)	0.42	0.38	0.38	0.38	0.40

SECTORAL FINANCIAL REVIEW – LAND SYSTEMS

STATEMENT OF PROFIT AND LOSS

	2006 \$'000	2005 \$'000
Turnover	1,013,899	604,647
Cost of sales	(808,188)	(465,261)
Gross profit	205,711	139,386
Other operating income	8,573	11,051
Distribution and selling expenses	(39,459)	(13,861)
Administrative expenses	(71,544)	(56,051)
Other operating expenses	(36,897)	(30,361)
Profit from continuing operations before taxation, other income and financial expenses	66,384	50,164
Other income, net	5,896	5,828
Financial expenses	(6,579)	(702)
	65,701	55,290
Share of results of associated companies and joint ventures	4,270	9,720
Profit from continuing operations before taxation	69,971	65,010
Taxation	(16,360)	(16,093)
Profit from continuing operations after taxation	53,611	48,917
Attributable to:		
Shareholders of the company	51,926	48,997
Minority interests	1,685	(80)
	53,611	48,917

SECTORAL FINANCIAL REVIEW – LAND SYSTEMS

BALANCE SHEET

	2006 \$'000	2005 \$'000
Share capital and reserves	110,954	173,597
Minority interests	15,825	9,834
	126,779	183,431
Property, plant and equipment	87,098	82,706
Associated companies and joint ventures	114,667	115,883
Investments	14,048	19,450
Intangible assets	222,185	54,221
Long-term receivables	58,042	573
Deferred tax assets	17,085	16,187
Current assets		
Stocks and work-in-progress	376,814	298,477
Trade debtors	158,285	137,038
Debtors, deposits and prepayments	48,886	37,530
Long-term receivables, current	9	63
Bank balances and other liquid funds	86,475	90,157
Due from related corporations	35,807	151,754
Forward currency contracts	90	–
	706,366	715,019
Current liabilities		
Advance payments from customers, current	223,916	138,266
Creditors and accruals	310,786	215,953
Provisions	54,140	59,971
Provision for taxation	34,450	33,301
Forward currency contract	24	208
Long-term loans, current	237	925
Short-term bank loan	2,458	–
Bank overdrafts	937	–
Short-term loans from minority shareholders of a subsidiary	–	2,843
	626,948	451,467
Net current assets	79,418	263,552
Non-current liabilities		
Advance payments from customers, non-current	153,338	264,485
Forward currency contract	39	–
Loans from related corporation	302,310	97,395
Due to a joint venture	–	331
Long-term loans	2,229	2,684
Long-term loan from minority shareholder of a subsidiary	194	194
Deferred income	2,811	1,047
Deferred tax liabilities	4,843	3,005
	465,764	369,141
	126,779	183,431

SECTORAL FINANCIAL REVIEW – LAND SYSTEMS

STATEMENT OF CASH FLOWS

	2006 \$'000	2005 \$'000
Net cash from operating activities	12,872	7,202
Net cash used in investing activities	(220,486)	(37,128)
Proceeds from disposal of property, plant and equipment	919	1,102
Distribution from unquoted long-term investment	250	–
Dividends from unquoted long-term investments	138	414
Dividends from associated companies	3,606	8,270
Purchase of property, plant and equipment	(12,116)	(7,808)
Purchase of commercial and intellectual property rights	(517)	–
Investment in an associated company and a joint venture	–	(2,051)
Acquisition of additional interest in a subsidiary	(150)	–
Acquisition of a subsidiary	(211,381)	(37,328)
Contribution from minority shareholders	–	895
Deconsolidation of a subsidiary	–	(92)
Long-term loan to a joint venture	(1,235)	(573)
Exchange difference on investing activities	–	43
Net cash from financing activities	94,036	1,583
Interest paid	(3,752)	(102)
Proceeds from loans from minority shareholders	43	1,549
Proceeds from long-term loans from related corporation	211,798	91,658
Proceeds from short-term loans from related corporation	21,631	–
Proceeds from short-term bank loan	2,510	–
Proceeds from short-term loan from immediate holding company	20,000	–
Long-term loan to immediate holding company	(54,000)	–
Repayment of long-term bank loan	–	(30,861)
Repayment of short-term loan	–	(11,914)
Repayment of long-term loans	(923)	(43)
Dividends paid to shareholder of the Company	(103,173)	(48,316)
Dividends paid to minority shareholders of a subsidiary	(98)	–
Exchange difference on financing activities	–	(388)
Net decrease in cash and cash equivalents	(113,578)	(28,343)
Cash and cash equivalents at beginning of year	234,752	264,335
Exchange difference on cash and cash equivalents at beginning of year	(5,256)	(1,240)
Cash and cash equivalents at end of year	115,918	234,752

