

# Consolidated Income Statement

for the year ended 31 December 2008  
(Currency - Singapore dollars)

	Note	Group 2008 \$'000	2007 \$'000
<b>Turnover</b>	3	<b>5,344,515</b>	5,050,982
Cost of sales		<b>(4,188,323)</b>	(3,922,708)
<b>Gross profit</b>		<b>1,156,192</b>	1,128,274
Other operating income	4	<b>26,973</b>	88,392
Distribution and selling expenses		<b>(189,893)</b>	(146,081)
Administrative expenses		<b>(381,413)</b>	(362,851)
Other operating expenses		<b>(75,866)</b>	(69,019)
<b>Profit from operations before taxation, other income and financial expenses</b>	5	<b>535,993</b>	638,715
Other income, net	8	<b>8,459</b>	3,109
Financial expenses	9	<b>(42,687)</b>	(50,356)
		<b>501,765</b>	591,468
Share of results of associated companies and joint ventures		<b>38,937</b>	46,647
<b>Profit from operations before taxation</b>		<b>540,702</b>	638,115
Taxation	10	<b>(51,939)</b>	(114,606)
<b>Profit from operations after taxation</b>		<b>488,763</b>	523,509
<b>Attributable to:</b>			
Shareholders of the Company		<b>473,636</b>	503,503
Minority interests		<b>15,127</b>	20,006
		<b>488,763</b>	523,509
<b>Earnings per share (cents)</b>	11		
Basic		<b>15.82</b>	16.95
Diluted		<b>15.74</b>	16.91

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

# Balance Sheets

as at 31 December 2008  
(Currency - Singapore dollars)

	Note	Group 2008 \$'000	Group 2007 \$'000 (Restated)	Company 2008 \$'000	Company 2007 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	1,019,084	1,014,623	1,016	843
Subsidiaries	13	-	-	574,453	557,959
Associated companies and joint ventures	14	263,078	267,506	50	50
Investments	15	53,416	39,377	-	-
Intangible assets	16	641,090	642,436	-	-
Investment properties	17	17,371	18,379	-	-
Long-term receivables	18	451	3,898	-	-
Finance lease receivables	19	4,793	1,444	-	-
Derivative financial instruments	51	16,374	2,937	-	-
Deferred tax assets	20	138,128	112,718	-	-
		<b>2,153,785</b>	<b>2,103,318</b>	<b>575,519</b>	<b>558,852</b>
<b>Current assets</b>					
Stocks and work-in-progress	21	1,286,331	1,229,240	-	-
Trade debtors	22	1,108,229	948,507	-	-
Due from related corporations	23	234,078	662,913	139,198	302,638
Advances and other debtors	24	379,086	293,918	340,196	313,088
Long-term receivables, current	18	700	499	180	-
Finance lease receivables, current	19	11,057	6,922	-	-
Short-term investments	25	580	338	-	-
Amounts under fund management	26	-	178,781	-	-
Bank balances and other liquid funds	27	818,925	625,837	231,195	84,764
		<b>3,838,986</b>	<b>3,946,955</b>	<b>710,769</b>	<b>700,490</b>
<b>TOTAL ASSETS</b>		<b>5,992,771</b>	<b>6,050,273</b>	<b>1,286,288</b>	<b>1,259,342</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Advance payments from customers, current		490,014	606,526	-	-
Creditors and accruals	30	1,406,169	1,524,838	56,855	51,125
Provisions	31	185,415	191,760	-	-
Progress billings in excess of work-in-progress	21	475,746	368,757	-	-
Provision for taxation		177,647	201,324	5,927	4,968
Short-term bank loans	32	322,773	574,595	25,300	-
Lease obligations, current	33	1,726	1,675	-	-
Long-term bank loans, current	37	261,989	281,783	-	-
Other loans, current	38	240	234	-	-
Bank overdrafts		19	803	-	-
		<b>3,321,738</b>	<b>3,752,295</b>	<b>88,082</b>	<b>56,093</b>
<b>NET CURRENT ASSETS</b>		<b>517,248</b>	<b>194,660</b>	<b>622,687</b>	<b>644,397</b>

# Balance Sheets

as at 31 December 2008  
(Currency - Singapore dollars)

