

# sectoral financial review – aerospace

## STATEMENT OF PROFIT AND LOSS

	2007 \$'000	2006 \$'000
<b>Turnover</b>	<b>1,837,769</b>	1,675,493
Cost of sales	<b>(1,413,383)</b>	(1,287,577)
<b>Gross profit</b>	<b>424,386</b>	387,916
Other operating income	<b>20,611</b>	41,433
Distribution and selling expenses	<b>(8,591)</b>	5,489
Administrative expenses	<b>(97,186)</b>	(137,116)
Other operating expenses	<b>(15,168)</b>	(19,209)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	<b>324,052</b>	278,513
Other income/(expense), net	<b>(1,462)</b>	1,546
Financial expenses	<b>(17,418)</b>	(11,962)
	<b>305,172</b>	268,097
Share of results of associated companies and joint ventures	<b>35,990</b>	37,183
<b>Profit from continuing operations before taxation</b>	<b>341,162</b>	305,280
Taxation	<b>(54,925)</b>	(43,621)
<b>Profit from continuing operations after taxation</b>	<b>286,237</b>	261,659
<b>Attributable to:</b>		
Shareholder of the Company	<b>270,479</b>	255,036
Minority interests	<b>15,758</b>	6,623
	<b>286,237</b>	261,659

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## BALANCE SHEET

	2007 \$'000	2006 \$'000 (Restated)
<b>Share capital and reserves</b>	<b>409,977</b>	417,680
<b>Minority interests</b>	<b>97,307</b>	94,540
	<b>507,284</b>	512,220
<b>Property, plant and equipment</b>	<b>775,254</b>	735,289
<b>Associated companies and joint ventures</b>	<b>141,335</b>	111,781
<b>Investments</b>	<b>4,066</b>	4,173
<b>Intangible assets</b>	<b>1,884</b>	1,321
<b>Long-term receivables</b>	<b>217</b>	275
<b>Derivative financial instruments</b>	<b>2,937</b>	–
<b>Deferred tax assets</b>	<b>54,842</b>	70,355
<b>Current assets</b>		
Stocks and work-in-progress	<b>366,751</b>	271,088
Trade debtors	<b>382,670</b>	321,702
Due from related corporations	<b>42,120</b>	56,183
Advances and other debtors	<b>62,593</b>	75,200
Long-term receivables, current	<b>376</b>	367
Amounts under fund management	<b>128,743</b>	170,700
Bank balances and other liquid funds	<b>143,370</b>	169,451
	<b>1,126,623</b>	1,064,691
<b>Current liabilities</b>		
Advance payments from customers, current	<b>132,686</b>	152,324
Creditors and accruals	<b>679,901</b>	654,548
Provisions	<b>58,466</b>	53,106
Progress billing in excess of work-in-progress	<b>100,093</b>	82,327
Provision for taxation	<b>96,456</b>	103,212
Short-term bank loans	<b>46,853</b>	24,223
Lease obligations, current	<b>1,539</b>	1,567
Long-term bank loans, current	<b>281,546</b>	5,571
	<b>1,397,540</b>	1,076,878
<b>Net current liabilities</b>	<b>(270,917)</b>	(12,187)
<b>Non-current liabilities</b>		
Advance payments from customers, non-current	<b>137,372</b>	63,936
Deferred income	<b>317</b>	478
Deferred tax liabilities	<b>1,238</b>	4,696
Lease obligations, non-current	<b>6,970</b>	9,019
Provision for pension benefits	<b>3,388</b>	1,719
Long-term bank loans, non-current	<b>–</b>	265,890
Loans from related corporations	<b>53,049</b>	53,049
	<b>202,334</b>	398,787
	<b>507,284</b>	512,220

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## STATEMENT OF CASH FLOWS

	2007 \$'000	2006 \$'000 (Restated)
<b>Net cash from operating activities</b>	<b>255,610</b>	291,335
<b>Net cash used in investing activities</b>	<b>(36,620)</b>	(136,545)
Proceeds from sale of property, plant and equipment	5,760	406
Dividends from associated companies	18,437	42,630
Dividends from investments	13	9,637
Proceeds from sale and maturity of investments	64,573	136,435
Purchase of investments	–	(155)
Purchase of property, plant and equipment	(111,091)	(158,373)
Additional investment in an associated company	(18,452)	(27,647)
Acquisition of a subsidiary	23	(119,538)
Acquisition of additional interest in subsidiaries	24,841	(1,520)
Exchange difference on investing activities	(20,724)	(18,420)
<b>Net cash used in financing activities</b>	<b>(257,183)</b>	(218,708)
Capital contribution from minority shareholders of a subsidiary	12,002	–
Proceeds from inter-company loans, net	31,153	92,270
Repayment of lease obligations, net	(1,450)	(1,477)
Proceeds from bank loans, net	16,441	3,243
Dividends paid to shareholder	(293,000)	(299,699)
Dividends paid to minority shareholders of subsidiaries	(20,232)	(14,204)
Interest paid	(17,453)	(11,876)
Exchange difference on financing activities	15,356	13,035
<b>Net decrease in cash and cash equivalents</b>	<b>(38,193)</b>	(63,918)
<b>Cash and cash equivalents at beginning of the year</b>	<b>224,865</b>	291,149
<b>Exchange difference on cash and cash equivalents at beginning of the year</b>	<b>(3,699)</b>	(2,366)
<b>Cash and cash equivalents at end of the year</b>	<b>182,973</b>	224,865