SECTORAL FINANCIAL REVIEW – LAND SYSTEMS

VALUE ADDED STATEMENT

	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000
Value added from:					
Revenue earned	1,013,899	604,647	594,300	717,711	711,160
Bought in materials and services	(707,581)	(428,872)	(423,482)	(487,411)	(443,416)
	306,318	175,775	170,818	230,300	267,744
Income from investments and interest	8,340	9,604	2,068	9,911	11,166
Exchange gain/(loss)	(3,121)	(329)	(796)	(806)	(1,568)
Other non-operating income	9,250	7,604	4,638	6,652	3,385
Share of results of associated companies and joint ventures	4,270	9,720	20,576	11,970	3,123
Total value added	325,057	202,374	197,304	258,027	283,850
Distribution of total value added					
To employees in wages, salaries and benefits	224,622	124,881	117,191	135,401	169,147
To government in income and other taxes	18,378	17,668	16,294	23,401	(2,243)
To providers of capital on:					
• Interest paid on borrowings	6,579	702	85	29	110
• Dividends to shareholder	103,173	48,316	78,000	105,000	40,000
	352,752	191,567	211,570	263,831	207,014
Balance retained in/(applied from) business					
Depreciation	15,489	10,740	10,594	15,560	17,603
Retained profits	(47,860)	(3,780)	(22,270)	(35,588)	53,702
	(32,371)	6,960	(11,676)	(20,028)	71,305
Non-production cost and income					
Bad debts	(543)	(5,428)	(3,862)	5,119	(4,067)
Income from investments and interest	8,340	9,604	2,068	9,911	11,166
Exchange gain/(loss)	(3,121)	(329)	(796)	(806)	(1,568)
	4,676	3,847	(2,590)	14,224	5,531
Total distribution	325,057	202,374	197,304	258,027	283,850

SECTORAL FINANCIAL REVIEW – LAND SYSTEMS

FINANCIAL HIGHLIGHTS

	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000
Turnover	1,013,899	604,647	594,300	717,711	711,160
Profit before tax	69,971	65,010	71,549	96,458	96,877
Profit after tax (before extraordinary items)	51,926	48,997	58,066	76,538	100,602
Shareholders' funds	110,954	173,597	164,471	183,807	213,373
Total assets	1,219,491	1,004,039	883,498	1,014,346	1,169,273
Net tangible assets	(115,549)	115,058	149,890	168,841	198,040
Return on turnover (%)	5.3	8.1	9.5	10.4	13.9
Earnings per share (¢)	43.07	40.64	48.16	63.48	83.44
Return on equity (%)	20.2	22.9	34.9	41.3	47.1
Return on total assets (%)	4.4	4.9	6.4	7.3	8.5
Net tangible assets per share (¢)	(95.8)	95.4	124.3	140.0	164.3
Productivity data					
Average staff strength (number)	4,961	3,417	2,389	2,483	2,738
Sales per employee (\$)	204,374	176,953	248,765	289,050	259,737
Profit after tax per employee (\$)	10,467	14,339	24,306	30,825	36,743
Employment costs	224,828	125,030	117,116	135,417	169,111
Employment costs per \$ of turnover (\$)	0.22	0.21	0.20	0.19	0.24
Economic Value Added	32,994	34,087	34,821	62,799	81,320
Economic Value Added spread (%)	6.8	12.0	11.3	18.2	29.4
Economic Value Added per employee (\$)	6,651	9,976	14,576	25,292	29,701
Value added	325,057	202,374	197,304	258,027	283,850
Value added per employee (\$)	65,522	59,226	82,589	103,917	103,671
Value added per \$ of employment costs (\$)	1.45	1.62	1.68	1.91	1.68
Value added per \$ of gross property, plant and equipment (\$)	0.96	0.62	0.66	0.84	0.91
Value added per \$ of turnover (\$)	0.32	0.33	0.33	0.36	0.40

