

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 1998

Statutory Report and Accounts *98*

	1998	1997
	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit / (loss) before interest and taxation	(349,681)	170,977
Adjustments for:		
Depreciation of fixed assets	9,165	9,357
Provision for properties held for development	438,233	-
Exchange difference on US\$ bonds	2,831	2,830
Other items	116	(1,288)
Operating income before reinvestment in working capital	100,664	181,876
Decrease / (Increase) in debtors	113,239	(64,258)
Decrease in stocks and completed properties held for sale	151,049	540,094
Increase in creditors	15,438	135,376
Cash generated from operations	380,390	793,088
Income from investment received	147	188
Interest received	78,527	58,293
Income from interests in associated undertakings	4,816	1,904
Interest paid	(113,867)	(81,182)
Income taxes paid	(81,693)	(35,890)
Net cash provided by operating activities	268,320	736,401
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(23,867)	(15,103)
Purchase of marketable securities and other investments	(21,473)	(24,008)
Additional investment in associated and subsidiary companies	(22,668)	(101,842)
Redemption of shares by subsidiary companies	(10,461)	(5,843)
Development expenditure	(384,882)	(1,382,708)
Proceeds from progress billings	209,159	-
Proceeds from sale of fixed assets and investment property	125,909	79
Sale of shares in an associated company and a subsidiary company	-	96,962
Net cash used in investing activities	(128,283)	(1,432,463)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares by the Company	-	136,539
Net loan drawdown	527,918	87,008
Repurchase of Floating Rate Notes	(79,250)	(9,250)
Advances from / (to) minority shareholders of certain companies	(14,103)	31,046
Loans to related and associated companies, less dividends	(46,081)	(40,369)
Dividends paid to shareholders	(19,404)	(19,403)
Contribution by, less dividends to, minority shareholders of subsidiary companies	(18,648)	8,277
Net cash provided by financing activities	350,432	193,848
Net increase/(decrease) in cash and cash equivalents	490,469	(502,214)
Cash and cash equivalents at beginning of year	(535,540)	(49,559)
Exchange gain / (loss)	(2,406)	14,554
Acquisition and deconsolidation of subsidiaries	-	1,679
Cash and cash equivalents at end of year	(47,477)	(535,540)

	1998	1997
	\$'000	\$'000
REPRESENTED BY:		
CASH AND CASHEQUIVALENTS		
Fixed deposits, bank balances and cash	53,841	115,819
Deposits with related companies	100,836	127,044
Short term borrowings from related companies	(202,154)	(778,403)
	<u>(47,477)</u>	<u>(535,540)</u>

The acquisition and disposal of shares in subsidiary companies have been shown as separate items, and their effect on the individual assets and liabilities of the Group is not reflected in the above statement. The net assets of subsidiary company sold, acquired or reclassified as associated companies may be analysed as follows:

	1998	1997		1998	1997
	\$'000	\$'000		\$'000	\$'000
Fixed assets	-	(139)	Purchase		
Development properties	-	91,993	consideration	-	37,380
Stocks, debtors and creditors	-	(2,734)			
Net bank balances, cash and deposits with, and deposits from related company	-	1,679	Sale proceeds	-	(120)
Long and short-term borrowings	-	(35,890)			
Minority interests	-	(16,222)			
Adjustment for a subsidiary company which was previously an associate	-	(19,503)			
	<u>-</u>	<u>19,184</u>			
Goodwill on acquisition	-	17,877			
Loss on sale	-	199			
	<u>-</u>	<u>37,260</u>		<u>-</u>	<u>37,260</u>