

140 **CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Operating activities			
Operating profit		8,401	876,501
Adjustments:			
Depreciation and amortisation		413,506	375,294
Share-based payment expenses		39,882	37,255
(Gain)/Loss on sale of fixed assets and an investment property		1,667	(6,277)
Gain on disposal of subsidiaries		(63,995)	(64,469)
(Gain)/Loss on disposal of associated companies		(34,419)	22
Gain from sale of units in associated companies		(48,010)	-
Impairment/write-off of fixed and intangible assets		62,075	8,432
Impairment of associated companies		48,686	35,915
Fair value gain on investment properties		(265,230)	(101,020)
(Gain)/Loss from change in interest in associated companies		1,615	(27,114)
Fair value gain on remeasurement of previously held interest upon acquisition of subsidiary		-	(158,376)
Gain from reclassification of associated companies to fair value through other comprehensive income investments		(124,769)	-
Fair value gain on remeasurement of remaining interest in an associated company		(26,034)	-
Unrealised foreign exchange differences		24,990	17,434
Operational cash flow before changes in working capital		38,365	993,597
Working capital changes:			
Stocks		(349,684)	(72,104)
Contract assets		872,481	(159,551)
Debtors		(427,146)	(806,164)
Creditors		352,164	(15,610)
Contract liabilities		272,478	(77,990)
Investments		(74,375)	(274,421)
Intangibles		(1,859)	(662)
Amount due to/from associated companies and joint ventures		(49,486)	(30,093)
		632,938	(442,998)
Interest received		132,046	179,503
Interest paid		(385,248)	(298,099)
Net income taxes paid		(177,284)	(263,856)
Net cash from/(used in) operating activities		202,452	(825,450)
Investing activities			
Acquisition of a subsidiary	A	-	(1,143,012)
Acquisition and further investment in associated companies and joint ventures		(743,600)	(652,576)
Acquisition of fixed assets and investment properties		(487,640)	(516,794)
Disposal of subsidiaries	B	331,761	27,117
Proceeds from disposal of associated companies and return of capital		318,141	106,117
Proceeds from disposal of fixed assets		3,187	16,094
(Advances to)/repayment from associated companies and joint ventures		58,778	96,625
Dividends received from investments, associated companies and joint ventures		245,270	378,422
Net cash used in investing activities		(274,103)	(1,688,007)
Financing activities			
Acquisition of additional interest in subsidiaries		(450)	(223,652)
Proceeds from reissuance of treasury shares pursuant to share option scheme		-	135
Proceeds from non-controlling shareholders of subsidiaries		1,881	1,178
Proceeds from term loans		2,240,500	4,392,341
Repayment of term loans		(1,159,414)	(1,342,450)
Principal element of lease payments		(53,413)	(47,306)
Purchase of treasury shares		(19,040)	(4,543)
Dividend paid to shareholders of the Company		(273,078)	(417,938)
Dividend paid to non-controlling shareholders of subsidiaries		(24,325)	(11,623)
Net cash from financing activities		712,661	2,346,142
Net increase/(decrease) in cash and cash equivalents		641,010	(167,315)
Cash and cash equivalents as at beginning of year		1,777,244	1,971,844
Effects of exchange rate changes on the balance of cash held in foreign currencies		(9,781)	(27,285)
Cash and cash equivalents as at end of year	C	2,408,473	1,777,244

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

Reconciliation of liabilities arising from financing activities

2020

	1 January 2020 \$'000	Net proceeds/ (payment) of principal \$'000	Non-cash changes					31 December 2020 \$'000
			Reclassified as liabilities directly associated with assets classified as held for sale \$'000	Addition during the year \$'000	Remeasure- ment of lease liabilities \$'000	Disposal of subsidiaries \$'000	Foreign exchange movement \$'000	
Term loans	11,059,631	1,081,086	(91,967)	-	-	-	(9,554)	12,039,196
Lease liabilities	597,439	(53,413)	-	25,668	22,385	-	(28,175)	563,904

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

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:

	2020 \$'000	2019 \$'000
Fixed assets and investment properties	-	772,654
Right-of-use assets	-	44,324
Intangible assets	-	610,516
Stocks	-	34,745
Contract assets	-	163,121
Debtors and other assets	-	197,211
Bank balances and cash	-	88,991
Creditors and other liabilities	-	(241,555)
Borrowings and lease liabilities	-	(496,189)
Current and deferred taxation	-	(251,498)
Non-controlling interests consolidated	-	(2,091)
Total identifiable net assets at fair value	-	920,229
Non-controlling interests measured at fair value	-	(308,001)
Amount previously accounted for as an associated company	-	(210,137)
Goodwill arising from acquisition	-	988,288
Gain on remeasurement of previously held equity interest at fair value at acquisition date	-	(158,376)
Net assets acquired	-	1,232,003
Total purchase consideration	-	1,232,003
Less: Bank balances and cash acquired	-	(88,991)
Cash outflow on acquisition	-	1,143,012

Acquisition in prior year relates to the Group's 80% owned subsidiary, Connectivity Pte Ltd, which 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.

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

CONSOLIDATED STATEMENT OF CASH FLOWS**B. Disposal of Subsidiaries**

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

	2020 \$'000	2019 \$'000
Fixed assets and investment properties	(192)	(80,973)
Right-of-use assets	-	(4,433)
Stocks	(293,591)	(95,065)
Debtors and other assets	(10,377)	(17,350)
Associated companies	(158,670)	-
Bank balances and cash	(5,352)	(26,053)
Creditors and other liabilities	251,693	41,357
Borrowings and lease liabilities	-	6,713
Current and deferred taxation	-	1,891
Non-controlling interests deconsolidated	2,195	50,099
	(214,294)	(123,814)
Amount accounted for as an associated company	59,927	26,984
Net assets disposed of	(154,367)	(96,930)
Net profit on disposal	(63,995)	(64,469)
Realisation of foreign currency translation reserve	(2,950)	(7,335)
Sale proceeds	(221,312)	(168,634)
Less: Bank balances and cash disposed	5,352	26,053
Less: (Deferred proceeds received)/proceeds receivable	(115,801)	115,464
Cash inflow on disposal	(331,761)	(27,117)

During the year, disposal relates to the First FLNG Holdings Pte Ltd, First FLNG Sub-Fund Holdings Pte Ltd, Jiangyin Evergro Properties Co., Ltd (JEP) and Chengdu Hilltop Development Co Ltd (CHD). First FLNG Holdings Pte Ltd owns 30% interest in Gimi MS Corporation, while JEP owns a residential and commercial mixed-use sited located in Jiangyin, China and CHD owns Hill Crest Villas on a 24.9 hectare site located in Mumashan, Chengdu China. During the year, the Group also received deferred proceeds from FY 2019 sale of 70% interest in Dong Nai Waterfront City LLC.

Disposal in the prior year 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.

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:

	2020 \$'000	2019 \$'000
Bank balances, deposits and cash	2,479,715	1,783,514
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and liabilities	(71,242)	(6,270)
	2,408,473	1,777,244