

# **Samsung Engineering Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements  
December 31, 2013 and 2012**

# Samsung Engineering Co., Ltd. and Subsidiaries

## Index

December 31, 2013 and 2012

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	Page(s)
<b>Report of Independent Auditors .....</b>	<b>1 - 2</b>
<b>Consolidated Financial Statements</b>	
Consolidated Statements of Financial Position.....	3 - 4
Consolidated Statements of Income.....	5
Consolidated Statements of Comprehensive Income .....	6
Consolidated Statements of Changes in Equity.....	7 - 10
Consolidated Statements of Cash Flows.....	11 - 12
Notes to the Consolidated Financial Statements .....	13 - 80

## **Report of Independent Auditors**

To the Board of Directors and Shareholders of  
Samsung Engineering Co., Ltd.

We have audited the accompanying consolidated statements of financial position of Samsung Engineering Co., Ltd. and its subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for years then ended, expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain subsidiaries, whose statements reflect 17% and 20% of the consolidated total assets as of December 31, 2013 and 2012, respectively, and 17% and 23% of the consolidated total sales for the respective years then ended. These statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements, referred to above, present fairly, in all material respects, the financial position of Samsung Engineering Co., Ltd. and its subsidiaries as of December 31, 2013 and 2012, and their financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS").

The accompanying consolidated financial statements as of and for the years ended December 31, 2013 and 2012, have been translated into US dollars solely for the convenience of the reader and have been translated on the basis set forth in Note 33 to the consolidated financial statements.

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report is for use by those who are informed about Korean auditing standards and their application in practice.

*Samil PricewaterhouseCoopers*

Seoul, Korea  
March 6, 2014

This report is effective as of March 6, 2014, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**December 31, 2013 and 2012, and January 1, 2012**

(In thousands of Korean won and U.S dollars (Note 33))

	Notes	December 31, 2013 KRW	December 31, 2012 KRW	January 1, 2012 KRW	December 31, 2013 USD	December 31, 2012 USD	January 1, 2012 USD
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		263,784,128	436,409,775	560,018,146	249,961	413,541	530,672
Short-term financial instruments	3	107,032,823	50,192,297	168,250,446	101,424	47,562	159,434
Trade receivables	7	1,081,282,819	967,801,901	1,033,256,645	1,024,621	917,087	979,112
Due from customers for contract work	7,16,23	2,131,201,647	2,083,342,638	1,639,331,608	2,019,522	1,974,171	1,553,427
Other receivables	7	66,743,457	57,245,478	50,767,596	63,246	54,246	48,107
Current portions of held-to-maturity securities	9	954,830	1,014,005	974,445	905	961	923
Derivative financial instruments	18	38,663,391	17,098,604	22,543,597	36,637	16,203	21,362
Advanced payments	7	379,919,128	379,530,262	592,804,822	360,011	359,642	561,741
Prepaid expenses		163,590,579	138,314,998	37,734,903	155,018	131,067	35,758
Prepaid construction expenses		11,429,807	20,555,243	6,255,047	10,831	19,478	5,927
Other current assets		21,577,307	36,113,672	44,887,924	20,447	34,221	42,536
		<u>4,266,179,916</u>	<u>4,187,618,873</u>	<u>4,156,825,179</u>	<u>4,042,623</u>	<u>3,968,179</u>	<u>3,938,999</u>
<b>Non-current assets</b>							
Available-for-sale financial assets	8,18	73,215,153	119,389,279	56,804,075	69,379	113,133	53,827
Held-to-maturity financial assets	9	3,646,052	4,374,565	5,321,573	3,455	4,145	5,043
Derivative financial instruments	18	1,369,442	8,034,158	885,618	1,298	7,613	839
Investments in associates	10	19,679,454	1,177,140	383,726	18,648	1,115	364
Investment property	11	-	115,515,043	-	-	109,462	-
Property, plant and equipment	12,18	715,354,363	733,262,703	700,298,365	677,868	694,838	663,601
Intangible assets	13	52,465,396	39,795,941	34,183,657	49,716	37,711	32,392
Long-term deposits	23	423,805,236	444,431,356	220,540,727	401,597	421,142	208,984
Long-term prepaid expenses		8,261,714	3,936,794	5,679,679	7,829	3,730	5,382
Other non-current assets	3,7	20,617,380	14,974,743	5,514,400	19,537	14,190	5,225
Deferred income tax assets	27	344,181,767	1,042,770	2,177,819	326,146	988	2,064
		<u>1,662,595,957</u>	<u>1,485,934,492</u>	<u>1,031,789,639</u>	<u>1,575,473</u>	<u>1,408,067</u>	<u>977,721</u>
<b>Total assets</b>		<u>5,928,775,873</u>	<u>5,673,553,365</u>	<u>5,188,614,818</u>	<u>5,618,096</u>	<u>5,376,246</u>	<u>4,916,720</u>

