

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000	FRS 7(1) SGX 1207(5)(c)
<b>Cash flows from operating activities<sup>1</sup></b>				FRS 7(10,18(b))
Total profit		31,995	18,114	FRS 7(20)(b-c)
Adjustments for:				
- Income tax expense		14,939	7,437	
- Employee share option expense		690	622	
- Amortisation, depreciation and impairment <sup>2</sup>		23,204	10,097	
- Gain on disposal of property, plant and equipment		(17)	(8)	
- Impairment loss on available-for-sale financial assets		575	-	
- Net gain on disposal of available-for-sale financial assets		(200)	-	
- Reclassification adjustments from hedging reserve to profit or loss		(230)	(354)	
- Loss on disposal of a subsidiary		945	-	
- Fair value loss/(gain) on investment property		123	(50)	
- Interest income <sup>3</sup>		(1,180)	(620)	FRS 7(31-34)
- Dividend income <sup>3</sup>		(2,230)	(400)	FRS 7(31-34)
- Finance expenses <sup>3</sup>		9,812	7,884	FRS 7(31-34)
- Share of loss/(profit) of associated companies		174	(145)	
- Unrealised currency translation losses/(gains) <sup>6,7</sup>		970	1,001	FRS 7(25,26)
		79,570	43,578	
Change in working capital, net of effects from acquisition and disposal of subsidiaries:				FRS 7(20)(a)
- Inventories and construction work-in-progress		(7,887)	1,031	
- Trade and other receivables		(6,986)	1,117	
- Financial assets, at fair value through profit or loss		(2,651)	(500)	
- Trade and other payables		(8,527)	526	
- Provisions for liabilities and other charges		(308)	39	
Cash generated from operations <sup>5</sup>		53,211	45,791	
Interest received <sup>3</sup>		35	13	FRS 7(31)
Interest paid <sup>3</sup>		(5,789)	(9,574)	FRS 7(31)
Income tax paid		(15,504)	(10,974)	FRS 7(35)
<b>Net cash provided by operating activities</b>		<b>31,953</b>	<b>25,256</b>	
<b>Cash flows from investing activities</b>				
Acquisition of a subsidiary, net of cash acquired	47	(13,400)	-	FRS 7(21)
Additions to property, plant and equipment <sup>4</sup>		(9,565)	(6,042)	FRS 7(39,42)
Additions to investment property		(288)	(2,040)	FRS 7(16)(a),43)
Additions of intangible assets		(2,813)	(700)	FRS 7(16)(a)
Purchases of available-for-sale financial assets		(3,956)	(691)	FRS 7(16)(c)
Purchases of held-to-maturity financial assets		(472)	(372)	FRS 7(16)(c)
Disposal of a subsidiary, net of cash disposed of	13	179	-	FRS 7(39,42)
Disposal of property, plant and equipment		4,974	2,995	FRS 7(16)(b)
Disposal of investment property		70	-	
Disposal of available-for-sale financial assets		300	-	FRS 7(16)(d)
Loans to an associated company		(1,455)	(547)	FRS 7(16)(e)
Repayment of loans by an associated company		63	98	FRS 7(16)(f)
Dividends received <sup>3</sup>		2,230	396	FRS 7(31)
Interest received <sup>3</sup>		2,290	346	FRS 7(31)
<b>Net cash used in investing activities</b>		<b>(21,843)</b>	<b>(6,557)</b>	