# sectoral financial review – aerospace

## VALUE ADDED STATEMENT

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
<b>Value added from:</b>					
Revenue earned	<b>1,837,769</b>	1,675,493	1,235,911	1,118,309	1,092,173
Bought in materials and services	<b>(849,035)</b>	(774,346)	(567,862)	(507,429)	(473,460)
	<b>988,734</b>	901,147	668,049	610,880	618,713
Income from investments and interest	<b>17,685</b>	38,076	22,767	23,370	7,599
Exchange gain/(loss), net	<b>(3,805)</b>	935	(864)	(770)	(906)
Other non-operating income	<b>5,269</b>	3,968	1,799	8,235	7,490
Share of results of associated companies and joint ventures	<b>35,990</b>	37,183	38,170	37,475	34,047
<b>Total value added</b>	<b>1,043,873</b>	981,309	729,921	679,190	666,943
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	<b>603,658</b>	588,048	437,014	404,562	375,946
To government in income and other taxes	<b>58,634</b>	47,123	35,294	42,609	46,611
To providers of capital on:					
• Interest paid on borrowings	<b>17,418</b>	11,962	919	965	972
• Dividends to shareholder	<b>293,000</b>	299,699	215,321	183,719	174,912
	<b>972,710</b>	946,832	688,548	631,855	598,441
<b>Balance retained in/(applied from) business</b>					
Depreciation	<b>78,398</b>	84,366	39,092	34,117	39,604
Impairment of assets	<b>(170)</b>	1,784	(431)	852	1,112
Retained profits	<b>(20,643)</b>	(77,051)	(14,020)	(10,961)	(759)
	<b>57,585</b>	9,099	24,641	24,008	39,957
<b>Non-production cost and income</b>					
Bad debts	<b>(302)</b>	(13,633)	(5,171)	727	21,852
Income from investments and interest	<b>17,685</b>	38,076	22,767	23,370	7,599
Exchange gain/(loss), net	<b>(3,805)</b>	935	(864)	(770)	(906)
	<b>13,578</b>	25,378	16,732	23,327	28,545
<b>Total distribution</b>	<b>1,043,873</b>	981,309	729,921	679,190	666,943

# sectoral financial review – aerospace

## FINANCIAL HIGHLIGHTS

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
Turnover	<b>1,837,769</b>	1,675,493	1,235,911	1,118,309	1,092,173
Profit before tax	<b>341,162</b>	305,280	255,443	235,400	225,189
Profit after tax and minority interests	<b>270,479</b>	255,036	210,294	187,275	176,297
Shareholders' funds	<b>409,977</b>	417,680	463,025	452,329	456,130
Total assets	<b>2,107,158</b>	1,987,885	1,401,366	1,373,110	1,431,936
Net tangible assets	<b>408,093</b>	416,359	460,868	450,325	456,074
Earnings per share (cents)	<b>135.24</b>	127.52	105.15	93.64	88.15
Return on sales (%)	<b>15.6</b>	15.6	18.1	17.5	16.6
Return on equity (%)	<b>58.4</b>	54.2	40.8	37.1	34.6
Return on total assets (%)	<b>13.6</b>	13.2	15.9	14.2	12.6
Net tangible assets per share (cents)	<b>204.0</b>	208.2	230.4	225.2	228.0
<b>Productivity data</b>					
Average staff strength (number)	<b>6,757</b>	5,880	5,057	4,869	4,877
Sales per employee (\$)	<b>271,980</b>	284,948	244,396	229,679	223,944
Profit after tax per employee (\$)	<b>40,029</b>	43,373	41,585	38,463	36,149
Employment costs	<b>605,220</b>	589,440	438,163	405,125	376,390
Employment costs per \$ of turnover (\$)	<b>0.33</b>	0.35	0.35	0.36	0.34
Economic Value Added	<b>235,931</b>	194,390	175,200	136,694	149,843
Economic Value Added spread (%)	<b>22.5</b>	19.5	25.8	20.3	22.7
Economic Value Added per employee (\$)	<b>34,917</b>	33,060	34,645	28,074	30,724
Value added	<b>1,043,873</b>	981,309	729,921	679,190	666,943
Value added per employee (\$)	<b>154,488</b>	166,889	144,339	139,493	136,753
Value added per \$ of employment costs (\$)	<b>1.72</b>	1.66	1.67	1.68	1.77
Value added per \$ of gross property, plant and equipment (\$)	<b>0.79</b>	0.81	1.09	1.16	1.24
Value added per \$ of turnover (\$)	<b>0.57</b>	0.59	0.59	0.61	0.61