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**December 31, 2013 and 2012, and January 1, 2012**

(In thousands of Korean won and U.S dollars (Note 33))

	<u>Notes</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>	<u>January 1, 2012</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>	<u>January 1, 2012</u>
		KRW	KRW	KRW	USD	USD	USD
<b>Liabilities</b>							
<b>Current liabilities</b>							
Trade payables and other payables		1,696,538,774	1,934,628,946	2,061,629,361	1,607,636	1,833,250	1,953,596
Borrowings and other financial liabilities	14	1,165,088,073	374,050,373	4,344,351	1,104,035	354,449	4,117
Due to customers for contract work	16,23	1,249,605,903	1,094,045,957	1,355,602,226	1,184,124	1,036,716	1,284,566
Derivative financial instruments	18	41,573,322	5,808,189	38,448,450	39,395	5,504	36,434
Deposits		53,391,356	16,649,696	13,061,865	50,594	15,777	12,377
Accrued expenses	16	44,279,458	32,283,087	51,329,573	41,959	30,591	48,640
Current income tax liabilities		21,763,728	91,951,401	118,650,801	20,623	87,133	112,433
Other current liabilities		5,164,315	4,663,810	1,774,145	4,894	4,419	1,681
		<u>4,277,404,929</u>	<u>3,554,081,459</u>	<u>3,644,840,772</u>	<u>4,053,260</u>	<u>3,367,839</u>	<u>3,453,844</u>
<b>Non-current liabilities</b>							
Long term borrowings	14	422,070,000	-	-	399,953	-	-
Derivative financial instruments	18	3,600,828	2,777,429	2,363,113	3,412	2,632	2,239
Net defined benefit liabilities	15	72,572,759	105,749,392	68,806,978	68,770	100,208	65,201
Provisions for other liabilities	16	12,217,774	38,770,037	32,276,096	11,578	36,738	30,585
Deferred income tax liabilities	27	13,050,362	18,326,491	12,106,849	12,366	17,366	11,472
Other non-current liabilities		222,200,707	265,097,101	148,762,601	210,555	251,205	140,966
		<u>745,712,430</u>	<u>430,720,450</u>	<u>264,315,637</u>	<u>706,634</u>	<u>408,149</u>	<u>250,463</u>
<b>Total liabilities</b>		<u>5,023,117,359</u>	<u>3,984,801,909</u>	<u>3,909,156,409</u>	<u>4,759,894</u>	<u>3,775,988</u>	<u>3,704,307</u>
<b>Equity attributable to owners of the Parent</b>							
Capital stock	19	200,000,000	200,000,000	200,000,000	189,520	189,520	189,520
Capital surplus	19	56,624,298	56,624,298	56,624,298	53,657	53,657	53,657
Retained earnings	20	958,397,780	1,776,387,139	1,360,148,403	908,177	1,683,302	1,288,874
Other reserve	21,22	(308,518,260)	(344,840,056)	(300,031,656)	(292,352)	(326,771)	(284,309)
<b>Non-controlling interest</b>		<u>(845,304)</u>	<u>580,075</u>	<u>(37,282,636)</u>	<u>(800)</u>	<u>550</u>	<u>(35,329)</u>
<b>Total equity</b>		<u>905,658,514</u>	<u>1,688,751,456</u>	<u>1,279,458,409</u>	<u>858,202</u>	<u>1,600,258</u>	<u>1,212,413</u>
<b>Total liabilities and equity</b>		<u>5,928,775,873</u>	<u>5,673,553,365</u>	<u>5,188,614,818</u>	<u>5,618,096</u>	<u>5,376,246</u>	<u>4,916,720</u>

The accompanying notes are an integral part of these consolidated financial statements.

