



SEMBCORP INDUSTRIES LTD
Registration Number: 199802418D

THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2017 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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SEMBCORP INDUSTRIES LTD

UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2017

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the third quarter and nine months ended September 30, 2017.

1. CONSOLIDATED INCOME STATEMENT

	Note	GROUP			GROUP		
		3Q17 \$'000	3Q16 \$'000	+ / (-) %	9M17 \$'000	9M16 \$'000	+ / (-) %
Turnover	2a	1,807,651	2,139,532	(15.5)	6,222,469	5,881,260	5.8
Cost of sales	2a	(1,575,596)	(1,841,274)	(14.4)	(5,424,261)	(5,026,389)	7.9
Gross profit	2a	232,055	298,258	(22.2)	798,208	854,871	(6.6)
General & administrative expenses	2b	(88,985)	(84,778)	5.0	(285,225)	(268,894)	6.1
Other operating income, net	2c	44,444	3,888	1,043.1	35,064	1,438	2,338.4
Non-operating (expenses)/income, net	2d	(26,668)	(49,233)	(45.8)	18,376	(47,471)	NM
Finance income	2e	9,287	7,350	26.4	26,567	23,345	13.8
Finance costs	2e	(126,699)	(90,642)	39.8	(400,122)	(268,247)	49.2
Share of results of associates and joint ventures, net of tax	2f	26,869	3,489	670.1	119,115	77,188	54.3
Profit before tax		70,303	88,332	(20.4)	311,983	372,230	(16.2)
Tax expense	2g	(28,090)	(29,948)	(6.2)	(74,888)	(88,043)	(14.9)
Profit for the period		42,213	58,384	(27.7)	237,095	284,187	(16.6)
Attributable to:							
Owners of the Company		33,620	53,935	(37.7)	207,995	247,425	(15.9)
Non-controlling interests		8,593	4,449	93.1	29,100	36,762	(20.8)
		42,213	58,384	(27.7)	237,095	284,187	(16.6)
Earnings per ordinary share (cents)							
	2h						
- basic		1.23	2.47	(50.4)	9.90	12.21	(18.9)
- diluted		1.21	2.44	(50.4)	9.81	12.11	(19.0)

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

2a. Turnover, Cost of Sales

	GROUP			GROUP		
	3Q17	3Q16	+ / (-)	9M17	9M16	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Turnover	1,807,651	2,139,532	(15.5)	6,222,469	5,881,260	5.8
Cost of sales	(1,575,596)	(1,841,274)	(14.4)	(5,424,261)	(5,026,389)	7.9
Gross profit	232,055	298,258	(22.2)	798,208	854,871	(6.6)
Included in Cost of sales:-						
Depreciation and amortisation	(i) (139,212)	(104,676)	33.0	(406,503)	(307,957)	32.0
Allowance made for impairment losses, net						
- property, plant and equipment	(ii) (25,777)	-	NM	(25,777)	-	NM
Inventories (written down)/ written back	(iii) (12,740)	366	NM	(12,612)	1,149	NM

In 3Q17, the Group recorded a turnover of \$1.8 billion, a decrease of 16% or \$331.9 million. Utilities' turnover grew 17% or \$203 million, while Marine's turnover reduced by \$571 million compared to 3Q16. Lower revenue recognition for rig building and offshore platform projects as well as reversal of revenue in 3Q17 due to termination of two rig contracts accounted for Marine's lower turnover.

Group's gross profit decreased by 22% in 3Q17 against 3Q16. This was mainly due to Marine's lower contribution from its floaters and offshore platform projects, and the effects of contracts termination and inventories written down arising from the contract signed in October 2017 to sell nine jack-up oil drilling rigs; as well as impairment of Utilities' Singapore assets, mitigated by higher contribution from its Singapore and India operations.

- (i) Depreciation and amortisation in 3Q17 was higher mainly due to Marine's higher depreciation charge for Tuas Boulevard Yard and the amortisation of intangible property rights of Gravifloat AS and LMG Marin AS as well as higher depreciation expense from Utilities India's second thermal power plant, Sembcorp Gayatri Power Limited (SGPL), which commenced full commercial operation in February 2017.
- (ii) Allowance made for impairment of property, plant and equipment mainly arose from Utilities' impairment of certain Singapore assets as a result of optimising of its steam production assets.
- (iii) Inventories written down in 3Q17 includes the net effect of contracts termination, in relation to the nine rigs contracted for sale in October 2017. (see note 16)

2b. General & administrative expenses

	GROUP			GROUP		
	3Q17	3Q16	+ / (-)	9M17	9M16	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
General & administrative expenses Included in general & administrative expenses: -	(88,985)	(84,778)	5.0	(285,225)	(268,894)	6.1
Depreciation and amortisation (i)	(6,926)	(2,487)	178.5	(19,041)	(14,342)	32.8
Write-back of doubtful debts and bad debts, net (ii)	11,715	6,586	77.9	17,181	3,805	351.5
Intangible assets write back/(written off) (iii)	-	54	(100.0)	-	(8,243)	(100.0)

General & administrative expenses of \$89 million in 3Q17 was comparable to that of 3Q16.

- (i) The increase was mainly from Marine.
- (ii) The net write-back of doubtful debts in 3Q17 mainly from Utilities' Singapore operations.
- (iii) The 9M16 amount mainly pertained to write-off of development rights relating to certain wind sites in 2016.

2c. Other operating income, net

	GROUP			GROUP		
	3Q17	3Q16	+ / (-)	9M17	9M16	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Other operating income, net Included in other operating income/(expenses), net: -	44,444	3,888	1,043.1	35,064	1,438	2,338.4
Changes in fair value of financial instruments gain/(loss) (i)	6,683	(17,795)	NM	698	2,154	(67.6)
Foreign exchange gain/(loss) (ii)	20,664	(2,656)	NM	(16,929)	(64,905)	(73.9)
Gain / (loss) on disposal of property, plant and equipment	231	55	NM	(834)	84	NM

Other operating income, net, was higher compared to 3Q16, mainly due to the foreign exchange gain and fair value gain of financial instruments in 3Q17.

- (i) Changes in fair value of financial instruments was due to mark-to-market adjustments of foreign currency forward contracts and cross currency swap.
- (ii) Foreign exchange gain in 3Q17 arose mainly from Marine's revaluation of liabilities denominated in United States dollar to Brazilian Real.

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT (Cont'd)

2d. Non-operating (expenses)/income, net

	GROUP			GROUP		
	3Q17 \$'000	3Q16 \$'000	+ / (-) %	9M17 \$'000	9M16 \$'000	+ / (-) %
Non-operating (expenses)/income, net	(26,668)	(49,233)	(45.8)	18,376	(47,471)	NM
Included in non-operating (expenses)/ income, net: -						
Dividend income	115	-	100.0	147	-	100.0
Fair value gain on re-measurement of pre-existing equity interest in joint venture and available-for-sale financial asset (AFS), which became subsidiaries, see Note 5(b)	-	-	-	-	10,702	(100.0)
Gain on disposal of subsidiaries	-	-	-	866	-	100.0
Gain on disposal of assets held for sale (i)	-	-	-	46,816	-	100.0
Gain on disposal of joint venture	-	-	-	-	186	(100.0)
Gain on disposal of other financial assets	647	358	80.7	3,477	1,947	78.6
Gain on disposal of investment held for sale	-	409	(100.0)	-	3,820	(100.0)
Provision in relation to a joint venture (ii)	-	-	-	(5,500)	-	NM
Impairment of goodwill (iii)	(26,376)	-	NM	(26,376)	-	NM
Impairment of investment in an associate (iv)	(4,163)	-	NM	(4,163)	-	NM
Changes in fair value of available-for-sale assets (v)	(1,240)	(50,063)	(97.5)	(1,240)	(64,189)	(98.1)

Non-operating expenses, net, was lower in 3Q17, as a higher impairment charge for available-for-sale financial assets was recorded in 3Q16.

- (i) Gain on disposal of assets held for sale in 9M17 arose from Marine's divestment of its 30% equity interest in Cosco Shipyard Group Co., Ltd. (CSG), in January 2017.
- (ii) Provision was in relation to a joint venture of Marine.
- (iii) The impairment of goodwill was for Utilities' Singapore power investment.
- (iv) Impairment was in relation to Utilities' investment in an associated company.
- (v) Changes in fair value of available-for-sale assets in 3Q16 was primarily for the impairment of available-for-sale financial assets, Gallant Venture and Marine's available-for-sale financial assets.

2e. Finance income and finance costs

	GROUP			GROUP		
	3Q17 \$'000	3Q16 \$'000	+ / (-) %	9M17 \$'000	9M16 \$'000	+ / (-) %
Finance income (i)	9,287	7,350	26.4	26,567	23,345	13.8
Finance costs (ii)	(126,699)	(90,642)	39.8	(400,122)	(268,247)	49.2

- (i) Higher finance income in 3Q17 was mainly due to higher bank balances.
- (ii) Higher finance costs in 3Q17 was primarily as a result of Marine's higher bank borrowings and SGPL's finance costs, which were expensed in 3Q17 but capitalised in 3Q16 while under construction.

