

Consolidated Statement of Cash Flows

Year ended December 31, 2002

	2002	2001
	\$'000	\$'000
Operating Activities		
Profit before taxation and minority interests	301,880	340,277
Adjustments for:		
Interest income	(23,584)	(45,661)
Dividend income	(310)	(492)
Interest expense	93,521	90,162
Depreciation of property, plant and equipment	170,932	145,484
Share of results of associates and joint ventures	(63,450)	(93,378)
Gain on disposal of property, plant and equipment	(1,518)	(9,740)
Gain on disposal of investments	(419)	(10,370)
(Gain)/Loss on disposal of associates and joint ventures	(44,870)	(31,144)
Gain on disposal/dilution of interests in subsidiaries and business	(167,951)	(85,200)
Allowance for doubtful receivables made (net)	12,948	25,427
Write-off and impairment loss (reversed)/made:		
– property, plant and equipment	48,623	(531)
– associates and joint ventures	819	3,076
– investment property	–	519
– investments and development properties	31,136	7,084
– goodwill	981	17,342
Allowance for impairment loss of development and software costs	11,797	–
Amortisation of:		
– intangible assets	5,169	1,567
– loan discount	98	100
Provisions made	3,602	36,117
Allowance for inventory obsolescence and foreseeable losses and inventories written off (net)	70,352	11,200
Provision for compensation costs of share-based incentives and retirements benefits and gratuities	565	4,151
Operating profit before working capital changes	450,321	405,990
Changes in working capital:		
Inventories and work-in-progress	(63,674)	(74,230)
Receivables	114,577	(313,764)
Development properties	8,222	(21,609)
Short-term investments	(250)	–
Payables	163,030	16,079
Balances with related parties	(71,092)	(54,615)
Benefits and gratuities paid	(466)	(676)
	600,668	(42,825)
Income tax paid	(70,829)	(66,267)
Cash flows from operating activities carried forward	529,839	(109,092)

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Year ended December 31, 2002

	2002 \$'000	2001 \$'000
Cash flows from operating activities brought forward	529,839	(109,092)
Investing Activities		
Dividend received	35,594	27,861
Interest received	24,565	44,897
Payment for debt purchase	-	(2,570)
Proceeds from disposal of:		
– interest in subsidiaries and business	222,748	153,604
– interest in associates	91,124	62,147
– property, plant and equipment	27,163	31,931
– investments	37,209	50,370
Acquisitions of:		
– subsidiaries and business net of cash acquired	(88,912)	(24,040)
– associates and joint ventures	(32,327)	(94,410)
– property, plant and equipment	(182,118)	(267,688)
– long-term investments	(30,744)	(5,500)
– business undertaking	-	(3,234)
Development and software costs paid	(10,242)	(2,116)
Transferable license fees paid	-	(1,113)
Return of capital from associates and investments	5,921	3,714
Long-term balances with related parties	32,624	114,340
Long-term receivables	(62,123)	(101,812)
Cash flows from investing activities	70,482	(13,619)
Financing Activities		
Realisation of losses on interest rate swaps	-	(9,712)
Proceeds from issue of shares (net)	339,459	1,484
Proceeds from issue of shares to minority shareholders of subsidiaries	9,908	109,428
(Payment of)/Proceeds from term loans (net)	(299,683)	218,731
Other long-term liabilities	1,087	67
Dividends paid to shareholders of the Company	(42,608)	(30,315)
Dividends paid to minority shareholders of subsidiaries	(50,323)	(33,231)
Hire purchase and finance lease obligations	(8,038)	9,210
Redemption of loan stock	(12,750)	-
Short-term borrowings	(376,393)	(295,914)
Fixed deposit pledged with a bank for banking facilities	(53,831)	-
Interest paid	(93,060)	(95,715)
Redemption of redeemable cumulative preference shares	-	(7,500)
Cash flows from financing activities	(586,232)	(133,467)
Net Increase/(Decrease) in Cash and Cash Equivalents	14,089	(256,178)
Cash and Cash Equivalents at beginning of year	402,054	657,635
Effect of Exchange Rate Changes on Balances held in Foreign Currency	233	597
Cash and Cash Equivalents at end of year (Note 16)	416,376	402,054

Consolidated Statement of Cash Flows

Year ended December 31, 2002

The attributable net assets of subsidiaries and business acquired and disposed of during the year are as follows:

	2002	2001
	\$'000	\$'000
Acquisition		
Property, plant and equipment	141,708	684,615
Investments	458	1,080
Intangible assets and prepayments	13,017	46,528
Net current liabilities	(15,352)	(196,208)
Non-current liabilities	(50,789)	(383,752)
Minority interests	(5,419)	(53,835)
Interest in subsidiaries previously accounted for as associates/joint ventures	(34,902)	(54,044)
Goodwill	33,406	43,345
Total consideration payable	82,127	87,729
Interest in equity investment given up	-	(9,762)
Net shareholders' loans receivable given up	-	(4,182)
	82,127	73,785
Consideration not yet paid	(2,400)	-
Net cash at bank of subsidiaries acquired	9,185	(49,745)
Cash outflow on acquisition	88,912	24,040
Disposal		
Property, plant and equipment	233,253	97,349
Non-current assets	45,826	13,647
Net current (liabilities)/assets	(32,930)	32,373
Non-current liabilities	(102,817)	(1,289)
Minority interests	(49,163)	(172)
	94,169	141,908
Gain on disposal	167,951	25,174
Realisation of capital reserves	19,390	-
Cost of investment transferred to associates/joint venture	(18,579)	-
Total consideration receivable	262,931	167,082
Consideration not yet received	-	(1,350)
Net cash at bank of subsidiaries disposed	(40,183)	(12,128)
Cash inflow on disposal	222,748	153,604

The accompanying notes form an integral part of these financial statements.