The US dollar figures are provided for information purposes only and do not form part of the audited financial statements. Refer to Note 33.

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Income**  
**Years ended December 31, 2013 and 2012**

(In thousands of Korean won and U.S dollars, except per share amounts) (Note 33)

	Notes	2013 KRW	2012 KRW	2013 USD	2012 USD
<b>Revenue</b>	23,31	9,806,322,604	11,440,156,745	9,292,450	10,840,668
<b>Cost of sales</b>	31	10,353,331,187	10,149,548,239	9,810,794	9,617,690
<b>Gross profit(loss)</b>	31	(547,008,583)	1,290,608,506	(518,344)	1,222,978
Selling&Administrative expense:	25	481,038,112	553,847,348	455,831	524,825
<b>Operating profit(loss)</b>		(1,028,046,695)	736,761,158	(974,175)	698,153
Other income	26	363,023,588	258,476,249	344,000	244,932
Other expenses	26	234,554,655	271,681,031	222,263	257,444
Share of profit of associates		8,560,218	11,479,824	8,112	10,878
Share of loss of associates		634,207	256,184	601	243
Finance income					
Interest income		9,914,262	13,895,902	9,395	13,168
Gain on foreign currency transactions		22,282,966	13,879,088	21,115	13,152
Gain on foreign currency translation		7,467,410	8,169,324	7,076	7,741
		39,664,638	35,944,314	37,586	34,061
Finance costs					
Interest expenses		25,555,194	19,779,953	24,216	18,743
Loss on foreign currency transactions		24,322,791	22,350,808	23,048	21,180
Loss on foreign currency translation		15,302,323	23,397,401	14,501	22,172
		65,180,308	65,528,162	61,765	62,095
<b>Profit(loss) before income tax(benefit)</b>		(917,167,421)	705,196,168	(869,106)	668,242
Income tax expense(benefit)	27	(208,508,488)	180,731,640	(197,582)	171,262
<b>Profit(loss) for the year</b>		(708,658,933)	524,464,528	(671,524)	496,980
<b>Profit(loss) attributable to:</b>					
Owners of the parent		(707,097,835)	527,196,959	(670,044)	499,571
Non-controlling interests		(1,561,098)	(2,732,431)	(1,480)	(2,591)
<b>Earnings(loss) per share</b>	28				
<b>Basic earnings(loss) per share</b>		(19,128)	14,264	(18.13)	13.52
<b>Diluted earnings(loss) per share</b>		(19,127)	14,259	(18.12)	13.51

The accompanying notes are an integral part of these consolidated financial statements.  
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**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**Years ended December 31, 2013 and 2012**

*(In thousands of Korean won and U.S dollars (Note 33))*

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>KRW</b>	<b>KRW</b>	<b>USD</b>	<b>USD</b>
<b>Profit(loss) for the year</b>	<u>(708,658,933)</u>	<u>524,464,528</u>	<u>(671,524)</u>	<u>496,981</u>
<b>Other comprehensive income</b>				
<b>Comprehensive income not reclassified subsequently to profit or loss:</b>				
Actuarial loss on retirement benefit obligation	36,663,031	(27,420,240)	34,742	(25,983)
Income tax of other comprehensive income	(8,872,454)	6,635,698	(8,408)	6,288
<b>Comprehensive income reclassified subsequently to profit or loss:</b>				
Valuation of currency forwards	(1,791,415)	12,573,295	(1,698)	11,914
Change in value of available-for-sale financial assets	(36,341,594)	6,533,630	(34,437)	6,191
Share of other comprehensive income of associates	9,493,294	(11,867,168)	8,996	(11,245)
Foreign currency translation	27,999,120	(8,568,582)	26,532	(8,120)
Income tax of other comprehensive income	9,213,039	(3,163,350)	8,730	(2,998)
<b>Other comprehensive income (loss) for the year, net of tax</b>	<u>36,363,021</u>	<u>(25,276,717)</u>	<u>34,457</u>	<u>(23,953)</u>
<b>Total comprehensive income for the year</b>	<u>(672,295,912)</u>	<u>499,187,811</u>	<u>(637,067)</u>	<u>473,028</u>
<b>Attributable to:</b>				
Equity holders of the Parent Company	(670,870,533)	501,403,868	(635,715)	475,129
Non-controlling interest	(1,425,379)	(2,216,057)	(1,352)	(2,101)

The accompanying notes are an integral part of these consolidated financial statements.  
The US dollar figures are provided for information purposes only and do not form part of the audited financial statements. Refer to Note 33.