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT (Cont'd)

2f. Share of results of Associates and Joint Ventures, net of tax

The Group recorded a higher share of profit from associates and joint ventures in 3Q17 compared to 3Q16 mainly due to Marine's share of losses from its associates in 3Q16. Marine has divested its 30% equity interest in CSG in January 2017.

2g. Tax expense

		GROUP			GROUP		
		3Q17	3Q16	+ / (-)	9M17	9M16	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Tax expense	(i)	(28,090)	(29,948)	(6.2)	(74,888)	(88,043)	(14.9)
<i>Included in tax expense: -</i>							
Tax expense							
- Net write-back of tax in respect of prior years	(ii)	42	1,914	(97.8)	6,286	1,735	262.3

- (i) The effective tax rate in 3Q17 was higher than 3Q16, mainly because impairment losses in 3Q17 were generally not deductible for tax purposes.

9M17 effective tax rate also has the effect of tax benefit for losses from a subsidiary in India not recognized, and the disposal gain from CSG not subject to Singapore tax.

- (ii) 9M17 net write-back of tax in respect of prior years was mainly from Marine.

2h. Earnings per ordinary share

Earnings per ordinary share of the Group based on net profit attributable to the owners of the Company, less distribution to holders of perpetual securities:	GROUP			GROUP		
	3Q17	3Q16	+ / (-) %	9M17	9M16	+ / (-) %
(i) Based on the weighted average number of shares (in cents)	1.23	2.47	(50.4)	9.90	12.21	(18.9)
- Weighted average number of shares (in million)	1,787.5	1,786.9	0.0	1,786.8	1,786.7	0.0
(ii) On a fully diluted basis (in cents)	1.21	2.44	(50.4)	9.81	12.11	(19.0)
- Adjusted weighted average number of shares (in million)	1,805.7	1,804.3	0.1	1,801.6	1,801.8	(0.0)

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		GROUP	
		3Q17	3Q16	9M17	9M16
		\$'000	\$'000	\$'000	\$'000
Profit for the period		42,213	58,384	237,095	284,187
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations	(i)	(75,220)	19,424	(155,721)	(209,977)
Exchange differences on monetary items forming part of net investment in foreign operation		(356)	2,572	(6,212)	2,711
Net change in fair value of cash flow hedges	(ii)	43,639	23,004	17,426	78,406
Net change in fair value of cash flow hedges reclassified to profit or loss		(1,833)	5,807	(12,556)	41,686
Net change in fair value of available-for-sale financial assets	(iii)	(6,646)	(7,821)	6,227	(35,022)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		7	3,893	(474)	11,640
Share of other comprehensive income of associates and joint ventures	(iv)	8,985	6,523	26,033	(15,956)
		(31,424)	53,402	(125,277)	(126,512)
Items that may not be reclassified subsequently to profit or loss:					
Defined benefit plan actuarial gain/(losses)		71	(278)	(99)	(278)
Other comprehensive income for the period, net of tax		(31,353)	53,124	(125,376)	(126,790)
Total comprehensive income for the period		10,860	111,508	111,719	157,397
Attributable to:					
Owners of the Company		8,789	90,302	97,088	137,077
Non-controlling interests		2,071	21,206	14,631	20,320
Total comprehensive income for the period		10,860	111,508	111,719	157,397

3a. Notes to Consolidated Statement of Comprehensive Income

- (i) The movement in foreign currency translation reserves in 3Q17 was primarily due to the depreciation of the United States dollar and the Indian rupee, partially offset by the appreciation of the Renminbi.
- (ii) The fair value changes in cash flow hedges in 3Q17 were primarily due to changes in fair value on fuel oil swaps, foreign currency forward contract and interest rate swaps.
- (iii) This was mainly due to changes in mark-to-market of the Group's quoted prices of available-for-sale financial assets.
- (iv) This was mainly due to hedging gain from associates and joint ventures in the UK and the Middle East.

4. BALANCE SHEETS

	GROUP		COMPANY	
	As at	As at	As at	As at
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	11,151,676	11,225,917	349,639	498,385
Investment properties	66,517	61,264	-	-
Investments in subsidiaries	-	-	2,444,590	2,444,010
Interests in associates and joint ventures	1,783,440	1,745,749	-	-
Other financial assets	214,643	200,905	-	-
Trade and other receivables	1,097,467	734,123	226,467	205,843
Tax recoverable	4,033	9,529	-	-
Assets held for sale	99,730	-	99,730	-
Intangible assets	584,581	636,997	24,235	23,103
Deferred tax assets	46,212	51,520	-	-
	<u>15,048,299</u>	<u>14,666,004</u>	<u>3,144,661</u>	<u>3,171,341</u>
Current assets				
Inventories and work-in-progress	3,819,243	3,466,280	8,573	10,615
Trade and other receivables	1,810,890	1,958,030	139,556	171,028
Tax recoverable	26,572	15,703	-	-
Assets held for sale	-	182,215	-	-
Other financial assets	117,180	119,456	-	-
Cash and cash equivalents	2,114,359	1,882,547	605,742	389,905
	<u>7,888,244</u>	<u>7,624,231</u>	<u>753,871</u>	<u>571,548</u>
Total assets	<u>22,936,543</u>	<u>22,290,235</u>	<u>3,898,532</u>	<u>3,742,889</u>
Current liabilities				
Trade and other payables	3,438,751	3,398,015	125,389	138,057
Excess of progress billings over work-in-progress	217,556	223,073	-	-
Provisions	52,524	42,419	16,603	14,874
Other financial liabilities	9,071	36,976	-	326
Current tax payable	187,170	189,471	44,237	47,938
Interest-bearing borrowings	2,226,076	2,125,587	-	-
	<u>6,131,148</u>	<u>6,015,541</u>	<u>186,229</u>	<u>201,195</u>
Net current assets	<u>1,757,096</u>	<u>1,608,690</u>	<u>567,642</u>	<u>370,353</u>
Non-current liabilities				
Deferred tax liabilities	410,197	402,431	60,544	60,501
Provisions	97,015	92,547	11,017	10,661
Other financial liabilities	62,694	256,654	-	-
Retirement benefit obligations	5,356	6,565	-	-
Interest-bearing borrowings	7,791,761	7,095,717	-	-
Other long-term payables	256,607	258,066	281,003	281,910
	<u>8,623,630</u>	<u>8,111,980</u>	<u>352,564</u>	<u>353,072</u>
Total liabilities	<u>14,754,778</u>	<u>14,127,521</u>	<u>538,793</u>	<u>554,267</u>
Net assets	<u>8,181,765</u>	<u>8,162,714</u>	<u>3,359,739</u>	<u>3,188,622</u>
Equity attributable to owners of the Company:-				
Share capital	565,572	565,572	565,572	565,572
Other reserves	(120,841)	(52,147)	(1,648)	(6,721)
Revenue reserve	5,451,474	5,384,897	1,786,201	1,826,675
	<u>5,896,205</u>	<u>5,898,322</u>	<u>2,350,125</u>	<u>2,385,526</u>
Perpetual securities	1,009,614	803,096	1,009,614	803,096
	<u>6,905,819</u>	<u>6,701,418</u>	<u>3,359,739</u>	<u>3,188,622</u>
Non-controlling interests	1,275,946	1,461,296	-	-
Total equity	<u>8,181,765</u>	<u>8,162,714</u>	<u>3,359,739</u>	<u>3,188,622</u>

4. **BALANCE SHEETS** (Cont'd)

4a. **Group's borrowings and debt securities**

	As at 30/09/2017 \$'000	As at 31/12/2016 \$'000
Amount repayable:		
(i) <u>In one year or less, or on demand</u>		
Interest-bearing borrowings		
Secured	551,485	548,509
Unsecured	1,674,591	1,577,078
	<u>2,226,076</u>	<u>2,125,587</u>
(ii) <u>Between one to five years</u>		
Interest-bearing borrowings		
Secured	959,398	948,288
Unsecured	3,789,505	3,094,717
	<u>4,748,903</u>	<u>4,043,005</u>
(iii) <u>After five years</u>		
Interest-bearing borrowings		
Secured	2,062,150	2,272,275
Unsecured	980,708	780,437
	<u>3,042,858</u>	<u>3,052,712</u>
Total	<u>10,017,837</u>	<u>9,221,304</u>

(iv) The secured loans are collateralised by the following assets' net book value:-

	As at 30/09/2017 \$'000	As at 31/12/2016 \$'000
Net assets and equity shares of subsidiaries, property, plant and equipment, and other assets	<u>6,758,435</u>	<u>6,863,426</u>

4b. **Net asset value**

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	3.86	3.75	1.88	1.79

Net asset value per ordinary share has increased with the \$200 million perpetual securities issued in June 2017.

