



**SEMBCORP INDUSTRIES LTD**  
**Registration Number: 199802418D**

**FIRST QUARTER ENDED MARCH 31, 2016 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

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## SEMBCORP INDUSTRIES LTD

### UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2016

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the first quarter ended March 31, 2016.

In March 2016, Sembcorp Marine's (Marine) interest in Gravifloat AS (Gravifloat) was increased from 12% to 56%; and Sembcorp Utilities' (Utilities) interest in Sembcorp Gayatri Power Ltd (SGPL) was increased from 49% to 65%. Both Gravifloat and SGPL became subsidiaries of the Group. Consequently, Gravifloat and SGPL's financials were consolidated into the Group's financial statements.

#### 1. GROUP INCOME STATEMENT

		GROUP		
	Note	1Q16 \$'000	1Q15 \$'000	+ / (-) %
<b>Turnover</b>	2a	<b>1,895,225</b>	<b>2,338,077</b>	<b>(18.9)</b>
Cost of sales	2a	(1,626,577)	(2,049,532)	(20.6)
<b>Gross profit</b>	2a	<b>268,648</b>	<b>288,545</b>	<b>(6.9)</b>
General & administrative expenses	2b	(89,782)	(84,590)	6.1
Other income	2c	30,738	19,720	55.9
Other expense (net)	2d	(7,724)	(10,022)	(22.9)
Finance income	2e	9,756	5,711	70.8
Finance costs	2e	(86,307)	(31,247)	176.2
Share of results of associates and joint ventures, net of tax	2f	35,616	40,009	(11.0)
<b>Profit before tax</b>		<b>160,945</b>	<b>228,126</b>	<b>(29.4)</b>
Tax expense	2g	(29,900)	(40,469)	(26.1)
<b>Profit for the period</b>		<b>131,045</b>	<b>187,657</b>	<b>(30.2)</b>
<b>Attributable to:</b>				
Owners of the Company		107,034	142,211	(24.7)
Non-controlling interests		24,011	45,446	(47.2)
		<b>131,045</b>	<b>187,657</b>	<b>(30.2)</b>
<b>Earnings per ordinary share (cents)</b>				
	2h			
- basic		5.45	7.83	(30.4)
- diluted		5.42	7.79	(30.4)

## 2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 2a. Turnover, Cost of Sales

	GROUP		
	1Q16 \$'000	1Q15 \$'000	+ / (-) %
Turnover	1,895,225	2,338,077	(18.9)
Cost of sales	(1,626,577)	(2,049,532)	(20.6)
Gross profit	268,648	288,545	(6.9)
Included in Cost of sales:- Depreciation and amortisation (i)	(100,810)	(84,359)	19.5

Group turnover – refer to Page 17, note 11.

Group gross profit decreased by 7% in 1Q16 against 1Q15 mainly due to Marine. Overall decreased in Marine's gross profit was mainly from its rig building projects, net of higher gross profit from its offshore platform projects. The decrease from Marine was partially mitigated by higher contribution from Utilities' India operations in 1Q16.

(i) Depreciation and amortisation in 1Q16 was higher mainly due to Utilities' operations in India.

### 2b. General & administrative expenses

	GROUP		
	1Q16 \$'000	1Q15 \$'000	+ / (-) %
General & administrative expenses	(89,782)	(84,590)	6.1
Included in general & administrative expenses:- Depreciation and amortisation	(5,974)	(4,772)	25.2
Allowance for doubtful debts and bad debts	(1,200)	(1,536)	(21.9)

General & administrative expenses for 1Q16 were higher primarily due to expenses incurred by Utilities' operations in India. Thermal Powertech Corporation India Limited (TPCIL) has not commenced commercial operation in 1Q15. On comparable basis on 1Q15, general & administrative expenses for 1Q16 were lower mainly due to Marine's lower personnel related costs.

### 2c. Other income

	GROUP		
	1Q16 \$'000	1Q15 \$'000	+ / (-) %
Other income	30,738	19,720	55.9
Included in other income:- Dividend income	-	190	(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 (i)	10,702	-	NM
Gain on disposal of joint venture	186	-	NM
Gain on disposal of other financial assets	1,157	180	542.8

(i) Fair value gain in 1Q16 was primarily due to Utilities' fair value gain on re-measurement of its step-up acquisition from 49% to 65% in SGPL (previously a joint venture) and Marine's step-up acquisition of Gravifloat (previously an AFS) from 12% to 56% in March 2016.

