

# Consolidated Statement of Cash Flows

Year ended 31 December 2013

	Note	Group 2013 \$'000	Group 2012 \$'000
<b>Cash flows from operating activities</b>			
Profit for the year		588,260	567,438
Adjustments for:			
Finance income		(8,200)	(21,439)
Finance costs		8,072	3,262
Investment income		(2,228)	(3,421)
Depreciation of property, plant and equipment		97,251	90,632
Amortisation of intangible assets		3,356	3,356
Share of results of associates and joint ventures		(15,603)	(56,270)
Gain on disposal of property, plant and equipment, net		(14,760)	(484)
Gain on liquidation of subsidiary		–	(81)
Gain on disposal of other investments		–	(46)
Gain on disposal of an associate		(2,816)	–
Fair value adjustment of hedging instruments		1,231	(1,647)
Fair value adjustment of other financial assets		(211)	–
Share-based payment expenses		16,948	24,135
Assets written off		268	459
Impairment loss on intangible assets		–	5
Allowance made for impairment on other long-term equity investments, net		269	2,566
Tax expense	28	76,714	62,209
<b>Operating profit before working capital changes</b>		<b>748,551</b>	<b>670,674</b>
<b>Changes in working capital:</b>			
Inventories and work-in-progress		(23,117)	(276,356)
Trade and other receivables		42,947	25,306
Trade and other payables		222,690	(145,057)
<b>Cash generated from operations</b>		<b>991,071</b>	<b>274,567</b>
Investment and interest income received		10,530	24,872
Interest paid		(10,889)	(1,685)
Tax paid		(53,547)	(90,218)
<b>Net cash generated from operating activities</b>		<b>937,165</b>	<b>207,536</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(814,916)	(516,797)
Proceeds from sale of property, plant and equipment		17,893	496
Proceeds from sale of other investment		–	349
Purchase of intangible assets		(62)	(19)
Acquisition of subsidiary, net of cash acquired	33	–	1,575
Additional investment/acquisition of associates		(457)	(13,706)
Additional investment in a joint venture		(5,590)	–
Acquisition of other financial assets		(1,450)	–
Capital contribution by non-controlling interests		–	594
Proceeds from disposal of an associate		5,726	–
Dividend from associate		1,175	823
<b>Net cash used in investing activities</b>		<b>(797,681)</b>	<b>(526,685)</b>

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

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Year ended 31 December 2013

	Note	Group 2013 \$'000	Group 2012 \$'000
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		738,185	350,000
Repayment of borrowings		(300,000)	(50,000)
Proceeds from share options exercised		583	2,460
Purchase of treasury shares		(20,366)	(5,234)
Dividends paid to owners of the Company	32	(271,593)	(522,060)
Dividends paid to non-controlling interests of subsidiaries		(11,518)	(7,128)
Return of unclaimed dividends		–	24
<b>Net cash generated from/(used in) financing activities</b>		135,291	(231,938)
Net increase/(decrease) in cash and cash equivalents		274,775	(551,087)
Cash and cash equivalents at beginning of the year		1,408,907	1,989,612
Effect of exchange rate changes on balances held in foreign currencies		11,219	(29,618)
<b>Cash and cash equivalents at end of the year</b>	14	1,694,901	1,408,907

## Significant non-cash transactions

During the year, there was a reclassification of \$227.5 million from 'inventories and work-in-progress' to 'property, plant and equipment' for a vessel by a subsidiary (see Note 4).

Arising from the divestment of 30 per cent shareholding in HQSM Engineering Pte Ltd ("HQSM") (previously at 49 per cent) by a subsidiary, the retained 19 per cent equity stake in HQSM was fair valued at \$2.7 million and reclassified to 'other financial assets'.

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