Net asset value (excluding perpetual securities) for the Group per ordinary share based on issued share capital at September 30, 2017 was \$3.30 (December 31, 2016: \$3.30).

4. **BALANCE SHEETS** (Cont'd)

4c. **Explanatory Notes to Balance Sheets**

(i) **Group** **Non-current assets**

"Investment properties" increased mainly due to the on-going development of the Nanjing Riverside Quay project in China.

"Other financial assets" increased mainly due to fair value adjustments on foreign currency forward contracts of Marine.

"Trade and other receivables" increased mainly due to service concession receivables from Myingyan and Sirajganj Unit 4 power projects.

"Assets held for sale" increased. The Company entered into an agreement to sell certain utilities assets to ExxonMobil Asia Pacific Pte Ltd for a consideration of US\$113 million (approximately S\$152 million). The transaction is planned to be completed between 2H19 and 1H20.

"Intangible assets" decreased as a result of the impairment in 3Q17 and the amortisation.

"Deferred tax assets" decreased mainly due to utilisation.

Net current assets

"Inventories and work-in-progress" increased mainly due to increase in Marine's work-in-progress due to payment terms of rig building projects.

"Trade and other receivables" decreased mainly on receipt of proceeds from the divestment of Marine's asset held for sale.

"Assets held for sale" decreased mainly due to Marine's divestment of its 30% equity interest in CSG, which was completed in January 2017.

"Provisions" increased mainly due to Marine's reclassification of allowance made for warranty provisions from non-current to current.

"Other financial liabilities" decreased mainly due to fair value adjustments on foreign currency forward contracts.

Non-current liabilities

"Other financial liabilities" decreased mainly due to put liability being extinguished when Utilities acquired the non-controlling interests' in Sembcorp Green Infra.

"Interest-bearing borrowings" increased mainly due to additional borrowing taken for Utilities.

Equity

The deficit in "Other reserves" increased primarily due to foreign currency translation loss mainly arising from the depreciation of the United States dollar, Indian Rupee and the Renminbi.

"Perpetual securities" amounting to \$200 million were issued by the Company on June 22, 2017.

"Non-controlling interests" decreased with Utilities' acquisition of non-controlling interests in Sembcorp Green Infra.

4. **BALANCE SHEETS** (Cont'd)

(ii) **Company**

Non-current assets

“Property, plant and equipment” decreased mainly due to the transfer of certain plants to assets held for sale and impairment in 3Q17.

“Assets held for sale” increased. The Company entered into an agreement to sell certain utilities assets to ExxonMobil Asia Pacific Pte Ltd for consideration of US\$113 million (approximately S\$152 million). The transaction is planned to be completed between 2H19 and 1H20.

Net current assets

“Trade and other receivables” decreased with settlement with a customer upon the completion of its financial restructuring.

“Trade and other payables” decreased mainly due to lower accrued expenditure.

“Provisions” increased mainly due to allowance made for claims.

“Cash and cash equivalents” increased mainly due to proceeds from the issuance of perpetual securities.

Equity

“Perpetual securities” amounting to \$200 million were issued by the Company on June 22, 2017. The perpetual securities are subordinated; coupon payments are at the option of the Company and are cumulative, subject to terms and conditions of the securities issue. These perpetual securities are classified as equity instruments and recorded in equity.

5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP		GROUP	
		3Q17 \$'000	3Q16 \$'000	9M17 \$'000	9M16 \$'000
Cash flows from Operating Activities					
Profit for the period		42,213	58,384	237,095	284,187
Adjustments for :					
Dividend		(115)	-	(147)	-
Finance income		(9,287)	(7,350)	(26,567)	(23,345)
Finance costs		126,699	90,642	400,122	268,247
Depreciation and amortisation		146,138	107,163	425,544	322,299
Share of results of associates and joint ventures, net of tax		(26,869)	(3,489)	(119,115)	(77,188)
Gain on disposal of property, plant and equipment and other financial assets		(878)	(413)	(2,643)	(2,031)
Loss on disposal of intangible assets		126	(1)	139	(1)
Gain on disposal of investment in a joint venture		-	-	-	(186)
Gain on disposal of assets / investment held for sale		-	(409)	(46,816)	(3,820)
Gain on disposal of investments in subsidiary		-	-	(866)	-
Fair value gain on re-measurement of pre-existing equity investments in joint venture and available-for-sale financial asset, which became subsidiaries		-	-	-	(10,702)
Realisation of currency reserves upon liquidation of subsidiary		(3,860)	-	(3,860)	-
Changes in fair value of financial instruments		(6,683)	17,795	(698)	(2,154)
Impairment of investment in an associate		4,163	-	4,163	-
Equity settled share-based compensation expenses		7,068	6,408	14,650	18,275
Impairment of goodwill		26,376	-	26,376	-
Allowance made for impairment loss in value of assets and assets written off (net)		27,794	50,309	29,368	73,661
Negative goodwill		(169)	(62)	(169)	(62)
Inventories written down / (written back)		12,740	(366)	12,612	(1,149)
Provision in relation to a joint venture		-	-	5,500	-
Write-back of doubtful debts and bad debts (net)		(11,715)	(6,586)	(17,181)	(3,805)
Tax expense		28,090	29,948	74,888	88,043
Operating profit before working capital changes		361,831	341,973	1,012,395	930,269
Changes in working capital:					
Inventories and work-in-progress		(315,788)	581,279	(386,801)	948,660
Receivables		(5)	(93,845)	(335,905)	(589,554)
Payables		83,395	25,938	(320,111)	(144,116)
		129,433	855,345	(30,422)	1,145,259
Tax paid		(17,461)	(16,637)	(60,064)	(62,471)
Net cash from / (used in) operating activities		111,972	838,708	(90,486)	1,082,788
Cash flows from Investing Activities					
Dividend received		562	30,783	58,565	46,635
Interest received		8,308	5,390	24,549	17,861
Proceeds from divestment of investment/assets held for sale		205,690	409	205,690	22,894
Proceeds from disposal of interests in joint venture and associate		-	-	-	450
Proceeds from prior year disposal of joint venture		22,276	-	53,081	-
Proceeds from sale of other financial assets		24,893	24,844	93,972	29,112
Proceeds from sale of property, plant and equipment		86	8,256	8,267	11,257
Proceeds from sale of intangible assets		-	1	168	1
Loan repayment from related parties		250	3,193	4,702	14,193
Loan to related parties		(213)	-	(213)	-
Non-trade balances with related corporations, net of repayment		(9,868)	(3,819)	(14,437)	(6,264)
Acquisition of subsidiaries, net of cash acquired	5b	(3,287)	(19,827)	(3,287)	(61,203)
Acquisition of / additional investments in joint ventures and associates		-	(3,186)	(14,127)	(12,815)
Acquisition of other financial assets		(39,067)	(26,521)	(113,669)	(30,079)
Purchase of property, plant and equipment and investment properties		(133,280)	(205,981)	(489,380)	(694,307)
Purchase of intangible assets		(4,523)	(1,652)	(7,568)	(3,923)
Net cash from / (used in) investing activities		71,827	(188,110)	(193,687)	(666,188)

5. CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	Note	GROUP		GROUP	
		3Q17 \$'000	3Q16 \$'000	9M17 \$'000	9M16 \$'000
Cash flows from Financing Activities					
Proceeds from share issued to non-controlling interests of subsidiaries		252	2,239	254	4,301
Proceeds from share options exercised with issue of treasury shares		-	(1)	-	426
Proceeds from share options exercised with issue of treasury shares of a subsidiary		-	(1)	687	835
Purchase of treasury shares		-	(1,797)	(4,057)	(3,828)
Purchase of treasury shares by subsidiary		-	(641)	(2,577)	(2,990)
Proceeds from issue of perpetual securities, net of transaction costs		-	-	199,467	-
Proceeds from borrowings		732,410	574,324	2,744,581	2,045,777
Repayment of borrowings		(611,016)	(452,176)	(1,836,896)	(1,206,318)
Payment on finance leases		(641)	(119)	(903)	(295)
Acquisition of non-controlling interests		-	(156,782)	-	(156,782)
Unclaimed dividends		-	11	6	13
Dividends paid to owners of the Company		(53,625)	(71,478)	(125,117)	(178,724)
Dividends paid to non-controlling interests of subsidiaries		(13,586)	(17,544)	(32,138)	(43,606)
Reduction in restricted cash held as collateral		4,819	-	7,140	-
Perpetual securities distribution paid		(4,959)	(4,986)	(24,133)	(24,238)
Interest paid		(126,417)	(90,758)	(373,522)	(287,854)
Net cash (used in) / from financing activities		<u>(72,763)</u>	<u>(219,709)</u>	<u>552,792</u>	<u>146,717</u>
Net increase in cash and cash equivalents		111,036	430,889	268,619	563,317
Cash and cash equivalents at beginning of the period		2,004,854	1,681,115	1,854,713	1,604,465
Effect of exchange rate changes on balances held in foreign currency		(16,210)	(19,011)	(23,652)	(74,789)
Cash and cash equivalents at end of the period		<u>2,099,680</u>	<u>2,092,993</u>	<u>2,099,680</u>	<u>2,092,993</u>

5a. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	30/09/2017 \$'000	31/12/2016 \$'000
Fixed deposits with banks	552,615	487,377
Cash and bank balances	<u>1,561,744</u>	<u>1,395,170</u>
Cash and cash equivalents in the balance sheets	2,114,359	1,882,547
Bank overdrafts	(10,770)	(16,785)
Restricted bank balances held as collateral by banks	<u>(3,909)</u>	<u>(11,049)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>2,099,680</u>	<u>1,854,713</u>

5. CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

5b. Cash flow on acquisition of subsidiaries, net of cash acquired

In 3Q17, the Group acquired 100% equity interest in Sembcorp Solar Singapore Pte. Ltd. No further disclosure as amount is insignificant.

