



■ UTILITIES ■ ENGINEERING & CONSTRUCTION
■ ENVIRONMENTAL ENGINEERING ■ LOGISTICS ■ MARINE ENGINEERING

Contents

1 Letter to Shareholders
3 Corporate Information
4 Statistics of Shareholders
5 Summary Directors' Report
21 Auditors' Statement to the Members of SembCorp Industries Ltd
23 Summary Balance Sheets
25 Summary Profit and Loss Accounts
27 Summary Consolidated Statement of Changes in Equity
29 Summary Statement of Changes in Equity
30 Notes to the Summary Financial Statement
31 Notice of Annual General Meeting

Proxy Form
Request form

SembCorp Industries Ltd

9 Bishan Place #08-00 Junction 8 Singapore 579837 Tel: (65) 356 3119 Fax: (65) 352 2583
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SembCorp Industries managed modest growth in 2000.

Our profit after tax and minority interest grew 2 per cent to S\$131 million from the previous year's S\$128.2 million. The S\$0.25 million extraordinary items mainly comprise gains on disposal and dilution of interests in subsidiaries, offset by provisions for other investments. Logistics and Utilities operations registered strong growth, demonstrating the earnings potential we have in these businesses within our Group. The good performance from these operations was however negated by weaker numbers due to the difficult operating conditions in our Marine Engineering and Engineering & Construction businesses and losses from our Internet service provider associate.

Turnover fell 21 per cent to S\$2.89 billion due largely to divestment of non-core subsidiaries that had contributed to our revenue in the previous financial year. We managed a return on equity of 13 per cent, slightly down from the 14 per cent attained in 1999.

In terms of economic value added (EVA), we were again able to create value for our shareholders with a positive (Δ) EVA of S\$40 million this year. Total EVA improved to a negative S\$10.9 million against the negative S\$51.0 million in 1999.

Earnings per share (before extraordinary items) grew in tandem with our profit growth, moving up 2 per cent from 7.9 cents to 8.1 cents.

Our Board of Directors will be recommending a first and final dividend of 10 per cent (less tax of 24.5 per cent) at the forthcoming Annual General Meeting of our company to be held on May 31, 2001.

KEY BUSINESSES IDENTIFIED

In this Annual Report, we have structured our reporting and classified our companies as either Key Businesses, or as part of a category referred to as In Development.

We have five Key Businesses which are:

- Utilities
- Engineering & Construction
- Environmental Engineering
- Logistics
- Marine Engineering

During the year, we have identified these to be the key drivers that will return the best levels of growth to SembCorp Industries. These will be the companies which will be the principal focus of our management time, resources and capital expenditure in the future.

In Development companies include our food subsidiary, minting services, our industrial parks, our Internet service provider company and the hotels and resorts owned by us. We have disclosed to you over the last two years that we plan to reduce our holdings in these businesses. Some of these businesses may be sold off completely or merged with a strategic partner who will take over the driver's seat to grow the business.

FIVE PLATFORMS FOR GROWTH

We now have five platforms for growth in SembCorp Industries. During the year, we took steps towards strengthening each of these operations:

- **Utilities**

We formed SembCorp Utilities which now houses our SembCorp Utilities and Terminals (SUTs), natural gas, cogeneration and feedstock production capabilities. Within SembUtilities are our electricity power companies which we invest in power generation facilities and sell power to industrial customers in Singapore. SembCorp Industries is now able to offer our customers, especially the chemical companies operating on Jurong Island, a high degree of "bundling" – which is the ability to offer customers efficiently priced combinations of products such as steam, water, natural gas and electrical power.

- **Engineering & Construction**

We placed all our engineering and construction activities under one company – SembCorp Engineers & Constructors. We will concentrate on design-and-build projects as we have the design and construction capabilities for high-rise buildings, heavy civil engineering, transportation and industrial buildings. But to meet the engineering and construction needs of key industries in Asia such as the pharmaceutical, oil and gas and power industries, we need to acquire the process design-and-track record necessary to secure such contracts. To strengthen our capability base, it is

imperative for us to make acquisitions or seek global strategic alliances. We are now negotiating with several UK, US and Japanese process engineering and design-and-build specialists to accomplish this.

- **Environmental Engineering**

We made two acquisitions this year through SembCorp Waste Management. In partnership with SITA of France, we acquired Pacific Waste Management. We now have a 40 per cent holding in Australia's second largest environmental engineering company.

We also successfully bid for Semac, Singapore's largest domestic waste collection company privatised by the Singapore government. We now have a 100 per cent holding in this company.

Through Semac, we then participated in Singapore's privatisation of seven domestic waste collection zones across the island. We won five zones against international competition, making us the most successful bidder in the process. We now have a clear market leadership in environmental engineering in both Singapore and Australia.

- **Logistics**

SembCorp Logistics formed a strategic alliance that could be a model for many of our future global collaborations. We bought a 20 per cent stake in Kuehne & Nagel International (KNI), a Switzerland-based international freight forwarder, and they took a 5 per cent stake in SembLog (with options to acquire up to a 20 per cent holding by 2003). At end-2000, KNI was ranked as the world's largest sea freight consolidator and the fourth largest air freight company. Although they are very strong in Europe and to some extent in the US, they do not have extensive supply chain operations in Asia. This is where we are a leader serving the logistics needs of multinationals in the automotive, pharmaceutical, chemicals, medical and the electronics industries.

We signed a collaboration agreement with KNI to be their Asian supply chain partner and they in turn became our global freight forwarding partner.

We will carry out joint marketing worldwide, share clients and – where it makes sense – enter new markets together.

- **Marine Engineering**

We have developed a "Hub Strategy" for SembCorp Marine as mentioned in our last Annual Report. This strategy entails acquiring ship repair yards in Brazil, China and the Middle East while maintaining a high-value repair and conversion centre in Singapore. Brazil will serve as our conversions facility that supports oil exploration and processing in the Gulf of Mexico and West Africa. The China yards, one of which is in the Dalian area, will cater to ship repair for vessels in the Shanghai area.

We are considering an investment in a Middle East yard to serve the Very Large Crude Carriers at the start point of the Gulf-Far East oil route. We will then have three or four overseas Marine Engineering centres round the world, with the Singapore hub performing the highest margin repairs and conversions.

PRIORITIES AND FUTURE PROSPECTS

SembCorp Industries is moving from relatively lower value to high value operations.

Within our Key Businesses we have a mix of low asset/high EVA companies as well as high asset/high return on total assets operations. Engineering & Construction and Logistics fall into the first category while Utilities, Environmental Engineering, and to some extent Marine Engineering represent the other. This well-balanced combination is one that we will seek to maintain as our Group expands.

For 2001, we have plans to:

- participate in the privatisation of Singapore's power generation companies when they are put up for tender by the government. We will also enter the local power market and build our base of industrial customers
- complete at least one Engineering & Construction global alliance
- re-engineer Semac and Pacific Waste Management in collaboration with SITA
- integrate the IT systems and marketing operations between our Logistics company and KNI.

- complete the acquisition of at least one of the foreign yards as part of our "Hub Strategy"
- continue the divestment of non-core operations and divert the proceeds into funding projects and acquisitions in our Key Businesses

In all this, we will act prudently. Being committed to creating value and wealth for our shareholders, we will not enter into alliances and acquisitions that do not meet our investment criteria or where execution risks make proceeding unwise.

SembCorp Industries has a somewhat balanced risk profile. Presently, there are fears of an economic downturn in the US which will in turn affect the Asian economies. Short of the worst scenarios, our business structure has some counterweights in Utilities and Environmental Engineering. However, Engineering & Construction which we already expect to turn in lower profits in 2001, may weaken further. Logistics and Marine Engineering should also be able to weather all but the worst storms. In terms of regional political risks, none of our Key Businesses or those In Development are excessively exposed to any one market or currency. On a brighter note, the liberalisation of the power market and waste incineration in Singapore, and subsequently in other parts of Asia, presents us with new opportunities that we are keen to explore.