**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**Years ended December 31, 2013 and 2012**

(In thousands of Korean won)

	Capital Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Total Equity holders of the Parent Company	Non-controlling Interest	Total Equity
<b>Balance at January 1, 2012</b>	200,000,000	56,624,298	1,358,353,331	(264,338,186)	1,350,639,443	(37,282,636)	1,313,356,807
Changes in accounting policy	-	-	1,795,072	(35,693,470)	(33,898,398)	-	(33,898,398)
<b>Restated balance</b>	<u>200,000,000</u>	<u>56,624,298</u>	<u>1,360,148,403</u>	<u>(300,031,656)</u>	<u>1,316,741,045</u>	<u>(37,282,636)</u>	<u>1,279,458,409</u>
<b>Comprehensive income</b>							
Profit for the year	-	-	527,196,959	-	527,196,959	(2,732,431)	524,464,528
Change in value of available-for-sale financial assets	-	-	-	4,952,491	4,952,491	-	4,952,491
Gain on valuation of currency forwards	-	-	-	10,990,732	10,990,732	351	10,991,083
Share of other comprehensive income of associates	-	-	-	(11,867,168)	(11,867,168)	-	(11,867,168)
Gain on translation of foreign operations	-	-	-	(9,084,605)	(9,084,605)	516,023	(8,568,582)
Actuarial loss on retirement benefit obligation	-	-	-	(20,784,542)	(20,784,542)	-	(20,784,542)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>527,196,959</u>	<u>(25,793,092)</u>	<u>501,403,867</u>	<u>(2,216,057)</u>	<u>499,187,810</u>
<b>Transactions with equity holders of the Company :</b>							
Dividends	-	-	(110,872,086)	-	(110,872,086)	-	(110,872,086)
Changes in consolidation scope	-	-	-	-	-	21,112,962	21,112,962
Treasury stock	-	-	-	27,917	27,917	-	27,917
Absorption of loss on disposal of treasury stock	-	-	(86,136)	86,136	-	-	-
Share options scheme	-	-	-	(6,013)	(6,013)	-	(6,013)
Others	-	-	-	(19,123,348)	(19,123,348)	18,965,805	(157,543)
<b>Total transactions with equity holders of the Company, recognised directly in equity</b>	<u>-</u>	<u>-</u>	<u>(110,958,222)</u>	<u>(19,015,308)</u>	<u>(129,973,530)</u>	<u>40,078,767</u>	<u>(89,894,763)</u>
<b>Balance as of December 31, 2012</b>	<u>200,000,000</u>	<u>56,624,298</u>	<u>1,776,387,140</u>	<u>(344,840,056)</u>	<u>1,688,171,382</u>	<u>580,074</u>	<u>1,688,751,456</u>

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**Years ended December 31, 2013 and 2012**

*(In thousands of Korean won)*

	Capital Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Total Equity holders of the Parent Company	Non-controlling Interest	Total Equity
<b>Balance as of January 1, 2013</b>	200,000,000	56,624,298	1,776,387,140	(344,840,056)	1,688,171,382	580,074	1,688,751,456
<b>Comprehensive income</b>							
Loss for the year	-	-	(707,097,835)	-	(707,097,835)	(1,561,098)	(708,658,933)
Change in value of available-for-sale financial assets	-	-	-	(27,546,928)	(27,546,928)	-	(27,546,928)
Gain on valuation of currency forwards	-	-	-	(1,373,031)	(1,373,031)	(11)	(1,373,042)
Share of other comprehensive income of associates	-	-	-	9,493,294	9,493,294	-	9,493,294
Gain on translation of foreign operations	-	-	-	27,863,391	27,863,391	135,730	27,999,121
Actuarial loss on retirement benefit obligation	-	-	-	27,790,578	27,790,578	-	27,790,578
<b>Total comprehensive income for the year</b>	-	-	(707,097,835)	36,227,304	(670,870,531)	(1,425,379)	(672,295,910)
<b>Transactions with equity holders of the Company :</b>							
Dividends to equity holders of the Company	-	-	(110,883,187)	-	(110,883,187)	-	(110,883,187)
Treasury stock	-	-	(8,338)	8,338	-	-	-
Absorption of loss on disposal of treasury stock	-	-	-	105,780	105,780	-	105,780
Share options scheme	-	-	-	(19,625)	(19,625)	-	(19,625)
<b>Total transactions with equity holders of the Company, recognized directly in equity</b>	-	-	(110,891,525)	94,493	(110,797,032)	-	(110,797,032)
<b>Balance as of December 31, 2013</b>	200,000,000	56,624,298	958,397,780	(308,518,259)	906,503,819	(845,305)	905,658,514