# sectoral financial review – electronics

## STATEMENT OF PROFIT AND LOSS

	2007 \$'000	2006 \$'000
<b>Turnover</b>	<b>1,038,284</b>	965,757
Cost of sales	<b>(719,077)</b>	(664,529)
<b>Gross profit</b>	<b>319,207</b>	301,228
Other operating income	<b>30,027</b>	17,674
Distribution and selling expenses	<b>(78,786)</b>	(69,034)
Administrative expenses	<b>(107,486)</b>	(103,265)
Other operating expenses	<b>(47,187)</b>	(37,847)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	<b>115,775</b>	108,756
Other income, net	<b>131</b>	99
Financial expenses	<b>(9,461)</b>	(8,879)
	<b>106,445</b>	99,976
Share of results of associated companies and joint venture	<b>8,891</b>	4,674
<b>Profit from continuing operations before taxation</b>	<b>115,336</b>	104,650
Taxation	<b>(24,893)</b>	(26,515)
<b>Profit from continuing operations after taxation</b>	<b>90,443</b>	78,135
<b>Attributable to:</b>		
Shareholder of the Company	<b>88,223</b>	76,318
Minority interests	<b>2,220</b>	1,817
	<b>90,443</b>	78,135

# sectoral financial review – electronics

## BALANCE SHEET

	2007 \$'000	2006 \$'000 (Restated)
<b>Share capital and reserves</b>	<b>75,611</b>	103,488
<b>Minority interests</b>	<b>14,396</b>	10,609
	<b>90,007</b>	114,097
<b>Property, plant and equipment</b>	<b>42,262</b>	37,867
<b>Investment property</b>	<b>1,428</b>	1,468
<b>Associated companies and joint venture</b>	<b>8,971</b>	61,573
<b>Investments</b>	<b>28,827</b>	8,299
<b>Intangible assets</b>	<b>351,722</b>	274,510
<b>Long-term receivables</b>	<b>1,815</b>	2,872
<b>Deferred tax assets</b>	<b>22,581</b>	27,274
<b>Current assets</b>		
Stocks and work-in-progress	<b>321,890</b>	313,853
Trade debtors	<b>286,862</b>	267,063
Due from related corporations	<b>92,567</b>	66,201
Debtors, deposits and prepayments	<b>21,068</b>	23,403
Advance payments to suppliers	<b>22,537</b>	21,642
Short term investment	<b>338</b>	–
Loan receivables, current	<b>78</b>	43
Bank balances and other liquid funds	<b>189,551</b>	99,138
	<b>934,891</b>	791,343
<b>Current liabilities</b>		
Advance payments from customers, current	<b>88,463</b>	89,358
Creditors and accruals	<b>482,343</b>	342,683
Provisions	<b>29,975</b>	27,983
Progress billings in excess of work-in-progress	<b>214,466</b>	210,710
Provision for taxation	<b>28,293</b>	33,969
Short-term bank loans (unsecured)	<b>12,343</b>	19,868
Lease obligations, current	<b>53</b>	51
Long-term bank loans, current	<b>237</b>	231
Other loan, current	<b>–</b>	980
Bank overdrafts	<b>800</b>	800
	<b>856,973</b>	726,633
<b>Net current assets</b>	<b>77,918</b>	64,710
<b>Non-current liabilities</b>		
Advance payments from customers, non-current	<b>72,737</b>	60,490
Deferred income	<b>35</b>	76
Deferred rent	<b>1,136</b>	736
Deferred tax liabilities	<b>1,193</b>	1,436
Lease obligations, non-current	<b>33</b>	89
Long-term bank loans, non current	<b>583</b>	819
Loan from immediate holding company	<b>76,757</b>	–
Loans from a related corporation	<b>293,043</b>	300,830
	<b>445,517</b>	364,476
	<b>90,007</b>	114,097