The operating conditions in 2001 will not be easy. Based on current conditions, we expect Utilities and Logistics to show strong profit growth and Marine Engineering to return a higher level of earnings than it did in 2000. Environmental Engineering is still growing from a low base and Engineering and Construction will very likely perform less favourably than it did in 2000. However, SembCorp Industries as a Group should be able to return our shareholders a higher level of profitability this year.

BOARD AND MANAGEMENT

On October 1, 2000, Sat Pal Khattar stepped down from our Board. A Director of Sembawang Corporation since August 1990, he joined our Board after the STIC – Sembawang merger in October 1998 and was also Chairman of our Audit Committee. We have benefited greatly from his experience and wisdom. We would like to express our appreciation to him.

Lua Cheng Eng was appointed Chairman of our Audit Committee on October 1, 2000.

We would like to welcome two new Directors – Goh Geok Ling and Richard Hale OBE – who joined us on May 3, 2000 and September 1, 2000 respectively. Geok Ling is the Chairman of Tuas Power and had an outstanding career with Texas Instruments. Richard has a background in banking which included being HSBC's Singapore CEO. With their experiences, we believe they have much to contribute to our Board.

Tay Siew Choon stepped down as our Managing Director and Deputy CEO on June 1, 2000 to take up positions at Singapore Technologies. Siew Choon has been with us since our 1998 merger and we are happy that he will still remain a member of our Board.

Finally, we would like to welcome Low Sin Leng to our management team. She joined us on August 16, 2000 as our Chief Operating Officer. Leading SembCorp Industries' strategic alliance and M&A programme, Sin Leng will also be responsible for implementing operating strategies across our Key Business operations and managing our corporate headquarters.

TO CONCLUDE

We want to thank our shareholders, customers and staff for standing together with us through this year. While 2000 had been a trying year for many of us, we have made progress. SembCorp Industries now has both the business focus and the resources to grow. The right pieces are in place – we can move on together.



Peter Seah Lim Huat
Chairman



Wong Kok Siew
Deputy Chairman & CEO

March 2001

REGISTERED OFFICE

9 Bishan Place
#08-00 Junction 8
Singapore 579837
Tel: (65) 356 3119
Fax: (65) 352 2583
<http://www.sembcorp.com.sg>

DATE OF INCORPORATION

May 20, 1998
(incorporated as Minaret Limited)

July 22, 1998

(name changed to SembCorp Industries Ltd)

EFFECTIVE DATE OF MERGER

October 3, 1998

BOARD OF DIRECTORS

Peter Seah Lim Huat
Chairman

Wong Kok Siew
Deputy Chairman / CEO

Ho Ching

Tay Siew Choon

Lua Cheng Eng

K Shanmugam

Lam Chuan Leong

Tetsuro Kawakami

Chumpol NaLamlieng

Goh Geok Ling

Richard Hale OBE

EXECUTIVE COMMITTEE

Peter Seah Lim Huat
Chairman

Wong Kok Siew

Goh Geok Ling

AUDIT COMMITTEE

Lua Cheng Eng
Chairman

K Shanmugam

Richard Hale OBE

EXECUTIVE RESOURCE COMMITTEE

Ho Ching
Chairman

Peter Seah Lim Huat

Goh Geok Ling

BUDGET COMMITTEE

Lam Chuan Leong
Chairman

Tay Siew Choon
Deputy Chairman

Wong Kok Siew

GROUP COMPANY SECRETARY

Linda Hoon Siew Kin

REGISTRAR

M & C Services Private Limited
138 Robinson Road
#17-00
Hong Leong Centre
Singapore 068906

BANKERS

Citibank NA
3 Temasek Avenue
#17-00 Centennial Tower
Singapore 039190

Oversea-Chinese Banking
Corporation Ltd
65 Chulia street
OCBC Centre
Singapore 049513

Overseas Union Bank Ltd
1 Raffles Place
OUB Centre
Singapore 048616

United Overseas Bank Ltd
80 Raffles Place
UOB Plaza
Singapore 048624

Standard Chartered Bank
6 Battery Road
Singapore 049909

The Development Bank of Singapore Limited
6 Shenton Way
DBS Building
Singapore 068809

AUDITORS

KPMG
Certified Public Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

Partner-in-Charge: Soo Nam Chow

CORPORATE MANAGEMENT

Wong Kok Siew
Deputy Chairman / CEO

Low Sin Leng
Chief Operating Officer

David Eaw Kok Hin
Director
Group Finance

Linda Hoon Siew Kin
Director
Group Legal Operations

Kelvin Lee Kian Cheng
Senior Vice President
Group Corporate Relations

Wong Peng Kin
Director
Group Human Resource &
Head of Scholarship Unit

Tang Kok Fai
Director
Group Corporate Strategic Development

Goh Kim Leong
Director
Group Organisational Management &
Group Internal Audit

Swee Lay Sing
Executive Director
Regional Business Japan

Daniel Chia Hock Thye
Director
Group Information Technology

Grace Quek Wai Lan
Vice President,
Group Business Development

LINE MANAGEMENT

Utilities
Tang Kin Fei
President
SembCorp Utilities

Engineering & Construction
Paul Chain
President
SembCorp Engineers & Constructors

Environmental Engineering
Cheong Quee Wah
President
SembCorp Waste Management

Logistics
Koh Soo Keong
President
SembCorp Logistics

Marine Engineering
Tan Kwi Kin
President
SembCorp Marine

In Development
Peter Tay
President
Singapore Food Industries

Chong Phit Lian
CEO
Singapore Mint

Lye Fei
President
SembCorp Parks Holdings

Tan Tong Hai
President & CEO
Pacific Internet

STATISTICS OF SHAREHOLDERS

as at April 10, 2000

SHAREHOLDERS' INFORMATION

Authorised Share Capital : 2,000,000,000 ordinary shares of S\$0.25 each
 Issued & Fully Paid : 1,605,871,365 ordinary shares of S\$0.25 each

Analysis of Shareholdings Range of Shareholdings	No. of Shareholders	%	Number of Shares	%
1 – 1,000	4,728	16.85	3,791,350	0.24
1,001 – 10,000	20,259	72.22	72,715,096	4.53
10,001 – 1,000,000	3,045	10.85	101,493,457	6.32
1,000,001 and above	20	0.08	1,427,871,462	88.91
	28,052	100.00	1,605,871,365	100.00

Top Twenty Shareholders		Number of Shares Held	%
1	Singapore Technologies Pte Ltd	711,254,167	44.29
2	Temasek Holdings (Pte) Ltd	215,054,693	13.39
3	Raffles Nominees Pte Ltd	132,521,947	8.25
4	DBS Nominees Pte Ltd	121,299,795	7.56
5	United Overseas Bank Nominees Pte Ltd	49,567,748	3.09
6	Citibank Nominees Singapore Pte Ltd	43,891,857	2.73
7	HSBC (Singapore) Nominees Pte Ltd	40,939,644	2.55
8	Oversea-Chinese Bank Nominees Pte Ltd	29,916,195	1.86
9	DB Nominees (S) Pte Ltd	27,957,431	1.74
10	Overseas Union Bank Nominees Pte Ltd	21,686,712	1.35
11	JM Sassoon & Co (Pte) Ltd	7,907,954	0.49
12	NTUC Income Insurance Co-operative Limited	6,875,383	0.43
13	ING Baring Securities (S) Pte Ltd	5,656,000	0.35
14	Keppel Bank Nominees Pte Ltd	3,684,747	0.23
15	GK Goh Stockbrokers Pte Ltd	2,250,384	0.14
16	Dexia Nominees (S) Pte Ltd	2,072,300	0.13
17	Phillip Securities Pte Ltd	1,523,835	0.10
18	Citibank Consumer Nominees Pte Ltd	1,337,670	0.08
19	Lin Shui Chin	1,313,000	0.08
20	Chin Chai Development Pte Ltd	1,160,000	0.07
		1,427,871,462	88.91

Substantial Shareholders	Direct Interest	Indirect Interest	Total Interest	%
Temasek Holdings (Private) Limited	215,054,693	712,564,655	927,619,348	57.76
Singapore Technologies Holdings Pte Ltd	–	711,407,167	711,407,167	44.30
Singapore Technologies Pte Ltd	711,254,167	153,000	711,407,167	44.30

for the year ended December 31, 2000

IMPORTANT NOTE

The summary financial statements as set out on pages 23 to 30 contains only a summary of the information in the directors' report and financial statements of the Company's Full Financial Statements. It does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Company and of the Group.

