

balance sheets

as at 31 december 2007 (currency – singapore dollars)

	Note	2007 \$'000	Group 2006 \$'000 (Restated)	2007 \$'000	Company 2006 \$'000
Share capital and reserves					
Share capital	3	554,888	474,926	554,888	474,926
Capital reserve	4	115,948	115,948	–	–
Other reserves	5	5,419	13,842	28,246	11,917
Retained earnings	6	956,255	960,654	565,743	530,676
		1,632,510	1,565,370	1,148,877	1,017,519
Minority interests		146,700	121,903	–	–
		1,779,210	1,687,273	1,148,877	1,017,519
Property, plant and equipment	7	1,014,623	948,150	843	657
Subsidiaries	8	–	–	557,959	544,209
Associated companies and joint ventures	9	267,506	294,145	50	50
Investments	10	40,822	27,858	–	–
Intangible assets	11	629,981	572,273	–	–
Investment properties	12	18,379	16,959	–	–
Long-term receivables	13	3,898	5,203	–	–
Finance lease receivables	14	1,444	–	–	–
Derivative financial instruments	51	2,937	–	–	–
Deferred tax assets	15	112,380	132,768	–	–
Current assets					
Stocks and work-in-progress	16	1,228,125	1,102,618	–	–
Trade debtors	17	953,703	858,265	–	–
Due from related corporations	18	662,913	516,440	302,638	238,783
Advances and other debtors	19	294,221	242,894	313,088	199,172
Long-term receivables, current	13	499	476	–	–
Finance lease receivables, current	14	6,922	–	–	–
Short-term investment	20	338	–	–	–
Amounts under fund management	21	178,781	228,173	–	–
Bank balances and other liquid funds	22	625,837	631,561	84,764	145,655
		3,951,339	3,580,427	700,490	583,610
Current liabilities					
Advance payments from customers, current		606,526	582,381	–	–
Creditors and accruals	25	1,524,156	1,362,073	51,125	50,078
Provisions	26	191,571	185,232	–	–
Progress billings in excess of work-in-progress	16	368,757	328,609	–	–
Provision for taxation		201,324	213,931	4,968	6,644
Short-term bank loans	27	574,595	595,850	–	–
Lease obligations, current	28	1,675	2,137	–	–
Long-term bank loans, current	32	281,783	6,859	–	–
Other loans, current	33	234	1,217	–	–
Bank overdrafts		803	1,737	–	–
		3,751,424	3,280,026	56,093	56,722
Net current assets		199,915	300,401	644,397	526,888
Non-current liabilities					
Advance payments from customers, non-current		455,576	277,998	–	–
Deferred income	30	7,079	4,101	–	–
Deferred tax liabilities	31	40,208	46,324	372	285
Lease obligations, non-current	28	7,159	9,113	–	–
Long-term bank loans, non-current	32	583	270,525	–	–
Other loans, non-current	33	2,070	2,423	–	–
Due to a subsidiary	34	–	–	54,000	54,000
		1,779,210	1,687,273	1,148,877	1,017,519

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

statement of profit and loss

for the year ended 31 December 2007 (currency – singapore dollars)

	Note	2007 \$'000	Group 2006 \$'000
Turnover	35	5,050,982	4,485,758
Cost of sales		(3,922,708)	(3,453,961)
Gross profit		1,128,274	1,031,797
Other operating income	36	88,392	88,134
Distribution and selling expenses		(146,081)	(116,635)
Administrative expenses		(362,851)	(383,034)
Other operating expenses		(69,019)	(74,501)
Profit from continuing operations before taxation, other income and financial expenses	37	638,715	545,761
Other income, net	40	3,109	9,340
Financial expenses	41	(50,356)	(42,252)
		591,468	512,849
Share of results of associated companies and joint ventures		46,647	51,490
Profit from continuing operations before taxation		638,115	564,339
Taxation	42	(114,606)	(108,895)
Profit from continuing operations after taxation		523,509	455,444
Attributable to:			
Shareholders of the Company		503,503	445,127
Minority interests		20,006	10,317
		523,509	455,444
Earnings per share (cents)	44		
Basic		16.95	15.15
Diluted		16.91	15.00