# sectoral financial review – electronics

## STATEMENT OF CASH FLOWS

	2007 \$'000	2006 \$'000 (Restated)
<b>Net cash from operating activities</b>	<b>92,949</b>	34,760
<b>Net cash from/(used in) investing activities</b>	<b>51,599</b>	(15,516)
Proceeds from sale of property, plant and equipment	34	262
Proceeds from sale of associated companies	58,292	–
Dividends from associated companies	1,138	2,025
Dividend from investment	–	378
Proceeds from sale of investments	45	29,264
Purchase of property, plant and equipment	(13,627)	(12,006)
Purchase of investment/convertible loans	(295)	(725)
Proceed from capital redemption of an associated company	–	170
Investment in associated company/joint venture	–	(6,611)
Acquisition of subsidiaries	6,325	(28,133)
Acquisition of additional interest in a subsidiary	(313)	–
Loan to an associated company	–	(140)
<b>Net cash from/(used in) financing activities</b>	<b>(10,697)</b>	21,598
Capital contribution from minority shareholders of subsidiaries	2,304	–
Proceeds from inter-company loans, net of repayment	105,830	100,396
Repayment of lease obligations	(54)	(51)
(Repayment of)/proceeds from bank loans, net	(7,993)	2,591
Repayment of convertible loan	(980)	–
Dividends paid to shareholder	(103,308)	(76,000)
Dividends paid to minority shareholders of subsidiaries	(1,259)	(889)
Interest paid	(5,237)	(4,449)
<b>Net increase in cash and cash equivalents</b>	<b>133,851</b>	40,842
<b>Cash and cash equivalents at beginning of the year</b>	<b>144,344</b>	106,809
<b>Exchange difference on cash and cash equivalents at beginning of the year</b>	<b>(2,612)</b>	(3,307)
<b>Cash and cash equivalents at end of the year</b>	<b>275,583</b>	144,344

# sectoral financial review – electronics

## VALUE ADDED STATEMENT

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
<b>Value added from:</b>					
Revenue earned	1,038,284	965,757	712,223	636,681	621,100
Bought in materials and services	(627,091)	(580,970)	(443,918)	(396,458)	(389,430)
	<b>411,193</b>	384,787	268,305	240,223	231,670
Income from investments and interest	30,048	17,037	5,660	1,953	84
Exchange gain/(loss), net	(449)	(726)	321	(263)	385
Other operating income/(expenses)	(21)	637	(138)	209	22
Other non-operating income	580	825	889	1,484	1,494
Share of results of associated companies and joint ventures	8,891	4,674	(1,598)	345	(269)
Amortisation of goodwill on acquisition of associated companies	-	-	-	-	(258)
<b>Total value added</b>	<b>450,242</b>	407,234	273,439	243,951	233,128
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	306,377	270,816	187,600	167,821	161,920
To government in income and other taxes	25,534	27,170	16,731	14,821	15,686
To providers of capital on:					
• Interest paid on borrowings	9,461	8,879	1,495	113	48
• Dividends to shareholder	103,308	76,000	58,300	52,800	45,600
	<b>444,680</b>	382,865	264,126	235,555	223,254
<b>Balance retained in/(applied from) business</b>					
Depreciation	15,524	15,520	8,781	8,750	7,884
Retained profits	(42,464)	(12,481)	(4,059)	(4,097)	969
	<b>(26,940)</b>	3,039	4,722	4,653	8,853
<b>Non-production cost and income</b>					
Bad debts	2,903	5,019	(1,390)	2,053	552
Income from investments and interest	30,048	17,037	5,660	1,953	84
Exchange gain/(loss), net	(449)	(726)	321	(263)	385
	<b>32,502</b>	21,330	4,591	3,743	1,021
<b>Total distribution</b>	<b>450,242</b>	407,234	273,439	243,951	233,128

# sectoral financial review – electronics

## FINANCIAL HIGHLIGHTS

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
Turnover	<b>1,038,284</b>	965,757	712,223	636,681	621,100
Profit before tax	<b>115,336</b>	104,650	76,022	64,506	61,390
Profit after tax and minority interests	<b>88,223</b>	76,318	58,008	51,592	48,018
Shareholders' funds	<b>75,611</b>	103,488	137,282	108,095	107,882
Total assets	<b>1,392,497</b>	1,205,206	1,057,526	568,990	592,583
Net tangible assets	<b>(277,001)</b>	(178,727)	(118,966)	103,297	99,894
Earnings per share (cents)	<b>83.99</b>	72.65	55.22	49.11	45.71
Return on sales (%)	<b>8.7</b>	8.1	8.4	7.9	7.4
Return on equity (%)	<b>43.2</b>	32.9	23.3	47.7	44.5
Return on total assets (%)	<b>6.5</b>	6.5	5.7	8.8	7.8
Net tangible assets per share (cents)	<b>(263.7)</b>	(170.1)	(113.3)	98.3	95.1
<b>Productivity data</b>					
Average staff strength (number)	<b>3,823</b>	3,256	2,828	2,649	2,662
Sales per employee (\$)	<b>271,589</b>	296,608	251,847	240,348	233,321
Profit after tax per employee (\$)	<b>23,077</b>	23,439	20,512	19,476	18,038
Employment costs	<b>306,468</b>	270,901	187,664	167,845	161,965
Employment costs per \$ of turnover (\$)	<b>0.30</b>	0.28	0.26	0.26	0.26
Economic Value Added	<b>64,997</b>	67,295	47,378	44,681	39,299
Economic Value Added spread (%)	<b>11.1</b>	12.5	25.6	28.7	27.0
Economic Value Added per employee (\$)	<b>17,002</b>	20,668	16,753	16,867	14,763
Value added	<b>450,242</b>	407,234	273,439	243,951	233,128
Value added per employee (\$)	<b>117,772</b>	125,072	96,690	92,092	87,576
Value added per \$ of employment costs (\$)	<b>1.47</b>	1.50	1.46	1.45	1.44
Value added per \$ of gross property, plant and equipment (\$)	<b>3.06</b>	2.99	2.00	2.10	2.22
Value added per \$ of turnover (\$)	<b>0.43</b>	0.42	0.38	0.38	0.38