	3Q 2016 ¹	9M 2016 ¹
	\$'000	\$'000
Effect on cash flows of the Group		
Cash paid	24,564	144,397
Less: Cash and cash equivalents in subsidiaries acquired	(4,737)	(83,194)
Cash outflow on acquisition	<u>19,827</u>	<u>61,203</u>
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	31,952	1,771,596
Long-term receivables and prepayments	-	28,830
Intangible assets	23,751	143,193
Inventories	-	95
Trade and other receivables	7,623	77,207
Cash and cash equivalents	4,737	83,194
Total assets	<u>68,063</u>	<u>2,104,115</u>
Trade and other payables	40,660	180,426
Current tax payable	20	7,166
Borrowings	-	1,184,678
Total liabilities	<u>40,680</u>	<u>1,372,270</u>
Net identifiable assets	27,383	731,845
Less: Non-controlling interests	(30)	(165,623)
Add: Goodwill	-	24,676
Less: Negative goodwill	(62)	(62)
Less: Amount previously accounted for as available-for-sale financial asset and joint venture	-	(425,350)
Less: Foreign currency translation reserve realised when the joint venture became a subsidiary	-	(2,410)
Less: Gain on step up acquisition of available-for-sale financial asset and joint venture	-	(10,702)
Consideration transferred for the business	<u>27,291</u>	<u>152,374</u>
Amount reflected as other payables	(2,727)	(7,977)
Cash paid	<u>24,564</u>	<u>144,397</u>

¹ Step-up of Gravitfloat, previously an available-for-sale financial asset and SGPL, previously a joint venture in 1Q2016 and acquisition of LMG in 3Q2016

Note: The above are inclusive of fair value adjustments, determined on a provisional basis.

5. CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

5c. Explanatory Notes to Consolidated Statement of Cash Flows

(i) Third Quarter

Cash flows from operating activities before changes in working capital stood at \$361.8 million. The cash outflow from changes in working capital was mainly due to Marine's working capital for ongoing projects.

Net cash inflow from investing activities for 3Q17 was \$71.8 million, mainly from proceeds received from the divestment of Cosco Shipyard Group Co., Ltd. (CSG), less purchase of property, plant and machinery.

Net cash outflow from financing activities for 3Q17 was \$72.8 million due to dividend paid to owners of the Company and non-controlling interests of subsidiaries.

(ii) Nine Months

The cash outflow from changes in working capital was mainly due to Marine's working capital for ongoing projects, Utilities' India working capital for operations and the service concession receivables of \$352 million from Myingyan and Sirajganj Unit 4 power project.

Net cash outflow from investing activities for 9M17 was \$193.7 million, mainly from Utilities' and Marine's purchase of property, plant and equipment, less proceeds received from the divestment of CSG.

Net cash inflow from financing activities for 9M17 was \$552.8 million mainly from the increase in net borrowings and issuance of perpetual securities mainly for Group's working capital and capital expenditure requirements.

(iii) Significant non-cash transactions

There was no material non-cash transaction other than those disclosed in the cash flow statement.

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statements of Changes in Equity of the Group

	Attributable to owners of the Company										
	Share capital	Other reserves				Revenue reserve	Total	Perpetual securities	Total	Non-controlling interests	Total equity
		own shares	Currency translation reserve		Others						
			\$'000	\$'000							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
1H17											
At January 1, 2017	565,572	(5,490)	(113,534)	66,877	5,384,897	5,898,322	803,096	6,701,418	1,461,296	8,162,714	
Total comprehensive income											
Profit for the period	-	-	-	-	174,375	174,375	-	174,375	20,507	194,882	
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	(67,760)	-	-	(67,760)	-	(67,760)	(12,741)	(80,501)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(5,856)	-	-	(5,856)	-	(5,856)	-	(5,856)	
Net change in fair value of cash flow hedges	-	-	-	(29,878)	-	(29,878)	-	(29,878)	3,665	(26,213)	
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	(11,260)	-	(11,260)	-	(11,260)	537	(10,723)	
Net change in fair value of available-for-sale financial assets	-	-	-	12,147	-	12,147	-	12,147	726	12,873	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	(376)	-	(376)	-	(376)	(105)	(481)	
Defined benefit plan actuarial gains and losses	-	-	-	-	(141)	(141)	-	(141)	(29)	(170)	
Share of other comprehensive income of associates and joint ventures	-	-	-	17,048	-	17,048	-	17,048	-	17,048	
Total other comprehensive income	-	-	(73,616)	(12,319)	(141)	(86,076)	-	(86,076)	(7,947)	(94,023)	
Total comprehensive income	-	-	(73,616)	(12,319)	174,234	88,299	-	88,299	12,560	100,859	
Transactions with owners of the Company, recognised directly in equity											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	2	2	
Issue of perpetual securities	-	-	-	-	-	-	199,467	199,467	-	199,467	
Share-based payments	-	-	-	6,779	-	6,779	-	6,779	803	7,582	
Purchase of treasury shares	-	(4,057)	-	-	-	(4,057)	-	(4,057)	-	(4,057)	
Treasury shares transferred to employees	-	9,422	-	(9,422)	-	-	-	-	-	-	
Treasury shares of a subsidiary	-	-	-	(1,152)	-	(1,152)	-	(1,152)	(738)	(1,890)	
Acquisition of non-controlling interests	-	-	-	(637)	-	(637)	-	(637)	611	(26)	
Put liability to acquire non-controlling interests	-	-	-	(10,557)	-	(10,557)	-	(10,557)	-	(10,557)	
Realisation of reserve upon liquidation of subsidiary	-	-	(38)	-	-	(38)	-	(38)	(179)	(217)	
Transfer of reserve	-	-	-	(14,958)	14,958	-	-	-	-	-	
Realisation of reserve upon disposal of assets held for sale	-	-	(12,493)	-	-	(12,493)	-	(12,493)	(7,991)	(20,484)	
Perpetual securities distribution paid	-	-	-	-	-	-	(19,174)	(19,174)	-	(19,174)	
Accrued perpetual securities distribution	-	-	-	-	(19,464)	(19,464)	19,464	-	-	-	
Dividend paid	-	-	-	-	(71,492)	(71,492)	-	(71,492)	(18,552)	(90,044)	
Unclaimed dividends	-	-	-	-	6	6	-	6	-	6	
Total transactions with owners	-	5,365	(12,531)	(29,947)	(75,992)	(113,105)	199,757	86,652	(26,044)	60,608	
At June 30, 2017	565,572	(125)	(199,681)	24,611	5,483,139	5,873,516	1,002,853	6,876,369	1,447,812	8,324,181	

6. **STATEMENTS OF CHANGES IN EQUITY** (Cont'd)

6a. **Statements of Changes in Equity of the Group** (Cont'd)