DIRECTORATE

The directors in office at the date of this report are as follows:-

Peter Seah Lim Huat	
Wong Kok Siew	
Ho Ching	
Tay Siew Choon	
Lua Cheng Eng	
K Shanmugam	
Lam Chuan Leong	
Tetsuro Kawakami	
Chumpol NaLamlieng	(Appointed on February 1, 2000)
Goh Geok Ling	(Appointed on May 3, 2000)
Richard Hale OBE	(Appointed on September 1, 2000)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year are those of an investment holding company, as well as the corporate headquarters which gives direction, provides management services and integrates the activities of its subsidiaries.

The subsidiaries are involved in five key businesses as follows:-

(i) Utilities

Its principal activities are in power, gas, utilities and specialised chemical feedstock industries. It is the provider of utilities and terminalling services on Jurong Island. It also invests, manages and operates power generation plants in Singapore and in the region.

(ii) Engineering & Construction

It is an Engineering and Construction service provider with principal activities ranging from turnkey construction, design consultancy, infrastructure development, and project management. It is also involved in petrochemical, chemical and industrial process engineering and manufacturing of precast components.

(iii) Environmental Engineering

The business provides integrated waste management services to the Asia Pacific region. Its activities include waste collection and transportation, industrial cleaning, waste re-cycling and re-use, waste-to-energy incineration, landfilling and consultancy and engineering.

(iv) Logistics

Its principal activities are in supply chain management, offshore logistics and marine services. It provides one-stop integrated logistics management services including automated warehouse and inventory management. The business operates offshore supply bases in Singapore, China and Thailand. It is also involved in salvage, towage and marine transportation services.

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

PRINCIPAL ACTIVITIES (CONT'D)

(v) Marine Engineering

This business focuses principally on ship repair, shipbuilding, specialised ship conversions and offshore structures.

In addition, the Group is involved in the following businesses (collectively referred to as "In Development"):-

Food Processing and Distribution

The business is involved in food importing, wholesale and retail distribution, processing and manufacture of food products, institutional catering, provision of abattoir and hog auctioning services.

Minting

The minting business covers design and minting of circulation coins, production of commemorative issues, and sale of numismatic items.

Industrial Parks

It invests, owns, operates and manages five industrial parks in Riau Indonesia, China and Vietnam.

Internet Services Provider

It provides internet access and related on-line services.

IT Services

Services provided include computer and IT software, systems design and engineering, systems integration, computer disaster recovery, and the maintenance and distribution of software and computer related products.

Building Materials

It engages in the trading of granite and the manufacturing of ready-mixed concrete, asphalt premix, graded stones and cement.

Others

Other principal activities include investment into and management of development properties, hotels and resorts.

Following the disposal of the business and assets relating to the retail of corporate ticketing and travel and tours organisation by SAFE Enterprises Pte Ltd, the Group is no longer in the travel business.

Other than this, there have been no significant changes in the principal activities of the Company and the Group during the financial year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Other than the SembCorp Executives' Share Option Scheme and the Executives' Share Option Schemes of related companies as described in this report, neither at the end of nor at any time during the financial year was the Company or its subsidiaries a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50, particulars of interests of directors who held office at the end of the financial year in shares and debentures in the Company and related corporations at beginning of the financial year/date of appointment, if later, and at the end of the financial year are as follows:-

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Peter Seah Lim Huat						
SembCorp Industries Ltd	Options to subscribe for ordinary shares of \$0.25 each at \$1.99 per share	27/6/2001 to 26/6/2005	–	140,000	–	–
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,760	1,820	1,440	1,490
CapitaLand Limited*	Ordinary shares of \$1.00 each	–	*	113,000	–	–
Wong Kok Siew						
SembCorp Industries Ltd	Ordinary shares of \$0.25 each	–	236,446	236,446	–	–
	Options to subscribe for ordinary shares of \$0.25 each at – \$2.26 per share	20/5/2001 to 19/5/2009	500,000	500,000	–	–
	– \$1.99 per share	27/6/2001 to 26/6/2010	–	500,000	–	–
Singapore Technologies Engineering Ltd	Ordinary shares of \$0.10 each	–	5,137	5,137	–	–
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,560	1,620	1,440	1,490

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Wong Kok Siew						
Singapore Food Industries Limited	Ordinary shares of \$0.05 each	–	80,000	80,000	–	–
	Options to subscribe for ordinary shares of \$0.05 each at – \$0.78 per share	30/10/2001 to 29/10/2009	100,000	100,000	–	–
	– \$0.55 per share	24/8/2001 to 23/8/2005	–	200,000	–	–
SembCorp Marine Ltd	Options to subscribe for ordinary shares of \$0.10 each at \$0.70 per share	8/9/2001 to 7/9/2010	–	300,000	–	–
SembCorp Logistics Ltd	Options to subscribe for ordinary shares of \$1.00 each at \$10.015 per share	29/6/2001 to 28/6/2010	–	20,000	–	–
ST Assembly Test Services Ltd	Ordinary shares of \$0.25 each	–	–	2,000	–	–
Raffles Holdings Limited*	Ordinary shares of \$0.50 each	–	*	10,000	–	–
CEI Contract Manufacturing Limited	Ordinary shares of \$0.05 each	–	–	20,000	–	–
Pacific Internet Ltd	Options to subscribe for ordinary shares of \$2.00 each at – US\$32.48 per share	10/11/2000 to 9/11/2004	8,000	8,000	–	–

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Wong Kok Siew						
Pacific Internet Ltd	– US\$25.60 per share	25/4/2001 to 24/4/2005	–	6,000	–	–
Ho Ching						
SembCorp Industries Ltd	Options to subscribe for ordinary shares of \$0.25 each at \$1.99 each	27/6/2001 to 26/6/2005	–	100,000	–	–
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,640	1,690	1,760	1,820
Chartered Semiconductor Manufacturing Ltd	Ordinary shares of \$0.26 each	–	–	60,000	–	–
	Options to subscribe for ordinary shares of \$0.26 each at – \$3.344 per share	29/4/2000 to 29/10/2004	100,000	–	–	–
	– \$16.69 per share	6/4/2001 to 6/4/2005	–	120,000	–	–
	– \$11.86 per share	3/10/2001 to 3/10/2005	–	120,000	–	–
Vertex Technology Fund Ltd	Ordinary shares of US\$1.00 each	–	–	–	100	100
	Redeemable preference shares of US\$0.01 each	–	–	–	80	5
Singapore Food Industries Limited	Ordinary shares of \$0.05 each	–	50,000	50,000	–	–

