

Consolidated Statement of Cash Flows

Year ended December 31, 2003

SembCorp Industries
Annual Report 2003

	Restated	
	2003	2002
	\$'000	\$'000
Operating activities		
Profit before taxation and minority interests	470,634	290,878
Adjustments for:		
Interest income	(23,394)	(23,584)
Dividend income	(699)	(310)
Interest expense	79,233	93,521
Depreciation of property, plant and equipment	172,355	170,753
Share of results of associates and joint ventures	(145,461)	(63,450)
Gain on disposal of property, plant and equipment	(9,911)	(1,518)
Gain on disposal of investments	(5,012)	(419)
Gain on disposal of associates and joint ventures	(117,846)	(44,870)
Loss /(gain) on disposal/dilution of interests in subsidiaries and business	2,173	(167,951)
Allowance for doubtful receivables made (net)	5,947	12,948
Write-off and impairment loss (write-back)/made:		
– property, plant and equipment	6,262	48,626
– associates and joint ventures	–	819
– investments and development properties	(2,954)	31,136
– goodwill	9	981
Allowance for impairment loss of development and software costs	–	11,797
Amortisation of:		
– intangible assets	5,689	5,169
– loan discount	425	98
Provisions made	8,127	3,602
Allowance for inventory obsolescence and foreseeable losses and inventories written off (net)	292	70,352
Provision for compensation costs of share-based incentives and retirements benefits and gratuities	3,603	565
Operating profit before working capital changes	449,472	439,143
Changes in working capital:		
Inventories and work-in-progress	6,608	(55,452)
Receivables	49,113	131,925
Short-term investments	(122)	(250)
Payables	(240,280)	156,860
Balances with related parties	137,210	(71,092)
Benefits and gratuities paid	(1,095)	(466)
	400,906	600,668
Income tax paid	(63,527)	(70,829)
Cash flows from operating activities carried forward	337,379	529,839

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	2003	Restated 2002
	\$'000	\$'000
Cash flows from operating activities brought forward	337,379	529,839
Investing activities		
Dividend received	47,596	35,594
Interest received	23,010	24,565
Proceeds from disposal of:		
– interest in subsidiaries and business	7,237	222,748
– interest in associates and joint ventures	143,568	91,124
– property, plant and equipment	25,553	27,163
– investments	25,279	37,209
Acquisitions of:		
– subsidiaries and business net of cash acquired	(293,098)	(88,912)
– additional interests in subsidiaries	(90,273)	–
– associates and joint ventures	(38,482)	(32,327)
– property, plant and equipment	(146,350)	(182,118)
– long-term investments	(12,638)	(30,744)
Development and software costs paid	–	(10,242)
Return of capital from associates and investments	2,531	5,921
Long-term balances with related parties	(37,478)	32,624
Long-term receivables	38,117	(62,123)
Cash flows (used in)/from investing activities	(305,428)	70,482
Financing activities		
Proceeds from issue of shares (net)	902	339,459
Proceeds from issue of shares to minority shareholders of subsidiaries	714	9,908
Proceeds/(payment of) from term loans (net)	345,594	(299,683)
Other long-term liabilities	21,734	1,087
Dividends paid to shareholders of the Company	(92,335)	(42,608)
Dividends paid to minority shareholders of subsidiaries	(24,236)	(50,323)
Finance lease obligations	1,178	(8,038)
Redemption of loan stock	–	(12,750)
Short-term borrowings	–	(376,393)
Fixed deposit pledged with a bank for banking facilities	(1,885)	(53,831)
Interest paid	(78,271)	(93,060)
Cash flows from/(used in) financing activities	173,395	(586,232)
Net increase in cash and cash equivalents	205,346	14,089
Cash and cash equivalents at beginning of year	416,376	402,054
Effect of Exchange Rate Changes on Balances held in Foreign Currency	1,466	233
Cash and cash equivalents at end of year (Note 14)	623,188	416,376

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

	2003
	\$'000
Acquisition	
Property, plant and equipment	445,844
Investments	3,700
Intangible assets and prepayments	8,023
Net current assets	46,912
Non-current liabilities	(99,221)
Minority interests	(24,935)
Interest in subsidiaries previously accounted for as associates/joint ventures	(45,086)
Goodwill	40,154
Total consideration payable	375,391
Net cash at bank of subsidiaries acquired	(82,293)
Cash outflow on acquisitions	293,098
Disposal	
Property, plant and equipment	72,532
Non-current assets	3,857
Net current liabilities	(13,639)
Non-current liabilities	(36,300)
Minority interests	(2,581)
	23,869
Loss on disposal	(14,566)
Realisation of currency translation reserve	2,914
Goodwill written off on disposal	194
Total consideration receivable	12,411
Net cash at bank of subsidiaries disposed	(5,174)
Cash inflow on disposals	7,237

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