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

statement of changes in equity

for the year ended 31 December 2007 (currency – singapore dollars)

	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Other reserves \$'000 (Restated)	Retained earnings \$'000	Total \$'000 (Restated)	Minority interests \$'000 (Restated)	Total equity \$'000 (Restated)
The Group								
At 1.1.2006	291,450	117,197	115,948	52,957	915,246	1,492,798	49,058	1,541,856
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	117,197	(117,197)	–	–	–	–	–	–
Net fair value changes on available-for-sale financial assets	–	–	–	(14,542)	–	(14,542)	–	(14,542)
Net fair value changes on cash flow hedges	–	–	–	(879)	–	(879)	–	(879)
Foreign currency translation differences	–	–	–	(33,371)	–	(33,371)	4,151	(29,220)
Net income recognised directly in equity	–	–	–	(48,792)	–	(48,792)	4,151	(44,641)
Net profit for the year	–	–	–	–	445,127	445,127	10,038	455,165
Total recognised net income for the year	–	–	–	(48,792)	445,127	396,335	14,189	410,524
Issue of shares	66,279	–	–	–	–	66,279	–	66,279
Acquisition of subsidiaries, as previously reported	–	–	–	–	–	–	89,616	89,616
Finalisation of purchase price allocation	–	–	–	–	–	–	(20,900)	(20,900)
Acquisition of subsidiaries, as restated	–	–	–	–	–	–	68,716	68,716
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	80	80
Capital contribution	–	–	–	–	–	–	4,971	4,971
Cost of share-based payment	–	–	–	9,431	–	9,431	80	9,511
Dividends (Note 43)	–	–	–	–	(399,473)	(399,473)	(15,191)	(414,664)
Revaluation surplus, as previously reported	–	–	–	81	–	81	35	116
Effect of adopting FRS 40	–	–	–	(81)	–	(81)	(35)	(116)
Revaluation surplus, as restated	–	–	–	–	–	–	–	–
Transfer from unappropriated profit to statutory reserve	–	–	–	246	(246)	–	–	–
At 31.12.2006	474,926	–	115,948	13,842	960,654	1,565,370	121,903	1,687,273

statement of changes in equity

for the year ended 31 December 2007 (currency – singapore dollars)

	Share capital \$'000	Capital reserve \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Minority interests \$'000	Total equity \$'000
The Group							
At 1.1.2007	474,926	115,948	13,842	960,654	1,565,370	121,903	1,687,273
Net fair value changes on available-for-sale financial assets	–	–	(4,978)	–	(4,978)	–	(4,978)
Net fair value changes on cash flow hedges	–	–	1,646	–	1,646	–	1,646
Foreign currency translation differences	–	–	(21,113)	–	(21,113)	6,579	(14,534)
Net income recognised directly in equity	–	–	(24,445)	–	(24,445)	6,579	(17,866)
Net profit for the year	–	–	–	503,503	503,503	19,451	522,954
Total recognised net income for the year	–	–	(24,445)	503,503	479,058	26,030	505,088
Issue of shares	79,962	–	–	–	79,962	–	79,962
Acquisition of subsidiaries	–	–	–	–	–	1,595	1,595
Acquisition of additional interest in a subsidiary	–	–	–	–	–	(313)	(313)
Capital contribution	–	–	–	–	–	19,220	19,220
Cost of share-based payment	–	–	15,949	–	15,949	136	16,085
Dilution of interest in a subsidiary	–	–	–	–	–	(84)	(84)
Disposal of a subsidiary	–	–	(321)	712	391	–	391
Dividends (Note 43)	–	–	–	(508,220)	(508,220)	(2,1787)	(530,007)
Transfer from unappropriated profit to statutory reserve	–	–	394	(394)	–	–	–
At 31.12.2007	554,888	115,948	5,419	956,255	1,632,510	146,700	1,779,210