		Group		Company	
	Note	2008 \$'000	2007 \$'000 (Restated)	2008 \$'000	2007 \$'000
<b>Non-current liabilities</b>					
Advance payments from customers, non-current		601,626	455,576	-	-
Deferred income	35	11,496	7,079	-	-
Deferred tax liabilities	36	62,602	45,818	201	372
Lease obligations, non-current	33	5,419	7,159	-	-
Long-term bank loans, non-current	37	287,642	583	-	-
Other loans, non-current	38	1,607	2,070	-	-
Derivative financial instruments	51	23,525	-	-	-
Due to a subsidiary	39	-	-	54,000	54,000
		<b>993,917</b>	<b>518,285</b>	<b>54,201</b>	<b>54,372</b>
<b>TOTAL LIABILITIES</b>		<b>4,315,655</b>	<b>4,270,580</b>	<b>142,283</b>	<b>110,465</b>
<b>NET ASSETS</b>		<b>1,677,116</b>	<b>1,779,693</b>	<b>1,144,005</b>	<b>1,148,877</b>
<b>Share capital and reserves</b>					
Share capital	40	586,614	554,888	586,614	554,888
Capital reserves	41	116,323	115,948	-	-
Other reserves	42	(16,216)	5,419	46,779	28,246
Retained earnings	43	893,719	956,255	510,612	565,743
		<b>1,580,440</b>	<b>1,632,510</b>	<b>1,144,005</b>	<b>1,148,877</b>
Minority interests		96,676	147,183	-	-
		<b>1,677,116</b>	<b>1,779,693</b>	<b>1,144,005</b>	<b>1,148,877</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,992,771</b>	<b>6,050,273</b>	<b>1,286,288</b>	<b>1,259,342</b>

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

# Statements of Changes in Equity

for the year ended 31 December 2008  
(Currency - Singapore dollars)

	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Minority interests \$'000 (Restated)	Total equity \$'000 (Restated)
<b>The Group</b>							
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 a subsidiary, as previously reported	-	-	-	-	-	1,595	1,595
Finalisation of purchase price allocation	-	-	-	-	-	483	483
Acquisition of a subsidiary, as restated	-	-	-	-	-	2,078	2,078
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 44)	-	-	-	(508,220)	(508,220)	(21,787)	(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	147,183	1,779,693

# Statements of Changes in Equity

for the year ended 31 December 2008  
(Currency - Singapore dollars)

	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Minority interests \$'000	Total equity \$'000
<b>The Group</b>							
At 1.1.2008	554,888	115,948	5,419	956,255	1,632,510	147,183	1,779,693
Net fair value changes on available-for-sale financial assets	-	-	(26,324)	-	(26,324)	(6)	(26,330)
Net fair value changes on cash flow hedges	-	-	(2,642)	-	(2,642)	-	(2,642)
Foreign currency translation differences	-	-	(11,091)	-	(11,091)	2,333	(8,758)
Net income recognised directly in equity	-	-	(40,057)	-	(40,057)	2,327	(37,730)
Net profit for the year	-	-	-	473,636	473,636	15,127	488,763
Total recognised net income for the year	-	-	(40,057)	473,636	433,579	17,454	451,033
Issue of shares	31,726	-	-	-	31,726	-	31,726
Acquisition of a subsidiary	-	-	-	-	-	1,489	1,489
Acquisition of additional interest in subsidiaries	-	-	-	-	-	(61,110)	(61,110)
Capital contribution	-	-	-	-	-	2,836	2,836
Cost of share-based payment	-	-	17,940	-	17,940	168	18,108
Dividends (Note 44)	-	-	-	(535,690)	(535,690)	(11,594)	(547,284)
Excess capital contribution from minority shareholders	-	375	-	-	375	250	625
Transfer from unappropriated profit to statutory reserve	-	-	482	(482)	-	-	-
At 31.12.2008	586,614	116,323	(16,216)	893,719	1,580,440	96,676	1,677,116

	Share capital \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total \$'000
<b>The Company</b>				
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 44)	-	-	(508,220)	(508,220)
At 31.12.2007	554,888	28,246	565,743	1,148,877
At 1.1.2008	554,888	28,246	565,743	1,148,877
Net profit for the year	-	-	480,559	480,559
Total recognised net income for the year	-	-	480,559	480,559
Issue of shares	31,726	-	-	31,726
Cost of share-based payment	-	18,533	-	18,533
Dividends (Note 44)	-	-	(535,690)	(535,690)
At 31.12.2008	586,614	46,779	510,612	1,144,005

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

# Consolidated Statement of Cash Flows

for the year ended 31 December 2008

(Currency - Singapore dollars)