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**Years ended December 31, 2013 and 2012**

(In thousands of U.S dollars (Note 33))

	Capital Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Total Equity holders of the Parent Company	Non-controlling Interest	Total Equity
<b>Balance at January 1, 2012</b>	189,520	53,657	1,287,172	- 250,486	1,279,863	(35,329)	1,244,534
Changes in accounting policy	-	-	1,701	(33,823)	(32,122)	-	(32,122)
<b>Restated balance</b>	<u>189,520</u>	<u>53,657</u>	<u>1,288,873</u>	<u>(284,309)</u>	<u>1,247,741</u>	<u>(35,329)</u>	<u>1,212,412</u>
<b>Comprehensive income</b>							
Profit for the year	-	-	499,571	-	499,571	(2,590)	496,981
Change in value of available-for-sale financial assets	-	-	-	4,693	4,693	-	4,693
Gain on valuation of currency forwards	-	-	-	10,415	10,415	-	10,415
Share of other comprehensive income of associates	-	-	-	(11,245)	(11,245)	-	(11,245)
Gain on translation of foreign operations	-	-	-	(8,609)	(8,609)	489	(8,120)
Actuarial loss on retirement benefit obligation	-	-	-	(19,695)	(19,695)	-	(19,695)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>499,571</u>	<u>(24,441)</u>	<u>475,130</u>	<u>(2,101)</u>	<u>473,029</u>
<b>Transactions with equity holders of the Company :</b>							
Dividends to equity holders of the Company	-	-	(105,062)	-	(105,062)	-	(105,062)
Changes in consolidation scope	-	-	-	-	-	20,007	20,007
Treasury stock	-	-	-	26	26	-	26
Absorption of loss on disposal of treasury stock	-	-	(82)	82	-	-	-
Share options scheme	-	-	-	(6)	(6)	-	(6)
Others	-	-	-	(18,121)	(18,121)	17,972	(149)
<b>Total transactions with equity holders of the Company, recognized directly in equity</b>	<u>-</u>	<u>-</u>	<u>(105,144)</u>	<u>(18,019)</u>	<u>(123,163)</u>	<u>37,979</u>	<u>(85,184)</u>
<b>Balance as of December 31, 2012</b>	<u>189,520</u>	<u>53,657</u>	<u>1,683,300</u>	<u>(326,769)</u>	<u>1,599,708</u>	<u>549</u>	<u>1,600,257</u>

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**Years ended December 31, 2013 and 2012**

*(In thousands of U.S dollars (Note 33))*

<b>Balance as of January 1, 2013</b>	189,520	53,657	1,683,300	(326,769)	1,599,708	549	1,600,257
<b>Comprehensive income</b>							
Loss for the year	-	-	(670,044)	-	(670,044)	(1,480)	(671,524)
Change in value of available-for-sale financial assets	-	-	-	(26,103)	(26,103)	-	(26,103)
Gain on valuation of currency forwards	-	-	-	(1,301)	(1,301)	-	(1,301)
Share of other comprehensive income of associates	-	-	-	8,996	8,996	-	8,996
Gain on translation of foreign operations	-	-	-	26,403	26,403	129	26,532
Actuarial loss on retirement benefit obligation	-	-	-	26,334	26,334	-	26,334
<b>Total comprehensive income for the year</b>	-	-	(670,044)	34,329	(635,715)	(1,351)	(637,066)
<b>Transactions with equity holders of the Company :</b>							
Dividends to equity holders of the Company	-	-	(105,073)	-	(105,073)	-	(105,073)
Treasury stock	-	-	-	100	100	-	100
Absorption of loss on disposal of treasury stock	-	-	(8)	8	-	-	-
Share options scheme	-	-	-	(19)	(19)	-	(19)
<b>Total transactions with equity holders of the Company, recognised directly in equity</b>	-	-	(105,081)	89	(104,992)	-	(104,992)
<b>Balance as of December 31, 2013</b>	189,520	53,657	908,175	(292,351)	859,001	(802)	858,199

The accompanying notes are an integral part of these consolidated financial statements.  
The US dollar figures are provided for information purposes only and do not form part of the audited financial statements. Refer to Note 33.