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Ho Ching						
ST Assembly Test Services Ltd	Ordinary shares of \$0.25 each	–	–	35,000	–	–
Vertex Technology Fund (II) Ltd	Ordinary shares of US\$1.00 each	–	–	–	–	100
	Redeemable preference shares of US\$0.01 each	–	–	–	–	100
Tay Siew Choon						
SembCorp Industries Ltd	Ordinary shares of \$0.25 each	–	54,598	54,598	–	–
	Options to subscribe for ordinary shares of \$0.25 each at – \$2.175 per share	3/10/1998 to 1/10/2001	110,672	110,672	–	–
	– \$2.535 per share	11/4/1999 to 10/4/2002	144,611	144,611	–	–
	– \$1.294 per share	22/4/2000 to 20/4/2003	224,295	224,295	–	–
	– \$2.26 per share	20/5/2001 to 18/5/2009	500,000	500,000	–	–
	– \$1.99 per share	27/6/2001 to 26/6/2010	–	500,000	–	–

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Tay Siew Choon						
Singapore Computer Systems Limited	Ordinary shares of \$0.25 each	–	171,000	171,000	–	–
	Options to subscribe for ordinary shares of \$0.25 each at \$2.20 per share	19/10/2001 to 18/10/2005	–	80,000	–	–
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,560	1,620	1,440	1,490
Vertex Investment (II) Ltd	Ordinary shares of US\$1.00 each	–	–	–	2	2
	Redeemable preference shares of US\$1.00 each	–	–	–	9.04	–
Singapore Food Industries Limited	Ordinary shares of \$0.05 each	–	100,000	270,000	–	–
	Options to subscribe for ordinary shares of \$0.05 each at – \$0.78 per share	30/10/2001 to 29/10/2009	200,000	200,000	–	–
	– \$0.55 per share	24/8/2001 to 23/8/2005	–	200,000	–	–
Vertex Technology Fund Ltd	Ordinary shares of US\$1.00 each	–	–	–	20	20
	Redeemable preference shares of US\$0.01 each	–	–	–	16	1

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Tay Siew Choon						
Vertex Technology Fund (II) Ltd	Ordinary shares of US\$1.00 each	–	–	–	–	500
	Redeemable preference shares of US\$0.01 each	–	–	–	–	500
Pacific Internet Ltd	Options to subscribe for ordinary shares of \$2.00 each at US\$32.48 per share	10/11/2000 to 9/11/2004	8,000	8,000	–	–
SembCorp Logistics Ltd	Options to subscribe for ordinary shares of \$1.00 each at \$10.015 per share	29/6/2001 to 28/6/2010	–	15,000	–	–
ST Assembly Test Services Ltd	Ordinary shares of \$0.25 each	–	–	4,000	–	–
CapitaLand Limited*	Options to subscribe for ordinary shares of \$1.00 each at \$2.54 per share	12/6/2001 to 12/6/2004	*	53,850	–	–
Raffles Holdings Limited*	Ordinary shares of \$0.50 each	–	*	10,000	–	–
STT Communications Ltd	Options to subscribe for ordinary shares of \$0.50 each at \$1.42 per share	19/9/2001 to 18/9/2010	–	100,000	–	–

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Lua Cheng Eng						
SembCorp Industries Ltd	Options to subscribe for ordinary shares of \$0.25 each at \$1.99 per share	27/6/2001 to 26/6/2005	–	70,000	–	–
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,640	1,640	1,440	1,440
SembCorp Marine Ltd	Options to subscribe for ordinary shares of \$0.10 each at \$0.70 per share	8/9/2001 to 7/9/2010	–	150,000	–	–
K Shanmugam						
SembCorp Industries Ltd	Options to subscribe for ordinary shares of \$0.25 each at \$1.99 per share	27/6/2001 to 26/6/2005	–	70,000	–	–
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,680	1,750	1,440	1,500
Somerset Holdings Ltd**	Ordinary shares of \$0.50 each	–	–	–	30,000	**
Chartered Semiconductor Manufacturing Ltd	Ordinary shares of \$0.26 each	–	–	30,000	–	–
Lam Chuan Leong						
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,760	1,760	1,760	1,760

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Tetsuro Kawakami						
SembCorp Industries Ltd	Ordinary shares of \$0.25 each	–	–	–	10,000	10,000
	Options to subscribe for ordinary shares of \$0.25 each at \$1.99 per share	27/6/2001 to 26/6/2005	–	35,000	–	–
Chumpol NaLamlieng						
SembCorp Industries Ltd	Options to subscribe for ordinary shares of \$0.25 each at \$1.99 per share	27/6/2001 to 26/6/2005	–	30,000	–	–
Goh Geok Ling						
SembCorp Industries Ltd	Ordinary shares of \$0.25 each	–	100,000	100,000	25,000	25,000
	Options to subscribe for ordinary shares of \$0.25 each at \$1.99 per share	27/6/2001 to 26/6/2005	–	30,000	–	–
Singapore Technologies Engineering Ltd	Ordinary shares of \$0.10 each	–	71,629	71,629	5,000	5,000
Chartered Semiconductor Manufacturing Ltd	American depository shares	–	2,500	2,500	–	–
ST Assembly Test Services Ltd	Ordinary shares of \$0.25 each	–	3,000	3,000	–	–
	American depository shares	–	2,700	2,700	–	–

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Goh Geok Ling						
CapitaLand Limited*	Ordinary shares of \$1.00 each	–	–	–	*	12,000
Raffles Holdings Limited*	Ordinary shares of \$0.50 each	–	*	100,000	–	–
CEI Contract Manufacturing Limited	Ordinary shares of \$0.05 each	–	–	5,000	–	–
Singapore Airport Terminal Services Ltd	Ordinary shares of \$0.10 each	–	–	10,000	–	–
Singapore Telecommunications Ltd	Ordinary shares of \$0.15 each	–	1,640	1,690	1,440	1,490
Richard Hale OBE						
SNP Corporation Ltd	Ordinary shares of \$0.50 each	–	38,000	38,000	–	–
	Options to subscribe for ordinary shares of \$0.50 each at – \$0.50 per share	14/4/2000 to 31/10/2003	100,000	100,000	–	–
	– \$1.39 per share	30/3/2001 to 31/10/2003	–	100,000	–	–
CapitaLand Limited*	Options to subscribe for ordinary shares of \$0.50 each at \$2.54 per share	13/6/2001 to 11/6/2005	*	53,850	–	–

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of director and corporation in which interests held	Description of interests	Exercisable period	Shareholdings registered in the name of director		Other shareholdings in which the director is deemed to have an interest	
			At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Richard Hale OBE						
Raffles Holdings Limited*	Ordinary shares of \$0.50 each	–	*	5,000	–	–
The Ascott Limited**	Options to subscribe for ordinary shares of \$0.50 each at \$0.37 per share	20/12/2001 to 19/12/2006	**	150,000	–	–
Singapore Airlines Ltd	Ordinary shares of \$1.00 each	–	1,000	1,000	–	–

* During the year, CapitaLand Limited ("CapitaLand"), a related corporation, and DBS Land Limited ("DBSL"), entered into a Scheme of Arrangement (the "Scheme") whereby CapitaLand shares were issued in exchange for DBSL shares in accordance with the terms of the Scheme. The Scheme took effect on 24 November 2000. In addition, resulting from the Scheme taking effect, Raffles Holdings Limited and Australand Holdings Limited became subsidiaries of CapitaLand and hence related corporations of the Group.

** During the year, Somerset Holdings Limited and The Ascott Limited (the "Scheme Companies") entered into a Scheme of Arrangement (the "Scheme") whereby Ascott Limited shares were issued in exchange for previous holdings of share in Somerset Holdings Limited in accordance with the terms of the Scheme. The Scheme took effect on 25 November 2000.

