

CONSOLIDATED CASH FLOW STATEMENT

Year ended December 31, 2003

	The Group	
	2003	2002
	\$'000	\$'000
Cash flows from operating activities:		
Profit before income from associates, income tax and minority interests	247,745	192,637
Adjustments for:		
Depreciation expense	41,362	34,256
Amortisation of goodwill	3,095	1,511
Amortisation of intangible assets	11,473	6,883
(Reversal of) Impairment loss on other investments	(4,586)	8,808
Interest income	(12,484)	(12,560)
Dividend income	(1,473)	(738)
Interest expense	343	443
Gain on disposal of other investments	(33)	–
Loss on disposal of plant and equipment, net	602	41
Operating profit before working capital changes	286,044	231,281
Trade receivables	15,564	(193,961)
Other receivables and prepayments	1,034	(2,431)
Amount due from joint venture (trade)	(6)	1,477
Inventories	(35,089)	(55,472)
Trade payables	4,900	189,625
Other payables and accrued expenses	(8,472)	8,929
Amount due from associates (trade)	(1,694)	2,978
Cash generated from operations	262,281	182,426
Interest paid	(343)	(443)
Interest received	12,484	12,560
Income tax paid	(10,504)	(19,927)
Dividends received	1,473	738
Dividends paid	(18,484)	(11,637)
Net cash from operating activities	246,907	163,717
Cash flows from investing activities:		
Contribution from minority shareholders	363	187
Purchase of property, plant and equipment	(36,778)	(49,515)
Proceeds on disposal of plant and equipment	1,134	3,514
Addition of intangible assets	(3,951)	(8,777)
Proceeds on disposal of other investments	9,972	–
Purchase of other investments	(6,353)	(33,259)
Dividends received from associates	674	449
Acquisition of subsidiaries, net of cash acquired (Note A)	(88)	(14,041)
Net cash used in investing activities	(35,027)	(101,442)

CONSOLIDATED CASH FLOW STATEMENT (cont'd)**Year ended December 31, 2003**

	<u>The Group</u>	
	<u>2003</u>	<u>2002</u>
	\$'000	\$'000
Cash flows from financing activities:		
Increase in short-term bank loans	1,021	875
Proceeds from issue of shares	153,160	56,705
Net cash from financing activities	<u>154,181</u>	<u>57,580</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>(6,482)</u>	<u>(4,571)</u>
Net increase in cash and cash equivalents	359,579	115,284
Cash and cash equivalents at beginning of year	<u>419,733</u>	<u>304,449</u>
Cash and cash equivalents at end of year	<u>779,312</u>	<u>419,733</u>
Cash and cash equivalents at end of year include the following:		
Cash	155,556	153,729
Fixed deposits	624,577	266,004
Bank overdrafts	<u>(821)</u>	<u>-</u>
	<u>779,312</u>	<u>419,733</u>
<u>Note A:</u>		
Summary of the effects of acquisition of subsidiaries:		
Net assets acquired:		
Current assets	6,237	61,674
Non-current assets	5,615	63,170
Current liabilities	(6,325)	(49,587)
Non-current liabilities	(318)	(1,232)
Minority interests	<u>(2,312)</u>	<u>(18,849)</u>
Net assets acquired	2,897	55,176
Reclassified from associates to subsidiaries	<u>(2,074)</u>	<u>-</u>
Goodwill arising on acquisition of subsidiaries	96	51,041
Purchase consideration	<u>919</u>	<u>106,217</u>
Purchase consideration satisfied by:		
Cash paid	919	47,777
Shares issued	<u>-</u>	<u>58,440</u>
Purchase consideration	<u>919</u>	<u>106,217</u>
Net cash flow on acquisition:		
Cash paid	(919)	(47,777)
Cash acquired	<u>831</u>	<u>33,736</u>
Cash outflow on acquisition, net of cash acquired	<u>(88)</u>	<u>(14,041)</u>

See accompanying notes to financial statements.