	Attributable to owners of the Company											
	Share capital	Other reserves				Revenue reserve	Total	Perpetual securities	Non-controlling		Total equity	
		Reserve for own shares	Currency translation		Others				Total	interests		Total
			reserve	reserve								
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
3Q17												
Total comprehensive income												
Profit for the period	-	-	-	-	33,620	33,620	-	33,620	8,593	42,213		
Other comprehensive income												
Foreign currency translation differences for foreign operations	-	-	(60,291)	-	-	(60,291)	-	(60,291)	(14,929)	(75,220)		
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(356)	-	-	(356)	-	(356)	-	(356)		
Net change in fair value of cash flow hedges	-	-	-	33,992	-	33,992	-	33,992	9,647	43,639		
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	(2,084)	-	(2,084)	-	(2,084)	251	(1,833)		
Net change in fair value of available-for-sale financial assets	-	-	-	(6,189)	-	(6,189)	-	(6,189)	(457)	(6,646)		
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	(98)	-	(98)	-	(98)	105	7		
Defined benefit plan actuarial gains and losses	-	-	-	-	60	60	-	60	11	71		
Share of other comprehensive income of associates and joint ventures	-	-	-	10,135	-	10,135	-	10,135	(1,150)	8,985		
Total other comprehensive income	-	-	(60,647)	35,756	60	(24,831)	-	(24,831)	(6,522)	(31,353)		
Total comprehensive income	-	-	(60,647)	35,756	33,680	8,789	-	8,789	2,071	10,860		
Transactions with owners of the Company, recognised directly in equity												
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	252	252		
Share-based payments	-	-	-	5,709	-	5,709	-	5,709	1,359	7,068		
Acquisition of non-controlling interests	-	-	-	(149,046)	-	(149,046)	-	(149,046)	(150,079)	(299,125)		
Put liability to acquire non-controlling interests	-	-	-	226,442	-	226,442	-	226,442	-	226,442		
Realisation of reserve upon liquidation of subsidiaries	-	-	(3,860)	-	-	(3,860)	-	(3,860)	(11,883)	(15,743)		
Perpetual securities distribution paid	-	-	-	-	-	-	(4,959)	(4,959)	-	(4,959)		
Accrued perpetual securities distribution	-	-	-	-	(11,720)	(11,720)	11,720	-	-	-		
Dividend paid	-	-	-	-	(53,625)	(53,625)	-	(53,625)	(13,586)	(67,211)		
Total transactions with owners	-	-	(3,860)	83,105	(65,345)	13,900	6,761	20,661	(173,937)	(153,276)		
At September 30, 2017	565,572	(125)	(264,188)	143,472	5,451,474	5,896,205	1,009,614	6,905,819	1,275,946	8,181,765		

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6a. Statements of Changes in Equity of the Group (Cont'd)

	Attributable to owners of the Company										
	Share capital	Other reserves				Revenue reserve	Perpetual securities	Total	Non-controlling		Total equity
		own shares	Currency translation reserve		Others				interests	Total	
			\$'000	\$'000							
1H16											
At January 1, 2016	565,572	(8,645)	(84,321)	(49,972)	5,207,742	5,630,376	802,688	6,433,064	1,610,430	8,043,494	
Total comprehensive income											
Profit for the period	-	-	-	-	193,490	193,490	-	193,490	32,313	225,803	
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	(185,732)	-	-	(185,732)	-	(185,732)	(43,669)	(229,401)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	139	-	-	139	-	139	-	139	
Net change in fair value of cash flow hedges	-	-	-	38,252	-	38,252	-	38,252	17,150	55,402	
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	35,187	-	35,187	-	35,187	692	35,879	
Net change in fair value of available-for-sale financial assets	-	-	-	(16,768)	-	(16,768)	-	(16,768)	(10,433)	(27,201)	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	4,686	-	4,686	-	4,686	3,061	7,747	
Share of other comprehensive income of associates and joint ventures	-	-	-	(22,479)	-	(22,479)	-	(22,479)	-	(22,479)	
Total other comprehensive income	-	-	(185,593)	38,878	-	(146,715)	-	(146,715)	(33,199)	(179,914)	
Total comprehensive income	-	-	(185,593)	38,878	193,490	46,775	-	46,775	(886)	45,889	
Transactions with owners of the Company, recognised directly in equity											
Redemption of preference shares for non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(7,380)	(7,380)	
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	2,062	2,062	
Share-based payments	-	-	-	9,947	-	9,947	-	9,947	1,920	11,867	
Purchase of treasury shares	-	(2,031)	-	-	-	(2,031)	-	(2,031)	-	(2,031)	
Treasury shares transferred to employees	-	10,221	-	(9,794)	-	427	-	427	-	427	
Treasury shares of a subsidiary	-	-	-	(923)	-	(923)	-	(923)	(592)	(1,515)	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	165,593	165,593	
Acquisition of non-controlling interests	-	-	-	23,183	-	23,183	-	23,183	(157,264)	(134,081)	
Put liability to acquire non-controlling interests	-	-	-	(924)	-	(924)	-	(924)	-	(924)	
Realisation of reserve upon disposal of subsidiary	-	-	-	(25)	-	(25)	-	(25)	(6,311)	(6,336)	
Realisation of reserve when a joint venture became a subsidiary	-	-	2,410	-	-	2,410	-	2,410	-	2,410	
Perpetual securities distribution paid	-	-	-	-	-	-	(19,252)	(19,252)	-	(19,252)	
Accrued perpetual securities distribution	-	-	-	-	(19,397)	(19,397)	19,398	1	-	1	
Dividend paid	-	-	-	-	(107,246)	(107,246)	-	(107,246)	(26,062)	(133,308)	
Unclaimed dividends	-	-	-	-	2	2	-	2	-	2	
Total transactions with owners	-	8,190	2,410	21,464	(126,641)	(94,577)	146	(94,431)	(28,034)	(122,465)	
At June 30, 2016	565,572	(455)	(267,504)	10,370	5,274,591	5,582,574	802,834	6,385,408	1,581,510	7,966,918	

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6a. Statements of Changes in Equity of the Group (Cont'd)

	Attributable to owners of the Company										
	Share capital	Other reserves			Revenue reserve	Total	Perpetual securities	Total	Non-controlling interests	Total equity	
		Reserve for own shares	Currency translation								Others
			reserve	reserve							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
3Q16											
Total comprehensive income											
Profit for the period	-	-	-	-	53,935	53,935	-	53,935	4,449	58,384	
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	12,410	-	-	12,410	-	12,410	7,014	19,424	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	2,572	-	-	2,572	-	2,572	-	2,572	
Net change in fair value of cash flow hedges	-	-	-	12,146	-	12,146	-	12,146	10,858	23,004	
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	5,654	-	5,654	-	5,654	153	5,807	
Net change in fair value of available-for-sale financial assets	-	-	-	(5,065)	-	(5,065)	-	(5,065)	(2,756)	(7,821)	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	2,368	-	2,368	-	2,368	1,525	3,893	
Defined benefit plan actuarial gains and losses	-	-	-	-	(241)	(241)	-	(241)	(37)	(278)	
Share of other comprehensive income of associates and joint ventures	-	-	-	6,523	-	6,523	-	6,523	-	6,523	
Total other comprehensive income	-	-	14,982	21,626	(241)	36,367	-	36,367	16,757	53,124	
Total comprehensive income	-	-	14,982	21,626	53,694	90,302	-	90,302	21,206	111,508	
Transactions with owners of the Company, recognised directly in equity											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	2,239	2,239	
Share-based payments	-	-	-	5,407	-	5,407	-	5,407	1,000	6,407	
Purchase of treasury shares	-	(1,798)	-	-	-	(1,798)	-	(1,798)	-	(1,798)	
Treasury shares of a subsidiary	-	-	-	(394)	-	(394)	-	(394)	(248)	(642)	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	(1,535)	(1,535)	
Acquisition of non-controlling interests	-	-	-	(3,025)	-	(3,025)	-	(3,025)	(152,192)	(155,217)	
Put liability to acquire non-controlling interests	-	-	-	1,668	-	1,668	-	1,668	-	1,668	
Perpetual securities distribution paid	-	-	-	-	-	-	(4,986)	(4,986)	-	(4,986)	
Accrued perpetual securities distribution	-	-	-	-	(9,808)	(9,808)	9,807	(1)	-	(1)	
Dividend paid	-	-	-	-	(71,478)	(71,478)	-	(71,478)	(17,544)	(89,022)	
Unclaimed dividends	-	-	-	-	11	11	-	11	-	11	
Total transactions with owners	-	(1,798)	-	3,656	(81,275)	(79,417)	4,821	(74,596)	(168,280)	(242,876)	
At September 30, 2016	565,572	(2,253)	(252,522)	35,652	5,247,010	5,593,459	807,655	6,401,114	1,434,436	7,835,550	

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6b. Statements of Changes in Equity of the Company

