

Consolidated Statement of Cash Flows

Year ended December 31, 2005

	Group	
	2005	2004
	\$'000	\$'000
Cash Flows from Operating Activities		
Profit before tax and minority interests	507,656	981,526
Adjustments for:		
Dividend and interest income	(36,498)	(25,080)
Finance costs	53,861	75,007
Depreciation and amortisation	184,379	182,189
Share of results of associates and joint ventures	(78,311)	(126,943)
Profit on sale of property, plant and equipment	(11,357)	(13,343)
Gain on disposal of investments	(58,689)	(1,084,574)
Allowance (written back)/made for doubtful debts and bad debts written off	(5,715)	10,840
Changes in fair value of financial instruments and hedge items	10,488	-
Share-based payment expenses	10,144	6,672
Provisions for net exposure arising from legal claims	-	415,000
Allowance made/(written back) for impairment in value of asset	15,040	(14,377)
Work-in-progress written off	5,797	86,339
Operating profit before working capital changes	596,795	493,256
Changes in working capital:		
Inventories and work-in-progress	(147,264)	(146,459)
Receivables	82,344	(134,609)
Payables	340,518	316,073
	872,393	528,261
Income taxes paid	(44,982)	(33,744)
Net cash inflow from operating activities	827,411	494,517

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Year ended December 31, 2005

	Group	
	2005	2004
	\$'000	\$'000
Cash Flows from Investing Activities		
Dividend and interest received	75,749	88,071
Disposal of subsidiaries, net of cash disposed	33,186	(1,341)
Proceeds from disposal of associates and joint ventures	65,275	1,314,967
Proceeds from disposals of investments	121,831	64,492
Proceeds from disposal of property, plant and equipment	35,737	72,356
Acquisition/additional interest in subsidiaries, net of cash acquired	(32,656)	(1,652)
Acquisition/additional interest in associates and joint ventures	(48,733)	(94,834)
Acquisition of other long-term investments	-	(95,568)
Purchase of property, plant and equipment	(365,848)	(226,644)
Long-term receivables & prepayments	20,867	91,916
Payment for intangible assets	(5,261)	(1,098)
Net cash (outflow)/inflow from investing activities	(99,853)	1,210,665
Cash Flows from Financing Activities		
Proceeds from share issue	46,538	5,193
Proceeds from share issue to minority shareholders of subsidiaries	37,665	48,203
Decrease in bank borrowings	(791,202)	(130,675)
Increase/(decrease) in other long-term liabilities	3,836	(8,494)
Capital reduction paid to shareholder of the Company	(214,797)	-
Capital reduction paid to minority shareholders of a subsidiary	(98,882)	-
Dividends paid to shareholders of the Company	(164,701)	(72,903)
Dividends paid to minority shareholders of subsidiaries	(351,441)	(55,047)
Fixed deposits discharged as security with a bank for banking facilities	-	55,716
Interest paid	(58,843)	(75,913)
Net cash outflow from financing activities	(1,591,827)	(233,920)
Net (decrease)/increase in cash and cash equivalents	(864,269)	1,471,262
Cash and cash equivalents at beginning of year	2,099,962	623,188
Effect of exchange rate changes on balances held in foreign currency	(4,412)	5,512
Cash and cash equivalents at end of year	1,231,281	2,099,962

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Year ended December 31, 2005

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

	Group	
	2005	2004
	\$'000	\$'000
Acquisitions		
Non-current assets	14,412	9,529
Net current assets	14,347	2,656
Non-current liabilities	(3,047)	(471)
Minority interests	(3,376)	(5,440)
Interest in subsidiaries previously accounted for as associates/other investments	(5,815)	(3,677)
Goodwill	1,320	4,364
Total consideration payable	17,841	6,961
Payment of deferred consideration	6,559	-
Less: Consideration not yet paid	-	(6,559)
Payment for additional interest in subsidiaries	16,980	1,383
Net cash at bank of subsidiaries acquired	(8,724)	(133)
Cash outflow on acquisitions	32,656	1,652
Disposals		
Non-current assets	23,315	23,154
Net current assets/(liabilities)	52	(9,198)
Non-current liabilities	-	(12,857)
Minority interests	-	(967)
	23,367	132
Profit on disposal	9,131	1,452
Realisation of currency translation reserve	-	(1,584)
Goodwill written off on disposal	756	-
Total consideration receivable	33,254	-
Net cash at bank of subsidiaries disposed of	(68)	(1,341)
Cash inflow/(outflow) on disposals	33,186	(1,341)

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