	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>		
Profit before taxation including share of results of associated companies and joint ventures	540,702	638,115
Adjustments:		
Share of results of associated companies and joint ventures	(38,937)	(46,647)
Depreciation charge	148,590	126,518
Impairment in value of investments	25,943	3,007
Write-back of impairment in value of associated companies	-	(4,400)
Property, plant and equipment written off	12,117	8,721
Write-back of impairment of property, plant and equipment	(102)	(105)
Gain on disposal of property, plant and equipment	(4,364)	(909)
Gain on dilution of interest in a subsidiary	-	(84)
(Gain)/loss on disposal of investments	(650)	4,037
Loss on disposal of a subsidiary	-	3,506
Gain on disposal of associated companies	(803)	(20,702)
Long-term loan from a minority shareholder forgiven	(194)	-
Profit on maturity of amounts under fund management	(19,586)	(24,490)
Share-based payment expense	19,357	16,085
Changes in fair value of financial instruments and hedged items	1,415	658
Financial expenses	42,687	50,356
Interest income	(21,151)	(42,462)
Dividends from investments	(222)	(112)
Amortisation of other intangible assets	10,203	7,556
Impairment/(write-back of impairment) of other intangible assets	2	(27)
<b>Operating profit before working capital changes</b>	<b>715,007</b>	<b>718,621</b>
(Increase)/decrease in:		
Stocks and work-in-progress	(55,296)	(124,953)
Progress billings in excess of work-in-progress	106,989	40,148
Trade debtors	(157,254)	(73,714)
Advance payments to suppliers	(60,332)	(60,161)
Other debtors, deposits and prepayments	(33,266)	(30,965)
Holding company and related corporations balances	771	(743)
Associated companies	5,397	(3,521)
Joint ventures	1,787	9,655
Trade creditors	65,207	(19,853)
Advance payments from customers	29,538	201,729
Other creditors, accruals and provisions	(57,596)	54,796
Loans to staff and third parties, net of repayments	392	(465)
<b>Cash generated from operations</b>	<b>561,344</b>	<b>710,574</b>
Interest received	23,925	41,544
Income tax paid	(92,011)	(104,548)
Deferred income	4,417	2,962
Exchange difference on operating activities	13,683	10,739
<b>Net cash from operating activities</b>	<b>511,358</b>	<b>661,271</b>

# Consolidated Statement of Cash Flows

for the year ended 31 December 2008  
(Currency - Singapore dollars)

	2008 \$'000	2007 \$'000
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	11,272	6,921
Proceeds from sale of associated companies	803	58,292
Dividends from associated companies and joint ventures	42,247	23,935
Dividends from investments	222	112
Proceeds from sale and maturity of investments	131,492	78,892
Purchase of property, plant and equipment	(191,291)	(172,044)
Purchase of investments	-	(295)
Additional investment/acquisition of associated companies and joint ventures	(2,795)	(18,452)
Acquisition of other intangible assets	(4,556)	(5,514)
Acquisition of subsidiaries	(121,629)	7,091
Acquisition of additional interest in subsidiaries	(62,930)	25,625
Disposal of a subsidiary	-	(1,044)
Exchange difference on investing activities	74	2,592
<b>Net cash from/(used in) investing activities</b>	<b>(197,091)</b>	<b>6,111</b>
<b>Cash flows from financing activities</b>		
Capital contribution from minority shareholders of subsidiaries	2,836	14,306
Proceeds from issue of shares	30,477	79,962
Loan to an associated company	(360)	-
Repayment of other loans, net	(252)	(210)
Repayment of lease obligations, net	(1,409)	(8,637)
Proceeds/(repayment) of bank loans, net	33,990	(10)
Repayment of convertible loan	-	(980)
Dividends paid to shareholders of the Company	(535,690)	(508,220)
Dividends paid to minority shareholders of subsidiaries	(11,594)	(21,787)
Interest paid	(42,239)	(50,364)
Exchange difference on financing activities	(18,838)	(17,110)
<b>Net cash used in financing activities</b>	<b>(543,079)</b>	<b>(513,050)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(228,812)</b>	<b>154,332</b>
Cash and cash equivalents at beginning of the year	1,282,724	1,141,308
Exchange difference on cash and cash equivalents at beginning of the year	(4,818)	(12,916)
<b>Cash and cash equivalents at end of the year (Note 46)</b>	<b>1,049,094</b>	<b>1,282,724</b>

# Consolidated Statement of Cash Flows

for the year ended 31 December 2008  
(Currency - Singapore dollars)

## SUMMARY OF EFFECT ON ACQUISITION OF INTEREST IN SUBSIDIARIES

In 2008, the fair value of the identifiable assets and liabilities of the subsidiaries acquired (as disclosed in Note 13) and the effect thereof as at the dates of acquisitions were as follows:

	Recognised on acquisition \$'000	Carrying amount before combination \$'000
Property, plant and equipment	31	31
Intangible assets	4,017	-
Debtors, deposits and prepayment	30	30
Cash and cash equivalents	915	915
	<hr/> 4,993	<hr/> 976
Creditors and accruals	(64)	(64)
Deferred tax liabilities	(1,205)	-
	<hr/> (1,269)	<hr/> (64)
Net identifiable assets	3,724	912
Goodwill arising on consolidation	3,128	
	<hr/> 6,852	
Minority interests	(1,489)	
Total purchase consideration	<hr/> 5,363	
<b>Cost of acquisitions:</b>		
Cash paid in current year for a subsidiary acquired in previous year	117,181	
Cash paid in current year	5,363	
	<hr/> 122,544	
<b>Cash outflow on acquisitions:</b>		
Cost of acquisitions	(122,544)	
Net cash acquired with the subsidiaries	915	
Net cash outflow on acquisition	<hr/> (121,629)	

Included in the carrying amount before combination are the assets and liabilities of ST Aviation Training Academy (Australia) Pty Ltd and Antycip Simulation Limited and its subsidiary. 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 13).

From the dates of acquisitions, the acquired subsidiaries have contributed \$0.3 million in profits to the net profit of the Group.

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