# sectoral financial review – land systems

## STATEMENT OF PROFIT AND LOSS

	2007 \$'000	2006 \$'000
<b>Turnover</b>	<b>1,188,317</b>	1,013,899
Cost of sales	<b>(944,823)</b>	(808,188)
<b>Gross profit</b>	<b>243,494</b>	205,711
Other operating income	<b>2,253</b>	8,573
Distribution and selling expenses	<b>(45,499)</b>	(39,459)
Administrative expenses	<b>(88,112)</b>	(71,544)
Other operating expenses	<b>(28,263)</b>	(36,897)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	<b>83,873</b>	66,384
Other income, net	<b>4,091</b>	5,896
Financial expenses	<b>(9,628)</b>	(6,579)
	<b>78,336</b>	65,701
Share of results of associated companies and joint ventures	<b>1,667</b>	4,270
<b>Profit from continuing operations before taxation</b>	<b>80,003</b>	69,971
Taxation	<b>(6,995)</b>	(16,360)
<b>Profit from continuing operations after taxation</b>	<b>73,008</b>	53,611
<b>Attributable to:</b>		
Shareholder of the Company	<b>70,789</b>	51,926
Minority interests	<b>2,219</b>	1,685
	<b>73,008</b>	53,611

# sectoral financial review – land systems

## BALANCE SHEET

	2007 \$'000	2006 \$'000 (Restated)
<b>Share capital and reserves</b>	<b>110,179</b>	110,954
<b>Minority interests</b>	<b>34,281</b>	15,825
	<b>144,460</b>	126,779
<b>Property, plant and equipment</b>	<b>92,895</b>	71,607
<b>Associated companies and joint ventures</b>	<b>110,983</b>	114,667
<b>Investments</b>	<b>7,527</b>	14,048
<b>Intangible assets</b>	<b>238,910</b>	256,527
<b>Investment properties</b>	<b>16,951</b>	15,491
<b>Long-term receivables</b>	<b>61,091</b>	58,042
<b>Finance lease receivables</b>	<b>1,444</b>	–
<b>Deferred tax assets</b>	<b>12,797</b>	17,085
<b>Current assets</b>		
Stocks and work-in-progress	409,742	375,816
Trade debtors	150,423	158,285
Debtors and deposits	108,198	41,178
Prepayments	14,407	7,708
Long-term receivables, current	9	9
Finance lease receivables, current	6,922	–
Bank balances and other liquid funds	114,844	86,475
Due from related corporations	47,366	35,807
Forward currency contracts	775	90
	<b>852,686</b>	705,368
<b>Current liabilities</b>		
Advance payments from customers, current	298,040	223,916
Creditors and accruals	299,825	311,575
Provisions	43,659	54,461
Progress billing in excess of work-in-progress	844	–
Provision for taxation	24,790	34,450
Forward currency contract	–	24
Long-term loans, current	234	237
Short-term bank loans	10,885	2,458
Bank overdrafts	3	937
	<b>678,280</b>	628,058
<b>Net current assets</b>	<b>174,406</b>	77,310
<b>Non-current liabilities</b>		
Advance payments from customers, non-current	245,467	153,338
Non-trade creditor	31	–
Forward currency contract	–	39
Loans from related corporation	282,079	299,495
Due to joint venture	49	–
Long-term loans	1,876	2,229
Long-term loan from minority shareholder of a subsidiary	194	194
Deferred income	5,591	2,811
Deferred tax liabilities	37,257	39,892
	<b>572,544</b>	497,998
	<b>144,460</b>	126,779