	Attributable to owners of the Company						
	Share capital	Other reserves		Revenue reserve	Total	Perpetual securities	Total
		Reserve for own shares	Others				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1H17							
At January 1, 2017	565,572	(5,490)	(1,231)	1,826,675	2,385,526	803,096	3,188,622
Total comprehensive income							
Profit for the period	-	-	-	94,829	94,829	-	94,829
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	280	-	280	-	280
Total other comprehensive income	-	-	280	-	280	-	280
Total comprehensive income	-	-	280	94,829	95,109	-	95,109
Transactions with owners of the Company, recognised directly in equity							
Issue of perpetual securities	-	-	-	-	-	199,467	199,467
Cancellation of shares	-	-	-	-	-	-	-
Share-based payments	-	-	5,415	-	5,415	-	5,415
Purchase of treasury shares	-	(4,057)	-	-	(4,057)	-	(4,057)
Treasury shares transferred to employees	-	9,422	(9,422)	-	-	-	-
Perpetual securities distribution paid	-	-	-	-	-	(19,174)	(19,174)
Accrued perpetual securities distribution	-	-	-	(19,464)	(19,464)	19,464	-
Dividends paid	-	-	-	(71,492)	(71,492)	-	(71,492)
Unclaimed dividends	-	-	-	-	-	-	-
Total transactions with owners	-	5,365	(4,007)	(90,956)	(89,598)	199,757	110,159
At June 30, 2017	565,572	(125)	(4,958)	1,830,548	2,391,037	1,002,853	3,393,890
3Q17							
Total comprehensive income							
Profit for the period	-	-	-	20,998	20,998	-	20,998
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	(73)	-	(73)	-	(73)
Total other comprehensive income, net of tax	-	-	(73)	-	(73)	-	(73)
Total comprehensive income	-	-	(73)	20,998	20,925	-	20,925
Transactions with owners of the Company, recognised directly in equity							
Share-based payments	-	-	3,508	-	3,508	-	3,508
Perpetual securities distribution paid	-	-	-	-	-	(4,959)	(4,959)
Accrued perpetual securities distribution	-	-	-	(11,720)	(11,720)	11,720	-
Dividends paid	-	-	-	(53,625)	(53,625)	-	(53,625)
Total transactions with owners	-	-	3,508	(65,345)	(61,837)	6,761	(55,076)
At September 30, 2017	565,572	(125)	(1,523)	1,786,201	2,350,125	1,009,614	3,359,739

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6b. Statements of Changes in Equity of the Company (Cont'd)

	Attributable to owners of the Company						
	Share capital	Other reserves		Revenue reserve	Total	Perpetual securities	Total
		Reserve for own shares	Others				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1H16							
At January 1, 2016	565,572	(8,645)	(5,015)	1,756,013	2,307,925	802,688	3,110,613
Total comprehensive income							
Profit for the period	-	-	-	105,509	105,509	-	105,509
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	105,509	105,509	-	105,509
Transactions with owners of the Company, recognised directly in equity							
Share-based payments	-	-	6,952	-	6,952	-	6,952
Purchase of treasury shares	-	(2,031)	-	-	(2,031)	-	(2,031)
Treasury shares transferred to employees	-	10,221	(9,794)	-	427	-	427
Perpetual securities distribution paid	-	-	-	-	-	(19,252)	(19,252)
Accrued perpetual securities distribution	-	-	-	(19,397)	(19,397)	19,398	1
Dividends paid	-	-	-	(107,246)	(107,246)	-	(107,246)
Unclaimed dividends	-	-	-	2	2	-	2
Total transactions with owners	-	8,190	(2,842)	(126,641)	(121,293)	146	(121,147)
At June 30, 2016	565,572	(455)	(7,857)	1,734,881	2,292,141	802,834	3,094,975
3Q16							
Total comprehensive income							
Profit for the period	-	-	-	43,032	43,032	-	43,032
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	19	-	19	-	19
Total other comprehensive income, net of tax	-	-	19	-	19	-	19
Total comprehensive income	-	-	19	43,032	43,051	-	43,051
Transactions with owners of the Company, recognised directly in equity							
Share-based payments	-	-	3,275	-	3,275	-	3,275
Purchase of treasury shares	-	(1,798)	-	-	(1,798)	-	(1,798)
Perpetual securities distribution paid	-	-	-	-	-	(4,986)	(4,986)
Accrued perpetual securities distribution	-	-	-	(9,808)	(9,808)	9,807	(1)
Dividends paid	-	-	-	(71,478)	(71,478)	-	(71,478)
Unclaimed dividends	-	-	-	(1)	(1)	-	(1)
Total transactions with owners	-	(1,798)	3,275	(81,287)	(79,810)	4,821	(74,989)
At September 30, 2016	565,572	(2,253)	(4,563)	1,696,626	2,255,382	807,655	3,063,037

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6c. Changes in the Company's share capital

Issued share capital and treasury shares

	Number of shares	
	Issued Share Capital	Treasury Shares
At January 1, 2017	1,787,547,732	1,990,038
Treasury shares transferred pursuant to restricted share plan	-	(3,227,211)
Treasury shares purchased	-	1,280,000
At June 30, 2017/ September 30, 2017	<u>1,787,547,732</u>	<u>42,827</u>

Issued and paid up capital

As at September 30, 2017, the Company's issued and paid up capital excluding treasury shares comprised 1,787,504,905 (December 31, 2016: 1,785,557,694) ordinary shares.

Treasury shares

During 3Q17, the Company acquired nil (3Q16: 650,000) ordinary shares in the Company by way of on-market purchases. Nil (3Q16: nil) treasury shares were re-issued pursuant to the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP").

As at September 30, 2017, 42,827 (September 30, 2016: 810,038) treasury shares were held that may be re-issued upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

Share Options

All options have expired in June 2016.

Performance Shares

	Number of shares
At January 1, 2017	2,418,250
Performance shares lapsed arising from targets not met	(600,000)
Conditional performance shares awarded	889,553
Conditional performance shares lapsed	(304,500)
At June 30, 2017/ September 30, 2017	<u>2,403,303</u>

During 3Q17, nil (3Q16: nil) performance shares were awarded under the Company's PSP, nil (3Q16: nil) performance shares were released and nil (3Q16: nil) performance shares lapsed.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at September 30, 2017, was 2,403,303 (September 30, 2016: 2,418,250). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,604,954 (September 30, 2016: 3,627,375) performance shares.

6. **STATEMENTS OF CHANGES IN EQUITY** (Cont'd)

6c. **Changes in the Company's share capital** (Cont'd)

Restricted Shares

	Number of shares
At January 1, 2017	9,095,728
Conditional restricted shares awarded	3,554,234
Conditional restricted shares released	(3,263,724)
Conditional restricted shares lapsed	(165,879)
Additional restricted shares awarded arising from targets met	589,655
At June 30, 2017	<u>9,810,014</u>
Conditional restricted shares lapsed	(66,357)
At September 30, 2017	<u>9,743,657</u>

During 3Q17, nil (3Q16: nil) restricted shares were awarded under the RSP, nil (3Q16: nil) restricted shares were released and 66,357 (3Q16: 95,058) restricted shares lapsed.

The total number of restricted shares outstanding, including awards achieved but not released, as at end September 30, 2017 was 9,743,657 (September 30, 2016: 9,135,978). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 6,959,466 (September 30, 2016: 6,716,007). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 10,439,199 (September 30, 2016: 10,074,010) restricted shares.

7. **AUDIT**

The figures have not been audited or reviewed by the Company's auditors.

8. **AUDITORS' REPORT**

Not applicable.

9. **ACCOUNTING POLICIES**

Except as disclosed in paragraph 10 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at December 31, 2016.

10. **CHANGES IN ACCOUNTING POLICIES**

The following amended FRSs have become effective from January 1, 2017.

Amendments to FRSs

- FRS 7 Statement of Cash Flows – Disclosure initiative
- FRS 12 Income Tax – Recognition of deferred tax assets for unrealised losses

The adoption of the above FRSs (including consequential amendments) does not have any significant impact on the financial statements.

11. REVIEW OF GROUP PERFORMANCE

Group Overview

3Q17

The Group reported a turnover of \$1.8 billion, 15.5% lower than 3Q16's turnover of \$2.1 billion. The decrease was mainly due to lower turnover from Marine, mitigated by higher turnover from Utilities.

Utilities' turnover of \$1.4 billion was an increase of \$203 million, mainly due to higher HSFO prices and higher contribution from India. Marine's turnover of \$317 million was \$571 million lower than last year, mainly from its rig building and offshore platform projects. Marine's reversal of revenue due to termination of two rig contracts with a customer has further resulted in the lower revenue recognition in the rigs and floaters segment.

3Q17 profit before tax and before net finance costs (PFO) of \$187.7 million was an increase of 9.4% over last year of \$171.6 million.

With the higher net finance costs, profit attributable to owners of the Company (Net profit) for 3Q17 was \$33.6 million, as compared to \$53.9 million in 3Q16.

Utilities was the largest net profit contributor, accounting for 82% of the Group's net profit for the quarter.

9M17

The Group achieved \$6.2 billion turnover in 9M17, 5.8% higher than 9M16's turnover of \$5.9 billion. The increase was mainly due to higher turnover from Utilities, reduced by lower turnover from Marine.

Utilities' turnover for 9M17 was \$4.3 billion, an increase of \$1.3 billion, from \$3.0 billion in 9M16, mainly due to higher HSFO prices, higher contribution from India and construction revenue for Myingyan and Sirajganj Unit 4 power projects. Marine's turnover of \$1.7 billion was \$982 million lower than 9M16, mainly from its rig building and offshore platform projects. Marine's reversal of revenue due to termination of two rig contracts with a customer has further resulted in the lower revenue recognition in the rigs and floaters segment.

9M17 PFO of \$685.5 million recorded a 11.1% improvement over last year of \$617.1 million, due to improved operating performance.

Net profit for the Group stood at \$208.0 million in 9M17, \$39.4 million lower than the corresponding period last year.

