

# Consolidated Income Statement

for the year ended 31 December 2009  
(Currency - Singapore dollars)

	Note	2009 \$'000	Group 2008 \$'000
<b>Turnover</b>	3	<b>5,547,787</b>	5,344,515
Cost of sales		<b>(4,397,582)</b>	(4,188,323)
<b>Gross profit</b>		<b>1,150,205</b>	1,156,192
Other operating income, net	4	<b>21,413</b>	26,973
Distribution and selling expenses		<b>(182,174)</b>	(189,893)
Administrative expenses		<b>(397,011)</b>	(381,413)
Other operating expenses		<b>(84,607)</b>	(75,866)
<b>Profit from operations before taxation, other income and financial expenses</b>	5	<b>507,826</b>	535,993
Other income, net	8	<b>55,974</b>	8,459
Financial expenses	9	<b>(56,120)</b>	(42,687)
		<b>507,680</b>	501,765
Share of results of associated companies and joint ventures		<b>38,879</b>	38,937
<b>Profit from operations before taxation</b>		<b>546,559</b>	540,702
Taxation	10	<b>(90,162)</b>	(51,939)
<b>Profit from operations after taxation</b>		<b>456,397</b>	488,763
<b>Attributable to:</b>			
Shareholders of the Company		<b>443,930</b>	473,636
Minority interests		<b>12,467</b>	15,127
		<b>456,397</b>	488,763
<b>Earnings per share (cents)</b>	11		
Basic		<b>14.78</b>	15.82
Diluted		<b>14.74</b>	15.74

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

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2009  
(Currency - Singapore dollars)

	Group	
	2009	2008
	\$'000	\$'000
<b>Profit from operations after taxation</b>	456,397	488,763
<b>Other comprehensive income:</b>		
Net fair value changes on available-for-sale financial assets	8,251	(26,330)
Net fair value changes on cash flow hedges	(4,214)	(2,642)
Foreign currency translation	(27,500)	(8,758)
<b>Other comprehensive income for the year, net of tax</b>	<b>(23,463)</b>	<b>(37,730)</b>
<b>Total comprehensive income for the year</b>	<b>432,934</b>	<b>451,033</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	422,464	433,579
Minority interests	10,470	17,454
	<b>432,934</b>	<b>451,033</b>

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

# Balance Sheets

as at 31 December 2009  
(Currency - Singapore dollars)

	Note	Group		Company	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	1,166,677	1,019,084	711	1,016
Subsidiaries	13	–	–	588,477	574,453
Associated companies and joint ventures	14	273,379	263,078	17,707	50
Investments	15	21,464	53,416	–	–
Intangible assets	16	642,784	641,090	–	–
Investment properties	17	2,009	17,371	–	–
Long-term receivables, non-current	18	36,800	451	–	–
Finance lease receivables, non-current	19	5,227	4,793	–	–
Derivative financial instruments	51	18,742	16,374	–	–
Deferred tax assets	20	127,196	138,128	–	–
		<b>2,294,278</b>	<b>2,153,785</b>	<b>606,895</b>	<b>575,519</b>
<b>Current assets</b>					
Stocks and work-in-progress	21	1,364,296	1,286,331	–	–
Trade debtors	22	1,062,227	1,108,229	–	–
Due from related corporations	23	4,082	234,078	29	139,198
Advances and other debtors	24	388,226	379,086	340,096	340,196
Long-term receivables, current	18	7,637	700	90	180
Finance lease receivables, current	19	14,386	11,057	–	–
Short-term investments	25	235,825	580	–	–
Bank balances and other liquid funds	26	1,513,610	818,925	241,984	231,195
		<b>4,590,289</b>	<b>3,838,986</b>	<b>582,199</b>	<b>710,769</b>
<b>TOTAL ASSETS</b>		<b>6,884,567</b>	<b>5,992,771</b>	<b>1,189,094</b>	<b>1,286,288</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Advance payments from customers, current		655,669	490,014	–	–
Creditors and accruals	29	1,392,392	1,406,169	41,650	56,855
Provisions	30	211,851	185,415	–	–
Progress billings in excess of work-in-progress	21	557,329	475,746	–	–
Provision for taxation		178,734	177,647	5,204	5,927
Short-term bank loans	31	83,510	322,773	–	25,300
Lease obligations, current	32	1,822	1,726	–	–
Long-term bank loans, current	36	–	261,989	–	–
Other loans, current	37	240	240	–	–
Bank overdrafts		1	19	–	–
		<b>3,081,548</b>	<b>3,321,738</b>	<b>46,854</b>	<b>88,082</b>
<b>NET CURRENT ASSETS</b>		<b>1,508,741</b>	<b>517,248</b>	<b>535,345</b>	<b>622,687</b>