There were no changes in the above-mentioned direct and deemed interests of the directors in the Company and related corporations between the end of the financial year and January 21, 2001.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or debentures of the Company or of related corporations either at the beginning of the financial year or at the date of appointment, if later, or at the end of the financial year.

DIRECTORS' INTERESTS IN CONTRACTS

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest except that SembCorp Engineers and Constructors Pte Ltd ("SECPL") has entered into various design contracts with its associated company, ST Architects & Engineers Pte Ltd, ("STAE") in which Mr Wong Kok Siew, a director of the Company, is a shareholder by virtue of his professional capacity under the Professional Engineers Act, Chapter 253. However, Mr Wong Kok Siew has not received or become entitled to receive any benefits by reason of the contracts made between SECPL and STAE, other than those to which he is ordinarily entitled to as a shareholder of STAE.

for the year ended December 31, 2000

SHARE OPTIONS

During the financial year, except as disclosed below, there were no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries:

(a) Options granted

During the financial year, options were granted under the respective Executives' Shares Option Schemes. The fair value of each option granted at the date of grant is estimated using the Black-Scholes Option-pricing model on the basis of the following assumptions on dividend yield, risk-free interest rate, expected volatility and expected lives of:-

Company	Number of employees/ (including number of directors)	Option period (both dates inclusive)	Number of unissued ordinary shares	Exercise Price	Fair Value of Option	Dividend Yield %	Risk-free Interest Rate %	Expected Volatility %	Expected Lives (years)
SembCorp Industries Ltd									
- ordinary shares of \$0.25 each	30/(8)	27/6/2001 to 26/6/2005	205,900	\$1.99	\$0.398	1.33	4.63	45.39	1.5
			205,900	\$1.99	\$0.527	1.33	4.63	45.39	2.5
			205,900	\$1.99	\$0.626	1.33	4.63	45.39	3.5
			205,900	\$1.99	\$0.707	1.33	4.63	45.39	4.5
			823,600						
	1242/(2)	27/6/2001 to 26/6/2010	3,352,750	\$1.99	\$0.398	1.33	4.63	45.39	1.5
			3,352,750	\$1.99	\$0.527	1.33	4.63	45.39	2.5
			3,352,750	\$1.99	\$0.626	1.33	4.63	45.39	3.5
			3,352,750	\$1.99	\$0.707	1.33	4.63	45.39	4.5
			13,411,000						
Singapore Food Industries Limited									
- ordinary shares of \$0.05 each	667/(1)	24/8/2001 to 23/8/2010	5,770,000	\$0.55	\$0.041	8.18	4.53	21.5	1.5
	6/(6)	24/8/2001 to 23/8/2005	580,000	\$0.55	\$0.041	8.18	4.53	21.5	1.5
SembCorp Logistics Ltd									
- ordinary shares of \$1.00 each	1127/(7)	7/3/2001 to 6/3/2010	2,003,000	\$9.05	\$2.843	0.52	4.23	51.24	1.5
	1127/(7)	29/6/2001 to 28/6/2010	588,700 1,241,670	\$10.015 \$10.015	\$3.002 \$3.85	0.50 0.50	4.61 4.61	58.57 58.57	1.5 2.5
SembCorp Marine Ltd									
- ordinary shares of \$0.50 each	933/(6)	8/9/2001 to 7/9/2010	16,783,600	\$0.70	\$0.17	4.74	4.61	39.87	1.5

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

SHARE OPTIONS (CONT'D)

(b) Issue of Shares Under Option

During the financial year, the following shares were issued as a result of the exercise of options:-

	Number of shares issued	Par value per share
The Company	3,489,502	\$0.25
SembCorp Logistics Ltd	1,757,243	\$1.00

(c) Unissued Shares Under Option

As at December 31, 2000, total options granted by the Company and its subsidiaries which remained unissued are as follows:-

Company	No. of Holders	Option period (both dates inclusive)	Number of unissued ordinary shares	Exercise Price
SembCorp Industries Ltd				
- ordinary shares of \$0.25 each	119	3/10/1998 to 11/8/2001	3,556,962	\$2.236
	1	3/10/1998 to 1/10/2001	110,672	\$2.175
	123	11/4/1999 to 10/4/2002	4,488,063	\$2.535
	188	22/4/2000 to 20/4/2003	3,443,582	\$1.294
	55	3/10/1998 to 8/8/2001	1,899,711	\$2.874
	90	9/5/1999 to 7/5/2002	2,772,000	\$2.623
	51	13/5/2000 to 11/5/2003	1,642,997	\$1.172
	59	20/5/2001 to 19/5/2004	740,055	\$2.26
	1	16/9/2001 to 15/9/2004	33,996	\$2.12
	424	20/5/2001 to 19/5/2009	7,804,083	\$2.26
	20	16/9/2001 to 15/9/2009	238,213	\$2.12
	26	27/6/2001 to 26/6/2005	815,600	\$1.99
1,114	27/6/2001 to 26/6/2010	13,365,100	\$1.99	
			40,911,034	
Singapore Food Industries Limited				
- ordinary shares of \$0.05 each	7	29/10/2001 to 28/10/2004	415,000	\$0.78
	139	30/10/2001 to 29/10/2009	3,053,000	\$0.78
	6	24/8/2001 to 23/8/2005	580,000	\$0.55
	666	24/8/2001 to 23/8/2010	5,463,500	\$0.55
			9,511,500	

for the year ended December 31, 2000

SHARE OPTIONS (CONT'D)

Company	No. of Holders	Option period (both dates inclusive)	Number of unissued ordinary shares	Exercise Price
SembCorp Logistics Ltd				
- ordinary shares of	30	13/5/1998 to 12/5/2002	515,430	\$4.13
\$1.00 each	45	21/4/1999 to 20/4/2003	120,000	\$1.99
	43	28/4/1999 to 27/4/2003	30,000	\$1.82
	169	13/4/2000 to 12/4/2004	334,000	\$3.96
	2	4/9/2000 to 3/9/2009	130,000	\$5.75
	157	7/3/2001 to 6/3/2010	2,003,000	\$9.05
	970	29/6/2001 to 28/6/2010	1,830,370	\$10.015
			<u>4,962,800</u>	
SembCorp Marine Ltd				
- ordinary shares of	121	27/4/2000 to 26/4/2003	7,990,000	\$0.79
\$0.10 each*	151	10/3/2001 to 9/3/2004	8,120,000	\$0.65
	932	8/9/2001 to 7/9/2010	16,343,800	\$0.70
			<u>32,453,800</u>	

* Adjustments were made to the existing share options granted, following the subdivision of ordinary shares of \$0.50 each into ordinary shares of \$0.10 each on January 14, 2000 and the one for one bonus issue on May 3, 2000.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options as at the end of the financial year.

The options granted by the Company do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

UNUSUAL ITEMS DURING AND AFTER THE FINANCIAL YEAR

Except for the extraordinary items and the subsequent events as disclosed in the notes to the full financial statements, in the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen during the financial year or in the interval between the end of the financial year and the date of this report which would substantially affect the results of the operations of the Group or of the Company for the financial year in which this report is made, or render any items in the financial statements of the Group and the Company for the financial year misleading, or affect the ability of the Group and the Company in meeting its obligations as and when they fall due.

SUMMARY DIRECTORS' REPORT

for the year ended December 31, 2000

AUDIT COMMITTEE

The members of the Audit Committee at the date of this report are as follows:-

Lua Cheng Eng (Appointed as Chairman of Audit Committee on October 1, 2000)

K Shanmugam

Richard Hale OBE (Appointed on September 1, 2000)

On behalf of the Board of Directors



Peter Seah Lim Huat

Director



Wong Kok Siew

Director

Singapore

March 1, 2001

We have examined the summary financial statement set out on page 23 to 30, which has been prepared by the directors.