# sectoral financial review – land systems

## STATEMENT OF CASH FLOWS

	2007 \$'000	2006 \$'000
<b>Net cash from operating activities</b>	<b>129,050</b>	12,872
<b>Net cash used in investing activities</b>	<b>(19,144)</b>	(220,486)
Proceeds from disposal of property, plant and equipment	659	919
Dividends from associated companies and joint venture	4,360	3,606
Dividends from unquoted long-term investments	99	138
Proceeds from sale and maturity of investments	237	250
Purchase of property, plant and equipment	(24,550)	(12,116)
Purchase of commercial and intellectual property rights	-	(517)
Purchase price adjustment for acquisition of a subsidiary	2,026	-
Acquisition of additional interest in a subsidiary	(931)	(150)
Acquisition of subsidiaries	-	(211,381)
Disposal of a subsidiary	(1,044)	-
Long-term loan to joint venture	-	(1,235)
<b>Net cash from/(used in) financing activities</b>	<b>(74,045)</b>	94,036
Proceeds from loans from minority shareholders	-	43
Proceeds from long-term loans from related corporation	-	211,798
Proceeds from short-term loans from related corporation	3,528	21,631
Repayment of long-term loans	(210)	(923)
Proceeds from short-term bank loans	8,412	2,510
(Repayment of)/proceeds from short-term loan from immediate holding company	(20,000)	20,000
Long-term loan to immediate holding company	-	(54,000)
Dividends paid to shareholder	(64,500)	(103,173)
Dividends paid to minority shareholders of a subsidiary	(296)	(98)
Interest paid	(979)	(3,752)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35,861</b>	(113,578)
<b>Cash and cash equivalents at beginning of the year</b>	<b>115,918</b>	234,752
<b>Exchange difference on cash and cash equivalents at beginning of the year</b>	<b>(4,737)</b>	(5,256)
<b>Cash and cash equivalents at end of the year</b>	<b>147,042</b>	115,918

# sectoral financial review – land systems

## VALUE ADDED STATEMENT

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
<b>Value added from:</b>					
Revenue earned	<b>1,188,317</b>	1,013,899	604,647	594,300	717,711
Bought in materials and services	<b>(824,681)</b>	(707,581)	(428,872)	(423,482)	(487,411)
	<b>363,636</b>	306,318	175,775	170,818	230,300
Income from investments and interest	<b>5,275</b>	8,340	9,604	2,068	9,911
Exchange gain/(loss), net	<b>(1,037)</b>	(3,121)	(329)	(796)	(806)
Other non-operating income	<b>2,106</b>	9,250	7,604	4,638	6,652
Share of results of associated companies and joint ventures	<b>1,667</b>	4,270	9,720	20,576	11,970
<b>Total value added</b>	<b>371,647</b>	325,057	202,374	197,304	258,027
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	<b>259,184</b>	224,622	124,881	117,191	135,401
To government in income and other taxes	<b>9,106</b>	18,378	17,668	16,294	23,401
To providers of capital on:					
• Interest paid on borrowings	<b>9,628</b>	6,579	702	85	29
• Dividends to shareholder	<b>64,500</b>	103,173	48,316	78,000	105,000
	<b>342,418</b>	352,752	191,567	211,570	263,831
<b>Balance retained in/(applied from) business</b>					
Depreciation	<b>17,869</b>	15,489	10,740	10,594	15,560
Retained profits	<b>7,367</b>	(47,860)	(3,780)	(22,270)	(35,588)
	<b>25,236</b>	(32,371)	6,960	(11,676)	(20,028)
<b>Non-production cost and income</b>					
Bad debts	<b>(245)</b>	(543)	(5,428)	(3,862)	5,119
Income from investments and interest	<b>5,275</b>	8,340	9,604	2,068	9,911
Exchange gain/(loss), net	<b>(1,037)</b>	(3,121)	(329)	(796)	(806)
	<b>3,993</b>	4,676	3,847	(2,590)	14,224
<b>Total distribution</b>	<b>371,647</b>	325,057	202,374	197,304	258,027

# sectoral financial review – land systems

## FINANCIAL HIGHLIGHTS

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
Turnover	<b>1,188,317</b>	1,013,899	604,647	594,300	717,711
Profit before tax	<b>80,003</b>	69,971	65,010	71,549	96,458
Profit after tax and minority interests	<b>70,789</b>	51,926	48,997	58,066	76,538
Shareholders' funds	<b>110,179</b>	110,954	173,597	164,471	183,807
Total assets	<b>1,395,284</b>	1,252,835	1,004,039	883,498	1,014,346
Net tangible assets	<b>(133,049)</b>	(149,891)	115,058	149,890	168,841
Return on sales (%)	<b>6.1</b>	5.3	8.1	9.5	10.4
Earnings per share (cents)	<b>58.71</b>	43.07	40.64	48.16	63.48
Return on equity (%)	<b>27.6</b>	20.2	22.9	34.9	41.3
Return on total assets (%)	<b>5.2</b>	4.3	4.9	6.4	7.3
Net tangible assets per share (cents)	<b>(110.4)</b>	(124.3)	95.4	124.3	140.0
<b>Productivity data</b>					
Average staff strength (number)	<b>5,299</b>	4,961	3,417	2,389	2,483
Sales per employee (\$)	<b>224,253</b>	204,374	176,953	248,765	289,050
Profit after tax per employee (\$)	<b>13,359</b>	10,467	14,339	24,306	30,825
Employment costs	<b>259,424</b>	224,828	125,030	117,116	135,417
Employment costs per \$ of turnover (\$)	<b>0.22</b>	0.22	0.21	0.20	0.19
Economic Value Added	<b>50,593</b>	32,994	34,087	34,821	62,799
Economic Value Added spread (%)	<b>8.8</b>	6.8	12.0	11.3	18.2
Economic Value Added per employee (\$)	<b>9,548</b>	6,651	9,976	14,576	25,292
Value added	<b>371,647</b>	325,057	202,374	197,304	258,027
Value added per employee (\$)	<b>70,135</b>	65,522	59,226	82,589	103,917
Value added per \$ of employment costs (\$)	<b>1.43</b>	1.45	1.62	1.68	1.91
Value added per \$ of gross property, plant and equipment (\$)	<b>1.01</b>	0.96	0.62	0.66	0.84
Value added per \$ of turnover (\$)	<b>0.31</b>	0.32	0.33	0.33	0.36