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

### 2d. Other expense (net)

	GROUP		
	1Q16 \$'000	1Q15 \$'000	+ / (-) %
Other expense (net)	(7,724)	(10,022)	(22.9)
Included in other expense (net): -			
Changes in fair value of financial instruments (i)	17,413	(10,236)	NM
Changes in fair value of available-for-sale assets (ii)	(5,771)	186	NM
Foreign exchange (loss) / gain (iii)	(19,227)	731	NM

- (i) Changes in fair value of financial instruments in 1Q16 was mainly due to mark-to-market adjustments of foreign currency forward contracts.
- (ii) Changes in fair value of available-for-sale assets in 1Q16 pertained to impairment arising from the mark-to-market of the available-for-sale financial assets, Gallant Venture.
- (iii) Foreign exchange loss arose mainly from Marine's revaluation of assets and liabilities denominated in Pounds sterling and United States dollar to Singapore dollar against the foreign exchange rate as at the previous quarter.

### 2e. Finance income and finance costs

	GROUP		
	1Q16 \$'000	1Q15 \$'000	+ / (-) %
Finance income (i)	9,756	5,711	70.8
Finance costs (ii)	(86,307)	(31,247)	176.2

- (i) Higher finance income in 1Q16 was mainly due to Utilities' India operations.
- (ii) Higher finance costs in 1Q16 was mainly due to Utilities' India operations became operational in 2Q15 and Marine's higher bank borrowings.

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

The Group recorded lower share of profit from associates and joint ventures in 1Q16 compared to 1Q15 mainly due to lower associates' contribution from Marine and no more contribution from SembSita Pacific Pte Ltd (SembSita) which was disposed in November 2015.

### 2g. Tax expense

	GROUP		
	1Q16 \$'000	1Q15 \$'000	+ / (-) %
Tax expense			
- Net (under-provision) / write-back of tax in respect of prior years	(23)	2,047	NM

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

### 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		
	1Q16	1Q15	+ / (-) %
(i) Based on the weighted average number of shares (in cents) - Weighted average number of shares (in million)	5.45 1,785.8	7.83 1,784.9	(30.4) 0.1
(ii) On a fully diluted basis (in cents) - Adjusted weighted average number of shares (in million)	5.42 1,796.3	7.79 1,794.3	(30.4) 0.1

## 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP	
		1Q16 \$'000	1Q15 \$'000
<b>Profit for the period</b>		<b>131,045</b>	<b>187,657</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences for foreign operations	(i)	(118,517)	232,087
Exchange differences on monetary items forming part of net investment in foreign operation		1,653	5,088
Net change in fair value of cash flow hedges	(ii)	17,718	(35,421)
Net change in fair value of cash flow hedges reclassified to profit or loss	(iii)	24,520	31,436
Net change in fair value of available-for-sale financial assets	(iv)	(19,112)	1,312
Share of other comprehensive income of associates and joint ventures	(v)	(20,627)	(36,754)
		<u>(114,365)</u>	<u>197,748</u>
<b>Items that may not be reclassified subsequently to profit or loss:</b>			
Defined benefit plan actuarial (losses) and gains		-	(6,484)
Other comprehensive income for the period, net of tax		<u>(114,365)</u>	<u>191,264</u>
<b>Total comprehensive income for the period</b>		<b><u>16,680</u></b>	<b><u>378,921</u></b>
<b>Attributable to:</b>			
Owners of the Company		9,943	293,793
Non-controlling interests		6,737	85,128
<b>Total comprehensive income for the period</b>		<b><u>16,680</u></b>	<b><u>378,921</u></b>

### 3a. Notes to Consolidated Statement of Comprehensive Income

- (i) The movement in foreign currency translation reserves in 1Q16 arose primarily due to depreciation of United States dollar, Renminbi and Indian Rupee against Singapore dollar relative to the rate as at end of previous quarter.
- (ii) The fair value changes of cash flow hedges in 1Q16 was primarily due to changes in fair value on foreign currency forward contract and interest rate swaps.
- (iii) Mainly due to maturity of fuel oil swaps.
- (iv) Mainly due to changes in mark-to-market of quoted prices of available-for-sale assets.
- (v) Mainly due to share of UK and Middle East associate's and joint venture's hedging loss.