# Balance Sheets

as at 31 December 2009  
(Currency - Singapore dollars)

	Note	Group		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Non-current liabilities</b>					
Advance payments from customers, non-current		682,025	601,626	–	–
Deferred income	34	14,546	11,496	–	–
Deferred tax liabilities	35	58,297	62,602	205	201
Lease obligations, non-current	32	3,730	5,419	–	–
Long-term bank loans, non-current	36	648,854	287,642	–	–
Bonds	38	698,462	–	–	–
Other loans, non-current	37	2,088	1,607	–	–
Other long-term payables, non-current	39	1,453	–	–	–
Derivative financial instruments	51	17,368	23,525	–	–
Due to a subsidiary	40	–	–	54,000	54,000
		<b>2,126,823</b>	<b>993,917</b>	<b>54,205</b>	<b>54,201</b>
<b>TOTAL LIABILITIES</b>		<b>5,208,371</b>	<b>4,315,655</b>	<b>101,059</b>	<b>142,283</b>
<b>NET ASSETS</b>		<b>1,676,196</b>	<b>1,677,116</b>	<b>1,088,035</b>	<b>1,144,005</b>
<b>Share capital and reserves</b>					
Share capital	41	611,808	586,614	611,808	586,614
Capital reserves	42	116,323	116,323	–	–
Other reserves	43	(22,793)	(16,216)	61,790	46,779
Retained earnings	44	862,764	893,719	414,437	510,612
		<b>1,568,102</b>	<b>1,580,440</b>	<b>1,088,035</b>	<b>1,144,005</b>
Minority interests		108,094	96,676	–	–
		<b>1,676,196</b>	<b>1,677,116</b>	<b>1,088,035</b>	<b>1,144,005</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,884,567</b>	<b>5,992,771</b>	<b>1,189,094</b>	<b>1,286,288</b>

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

# Statements of Changes in Equity

for the year ended 31 December 2009  
(Currency - Singapore dollars)

	Note	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 profit for the year		–	–	–	473,636	473,636	15,127	488,763
Other comprehensive income for the year		–	–	(40,057)	–	(40,057)	2,327	(37,730)
Total comprehensive 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	45	–	–	–	(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
At 1.1.2009		586,614	116,323	(16,216)	893,719	1,580,440	96,676	1,677,116
Net profit for the year		–	–	–	443,930	443,930	12,467	456,397
Other comprehensive income for the year		–	–	(21,466)	–	(21,466)	(1,997)	(23,463)
Total comprehensive income for the year		–	–	(21,466)	443,930	422,464	10,470	432,934
Issue of shares		25,194	–	–	–	25,194	–	25,194
Acquisition of subsidiaries		–	–	–	–	–	9,756	9,756
Acquisition of additional interest in subsidiaries		–	–	–	–	–	(1,075)	(1,075)
Capital contribution		–	–	–	–	–	5,092	5,092
Cost of share-based payment		–	–	14,559	–	14,559	157	14,716
Dividends	45	–	–	–	(474,555)	(474,555)	(12,982)	(487,537)
Transfer from unappropriated profit to statutory reserve		–	–	330	(330)	–	–	–
At 31.12.2009		611,808	116,323	(22,793)	862,764	1,568,102	108,094	1,676,196

