

# CONSOLIDATED CASH FLOW STATEMENT

Sembcorp Marine Ltd and its Subsidiaries

Year ended 31 December 2008

	Note	2008 \$'000	2007 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating profit		501,837	349,029
Adjustments for:			
Gain on disposal of property, plant and equipment, net		(822)	(4,781)
Share-based payment expenses		19,484	15,312
Amortisation		1,577	4,249
Fair value adjustment of hedging instruments		42,755	(13,136)
Depreciation of property, plant and equipment		69,130	59,831
Property, plant and equipment written off		701	1,057
<b>Operating income before reinvestment in working capital</b>		<b>634,662</b>	<b>411,561</b>
Inventories and work-in-progress		1,128,302	(345,786)
Trade and other receivables		(32,123)	(33,317)
Trade and other payables		301,732	469,776
<b>Cash generated from operations</b>		<b>2,032,573</b>	<b>502,234</b>
Investment and interest income received		32,504	27,779
Income taxes paid		(42,613)	(44,960)
Interest paid		(12,069)	(12,798)
<b>Net cash inflow from operating activities</b>		<b>2,010,395</b>	<b>472,255</b>
Net payment to banks relating to foreign exchange transactions		(93,452)	(260,589)
		<b>1,916,943</b>	<b>211,666</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of subsidiaries, net, Note (a)		–	160
Investment in associates and joint ventures		(250)	(4,819)
Purchase of property, plant and equipment, Note (b)		(96,924)	(103,874)
Capital refund from an associate		–	52
Capital contribution by minority shareholders		529	–
Dividends from associates		10,478	12,760
Proceeds from:			
disposal of property, plant and equipment		1,141	46,008
disposal of a subsidiary, Note (c)		–	3,208
sale of other long term investments		22	272,950
Purchase of other long term investments		–	(44,244)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(85,004)</b>	<b>182,201</b>

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

# CONSOLIDATED CASH FLOW STATEMENT

Sembcorp Marine Ltd and its Subsidiaries

Year ended 31 December 2008

	Note	2008 \$'000	2007 \$'000
<b>Cash Flows from Financing Activities</b>			
Dividends paid:			
- by the Company		(209,259)	(216,266)
- to minority shareholders		(5,822)	(14,347)
Proceeds from issue of shares by the Company		11,713	23,918
Payments on finance leases		(1,761)	(759)
Repayment of borrowings		(837,531)	(375,107)
Proceeds from borrowings		618,021	436,023
Purchase of treasury shares		(93,745)	–
<b>Net cash outflow from financing activities</b>		<b>(518,384)</b>	<b>(146,538)</b>
Net increase in cash and cash equivalents		1,313,555	247,329
Cash and cash equivalents at beginning of year		740,477	493,148
<b>Cash and cash equivalents at end of year</b>	13	<b>2,054,032</b>	<b>740,477</b>

The acquisition and disposal of the following subsidiaries have been shown as a single item:

Name of subsidiaries	Effective interest acquired/ (disposed) 2007	Effective dates
<b>Acquisition in prior year</b>		
Shanghai Jurong Marine Engineering & Technology Co Ltd	70%	26 July 2007
<b>Disposal in prior year</b>		
Jurong Clavon Pte Ltd	(55%)	31 March 2007

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