In our opinion, the summary financial statement is consistent with the full financial statements and directors' report of SembCorp Industries Ltd for the year ended December 31, 2000 and complies with the requirements of Section 203A of the Companies (Amendment) Act 1995, and regulations made thereunder, applicable to summary financial statement.

We have issued an unqualified audit report dated March 1, 2001 on the full financial statements of SembCorp Industries Ltd for the year ended December 31, 2000, which is as follows:

"Report of the Auditors to the Members of SembCorp Industries Ltd

We have audited the financial statements of SembCorp Industries Ltd and consolidated financial statements of the Group for the year ended December 31, 2000 as set out on pages 83 to 184. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. 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 the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:—

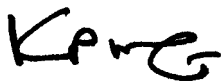
- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:—
 - (i) the state of affairs of the Group and of the Company as at December 31, 2000 and of the results and changes in equity of the Group and of the Company, and cash flows of the Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements of the Company and consolidated financial statements of the Group;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

**AUDITORS' STATEMENT TO THE MEMBERS OF
SEMBCORP INDUSTRIES LTD**

We have considered the financial statements and auditors' reports of the subsidiaries which have been audited by our associated firms and those of which we have not acted as auditors, being financial statements that have been included in the consolidated financial statements. We have also considered the financial statements of those subsidiaries which are not required by the law of their country of incorporation to be audited, being financial statements that have been included in the consolidated financial statements. The names of these subsidiaries are stated in note 50 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act."



KPMG

Certified Public Accountants

Singapore

March 1, 2001

SUMMARY BALANCE SHEETS

as at December 31, 2000

	The Group		The Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	1,679,581	1,725,295	1,381	1,615
Investment properties	1,066	1,066	-	-
Investments in subsidiaries	-	-	471,303	408,619
Interests in associated companies	519,120	390,782	-	-
Interests in joint ventures	294,343	246,160	-	-
Other financial assets	225,662	216,603	81	81
Long-term debtors	194,237	192,301	-	-
Hire purchase and lease debtors	41,112	59,920	-	-
Deferred expenditure	14,687	31,403	-	-
	2,969,808	2,863,530	472,765	410,315
Current assets				
Development properties	227,167	197,012	-	-
Stocks and work-in-progress	366,787	303,748	-	-
Trade and other debtors	1,164,496	1,345,259	303,398	96,652
Current portion of long-term debtors	12,416	20,443	-	-
Current portion of hire purchase and lease debtors	17,486	46,814	-	-
Other financial assets	49,188	29,455	-	-
Bank balances, deposits and cash	742,742	646,394	11,316	1,696
	2,580,282	2,589,125	314,714	98,348
Current liabilities				
Bank overdrafts	(85,107)	(37,814)	-	-
Trade creditors and other creditors	(1,362,815)	(1,445,757)	(30,629)	(30,117)
Excess of progress billings over work-in-progress	(12,073)	(58,550)	-	-
Provisions	(401,469)	(319,299)	(5,800)	(4,213)
Provision for income tax	(104,891)	(99,973)	-	-
Current portion of interest-bearing loans	(1,180,857)	(301,282)	-	-
Current portion of obligations under hire purchase and finance leases	(1,363)	(2,626)	-	-
Loan stocks (unsecured)	-	(10,000)	-	-
Proposed dividend (net)	(30,297)	(29,831)	(30,297)	(29,831)
	(3,178,872)	(2,305,132)	(66,726)	(64,161)
Net current (liabilities)/assets	(598,590)	283,993	247,988	34,187
Balance carried forward	2,371,218	3,147,523	720,753	444,502

SUMMARY BALANCE SHEETS

as at December 31, 2000

	The Group		The Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Balance brought forward	2,371,218	3,147,523	720,753	444,502
Non-current liabilities				
Interest-bearing term loans	(858,441)	(790,255)	(250,000)	-
Obligation under hire purchase and finance leases	(2,096)	(5,547)	-	-
Loan stocks (unsecured)	(17,750)	(13,750)	-	-
Deposits from customers	(1,344)	(1,295)	-	-
Provisions	(5,649)	(12,993)	-	-
Other long-term liabilities	(46,184)	(16,156)	-	-
Deferred taxation	(94,621)	(81,834)	-	-
	(1,026,085)	(921,830)	(250,000)	-
	1,345,133	2,225,693	470,753	444,502
Minority interests	(508,189)	(659,649)	-	-
Interests of preference shareholders in a subsidiary	-	(397,627)	-	-
	836,944	1,168,417	470,753	444,502
Share capital	401,286	400,413	401,286	400,413
Reserves	435,658	768,004	69,467	44,089
	836,944	1,168,417	470,753	444,502

SUMMARY PROFIT AND LOSS ACCOUNTS

for the year ended December 31, 2000

	The Group		The Company	
	2000 \$'000	Restated 1999 \$'000	2000 \$'000	1999 \$'000
Turnover	2,894,943	3,653,068	77,852	77,954
Cost of sales	(2,401,924)	(3,023,956)	-	-
Gross profit	493,019	629,112	77,852	77,954
Administrative expenses	(271,767)	(413,933)	(9,286)	(9,450)
Profit from operations	221,252	215,179	68,566	68,504
Non-operating income (net)	78,975	86,198	7,187	1,941
Finance costs	(74,837)	(72,385)	(3,936)	-
Share of results of:-				
- associated companies	23,677	20,782	-	-
- joint ventures	15,901	11,107	-	-
Profit from ordinary activities before taxation	264,968	260,881	71,817	70,445
Taxation	(84,740)	(81,829)	(19,603)	(18,116)
Profit from ordinary activities after taxation	180,228	179,052	52,214	52,329
Minority interests	(49,218)	(50,844)	-	-
	131,010	128,208	52,214	52,329
Extraordinary items	248	269,915	-	-
Net profit attributable to shareholders	131,258	398,123	52,214	52,329
Dividends				
- Dividends paid in respect of prior year	30	13	30	13
- Proposed final dividends of 10% (1999: 10%) less tax of 24.5% (1999: 25.5%)	30,297	29,831	30,297	29,831
	30,327	29,844	30,327	29,844

SUMMARY PROFIT AND LOSS ACCOUNTS

for the year ended December 31, 2000

	The Group		The Company	
	2000 \$'000	Restated 1999 \$'000	2000 \$'000	1999 \$'000
Directors' remuneration	4,332	4,109	4,236	4,086
Gross dividends per ordinary share	2.50 cents	2.50 cents		
Basic earnings per share				
- before extraordinary items	8.09 cents	7.91 cents		
- after extraordinary items	8.10 cents	24.90 cents		
Diluted earnings per share				
- before extraordinary items	8.08 cents	7.89 cents		
- after extraordinary items	8.09 cents	24.85 cents		

