

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<b>Operating activities</b>			
Operating profit		876,501	1,055,162
Adjustments:			
Depreciation and amortisation		375,294	182,386
Share-based payment expenses		37,255	34,885
Profit on sale of fixed assets and an investment property		(6,277)	(2,795)
Gain on disposal of subsidiaries		(64,469)	(604,638)
Loss/(gain) on disposal of associated companies		22	(48,783)
Impairment of fixed assets		8,432	6,911
Impairment of associated companies		35,915	60,782
Fair value gain on investment properties		(101,020)	(84,886)
Profit on sale of investments		-	(2,232)
Gain from change in interest in associated companies		(27,114)	(63,622)
Fair value gain on remeasurement of previously held interest upon acquisition of subsidiary		(158,376)	-
Unrealised foreign exchange differences		17,434	27,622
Operational cash flow before changes in working capital		993,597	560,792
Working capital changes:			
Stocks		(72,104)	(408,506)
Contract assets		(159,551)	357,046
Debtors		(806,164)	543,245
Creditors		(15,610)	(694,363)
Contract liabilities		(77,990)	12,430
Investments		(274,421)	(5,448)
Intangibles		(662)	(561)
Amount due to/from associated companies		(30,093)	177
		(442,998)	364,812
Interest received		179,503	154,482
Interest paid		(298,099)	(198,637)
Net income taxes paid		(263,856)	(195,904)
<b>Net cash (used in)/from operating activities</b>		<b>(825,450)</b>	<b>124,753</b>
<b>Investing activities</b>			
Acquisition of a subsidiary	A	(1,143,012)	(38,052)
Acquisition and further investment in associated companies		(652,576)	(365,818)
Acquisition of fixed assets and investment properties		(516,794)	(254,511)
Disposal of subsidiaries	B	27,117	1,085,671
Proceeds from disposal of associated companies and return of capital		106,117	179,342
Proceeds from disposal of fixed assets		16,094	5,524
Advances to/from associated companies		96,625	(216,636)
Dividends received from investments and associated companies		378,422	281,375
<b>Net cash (used in)/from investing activities</b>		<b>(1,688,007)</b>	<b>676,895</b>
<b>Financing activities</b>			
Acquisition of additional interest in subsidiaries		(223,652)	(3,337)
Proceeds from share issues		-	412
Proceeds from reissuance of treasury shares pursuant to share option scheme		135	5,324
Proceeds from non-controlling shareholders of subsidiaries		1,178	-
Proceeds from term loans		4,392,341	1,549,445
Repayment of term loans		(1,342,450)	(1,939,475)
Principal element of lease payments		(47,306)	-
Purchase of treasury shares		(4,543)	(90,758)
Dividend paid to shareholders of the Company		(417,938)	(526,152)
Dividend paid to non-controlling shareholders of subsidiaries		(11,623)	(20,321)
<b>Net cash from/(used in) financing activities</b>		<b>2,346,142</b>	<b>(1,024,862)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(167,315)</b>	<b>(223,214)</b>
<b>Cash and cash equivalents as at beginning of year</b>		<b>1,971,844</b>	<b>2,241,448</b>
<b>Effects of exchange rate changes on the balance of cash held in foreign currencies</b>		<b>(27,285)</b>	<b>(46,390)</b>
<b>Cash and cash equivalents as at end of year</b>	C	<b>1,777,244</b>	<b>1,971,844</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

### Reconciliation of liabilities arising from financing activities

#### 2019

	1 January 2019 \$'000	Net proceeds/ (payment) of principal \$'000	Non-cash changes				31 December 2019 \$'000	
			Adoption SFRS(I) 16 \$'000	Addition during the year \$'000	Acquisition of subsidiaries \$'000	Disposal of subsidiaries \$'000		Foreign exchange movement \$'000
Term loans	7,548,509	3,049,891	-	-	451,418	-	9,813	11,059,631
Lease liabilities	-	(47,306)	573,363	47,508	44,771	(6,713)	(14,184)	597,439