#### 4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 31/03/2016 \$'000	As at 31/12/2015 \$'000	As at 31/03/2016 \$'000	As at 31/12/2015 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	10,393,377	8,685,182	519,531	529,691
Investment properties	20,103	21,081	-	-
Investments in subsidiaries	-	-	2,473,437	2,472,184
Interests in associates and joint ventures	1,888,986	2,349,257	-	-
Other financial assets	250,341	283,558	-	-
Trade and other receivables	469,303	450,548	174,642	143,757
Tax recoverable	7,732	6,938	-	-
Intangible assets	577,533	442,956	22,240	22,224
Deferred tax assets	63,583	68,283	-	-
	<u>13,670,958</u>	<u>12,307,803</u>	<u>3,189,850</u>	<u>3,167,856</u>
<b>Current assets</b>				
Inventories and work-in-progress	4,056,554	4,232,509	12,932	12,341
Trade and other receivables	1,787,829	1,567,557	95,693	137,077
Tax recoverable	9,716	9,726	-	-
Assets held for sale	-	41,803	-	5,893
Other financial assets	111,259	149,606	-	-
Cash and cash equivalents	1,927,061	1,606,488	346,886	325,831
	<u>7,892,419</u>	<u>7,607,689</u>	<u>455,511</u>	<u>481,142</u>
<b>Total assets</b>	<u>21,563,377</u>	<u>19,915,492</u>	<u>3,645,361</u>	<u>3,648,998</u>
<b>Current liabilities</b>				
Trade and other payables	3,241,371	3,387,921	97,544	131,073
Excess of progress billings over work-in-progress	363,658	320,151	-	-
Provisions	52,896	58,664	24,818	22,486
Liabilities held for sale	-	5,430	-	-
Other financial liabilities	116,433	181,471	-	-
Current tax payable	214,127	191,785	51,066	46,671
Interest-bearing borrowings	1,620,435	1,800,607	1	3
	<u>5,608,920</u>	<u>5,946,029</u>	<u>173,429</u>	<u>200,233</u>
<b>Net current assets</b>	<u>2,283,499</u>	<u>1,661,660</u>	<u>282,082</u>	<u>280,909</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	324,118	319,605	53,987	53,987
Provisions	58,908	58,742	593	593
Other financial liabilities	227,953	258,880	-	-
Retirement benefit obligations	6,559	8,891	-	-
Interest-bearing borrowings	6,890,093	5,032,342	-	-
Other long-term payables	242,627	247,509	283,379	283,572
	<u>7,750,258</u>	<u>5,925,969</u>	<u>337,959</u>	<u>338,152</u>
<b>Total liabilities</b>	<u>13,359,178</u>	<u>11,871,998</u>	<u>511,388</u>	<u>538,385</u>
<b>Net assets</b>	<u>8,204,199</u>	<u>8,043,494</u>	<u>3,133,973</u>	<u>3,110,613</u>
<b>Equity attributable to owners of the Company:-</b>				
Share capital	565,572	565,572	565,572	565,572
Other reserves	(236,147)	(142,938)	(11,041)	(13,660)
Revenue reserve	5,305,074	5,207,742	1,772,096	1,756,013
	<u>5,634,499</u>	<u>5,630,376</u>	<u>2,326,627</u>	<u>2,307,925</u>
Perpetual securities	807,346	802,688	807,346	802,688
	<u>6,441,845</u>	<u>6,433,064</u>	<u>3,133,973</u>	<u>3,110,613</u>
<b>Non-controlling interests</b>	1,762,354	1,610,430	-	-
<b>Total equity</b>	<u>8,204,199</u>	<u>8,043,494</u>	<u>3,133,973</u>	<u>3,110,613</u>

**Footnote:**

The Group Balance Sheet as at March 31, 2016, included the consolidation of Gravifloat and SGPL, which became subsidiaries in March 2016 (Note 5b).

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

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

	As at 31/3/2016 \$'000	As at 31/12/2015 \$'000
<b>Amount repayable:</b>		
<b>(i) <u>In one year or less, or on demand</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	795,446	794,434
Unsecured	824,989	1,006,173
	<u>1,620,435</u>	<u>1,800,607</u>
<b>(ii) <u>Between one to five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	929,263	541,061
Unsecured	3,079,956	2,415,966
	<u>4,009,219</u>	<u>2,957,027</u>
<b>(iii) <u>After five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	1,727,024	921,322
Unsecured	1,153,850	1,153,993
	<u>2,880,874</u>	<u>2,075,315</u>
Total	<u>8,510,528</u>	<u>6,832,949</u>
<b>(iv) The secured loans are collateralised by the following assets' net book value:-</b>		
	As at 31/3/2016 \$'000	As at 31/12/2015 \$'000
Net assets and equity shares of subsidiaries, property, plant and equipment, and other assets	<u>6,046,785</u>	<u>3,928,992</u>

##### 4b. Net asset value

	Group		Company	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	3.60	3.60	1.75	1.74

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

Significant variances for balance sheets items are explained as follows:

###### (i) Group

###### Non-current assets

"Property, plant and equipment" increased mainly due to consolidation of SGPL.