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2000

<i>The Group</i>	Share capital \$'000	Share premium \$'000	Merger reserve \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Revaluation reserve \$'000	Retained profits \$'000	Total \$'000
At January 1, 1999	394,525	97	14	530,421	2,275	34,220	(304,422)	657,130
- as previously reported	-	-	-	(5,818)	-	-	5,818	-
- prior year adjustment	-	-	-	-	-	-	-	-
- as restated	394,525	97	14	524,603	2,275	34,220	(298,604)	657,130
Issue of ordinary shares in exchange for shares in a subsidiary	5,638	-	-	-	-	-	-	5,638
Issue of ordinary shares under Executives' Share Option Scheme	250	1,339	-	-	-	-	-	1,589
Capital reserve arising on consolidation	-	-	-	4,183	-	-	-	4,183
Share of capital reserves of associated company	-	-	-	32,054	-	-	-	32,054
- as previously reported	-	-	-	(31,786)	-	-	-	(31,786)
- prior year adjustment	-	-	-	-	-	-	-	-
- as restated	-	-	-	268	-	-	-	268
Transfer upon liquidation of subsidiaries	-	-	-	(496)	(328)	-	824	-
- as previously reported	-	-	-	-	-	-	(824)	(824)
- prior year adjustment	-	-	-	-	-	-	-	-
- as restated	-	-	-	(496)	(328)	-	-	(824)
Provision for premium on redemption of redeemable cumulative preference shares of a subsidiary	-	-	-	(47,627)	-	-	-	(47,627)
Statutory reserves of an associated company	-	-	-	(19,225)	-	-	-	(19,225)
Transfer from asset revaluation reserve of an associated company	-	-	-	(3,681)	-	3,681	-	-
Merger reserve arising on issue of shares in exchange for shares in a subsidiary	-	-	29,187	-	-	-	-	29,187
Current year exchange gain on consolidation	-	-	-	-	215	-	-	215
Foreign exchange loss on net investment in foreign entities	-	-	-	-	(202)	-	-	(202)
Disposal of subsidiaries	-	-	-	-	88	(839)	-	(751)
Disposal of associated companies	-	-	-	-	(1,090)	-	-	(1,090)
Transfer to extraordinary item on disposal	-	-	-	-	-	(35,125)	-	(35,125)
Goodwill arising on acquisition of subsidiaries written off	-	-	-	-	-	-	(4,581)	(4,581)
Reversal of goodwill upon disposal of associated company	-	-	-	-	-	-	2,459	2,459
- subsidiaries	-	-	-	-	-	-	211,502	211,502
Profit for the year	-	-	-	-	-	-	365,513	365,513
- as previously reported	-	-	-	-	-	-	32,610	32,610
- prior year adjustment	-	-	-	-	-	-	-	-
- as restated	-	-	-	-	-	-	398,123	398,123
Redeemable cumulative preference dividend	-	-	-	-	-	-	(2,608)	(2,608)
Dividends	-	-	-	-	-	-	(29,844)	(29,844)
At December 31, 1999 carried forward	400,413	1,436	29,201	458,025	958	1,937	276,447	1,168,417

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2000

The Group	Share capital \$'000	Share premium \$'000	Merger reserve \$'000	Capital reserve \$'000	Currency translation reserve \$'000	Revaluation reserve \$'000	Retained profits \$'000	Total \$'000
At December 31, 1999 brought forward	400,413	1,436	29,201	458,025	958	1,937	276,447	1,168,417
Issue of ordinary shares under Executives' Share Option Scheme	873	3,491	-	-	-	-	-	4,364
Share of capital reserves of associated companies	-	-	-	(2,512)	-	-	-	(2,512)
Transfer on issue of bonus shares by subsidiaries	-	-	-	1,038	-	-	(1,038)	-
Redemption of redeemable cumulative preference shares of a subsidiary	-	-	-	3,500	-	-	(3,500)	-
- Nominal value	-	-	-	(9,694)	-	-	-	(9,694)
- Redemption premium	-	-	-	-	-	-	-	-
Current year exchange gain on consolidation	-	-	-	-	2,960	-	-	2,960
Foreign exchange gain on net investment in foreign entities	-	-	-	-	5,080	-	-	5,080
Disposal of subsidiaries and associated companies	-	-	-	4,521	810	-	-	5,331
Goodwill on acquisition of associated company previously written off against capital reserves now charged to extraordinary items	-	-	-	15,605	-	-	-	15,605
Goodwill arising on acquisition of subsidiaries and associated companies written off	-	-	-	(450,943)	-	-	-	(450,943)
Deficit on revaluation of leasehold property	-	-	-	-	-	(868)	-	(868)
Realisation of revaluation surplus upon disposal of leasehold property	-	-	-	-	-	(1,069)	678	(391)
Profit for the year	-	-	-	-	-	-	131,258	131,258
Redeemable cumulative preference dividend	-	-	-	-	-	-	(1,336)	(1,336)
Dividends	-	-	-	-	-	-	(30,327)	(30,327)
At December 31, 2000	401,286	4,927	29,201	19,540	9,808	-	372,182	836,944

SUMMARY STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2000

	Share capital \$'000	Share premium \$'000	Retained profits \$'000	Total \$'000
<i>The Company</i>				
At January 1, 1999	394,525	97	20,168	414,790
Issue of ordinary shares in exchange for shares in a subsidiary	5,638	–	–	5,638
Issue of ordinary shares under Executives' Share Option Scheme	250	1,339	–	1,589
Profit for the year	–	–	52,329	52,329
Dividends	–	–	(29,844)	(29,844)
At December 31, 1999	400,413	1,436	42,653	444,502
Issue of ordinary shares under Executives' Share Option Scheme	873	3,491	–	4,364
Profit for the year	–	–	52,214	52,214
Dividends	–	–	(30,327)	(30,327)
At December 31, 2000	401,286	4,927	64,540	470,753

NOTES TO THE SUMMARY FINANCIAL STATEMENT

for the year ended December 31, 2000

RELATED PARTY TRANSACTIONS – THE GROUP

During the financial year, the Group had the following significant transactions with related parties on terms agreed between the parties as follows:-

	2000	1999
	\$'000	\$'000
Related Companies		
Sales	21,202	110,498
Rental income received/receivable	–	2,855
Purchases including rental	17,746	16,167
Management fees paid/payable	4,149	1,712
Associated Companies and Joint Ventures		
Sales	127,457	96,224
Rental income received/receivable	132	95
Corporate costs recovery	3,110	–
Purchases including rental	4,351	16,467
Charter of vessels	3,986	3,119
Purchase of vessels	–	3,909
Acquisition of business and undertaking at net tangible asset value	–	23,408

MATERIAL CHANGES IN ACCOUNTING POLICIES

During the financial year, there was the following material change in accounting policy:

In prior years, effects on dilutions of the Group's interests in subsidiaries and associated companies were taken to the capital reserve account. With effect from the current financial year, the Group adopted the policy of recognising the effects arising from such dilutions in the profit and loss account to better reflect the Group's result. The new accounting policy has been adopted retrospectively, with the opening retained profits and comparative information adjusted for the amount relating to prior periods.

The change in accounting policy resulted in an increase in retained earnings brought forward and a corresponding decrease in capital reserve brought forward of the Group as at January 1, 2000 by \$37,604,000 (January 1, 1999: \$5,818,000). The net profit for the year after extraordinary items increased by \$147,226,000 (1999: \$32,610,000) as a result of adoption of the new policy.

Notice is hereby given that the Third Annual General Meeting of the Company will be held at The Theatre, 60 Admiralty Road West, Singapore 759947 on May 31, 2001 at 2.30 pm for the following purposes:

ORDINARY BUSINESS

- | | | |
|---|--|---------------------|
| 1 | To receive and adopt the Directors' Report and Accounts for the year ended December 31, 2000 | Resolution 1 |
| 2 | To approve the payment of a first and final dividend of 10 per cent less income tax for the year ended December 31, 2000 | Resolution 2 |
| 3 | To re-elect the following Directors who retire by rotation pursuant to Article 93 of the Company's Articles of Association and who, being eligible, offer themselves for re-election: | |
| | (a) Ho Ching | Resolution 3 |
| | (b) K Shanmugam (independent member of the Audit Committee) | Resolution 4 |
| 4 | To re-elect the following Directors, each of whom will cease to hold office pursuant to Article 99 of the Company's Articles of Association and who, being eligible, offer themselves for re-election: | |
| | (a) Goh Geok Ling | Resolution 5 |
| | (b) Richard Hale OBE (independent member of the Audit Committee) | Resolution 6 |
| 5 | To consider and, if thought fit, to pass the following resolution:
"THAT pursuant to Section 153(6) of the Companies Act, Cap 50, Tetsuro Kawakami be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." | Resolution 7 |
| 6 | To approve the sum of \$623,501 as Directors' fees for the year ended December 31, 2000 (1999: \$232,500) | Resolution 8 |
| 7 | To re-appoint KPMG as Auditors of the Company and authorise the Directors to fix their remuneration | Resolution 9 |