SECTORAL FINANCIAL REVIEW – MARINE

STATEMENT OF PROFIT AND LOSS

	2006 \$'000	2005 \$'000
Turnover	702,868	659,847
Cost of sales	(602,581)	(551,530)
Gross profit	100,287	108,317
Other operating income	13,851	9,320
Distribution and selling expenses	(5,532)	(3,970)
Administrative expenses	(20,067)	(19,218)
Other operating expenses	(6,341)	(6,689)
Profit from continuing operations before taxation, other income and financial expenses	82,198	87,760
Other income, net	481	2,644
Financial expenses	(3,519)	(2,472)
	79,160	87,932
Share of results of associated companies and joint ventures	340	–
Profit from continuing operations before taxation	79,500	87,932
Taxation	(11,677)	(17,665)
Profit from continuing operations after taxation	67,823	70,267
Attributable to:		
Shareholders of the company	67,823	70,267
Minority interests	–	–
	67,823	70,267

SECTORAL FINANCIAL REVIEW – MARINE

BALANCE SHEET

	2006 \$'000	2005 \$'000
Share capital and reserves	124,345	111,992
Property, plant and equipment	92,807	100,697
Associated companies and joint ventures	290	–
Investments	1,321	2,402
Intangible assets	171	181
Long-term receivables	198	54
Deferred tax assets	15,612	15,412
Current assets		
Stocks and work-in-progress	104,549	70,152
Trade debtors	89,214	116,566
Due from related corporations	132,134	173,834
Debtors, deposits and prepayments	9,191	24,530
Advance payments to suppliers	56,749	93,248
Long-term receivables, current	20	180
Amounts under fund management	57,473	51,382
Bank balances and other liquid funds	123,138	54,137
	572,468	584,029
Current liabilities		
Advance payments from customers, current	115,974	138,807
Creditors and accruals	228,251	250,007
Provisions	48,450	42,258
Progress billings in excess of work-in-progress	37,072	14,291
Provision for taxation	29,155	39,440
Lease obligations, current	–	12
	458,902	484,815
Net current assets	113,566	99,214
Non-current liabilities		
Loans from a related corporation	97,013	102,763
Accrued staff benefits	2,607	3,205
	99,620	105,968
	124,345	111,992

SECTORAL FINANCIAL REVIEW – MARINE

STATEMENT OF CASH FLOWS

	2006 \$'000	2005 \$'000
Net cash from operating activities	101,610	89,458
Net cash used in investing activities	(7,635)	(11,829)
Dividends from investments	138	412
Proceeds from sale and maturity of investments	596	952
Proceeds from sale of property, plant and equipment	122	20
Purchase of property, plant and equipment	(11,845)	(12,678)
Exchange difference on investing activities	3,354	(535)
Net cash used in financing activities	(68,261)	(72,407)
Dividends paid to shareholder of the Company	(60,079)	(70,249)
Interest paid	(3,519)	(2,472)
Proceeds from/(repayment of) loans from related corporation, net	1,648	(837)
Repayment of lease obligations	(12)	(64)
Repayment of loan by a joint venture	-	388
Exchange difference on financing activities	(6,299)	827
Net increase in cash and cash equivalents	25,714	5,222
Cash and cash equivalents at beginning of year	221,663	216,436
Exchange difference on cash and cash equivalents at beginning of year	(463)	5
Cash and cash equivalents at end of year	246,914	221,663