# Statements of Changes in Equity

for the year ended 31 December 2009  
(Currency - Singapore dollars)

	Note	Share capital \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total \$'000
<b>The Company</b>					
At 1.1.2008		554,888	28,246	565,743	1,148,877
Net profit for the year		–	–	480,559	480,559
Total comprehensive 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	45	–	–	(535,690)	(535,690)
At 31.12.2008		586,614	46,779	510,612	1,144,005
At 1.1.2009		586,614	46,779	510,612	1,144,005
Net profit for the year		–	–	378,380	378,380
Total comprehensive income for the year		–	–	378,380	378,380
Issue of shares		25,194	–	–	25,194
Cost of share-based payment		–	15,011	–	15,011
Dividends	45	–	–	(474,555)	(474,555)
At 31.12.2009		611,808	61,790	414,437	1,088,035

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

# Consolidated Statement of Cash Flows

for the year ended 31 December 2009  
(Currency - Singapore dollars)

	2009 \$'000	2008 \$'000
<b>Cash flows from operating activities</b>		
Profit before taxation including share of results of associated companies and joint ventures	546,559	540,702
Adjustments:		
Share of results of associated companies and joint ventures	(38,879)	(38,937)
Depreciation charge	150,985	148,590
Impairment in value of investments	1,060	25,943
Property, plant and equipment written off	10,948	12,117
Write-back of impairment of property, plant and equipment	(42)	(102)
Gain on disposal of property, plant and equipment	(1,255)	(4,364)
Gain on disposal of an investment property	(447)	–
Gain on disposal of investments	(690)	(650)
Loss on disposal of subsidiaries	83	–
Gain on disposal of associated companies	–	(803)
Long-term loan from a minority shareholder forgiven	–	(194)
Profit on maturity of amounts under fund management	–	(19,586)
Negative goodwill written off	(427)	–
Goodwill written off	1,599	–
Share-based payment expense	17,702	19,357
Changes in fair value of financial instruments and hedged items	(812)	1,415
Financial expenses	56,120	42,687
Interest income	(12,688)	(21,151)
Dividends from investments	(181)	(222)
Amortisation of other intangible assets	11,773	10,203
Impairment of other intangible assets	397	2
<b>Operating profit before working capital changes</b>	<b>741,805</b>	<b>715,007</b>
(Increase)/decrease in:		
Stocks and work-in-progress	(57,866)	(55,296)
Progress billings in excess of work-in-progress	81,583	106,989
Trade debtors	74,312	(157,254)
Advance payments to suppliers	(21,706)	(60,332)
Other debtors, deposits and prepayments	38,608	(33,266)
Holding company and related corporations balances	(520)	771
Associated companies	1,089	5,397
Joint ventures	(11,033)	1,787
Trade creditors	(46,526)	65,207
Advance payments from customers	242,899	29,538
Other creditors, accruals and provisions	11,328	(57,596)
Loans to staff and third parties, net of repayments	(35,975)	392
<b>Cash generated from operations</b>	<b>1,017,998</b>	<b>561,344</b>
Interest received	9,230	23,925
Income tax paid	(87,830)	(92,011)
Deferred income	1,540	4,417
Exchange difference on operating activities	(9,429)	13,683
<b>Net cash from operating activities</b>	<b>931,509</b>	<b>511,358</b>

# Consolidated Statement of Cash Flows

for the year ended 31 December 2009  
(Currency - Singapore dollars)