	Share capital \$'000	Share premium \$'000	Share-based payment reserves \$'000	Retained earnings \$'000	Total \$'000
The Company					
At 1.1.2006	291,450	117,197	1,974	396,815	807,436
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	117,197	(117,197)	–	–	–
Net profit for the year	–	–	–	533,334	533,334
Total recognised net income for the year	–	–	–	533,334	533,334
Issue of shares	66,279	–	–	–	66,279
Cost of share-based payment	–	–	9,943	–	9,943
Dividends (Note 43)	–	–	–	(399,473)	(399,473)
At 31.12.2006	474,926	–	11,917	530,676	1,017,519
At 1.1.2007	474,926	–	11,917	530,676	1,017,519
Net profit for the year	–	–	–	543,287	543,287
Total recognised net income for the year	–	–	–	543,287	543,287
Issue of shares	79,962	–	–	–	79,962
Cost of share-based payment	–	–	16,329	–	16,329
Dividends (Note 43)	–	–	–	(508,220)	(508,220)
At 31.12.2007	554,888	–	28,246	565,743	1,148,877

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

consolidated statement of cash flows

for the year ended 31 December 2007 (currency – singapore dollars)

	2007 \$'000	2006 \$'000 (Restated)
Cash flows from operating activities		
Profit before taxation including share of results of associated companies and joint ventures	638,115	564,339
Adjustments:		
Share of results of associated companies and joint ventures	(46,647)	(51,490)
Depreciation charge	126,518	130,676
Impairment in value of investments	3,007	8,428
Impairment/(write-back of impairment) in value of associated companies	(4,400)	4,865
Property, plant and equipment written off	8,721	10,942
Impairment/(write-back of impairment) of property, plant and equipment	(105)	297
Gain on disposal of property, plant and equipment	(909)	(11)
Gain on dilution of interest in a subsidiary	(84)	–
Gain on dilution of interest in an associated company	–	(571)
(Gain)/loss on disposal of investments	4,037	(35,701)
Loss on disposal of a subsidiary	3,506	–
Gain on disposal of associated companies	(20,702)	–
Short-term loans from minority shareholders forgiven	–	(2,766)
Profit on maturity of amounts under fund management	(24,490)	(6,491)
Negative goodwill written off	–	(615)
Share-based payment expense	16,085	9,885
Changes in fair value of financial instruments and hedged items	658	155
Interest expense	50,356	42,252
Interest income	(42,462)	(40,151)
Dividends from investments	(112)	(10,291)
Impairment of goodwill	–	8,135
Amortisation of other intangible assets	7,556	5,135
Impairment/(write-back of impairment) of other intangible assets	(27)	818
Operating profit before working capital changes	718,621	637,840
(Increase)/decrease in:		
Stocks and work-in-progress	(124,953)	(192,116)
Progress billings in excess of work-in-progress	40,148	7,634
Trade debtors	(73,714)	(78,653)
Advance payments to suppliers	(60,161)	26,613
Other debtors, deposits and prepayments	(30,965)	18,262
Holding company and related corporations balances	(743)	1,150
Associated companies	(3,521)	(185)
Joint ventures	9,655	18,912
Trade creditors	(19,853)	4,287
Advance payments from customers	201,729	17,900
Other creditors, accruals and provisions	54,796	47,461
Loans to staff and third parties, net of repayments	(465)	97
Cash generated from operations	710,574	509,202
Interest received	41,544	40,905
Income tax paid	(104,548)	(95,193)
Deferred income	2,962	1,798
Exchange difference on operating activities	10,739	3,690
Net cash from operating activities	661,271	460,402

consolidated statement of cash flows

for the year ended 31 December 2007 (currency – singapore dollars)