# sectoral financial review – marine

## STATEMENT OF PROFIT AND LOSS

	2007 \$'000	2006 \$'000
<b>Turnover</b>	<b>864,594</b>	702,868
Cost of sales	<b>(757,254)</b>	(602,581)
<b>Gross profit</b>	<b>107,340</b>	100,287
Other operating income	<b>25,898</b>	13,851
Distribution and selling expenses	<b>(3,733)</b>	(5,532)
Administration expenses	<b>(24,211)</b>	(20,067)
Other operating expenses	<b>(6,188)</b>	(6,341)
<b>Profit from continuing operations before taxation, other income and financial expenses</b>	<b>99,106</b>	82,198
Other income, net	<b>845</b>	481
Financial expenses	<b>(3,430)</b>	(3,519)
	<b>96,521</b>	79,160
Share of results of associated companies and joint ventures	<b>46</b>	340
<b>Profit from continuing operations before taxation</b>	<b>96,567</b>	79,500
Taxation	<b>(21,303)</b>	(11,677)
<b>Profit from continuing operations after taxation</b>	<b>75,264</b>	67,823
<b>Attributable to:</b>		
Shareholder of the Company	<b>75,264</b>	67,823
Minority interests	–	–
	<b>75,264</b>	67,823

# sectoral financial review – marine

## BALANCE SHEET

	2007 \$'000	2006 \$'000
<b>Share capital and reserves</b>	<b>122,767</b>	124,345
<b>Property, plant and equipment</b>	<b>94,124</b>	92,807
<b>Associated companies and joint ventures</b>	<b>353</b>	290
<b>Investments</b>	<b>384</b>	1,321
<b>Intangible assets</b>	<b>162</b>	171
<b>Long-term receivables</b>	<b>237</b>	198
<b>Deferred tax assets</b>	<b>20,904</b>	15,612
<b>Current assets</b>		
Stocks and work-in-progress	<b>90,959</b>	104,549
Trade debtors	<b>103,774</b>	89,214
Due from related corporations	<b>195,385</b>	132,134
Advances and other debtors	<b>47,600</b>	65,940
Long-term receivables, current	<b>23</b>	20
Amounts under fund management	<b>50,038</b>	57,473
Bank balances and other liquid funds	<b>90,843</b>	123,138
	<b>578,622</b>	572,468
<b>Current liabilities</b>		
Advance payments from customers, current	<b>94,196</b>	115,974
Creditors and accruals	<b>246,577</b>	228,251
Provisions	<b>56,329</b>	48,450
Progress billings in excess of work-in-progress	<b>52,444</b>	37,072
Provision for taxation	<b>36,899</b>	29,155
Lease obligations, current	<b>77</b>	–
	<b>486,522</b>	458,902
<b>Net current assets</b>	<b>92,100</b>	113,566
<b>Non-current liabilities</b>		
Loans from related corporations	<b>84,159</b>	97,013
Accrued staff benefits	<b>1,182</b>	2,607
Lease obligations, non-current	<b>156</b>	–
	<b>85,497</b>	99,620
	<b>122,767</b>	124,345

# sectoral financial review – marine

## STATEMENT OF CASH FLOWS

	2007 \$'000	2006 \$'000
<b>Net cash from operating activities</b>	<b>127,341</b>	101,610
<b>Net cash used in investing activities</b>	<b>(4,110)</b>	(7,635)
Proceeds from sale of property, plant and equipment	<b>32</b>	122
Dividends from investments	–	138
Proceeds from sale and maturity of investments	<b>14,037</b>	596
Purchase of property, plant and equipment	<b>(20,443)</b>	(11,845)
Exchange difference on investing activities	<b>2,264</b>	3,354
<b>Net cash used in financing activities</b>	<b>(94,103)</b>	(68,261)
Proceeds from inter-company loans, net	<b>(15,988)</b>	1,648
Repayment of lease obligations, net	<b>(11)</b>	(12)
Dividends paid to shareholder	<b>(70,894)</b>	(60,079)
Interest paid	<b>(3,430)</b>	(3,519)
Exchange difference on financing activities	<b>(3,780)</b>	(6,299)
<b>Net increase in cash and cash equivalents</b>	<b>29,128</b>	25,714
<b>Cash and cash equivalents at beginning of the year</b>	<b>246,914</b>	221,663
<b>Exchange difference on cash and cash equivalents at beginning of the year</b>	<b>(695)</b>	(463)
<b>Cash and cash equivalents at end of the year</b>	<b>275,347</b>	246,914