#### 2018

	1 January 2018 \$'000	Principal payments (net of proceeds) \$'000	Non-cash changes			31 December 2018 \$'000
			Acquisition of subsidiaries \$'000	Disposal of subsidiaries \$'000	Foreign exchange movement \$'000	
Term loans	7,793,003	(390,030)	297,923	(171,380)	18,993	7,548,509

### Notes to Consolidated Statement of Cash Flows

#### A. Acquisition of a subsidiary

During the financial year, net assets of subsidiaries acquired at their fair values were as follows:

	2019 \$'000	2018 \$'000
Fixed assets	772,654	47
Investment properties	-	360,000
Right-of-use assets	44,324	-
Intangible assets	610,516	-
Stocks	34,745	-
Contract assets	163,121	-
Debtors and other assets	197,211	530
Bank balances and cash	88,991	18,521
Creditors and other liabilities	(241,555)	(6,778)
Borrowings and lease liabilities	(496,189)	(297,923)
Current and deferred taxation	(251,498)	(3,827)
Non-controlling interests consolidated	(2,091)	-
Total identifiable net assets at fair value	920,229	70,570
Non-controlling interests measured at fair value	(308,001)	-
Amount previously accounted for as associated companies	(210,137)	(32,484)
Goodwill arising from acquisition	988,288	-
(Gain)/loss on remeasurement of previously held equity interest at fair value at acquisition date	(158,376)	18,487
Net assets acquired	1,232,003	56,573
Total purchase consideration	1,232,003	56,573
Less: Bank balances and cash acquired	(88,991)	(18,521)
<b>Cash outflow on acquisition</b>	<b>1,143,012</b>	<b>38,052</b>

During the year, the Group's 80% owned subsidiary, Konnectivity Pte Ltd, acquired approximately 81% equity interest in M1 Limited. The Group's wholly-owned subsidiary, Keppel Telecommunications & Transportation Ltd, holds the remaining 19% equity interest in M1 Limited.

Acquisition in prior year relates to the acquisition of 77.6% interest in PRE 1 Investments Pte Ltd on 20 December 2018.

## B. Disposal of Subsidiaries

During the financial year, the book values of net assets of subsidiaries disposed were as follows:

	2019 \$'000	2018 \$'000
Fixed assets	(80,973)	(4,272)
Investment properties	-	(948,613)
Right-of-use assets	(4,433)	-
Stocks	(95,065)	(692,651)
Debtors and other assets	(17,350)	(7,939)
Bank balances and cash	(26,053)	(39,194)
Creditors and other liabilities	41,357	446,973
Borrowings and lease liabilities	6,713	171,380
Current and deferred taxation	1,891	139,863
Non-controlling interests	50,099	210,166
	(123,814)	(724,287)
Amount accounted for as associated company	26,984	-
Net assets disposed of	(96,930)	(724,287)
Net profit on disposal	(64,469)	(604,638)
Realisation of foreign currency translation reserve	(7,335)	(7,575)
Sale proceeds	(168,634)	(1,336,500)
Less: Advance payments received in prior year	-	174,538
Less: Bank balances and cash disposed	26,053	39,194
Less: Proceeds receivables	115,464	37,097
<b>Cash inflow on disposal</b>	<b>(27,117)</b>	<b>(1,085,671)</b>

During the year, disposal relates to the sale of 70% interest in Dong Nai Waterfront City LLC, Keppel Logistics (Foshan Sanshui Port) Company Ltd and Keppel Logistics (Hong Kong) Ltd.

Significant disposal in the prior year relates to the sale of Keppel China Marina Holdings Pte Ltd, Keppel Township Development (Shenyang) Co. Ltd, Keppel Bay Property Development (Shenyang) Co. Ltd and Aether Limited.

## C. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	2019 \$'000	2018 \$'000
Bank balances, deposits and cash	1,783,514	1,981,406
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and liabilities	(6,270)	(9,562)
	<b>1,777,244</b>	<b>1,971,844</b>

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