	2007 \$'000	2006 \$'000 (Restated)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	6,921	1,709
Proceeds from sale of associated companies	58,292	–
Dividends from associated companies	23,935	48,237
Dividends from investments	112	10,291
Proceeds from sale and maturity of investments	78,892	166,545
Purchase of property, plant and equipment	(172,044)	(197,143)
Purchase of investments	(295)	(880)
Proceeds from capital redemption of investments	–	170
Loan to an investee company	–	(140)
Additional investment/acquisition of associated companies and joint ventures	(18,452)	(34,258)
Acquisition of other intangible assets	(5,514)	(3,466)
Acquisition of subsidiaries	7,091	(356,696)
Acquisition of additional interest in subsidiaries	25,625	(1,669)
Disposal of a subsidiary	(1,044)	–
Loans to joint ventures	–	(1,235)
Exchange difference on investing activities	2,592	6,600
Net cash from/(used in) investing activities	6,111	(361,935)
Cash flows from financing activities		
Capital contribution from minority shareholders of subsidiaries	14,306	233
Proceeds from issue of shares	79,962	65,905
Loan from minority shareholders	–	43
Repayment of other loans, net	(210)	(923)
Repayment of lease obligations, net	(8,637)	(2,245)
(Repayment of)/proceeds from bank loans, net	(10)	261,082
Repayment of convertible loan	(980)	–
Dividends paid to shareholders of the Company	(508,220)	(399,473)
Dividends paid to minority shareholders of subsidiaries	(21,787)	(15,191)
Interest paid	(50,364)	(36,979)
Exchange difference on financing activities	(17,110)	(15,102)
Net cash used in financing activities	(513,050)	(142,650)
Net increase/(decrease) in cash and cash equivalents	154,332	(44,183)
Cash and cash equivalents at beginning of the year	1,141,308	1,198,248
Exchange difference on cash and cash equivalents at beginning of the year	(12,916)	(12,757)
Cash and cash equivalents at end of the year (Note 46)	1,282,724	1,141,308

consolidated statement of cash flows

for the year ended 31 December 2007 (currency – singapore dollars)

Summary of effect on acquisition of interest in subsidiaries

In 2007, the fair value of the identifiable assets and liabilities of the subsidiaries acquired (as disclosed in Note 8) and the effect thereof as at the date of acquisition were as follows:

	Recognised on acquisition \$'000	Carrying amount before combination \$'000
Property, plant and equipment	4,144	4,144
Other investments	1,445	1,445
Deferred tax assets	499	499
Stocks and work-in-progress	2,982	2,982
Debtors, deposits and prepayment	24,577	24,577
Short-term investment	338	338
Cash and cash equivalents	9,336	9,336
	43,321	43,321
Creditors and accruals	(13,276)	(13,276)
Advance payments from customers	(13)	(13)
Provisions	(45)	(45)
Provision for taxation	(1,402)	(1,402)
	(14,736)	(14,736)
Net identifiable assets	28,585	28,585
Goodwill arising on consolidation	93,788	
	122,373	
Minority interests	(1,595)	
Total purchase consideration	120,778	
Cost of acquisitions:		
Cash paid in subsequent year	117,437	
Reclassification from investment in a joint venture	1,096	
Cash paid in current year	2,245	
	120,778	
Cash inflow on acquisitions:		
Cost of acquisitions	(2,245)	
Net cash acquired with the subsidiaries	9,336	
Net cash inflow on acquisition	7,091	

Included in the carrying amount before combination are the assets and liabilities of Pacific Flight Services Pty Ltd and Telematics Wireless Ltd. The purchase price allocation of these subsidiaries to goodwill, intangible assets (excluding goodwill) and other assets and liabilities is currently being assessed and is expected to be finalised within 12 months from the date of acquisition (as disclosed in Note 8).

From the dates of acquisitions, the acquired subsidiaries have contributed \$2.0 million in losses 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 \$5.4 billion and \$503.6 million respectively.

consolidated statement of cash flows

for the year ended 31 December 2007 (currency – singapore dollars)

Summary of effect on disposal of interest in a subsidiary

The Group disposed Shanghai Elite Electric Vehicles Co., Ltd, a wholly-owned subsidiary during the year.

The value of assets and liabilities of Shanghai Elite Electric Vehicles Co., Ltd, recorded in the financial statements as at disposal date, and the cash flow effect of the disposal were as follows:

	\$'000
Property, plant and equipment	392
Deferred tax assets	205
Stocks and work-in-progress	2,389
Debtors, deposits and prepayment	2,049
Cash and cash equivalents	2,519
	7,554
Creditors and accruals	(2,862)
Provisions	(102)
	(2,964)
Foreign currency translation reserve	391
Net assets disposed	4,981
Loss on disposal of a subsidiary	(3,506)
Consideration received	1,475
Net cash disposed with a subsidiary	(2,519)
Net cash outflow on disposal	(1,044)