# sectoral financial review – marine

## VALUE ADDED STATEMENT

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
<b>Value added from:</b>					
Revenue earned	<b>864,594</b>	702,868	659,847	484,364	387,323
Bought in materials and services	<b>(639,035)</b>	(510,787)	(444,879)	(298,043)	(249,406)
	<b>225,559</b>	192,081	214,968	186,321	137,917
Income from investments and interest	<b>22,595</b>	9,856	6,998	7,944	14,520
Exchange gain/(loss), net	<b>(21)</b>	(59)	(334)	(231)	47
Other non-operating income	<b>4,169</b>	4,535	5,300	6,152	4,401
Share of results of associated companies and joint ventures	<b>46</b>	340	–	–	–
<b>Total value added</b>	<b>252,348</b>	206,753	226,932	200,186	156,885
<b>Distribution of total value added</b>					
To employees in wages, salaries and benefits	<b>133,855</b>	105,791	104,216	104,072	97,909
To government in income and other taxes	<b>23,940</b>	13,432	19,986	18,506	6,595
To providers of capital on:					
• Interest paid on borrowings	<b>3,430</b>	3,519	2,472	1,253	1,184
• Dividends to shareholder	<b>70,894</b>	60,079	70,249	55,133	–
	<b>232,119</b>	182,821	196,923	178,964	105,688
<b>Balance retained in/(applied from) business</b>					
Depreciation	<b>17,087</b>	16,381	18,974	22,241	22,811
Retained profits	<b>(18,195)</b>	(2,043)	5,913	(9,105)	16,241
	<b>(1,108)</b>	14,338	24,887	13,136	39,052
<b>Non-production cost and income</b>					
Bad debts	<b>(1,237)</b>	(203)	(1,542)	373	(2,422)
Income from investments and interest	<b>22,595</b>	9,856	6,998	7,944	14,520
Exchange gain/(loss), net	<b>(21)</b>	(59)	(334)	(231)	47
	<b>21,337</b>	9,594	5,122	8,086	12,145
<b>Total distribution</b>	<b>252,348</b>	206,753	226,932	200,186	156,885

# sectoral financial review – marine

## FINANCIAL HIGHLIGHTS

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
Turnover	<b>864,594</b>	702,868	659,847	484,364	387,323
Profit before tax	<b>96,567</b>	79,500	87,932	69,786	35,172
Profit after tax and minority interests	<b>75,264</b>	67,823	70,267	53,741	30,808
Shareholders' funds	<b>122,767</b>	124,345	111,992	107,779	109,316
Total assets	<b>694,786</b>	682,867	702,775	664,556	594,272
Net tangible assets	<b>122,605</b>	124,174	111,811	107,449	109,316
Earnings per share (cents)	<b>38.48</b>	34.68	35.93	27.48	15.75
Return on sales (%)	<b>8.7</b>	9.6	10.6	11.1	8.0
Return on equity (%)	<b>50.5</b>	45.0	50.8	40.1	22.7
Return on total assets (%)	<b>10.8</b>	9.9	10.0	8.1	5.2
Net tangible assets per share (cents)	<b>62.7</b>	63.5	57.2	54.9	55.9
<b>Productivity data</b>					
Average staff strength (number)	<b>1,439</b>	1,404	1,416	1,514	1,490
Sales per employee (\$)	<b>600,830</b>	500,618	465,994	319,923	259,948
Profit after tax per employee (\$)	<b>52,303</b>	48,307	49,624	35,496	20,677
Employment costs	<b>134,252</b>	106,086	104,448	104,238	98,028
Employment costs per \$ of turnover (\$)	<b>0.16</b>	0.15	0.16	0.22	0.25
Economic Value Added	<b>60,453</b>	49,903	49,061	32,501	10,363
Economic Value Added spread (%)	<b>24.1</b>	18.7	18.0	11.7	3.9
Economic Value Added per employee (\$)	<b>42,010</b>	35,543	34,648	21,467	6,955
Value added	<b>252,348</b>	206,753	226,932	200,186	156,885
Value added per employee (\$)	<b>175,363</b>	147,260	160,263	132,223	105,292
Value added per \$ of employment costs (\$)	<b>1.88</b>	1.95	2.17	1.92	1.60
Value added per \$ of gross property, plant and equipment (\$)	<b>0.78</b>	0.67	0.75	0.70	0.54
Value added per \$ of turnover (\$)	<b>0.29</b>	0.29	0.34	0.41	0.41