Utilities was the largest net profit contributor, accounting for 61% of the Group's net profit. This was followed by Urban Development contributing 26% and Marine at 13%.

12. SEGMENTAL REPORTING

9M17

(i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External sales	4,279,144	1,732,401	5,229	205,695	-	6,222,469
Inter-segment sales	22,139	-	3,166	42,387	(67,692)	-
Total	4,301,283	1,732,401	8,395	248,082	(67,692)	6,222,469
Results						
Segment results	479,297	103,018	(10,677)	(5,215)	-	566,423
Share of results of associates and joint ventures, net of tax	50,626	(1,924)	70,422	(9)	-	119,115
Profit from operations	529,923	101,094	59,745	(5,224)	-	685,538
Finance income	19,150	7,856	146	50,106	(50,691)	26,567
Finance costs	(334,786)	(72,602)	(3,009)	(40,416)	50,691	(400,122)
	214,287	36,348	56,882	4,466	-	311,983
Tax expense	(76,394)	6,584	(793)	(4,285)	-	(74,888)
Non-controlling interests	(11,967)	(14,918)	(2,172)	(43)	-	(29,100)
Net profit for the period	125,926	28,014	53,917	138	-	207,995
Assets						
Segment assets	11,614,074	9,238,228	383,710	2,724,360	(2,884,086)	21,076,286
Investment in associates and joint ventures	914,905	69,383	701,274	97,878	-	1,783,440
Tax assets	58,419	16,680	1,098	620	-	76,817
Total assets	12,587,398	9,324,291	1,086,082	2,822,858	(2,884,086)	22,936,543
Liabilities						
Segment liabilities	7,770,575	6,632,179	250,254	2,388,489	(2,884,086)	14,157,411
Tax liabilities	471,085	112,951	1,567	11,764	-	597,367
Total liabilities	8,241,660	6,745,130	251,821	2,400,253	(2,884,086)	14,754,778
Capital expenditure	360,785	148,991	131	11,931	-	521,838
Significant non-cash items						
Depreciation and amortisation	268,144	147,058	2,207	8,135	-	425,544
Allowance for impairment in value of assets and assets written off (net)	27,449	1,881	-	38	-	29,368
Impairment of goodwill	26,376	-	-	-	-	26,376
Impairment of investment in an associate	4,163	-	-	-	-	4,163
(Write-back of) / Allowance for doubtful debts and bad debts (net)	(17,240)	81	(4)	(18)	-	(17,181)
Gain on disposal of assets held for sale	-	(46,816)	-	-	-	(46,816)
Provision in relation to a joint venture	-	5,500	-	-	-	5,500
Inventories written down	-	12,612	-	-	-	12,612

(ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	2,610,597	42	4,377,804	29	10,214,046	44	113,718	22
China	94,821	2	1,466,293	10	1,832,826	8	20,711	4
India	1,263,099	20	5,261,626	35	6,341,741	28	285,909	55
Rest of Asia	201,484	3	1,368,031	9	1,607,546	7	2,632	1
Middle East & Africa	126,733	2	443,328	3	503,611	2	2,919	-
UK	854,544	14	128,642	1	256,605	1	4,752	1
Rest of Europe	729,673	12	385,379	3	430,585	2	35	-
Brazil	143,377	2	1,433,564	9	1,575,385	7	75,656	14
U.S.A.	135,213	2	4,938	-	6,608	-	4	-
Other Countries	62,928	1	178,694	1	167,590	1	15,502	3
Total	6,222,469	100	15,048,299	100	22,936,543	100	521,838	100

12. SEGMENTAL REPORTING (Cont'd)

9M16

(i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Turnover

External sales	2,988,269	2,714,316	4,109	174,566	-	5,881,260
Inter-segment sales	15,613	604	3,131	18,093	(37,441)	-
Total	3,003,882	2,714,920	7,240	192,659	(37,441)	5,881,260

Results

Segment results	446,311	155,118	(11,303)	(50,182)	-	539,944
Share of results of associates and joint ventures, net of tax	82,553	(29,800)	20,533	3,902	-	77,188
Profit from operations	528,864	125,318	9,230	(46,280)	-	617,132
Finance income	17,617	6,451	180	39,513	(40,416)	23,345
Finance costs	(209,484)	(62,874)	(2,045)	(34,260)	40,416	(268,247)
	336,997	68,895	7,365	(41,027)	-	372,230
Tax expense	(58,523)	(24,544)	(641)	(4,335)	-	(88,043)
Non-controlling interests	(19,680)	(17,030)	(719)	667	-	(36,762)
Net profit / (loss) for the period	258,794	27,321	6,005	(44,695)	-	247,425

Assets

Segment assets	10,384,445	9,419,008	359,409	1,553,785	(1,988,857)	19,727,790
Investment in associates and joint ventures	840,763	285,246	634,445	95,987	-	1,856,441
Tax assets	56,675	22,034	777	536	-	80,022
Total assets	11,281,883	9,726,288	994,631	1,650,308	(1,988,857)	21,664,253

Liabilities

Segment liabilities	6,540,272	7,061,686	252,986	1,402,963	(1,988,857)	13,269,050
Tax liabilities	439,950	104,494	2,141	13,068	-	559,653
Total liabilities	6,980,222	7,166,180	255,127	1,416,031	(1,988,857)	13,828,703

Capital expenditure

	349,936	268,461	3,769	6,930	-	629,096
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Significant non-cash items

Depreciation and amortisation	207,705	106,135	1,485	6,974	-	322,299
Allowance for impairment in value of assets and assets written off (net)	9,357	12,265	104	51,935	-	73,661
(Written back) / Allowance made for doubtful debts and bad debts (net)	(3,822)	169	-	(152)	-	(3,805)
Inventories written back	-	(1,149)	-	-	-	(1,149)

(ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	2,074,024	35	4,479,432	32	10,297,900	47	158,248	25
China	123,845	2	1,528,320	11	1,881,858	9	58,289	9
India	685,219	12	4,869,445	35	5,799,484	27	230,228	37
Rest of Asia	381,556	7	911,336	6	1,083,691	5	13,533	2
Middle East & Africa	76,032	1	396,357	3	437,428	2	3,395	1
UK	670,013	11	126,046	1	235,925	1	7,505	1
Rest of Europe	1,181,968	20	370,984	2	412,657	2	-	-
Brazil	57,526	1	1,263,773	9	1,318,712	6	134,083	21
U.S.A.	594,058	10	5,030	-	6,585	-	8	-
Other Countries	37,019	1	159,172	1	190,013	1	23,807	4
Total	5,881,260	100	14,109,895	100	21,664,253	100	629,096	100

12. SEGMENTAL REPORTING (Cont'd)

Notes to Segmental Analysis

12a. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) The Utilities segment's principal activities are in the provision of energy and water to industrial, commercial and municipal customers. Key activities in the energy sector include power generation, process steam production, as well as natural gas importation. In the water sector, the business offers wastewater treatment as well as the production of reclaimed, desalinated and potable water and water for industrial use. In addition, the business also provides on-site logistics, solid waste management and specialised project management, engineering, and procurement services.
- (ii) The Marine segment focuses principally on providing integrated solutions for the offshore and marine industry. Key capabilities include rigs & floaters; repairs & upgrades; offshore platforms and specialised shipbuilding.
- (iii) The Urban Development segment owns, develops, markets and manages integrated urban developments comprising industrial parks as well as business, commercial and residential space in Asia.
- (iv) The Others / Corporate segment comprises businesses mainly relating to minting, design and construction activities, offshore engineering and others.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

12b. Geographical Segments

The Group's geographical segments are presented in ten principal geographical areas: Singapore, China, India, Rest of Asia, Middle East & Africa, UK, Rest of Europe, Brazil, U.S.A and Other Countries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

12. SEGMENTAL REPORTING (Cont'd)

12c. Review of segment performance

Utilities

	3Q17	3Q16	Growth		9M17	9M16	Growth	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Turnover	1,401,790	1,198,600	203,190	17	4,279,144	2,988,269	1,290,875	43
Profit from operations ^{before EI}	220,043	211,945	8,098	4	622,205	528,864	93,341	18
Net Profit ^{before EI}	83,926	108,923	(24,997)	(23)	221,301	258,794	(37,493)	(15)
Exceptional items (EI)	(56,316)	-	(56,316)	NM	(95,375)	-	(95,375)	NM
	<u>27,610</u>	<u>108,923</u>	<u>(81,313)</u>	<u>(75)</u>	<u>125,926</u>	<u>258,794</u>	<u>(132,852)</u>	<u>(51)</u>

Turnover for 3Q17 and 9M17 increased due to higher HSFO prices from its Singapore operations, contribution from India's second thermal power plant (SGPL) and construction revenue from its Myingyan and Sirajganj Unit 4 power projects.

3Q17 net profit before exceptional items was \$83.9 million compared to \$108.9 million in 3Q16. Singapore's net profit increased 52% against 3Q16 mainly due to improved performance of the centralised utilities and gas businesses. However this was reduced by weaker performance from China and India operations.