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions which will be proposed as **Ordinary Resolutions**:

- | | | |
|---|--|----------------------|
| 8 | "THAT pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of The Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this does not exceed 50 per cent of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20 per cent of the issued share capital of the Company for the time being, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." | Resolution 10 |
| 9 | "THAT approval be and is hereby given to the Directors to: | |
| | (a) offer and grant options in accordance with the provisions of the SembCorp Industries Share Option Plan ("Share Option Plan") and/or to grant awards in accordance with the provisions of the SembCorp Industries Performance Share Plan ("Performance Share Plan") and/or the SembCorp Industries Restricted Stock Plan ("Restricted Stock Plan") (the Share Option Plan, the Performance Share Plan and the Restricted Stock Plan, together the "Share Plans"); and | Resolution 11 |

NOTICE OF ANNUAL GENERAL MEETING

- (b) allot and issue from time to time such number of shares of \$0.25 each in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Share Option Plan and/or such number of fully paid shares as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Stock Plan,

PROVIDED THAT the aggregate number of shares to be issued pursuant to the Share Plans shall not exceed 15 per cent of the issued share capital of the Company from time to time."

10 **"THAT:**

- (a) approval be and is hereby given for the purposes of Chapter 9A of the Listing Manual of The Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of interested person transactions, particulars of which are set out in Appendix VII of the document dated August 13, 1998 relating to the scheme of arrangement involving the merger of Singapore Technologies Industrial Corporation Ltd and Sembawang Corporation Limited under the Company (the "Scheme Document") and in the Company's Circular to Shareholders dated November 7, 1998 (the "Circular") with any party who falls within the classes of interested persons described in Appendix VII of the Scheme Document and in the Circular respectively, **PROVIDED THAT** such transactions are made on an arm's length basis and on normal commercial terms;
- (b) such approval ("the Mandate") shall, unless revoked or varied by the Company in General Meeting, continue in force until the next Annual General Meeting of the Company; and
- (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate and/or this Resolution."

Resolution 12

11 To transact any other business

By Order of the Board

Linda Hoon Siew Kin
Group Company Secretary
May 4, 2001

Explanatory Notes:

Resolution 4 – if re-elected, K Shanmugam will remain as a member of the Audit Committee. K Shanmugam is an independent director.

Resolution 6 – if re-elected, Richard Hale OBE will remain as a member of the Audit Committee. Richard Hale OBE is an independent director.

Statement pursuant to Article 55 of the Articles of Association of the Company:

Resolution 10 – is to allow the Directors to issue shares up to 50 per cent of the Company's issued share capital, with an aggregate sub-limit of 20 per cent of the Company's share capital for any issue of shares not made on a pro rata basis to shareholders.

Resolution 11 – is to allow the Directors to issue shares pursuant to the Share Plans provided that the aggregate number of shares issued pursuant to the Share Plans shall not exceed 15 per cent of the issued share capital of the Company for the time being.

Resolution 12 – is to renew the mandate to allow the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of interested person transactions, particulars of which are set out in Appendix VII of the Scheme Document and in the Circular respectively, with any party who falls within the classes of the interested persons described in Appendix VII of the Scheme Document and in the Circular respectively.

Note: A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the Registered Office of the Company not later than 48 hours before the time of the meeting.

PROXY FORM

SembCorp Industries Ltd

(Incorporated in the Republic of Singapore)

THIRD ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy SembCorp Industries Ltd's shares, this report is forwarded to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name)

of _____ (Address)

being a member/members of SEMBCORP INDUSTRIES LTD hereby appoint:

Name	Address	NRIC/Passport No.	% of Shareholdings

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	% of Shareholdings

as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held on Thursday, May 31, 2001 at 2.30 pm at The Theatre, 60 Admiralty Road West, Singapore 759947 and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

RESOLUTIONS	For	Against
ORDINARY BUSINESS		
1. To adopt the Directors' Report and Accounts		
2. To declare a First and Final Dividend		
3. To re-elect Ho Ching		
4. To re-elect K Shanmugam		
5. To re-elect Goh Geok Ling		
6. To re-elect Richard Hale OBE		
7. To re-appoint Tetsuro Kawakami		
8. To approve Directors' Fees		
9. To re-appoint KPMG as Auditors and to fix their Remuneration		
SPECIAL BUSINESS		
10. To authorise the Directors to issue shares.		
11. To authorise the Directors to grant options and issue shares under the SembCorp Industries' Share Plans		
12. To approve the renewal of the shareholders' mandate		

Total Number of Shares held _____

Signature(s) or Common Seal of member(s)

Date

PLEASE GLUE AND SEAL ALONG THE EDGE

PLEASE GLUE AND SEAL ALONG THE EDGE

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 9 Bishan Place #08-00 Junction 8 Singapore 579837 not less than 48 hours before the time appointed for the Annual General Meeting.

1st FOLD

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by the Central Depository (Pte) Limited to the Company.

2nd FOLD



Affixed
Postage
Stamp

Group Company Secretary
SembCorp Industries Ltd
9 Bishan Place
#08-00 Junction 8
Singapore 579837

3rd FOLD

REQUEST FORM

SembCorp Industries Ltd

(Incorporated in the Republic of Singapore)

May 4, 2001

Dear Shareholder

This is a copy of the Summary Financial Report ("SFR") of SembCorp Industries Ltd ("SembCorp" or "Company") for the financial year 2000. The SFR contains a review of SembCorp and its group of companies ("Group") for the year ended December 31, 2000. It also contains a summary of the audited financial statements of the Company and the Group. We will be sending you a copy of the SFR for so long as you are a SembCorp shareholder unless you indicate otherwise.

The Directors' Report and the full financial statements of the Company and the Group for the year ended December 31, 2000 are set out in a separate report called the Annual Report ("AR") 2000. This report is available to all registered SembCorp Shareholders at no cost upon request.

If you wish to receive a copy of the AR, please complete this form and **return it to SembCorp by May 18, 2001**. If we do not receive your reply, it would indicate that you do not wish to receive the AR for this year and as long as you are a SembCorp shareholder. Nonetheless, please note that you may register or change your request for our future SFR and AR.

Yours faithfully

For SEMBCORP INDUSTRIES LTD



Linda Hoon Siew Kin
Group Company Secretary

To: SembCorp Industries Ltd

N.B. Please tick only one box. Incomplete forms will not be processed.

- Please send me/us the 2000 Annual Report in addition to the Summary Financial Report.
- Please send me/us the Summary Financial Report and/or the Annual Report for so long as I/we am/are a shareholder of SembCorp Industries Ltd.
- Please do not send me/us the Summary Financial Report and/or the Annual Report for so long as I/we am/are a shareholder of SembCorp Industries Ltd.

Name(s) of shareholder(s): _____

*NRIC/Passport Number(s):

CDP Securities Account No.

						-													
--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--

Address: _____

_____ Singapore _____

Signature(s): _____ Date: _____

* Delete where applicable.

PLEASE GLUE AND SEAL ALONG THE EDGE

PLEASE GLUE AND SEAL ALONG THE EDGE

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**SembCorp
Industries**

**BUSINESS REPLY SERVICE
PERMIT NO. 06735**



Group Company Secretary
SembCorp Industries Ltd
C/o The Central Depository (Pte) Limited
20 Cecil Street
#06-03/08 The Exchange
Singapore 049705

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