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

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For the financial year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000	
<b>Cash flows from financing activities</b>				FRS 7(21)
Proceeds from issuance of ordinary shares		9,884	–	FRS 7(17)(a)
Proceeds from re-issuance of treasury shares		983	–	FRS 7(17)(a)
Share issue expense <sup>6</sup>		(414)	–	
Proceeds from issuance of convertible bond		50,000	–	FRS 7(17)(a,c)
Proceeds from issuance of redeemable preference shares to immediate holding corporation		–	30,000	FRS 7(17)(c)
Proceeds from borrowings		8,500	18,000	FRS 7(17)(c)
Purchase of treasury shares		(2,072)	(900)	FRS 7(17)(b)
Repayment of borrowings		(71,434)	(36,745)	FRS 7(17)(d)
Repayment of lease liabilities		(165)	(93)	FRS 7(17)(e)
Interest <sup>3</sup>		(3,180)	(450)	FRS 7(31)
Dividends paid to equity holders of the Company		(10,102)	(15,736)	FRS 7(31)
Dividends paid to non-controlling interests		(1,920)	(550)	FRS 7(31)
<b>Net cash used in financing activities</b>		<b>(19,920)</b>	<b>(6,474)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(9,810)</b>	<b>12,225</b>	FRS 7(45)
<b>Cash and cash equivalents</b>				
Beginning of financial year	13	29,548	17,387	FRS 7(28)
Effects of currency translation on cash and cash equivalents <sup>7</sup>		(578)	(64)	FRS 7(45)
<b>End of financial year</b>	13	<b>19,160</b>	<b>29,548</b>	

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

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2011

## Guidance notes

### Consolidated statement of cash flows

#### Direct method

1. An entity can present its statement of cash flows using the direct or indirect method; the latter is illustrated in this publication. When the direct method is used, the cash flows from operating activities shall be presented as follows:

FRS 7(18)(a)

	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	205,483	143,507
Cash paid to suppliers and employees	(152,272)	(97,716)
Cash generated from operations	53,211	45,791
Interest received	35	13
Interest paid	(5,789)	(9,574)
Income taxes paid	(15,504)	(10,974)
Net cash provided by operating activities	31,953	25,256

FRS 7 App A  
FRS 7(19)

The rest of the “direct method” consolidated statement of cash flows is similar to that of the indirect method.

#### Discontinued operations

2. Non-cash items excluded from profit for purposes of the statement of cash flows should include those non-cash items attributed to discontinued operations.

#### Dividends and interest

3. Cash flows from interest received and paid and dividends received shall each be disclosed separately, and classified consistently period to period.

FRS 7(31-34)

The interest amounts to be adjusted against profit after tax are the amounts charged or credited to profit or loss. The amounts to be shown under financing or investing cash flows shall be strictly cash paid or received during the period; differences will be reflected in the changes in operating assets and liabilities or as additions to qualifying assets if interest has been capitalised in the cost of these assets.

#### Additions to property, plant and equipment

4. Additions to property, plant and equipment in the statement of cash flows should be net of hedging gains/losses transferred from hedging reserve.

#### Reconciliation from profit after tax to cash generated from operations

5. As an alternative, an entity can present the reconciliation in the notes to the financial statements.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2011

## Guidance notes

### Currency translation differences

6. The adjustment of total profit for unrealised currency translation losses/(gains) usually includes currency translation differences on monetary items that form part of investing or financing activities such as long term loans. This is because these currency translation differences are included as a part of profit or loss for the financial year and need to be eliminated in arriving at the net cash flows from operating activities, as they do not relate to operating activities.

On the other hand, unrealised currency translation differences on monetary items that form part of operating activities, such as trade receivables or payables, do not usually require such adjustment, as they are already adjusted through the change in working capital lines.

7. Currency translation differences that arise on the translation of foreign currency cash and cash equivalents should be reported in the statement of cash flows in order to reconcile opening and closing balances of cash and cash equivalents, separately from operating, financing and investing cash flows.

FRS 7(28)

### Proceeds from share/treasury share issuance

8. Major classes of cash receipts and cash payments arising from investing and financing activities should be reported on a gross basis, except for the cash flows described in FRS 7(22) and FRS 7(24) which are reported on a net basis.

FRS 7(21)

Under FRS 7(22), cash flows arising from the following operating, investing or financing activities may be reported on a net basis:

FRS 7(22)

- (a) Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity; and
- (b) Cash receipts and payments for items in which the turnover is quick, the amounts are large, and maturities are short.

Under FRS 7(24), cash flows arising from the following activities of a financial institution may be reported on a net basis:

FRS 7(24)

- (a) Cash receipts and payments for the acceptance and repayment of deposits within a fixed maturity date;
- (b) The placement of deposits with and withdrawal of deposits from other financial institutions; and
- (c) Cash advances and loans made to customers and the repayment of those advances and loans.