

Consolidated Statement of Cash Flows

Year ended 31 December 2014

	Group	
	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Profit for the year	601,275	588,260
Adjustments for:		
Finance income	(9,711)	(8,200)
Finance costs	20,960	8,072
Investment income	(1,192)	(2,228)
Depreciation of property, plant and equipment	110,893	97,251
Amortisation of intangible assets	4,240	3,356
Share of results of associates and joint ventures, net of tax	(9,859)	(11,166)
Gain on disposal of property, plant and equipment	(98)	(14,760)
Gain on disposal of an associate	–	(2,816)
Changes in fair value of hedging instruments	12,169	1,231
Changes in fair value of other financial assets	(177)	58
Share-based payment expenses	15,998	16,948
Assets written off	232	268
Tax expense	105,729	72,277
Operating profit before working capital changes	850,459	748,551
Changes in working capital:		
Inventories and work-in-progress	(1,357,292)	(23,117)
Trade and other receivables	(22,465)	42,947
Trade and other payables	112,557	222,690
Cash generated from operations	(416,741)	991,071
Investment and interest income received	10,726	10,530
Interest paid	(19,460)	(10,889)
Tax paid	(82,798)	(53,547)
Net cash (used in)/generated from operating activities	(508,273)	937,165
Cash flows from investing activities		
Purchase of property, plant and equipment	(738,878)	(814,916)
Proceeds from sale of property, plant and equipment	419	17,893
Purchase of intangible assets	(26,513)	(62)
Additional investment in an associate	–	(457)
Additional investment in a joint venture	–	(5,590)
Acquisition of other financial assets	(5,417)	(1,450)
Proceeds from disposal of an associate	–	5,726
Dividend from associate	–	1,175
Net cash used in investing activities	(770,389)	(797,681)

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

Consolidated Statement of Cash Flows (cont'd)

Year ended 31 December 2014

	2014 \$'000	Group 2013 \$'000
Cash flows from financing activities		
Proceeds from borrowings	1,255,269	738,185
Repayment of borrowings	(291,696)	(300,000)
Proceeds from share options exercised	723	583
Purchase of treasury shares	(11,555)	(20,366)
Dividends paid to owners of the Company	(271,605)	(271,593)
Dividends paid to non-controlling interests of subsidiaries	(13,399)	(11,518)
Unclaimed dividends	5	–
Net cash generated from financing activities	667,742	135,291
Net (decrease)/increase in cash and cash equivalents	(610,920)	274,775
Cash and cash equivalents at beginning of the year	1,694,901	1,408,907
Effect of exchange rate changes on balances held in foreign currencies	(7,198)	11,219
Cash and cash equivalents at end of the year (Note 14)	1,076,783	1,694,901

Significant non-cash transactions

During the year, purchase of property, plant and equipment excludes accrued capital expenditure of \$33.1 million (2013: \$Nil) for the Brazil new yard.

In 2013, 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 in 2013, the retained 19 per cent equity stake in HQSM was fair valued at \$2.7 million and reclassified to 'other financial assets' in 2013.