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated statements of Cash Flows**  
**Years ended December 31, 2013 and 2012**

*(In thousands of Korean won, in thousands of U.S dollars (Note 33))*

	Notes	2013 KRW	2012 KRW	2013 USD	2012 USD
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	(1,006,787,331)	(13,807,905)	(954,029)	(13,084)
Interest received		9,613,623	13,183,920	9,110	12,493
Interest paid		(28,665,218)	(21,272,971)	(27,163)	(20,158)
Dividends received		1,182,736	1,307,836	1,121	1,239
Income tax paid		(206,267,731)	(178,331,321)	(195,459)	(168,986)
<b>Net cash used in operating activities</b>		<b>(1,230,923,921)</b>	<b>(198,920,441)</b>	<b>(1,166,420)</b>	<b>(188,496)</b>
<b>Cash flows from investing activities</b>					
Proceeds from disposal of property, plant and equipment		8,375,196	1,157,536	7,936	1,097
Proceeds from disposal of investment property		174,991,000	-	165,821	-
Proceeds from disposal of intangible assets		-	2,053,538	-	1,946
Collection from disposal of available-for-sale financial assets		20,325,326	3,400,222	19,260	3,222
Net increase in current financial assets		(56,840,526)	118,058,149	(53,862)	111,872
Collection of current portion of held-to-maturity financial assets		1,014,005	974,445	961	923
Disposal of short-term financial instruments		-	331	-	-
Net increase in current assets		4,035,477	(6,630,000)	3,824	(6,283)
Net Increase in non-current assets		(9,623,594)	(11,813,475)	(9,120)	(11,194)
Acquisition of available-for-sale financial assets		(5,000)	(56,752,713)	(5)	(53,779)
Acquisition of shares of associates		(1,083,010)	(1,436,942)	(1,026)	(1,362)
Acquisition of held-to-maturity financial assets		(275,637)	(277,243)	(261)	(263)
Acquisition of property, plant and equipment		(42,985,955)	(208,701,735)	(40,733)	(197,765)
Acquisition of investment property		-	(63,500)	0	(60)
Acquisition of intangible assets		(17,299,295)	(13,557,670)	(16,393)	(12,847)
<b>Net cash provided by(used in) investing activities</b>		<b>80,627,987</b>	<b>(173,589,057)</b>	<b>76,402</b>	<b>(164,493)</b>

**Samsung Engineering Co., Ltd. and Subsidiaries**  
**Consolidated statements of Cash Flows**  
**Years ended December 31, 2013 and 2012**

	Notes	2013 KRW	2012 KRW	2013 USD	2012 USD
<b>Cash flows from financing activities</b>					
Proceeds from exercise of share options		74,880	19,240	71	18
Net increase(decrease) in short-term borrowings		662,834,039	369,650,424	628,100	350,280
Proceeds from long-term borrowings		437,970,000	-	415,019	-
Dividends paid		(110,882,916)	(110,871,816)	(105,072)	(105,062)
<b>Net cash provided by financing activities</b>		<u>989,996,003</u>	<u>258,797,848</u>	<u>938,118</u>	<u>245,236</u>
<b>Exchange Gains on cash and cash equivalents</b>		<u>(12,325,715)</u>	<u>(9,896,721)</u>	<u>(11,680)</u>	<u>(9,378)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(172,625,646)</u>	<u>(123,608,371)</u>	<u>(163,580)</u>	<u>(117,131)</u>
<b>Beginning of the year</b>		<u>436,409,775</u>	<u>560,018,146</u>	<u>413,541</u>	<u>530,672</u>
<b>End of the year</b>		<u>263,784,129</u>	<u>436,409,775</u>	<u>249,961</u>	<u>413,541</u>

The accompanying notes are an integral part of these consolidated financial statements.  
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