Underpinned by good performance from its Singapore centralised utilities and gas businesses, Utilities delivered \$622.2 million PFO (before exceptional items of \$92.3 million) in 9M17 compared to last year \$528.9 million.

In 9M17, the Utilities business contributed \$125.9 million in net profit to the Group compared to \$258.8 million in 9M16. On an underlying basis, the business delivered a net profit of \$221.3 million. Singapore operations continued to perform well which mitigated the weak performance of SGPL in India as well as the absence of contribution from the Yangcheng power plant in China.

Singapore operations was the largest net profit contributor to the Utilities' net profit before exceptional items at 9M17.

Exceptional items (EI):

3Q17 exceptional items comprise non-cash impairment charges mainly relating to Singapore's assets (\$25.8 million) and investments (\$30.5 million). The impairments were mainly made in light of the challenging operating environment for its power business and optimisation of its steam production assets.

9M17 exceptional items also included the refinancing cost incurred for the Indian power project (\$39.1 million, of which \$3.1 million was charged as finance cost).

Marine

	3Q17	3Q16	Growth		9M17	9M16	Growth	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Turnover	316,876	887,861	(570,985)	(64)	1,732,401	2,714,316	(981,915)	(36)
Profit from operations	18,809	1,196	17,613	1473	101,094	125,318	(24,224)	(19)
Net Profit/(Loss)	636	(13,246)	13,882	105	28,014	27,321	693	3

Turnover for 3Q17 and 9M17 decreased mainly due to lower revenue recognition for rig building and offshore platforms projects. Reversal of revenue in 3Q17 and 9M17 due to termination of two rig contracts with a customer has further resulted in the lower revenue recognition in the rigs and floaters segment.

3Q17 achieved a profit of \$0.6 million compared to a loss in 3Q16. The foreign exchange translation gain on the USD borrowings for the Brazil yard has offset the weaker performance from the floaters and offshore platform projects and the effects of contracts termination and inventories written down arising from the contract to sell nine rigs. 3Q16 results was impacted by the share of losses from its associates.

Net profit for 9M17 was comparable to 9M16. The lower contribution from rig building and offshore platform projects, costs incurred for a floater project which is pending finalisation with the customer and the effects of contracts termination and inventories written down are more than offset by the gain on disposal of Cosco Shipyard Group Co., Ltd., lower impairment losses on available-for-sale financial assets and lower share of losses from associates and joint ventures.

12. SEGMENTAL REPORTING (Cont'd)

12c. Review of segment performance (Cont'd)

Urban Development

	3Q17	3Q16	Growth		9M17	9M16	Growth	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Turnover*	1,244	1,319	(75)	(6)	5,229	4,109	1,120	27
Profit from operations	9,948	(469)	10,417	2221	59,745	9,230	50,515	547
Net Profit/(Loss)	8,179	(1,417)	9,596	NM	53,917	6,005	47,912	798

*Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method. The turnover reflected was derived from providing services to these associates or joint ventures.

Higher net profit in 3Q17 was mainly due to higher land sales from its Vietnam and Indonesia operations. 9M17 higher profit was driven by higher contributions from all its markets, in particular, the higher land sales from its China associate.

13. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

14. PROSPECTS

This release contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, availability and cost of fuel and materials, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy, directives and changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the management on future events and impact on the Group.

Utilities

Underlying Utilities operations are performing well. However, net profit contribution from the business is expected to be lower than 2016.

The performance of Utilities' China operations in 2017 is expected to be lower than 2016 due to the expiry of the Yangcheng cooperative joint venture agreement.

In India, Sembcorp has two thermal power plants and renewable energy assets totalling over 3,800MW. Its renewable energy business and its first thermal power plant, TPCIL, are performing well but are not expected to fully mitigate the expected losses from its second thermal power plant SGPL.

In Singapore, the centralised utilities, gas and solid waste management businesses are expected to continue to do well. The power business continues to face intense competition.

14. PROSPECTS (Cont'd)

Marine

Global exploration and production spending continues to show signs of improvement. Enquiries for non-drilling solutions continue to be encouraging. Sembcorp Marine has been actively responding to more enquiries and tenders for developing engineering solutions for the production segment.

Good progress has been made in the development and commercialisation of Sembcorp Marine's GraviFloat technology for near-shore gas infrastructure solutions.

For repairs and upgrades, niche markets in LNG carriers and cruise ships continue to underpin performance. Sembcorp Marine expects this trend to continue.

Sembcorp Marine continues to strengthen its balance sheet and prudently manage its financial resources. The company remains focused on the pursuit of operational excellence: investing in new capabilities, technological innovation, active customer engagement and business development.

Urban Development

The Urban Development business is expected to deliver a better performance in 2017, underpinned by land sales in its urban developments in Vietnam, China and Indonesia.

Group

The market environment is expected to remain challenging in 2017. With strong capabilities and resilient businesses, the Group is strengthening its balance sheet and repositioning the business for the future.

15. DIVIDEND

No interim dividend for the period ended September 30, 2017 is recommended.

16. SUBSEQUENT EVENT

On 4 October 2017, Sembcorp Marine announced that its wholly-owned subsidiary, PPL Shipyard Pte Ltd, has terminated three contracts with Oro Negro, for the construction of three jack-up rigs. The jack-up rigs have been technically accepted by Oro Negro but delivery of the rigs has been deferred. The termination is made pursuant to the terms of the deferment agreements.

On 6 October 2017, Sembcorp Marine announced that PPL Shipyard Pte Ltd has signed agreements for the sale of nine Pacific Class 400 jack-up rigs to Borr Drilling Limited and its subsidiaries at an aggregate consideration of approximately US\$1.3 billion (S\$1.77 billion), plus a market-based fee calculated based on an uplift in value of the rigs sold. The nine rigs sold include all six rigs from contracts which PPL Shipyard Pte Ltd had earlier terminated with its original customers, and three rigs presently under various stages of construction completion.

On 9 October 2017, Sembcorp Marine announced that further to the announcement made on 6 October 2017 in relation to the sale of the nine rigs, the conditions precedent for the agreements to be effective have been fulfilled and the parties will proceed with the sale and purchase of the rigs.

Arising from the sales of the nine jack-up rigs, inventories written down of \$12.7 million was made in 3Q2017.

17. INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000)	
	3Q17	9M17
	\$'000	\$'000
Sale of Goods and Services		
Temasek Holdings (Private) Limited and its Associates		
- PSA International Pte Ltd and its Associates	1,245	4,738
- Singapore Power Limited and its Associates	577	2,055
- Temasek Capital (Private) Limited and its Associates	511	1,343
	<u>2,333</u>	<u>8,136</u>
Olam International Ltd and its Associates	3,503	3,503
Starhub Ltd and its Associates	-	21,610
SATS Ltd and its Associates	-	4,507
Singapore Telecommunications Ltd and its Associates	-	5,083
	<u>5,836</u>	<u>42,839</u>
Purchase of Goods and Services		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited and its Associates	1,344	3,987
- Temasek Capital (Private) Limited and its Associates ¹	110,764	376,904
	<u>112,108</u>	<u>380,891</u>
Singapore Telecommunications Ltd and its Associates	5,800	5,800
Singapore Technologies Engineering Ltd and its Associates	691	3,002
	<u>118,599</u>	<u>389,693</u>
Provision of Management and Support Services		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates	820	2,729
Obtaining of Management and Support Services		
Temasek Holdings (Private) Limited and its Associates		
- Temasek International (Private) Limited and its Associates	225	225
Treasury transactions		
Temasek Holdings (Private) Limited and its Associates		
- Clifford Capital Pte Ltd	-	33,473
	<u>125,480</u>	<u>468,959</u>

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
Establishment of Joint Venture		
Temasek Holdings (Private) Limited and its Associates		
- Ascendas-Singbridge Pte. Ltd. and its Associates	-	33,488
	<u>-</u>	<u>33,488</u>

Note:

1. This relates mainly to the purchase of gas by Sembcorp Cogen Pte Ltd from Sembcorp Gas Pte Ltd for the generation of electricity. Sembcorp Gas Pte Ltd is 30% owned by Seletar Investments Pte Ltd, a wholly-owned subsidiary of Temasek Holdings (Private) Limited.

18. **CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

19. **REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER**

We, Ang Kong Hua, and Neil McGregor, being two directors of Sembcorp Industries Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company, that to the best of their knowledge, nothing has come to their attention which would render the third quarter and nine months ended September 30, 2017 unaudited financial results to be false or misleading.

The Board has noted that the board of directors of the Company's listed subsidiary, Sembcorp Marine Ltd, has also announced and confirmed the results for third quarter and nine months ended September 30, 2017.

On behalf of the board of directors

Ang Kong Hua
Chairman

Neil McGregor
Director

BY ORDER OF THE BOARD

Kwong Sook May (Ms)
Company Secretary
November 2, 2017