	2009 \$'000	2008 \$'000
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	5,045	11,272
Proceeds from sale of an investment property	1,800	–
Proceeds from sale of associated companies	–	803
Dividends from associated companies and joint ventures	44,505	42,247
Dividends from investments	181	222
Proceeds from sale and maturity of investments	1,154	131,492
Purchase of property, plant and equipment	(276,525)	(191,291)
Purchase of investments	(195,399)	–
Additional investment/acquisition of associated companies and joint ventures	(19,803)	(2,795)
Acquisition of other intangible assets	(6,696)	(4,556)
Acquisition of subsidiaries	(38,923)	(121,629)
Acquisition of additional interest in subsidiaries	(2,562)	(62,930)
Exchange difference on investing activities	3,601	74
<b>Net cash used in investing activities</b>	<b>(483,622)</b>	<b>(197,091)</b>
<b>Cash flows from financing activities</b>		
Capital contribution from minority shareholders of subsidiaries	5,092	2,836
Proceeds from issue of shares	22,208	30,477
Proceeds from issue of bonds	716,653	–
Loan from a minority shareholder	757	–
Loan to associated companies and joint ventures	(6,820)	(360)
Repayment of other loans, net	(234)	(252)
Repayment of lease obligations, net	(1,692)	(1,409)
(Repayment)/proceeds of bank loans, net	(151,442)	33,990
Dividends paid to shareholders of the Company	(474,555)	(535,690)
Dividends paid to minority shareholders of subsidiaries	(12,982)	(11,594)
Interest paid	(42,902)	(42,239)
Exchange difference on financing activities	(34,902)	(18,838)
<b>Net cash from/(used in) financing activities</b>	<b>19,181</b>	<b>(543,079)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>467,068</b>	<b>(228,812)</b>
Cash and cash equivalents at beginning of the year	1,049,094	1,282,724
Exchange difference on cash and cash equivalents at beginning of the year	(2,553)	(4,818)
<b>Cash and cash equivalents at end of the year (Note 47)</b>	<b>1,513,609</b>	<b>1,049,094</b>

# Consolidated Statement of Cash Flows

for the year ended 31 December 2009  
(Currency - Singapore dollars)

## SUMMARY OF EFFECT ON ACQUISITION OF INTEREST IN SUBSIDIARIES

In 2009, 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	30,550	23,283
Associated company	180	180
Intangible assets	5,244	–
Deferred tax assets	251	–
Stocks and work-in-progress	18,749	18,749
Trade and other debtors	48,162	48,254
Cash and cash equivalents	15,235	15,235
Other non-current assets	18	18
	<u>118,389</u>	<u>105,719</u>
Creditors and accruals	(40,258)	(40,214)
Advance payments from customers	(3,155)	(3,155)
Provision for warranty	(226)	(226)
Provision for taxation	(1,041)	(1,041)
Bank loans	(20,532)	(20,532)
Deferred tax liabilities	(1,849)	(147)
Deferred income	(1,510)	(1,510)
	<u>(68,571)</u>	<u>(66,825)</u>
Net identifiable assets	49,818	<u>38,894</u>
Goodwill arising on consolidation	14,844	
	<u>64,662</u>	
Minority interests	(9,756)	
Total purchase consideration	<u>54,906</u>	
<b>Cost of acquisitions:</b>		
Cash to be paid in subsequent year	35	
Reclassification from investment in an associated company	713	
Cash paid in current year	54,158	
	<u>54,906</u>	
<b>Cash outflow on acquisitions:</b>		
Cost of acquisitions	(54,158)	
Net cash acquired with the subsidiaries	15,235	
	<u>(38,923)</u>	
Net cash outflow on acquisition	<u>(38,923)</u>	

# Consolidated Statement of Cash Flows

for the year ended 31 December 2009  
(Currency - Singapore dollars)

## SUMMARY OF EFFECT ON ACQUISITION OF INTEREST IN SUBSIDIARIES (continued)

Included in the carrying amount before combination are the assets and liabilities of Precision Products Singapore Pte Ltd, Parallel Limited, VT iDirect Canada, Inc. (formerly known as Ximaera Technologies Canada Inc.), Jiangsu Huatong Kinetics Co., Ltd and Jiangsu Huaran Kinetics Co., Ltd. The purchase price allocation of Precision Products Singapore Pte Ltd, Parallel Limited and VT iDirect Canada, Inc. 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 \$2.8 million in profits to the net profit after tax and minority interests of the Group.

If the acquisition had taken place at the beginning of the year, the turnover and net profit after tax and minority interests of the Group would have been \$5.6 billion and \$445.2 million respectively.

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