SECTORAL FINANCIAL REVIEW – MARINE

VALUE ADDED STATEMENT

	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000
Value added from:					
Revenue earned	702,868	659,847	484,364	387,323	281,231
Bought in materials and services	(510,787)	(444,879)	(298,043)	(249,406)	(190,567)
	192,081	214,968	186,321	137,917	90,664
Income from investments and interest	9,856	6,998	7,944	14,520	18,023
Exchange (loss)/gain	(59)	(334)	(231)	47	4
Other non-operating income	4,535	5,300	6,152	4,401	3,324
Share of results of associated companies and joint ventures	340	–	–	–	–
Total value added	206,753	226,932	200,186	156,885	112,015
Distribution of total value added					
To employees in wages, salaries and benefits	105,791	104,216	104,072	97,909	54,676
To government in income and other taxes	13,432	19,986	18,506	6,595	13,079
To providers of capital on:					
• Interest paid on borrowings	3,519	2,472	1,253	1,184	556
• Dividends to shareholder	60,079	70,249	55,133	–	70,000
	182,821	196,923	178,964	105,688	138,311
Balance retained in/(applied from) business					
Depreciation	16,381	18,974	22,241	22,811	13,338
Retained profits	(2,043)	5,913	(9,105)	16,241	(58,826)
	14,338	24,887	13,136	39,052	(45,488)
Non-production cost and income					
Bad debts	(203)	(1,542)	373	(2,422)	1,165
Income from investments and interest	9,856	6,998	7,944	14,520	18,023
Exchange (loss)/gain	(59)	(334)	(231)	47	4
	9,594	5,122	8,086	12,145	19,192
Total distribution	206,753	226,932	200,186	156,885	112,015

SECTORAL FINANCIAL REVIEW – MARINE

FINANCIAL HIGHLIGHTS

	2006	2005	2004	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	702,868	659,847	484,364	387,323	281,231
Profit before tax	79,500	87,932	69,786	35,172	41,132
Profit after tax	67,823	70,267	53,741	30,808	29,201
Shareholders' funds	124,345	111,992	107,779	109,316	78,808
Total assets	682,867	702,775	664,556	594,272	530,419
Net tangible assets	124,174	111,811	107,449	109,316	78,808
Return on turnover (%)	9.6	10.6	11.1	8.0	10.4
Earnings per share (¢)	34.68	35.93	27.48	15.75	14.93
Return on equity (%)	45.0	50.8	40.1	22.7	27.8
Return on total assets (%)	9.9	10.0	8.1	5.2	5.5
Net tangible assets per share (¢)	63.5	57.2	54.9	55.9	40.3
Productivity Data					
Average staff strength (number)	1,404	1,416	1,514	1,490	1,168
Sales per employee (\$)	500,618	465,994	319,923	259,948	240,780
Profit after tax per employee (\$)	48,307	49,624	35,496	20,677	25,001
Employment costs	106,086	104,448	104,238	98,028	54,809
Employment costs per \$ of turnover (\$)	0.15	0.16	0.22	0.25	0.19
Economic Value Added	49,903	49,061	32,501	10,363	5,056
Economic Value Added spread (%)	18.7	18.0	11.7	3.9	2.4
Economic Value Added per employee (\$)	35,543	34,648	21,467	6,955	4,329
Value added	206,753	226,932	200,186	156,885	112,015
Value added per employee (\$)	147,260	160,263	132,223	105,292	95,903
Value added per \$ of employment costs (\$)	1.95	2.17	1.92	1.60	2.04
Value added per \$ of gross property, plant and equipment (\$)	0.67	0.75	0.70	0.54	0.39
Value added per \$ of turnover (\$)	0.29	0.34	0.41	0.41	0.40