"Interests in associates and joint ventures" decreased primarily due to SGPL became a subsidiary in March 2016.

"Other financial assets" decreased mainly due to Marine's fair value adjustments of quoted equity shares and foreign currency forward contracts.

"Intangible assets" increased mainly due to Marine's acquisition of Gravifloat, which was acquired in March 2016.

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

##### 4c. **Explanatory Notes to Balance Sheets** (Cont'd)

###### (i) **Group (cont'd)**

###### **Net current assets**

“Inventories and work-in-progress” comprising mainly work-in-progress decreased due to the successful delivery of a rig building project. The recoverability of work-in-progress from the rig building segment is dependent on the customers taking delivery of the rigs in the future.

“Trade and other receivables” increased mainly due to billings for ongoing projects and timing of receipts.

“Assets held for sale” and “Liabilities held for sale” decreased primarily due to divestment of Sembcorp Air Products (SembAP) in January 2016.

“Other financial assets” decreased mainly due to fair value adjustments on foreign currency forward contracts.

“Trade and other payables” decreased mainly due to timing of payments made during the period.

“Excess of progress billings over work-in-progress” increased mainly due to billing to a customer for offshore platforms project

“Provisions” decreased mainly due to Marine’s write-back of allowance for warranty.

“Other financial liabilities” decreased mainly due to fair value adjustments on foreign currency forward contracts and fuel oil swaps.

“Current tax payable” increased mainly due to consolidation of SGPL and current year tax provision, offset by payments made during the period.

“Interest-bearing borrowings” decreased mainly due to Marine’s refinancing of short-term borrowings to long-term borrowings. Marine has secured adequate committed long-term banking facilities to refinance the short-term borrowings as they fall due.

###### **Non-current liabilities**

“Other financial liabilities” decreased mainly due to fair value adjustments on cross currency swaps.

“Retirement benefit obligations” decreased mainly due to employee benefits paid to employees from UK operations.

“Interest bearing borrowings” increased mainly due to consolidation of SGPL, increased in Marine’s borrowings for working capital and capital expenditures, and refinancing of short-term borrowings to long-term borrowings.

###### **Equity**

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

“Non-controlling interests” increased mainly due to acquisition of Gravifloat and SGPL with non-controlling interests.



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

4c. **Explanatory Notes to Balance Sheets** (Cont'd)

(ii) **Company**

**Non-current assets**

“Trade and other receivables” increased mainly due to long-term funding extended to a wholly owned subsidiary.

**Net current assets**

“Trade and other receivables” decreased is in line with lower sales.

“Trade and other payables” decreased mainly due to payments made to a wholly-owned subsidiary.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP	
		1Q16 \$'000	1Q15 \$'000
<b>Cash flows from Operating Activities</b>			
Profit for the period		131,045	187,657
Adjustments for :			
Dividend		-	(190)
Finance income		(9,756)	(5,711)
Finance costs		86,307	31,247
Depreciation and amortisation		106,784	89,131
Share of results of associates and joint ventures, net of tax		(35,616)	(40,009)
Gain on disposal of property, plant and equipment and other financial assets		(1,207)	(247)
Loss on disposal of intangible assets		-	9
Gain on disposal of investment in a joint venture		(186)	-
Fair value gain on re-measurement of pre-existing investments in other financial asset and joint venture, which became subsidiaries		(10,702)	-
Changes in fair value of financial instruments		(17,413)	10,050
Equity settled share-based compensation expenses		5,213	5,226
Allowance made for impairment loss in value of assets and assets written off (net)		5,973	1,236
Allowance for doubtful debts and bad debts		1,200	1,536
Tax expense		29,900	40,469
Operating profit before working capital changes		291,542	320,404
Changes in working capital:			
Inventories and work-in-progress		212,571	90,097
Receivables		(181,306)	34,682
Payables		(244,640)	(271,068)
		78,167	174,115
Tax paid		(10,272)	(20,498)
Net cash from operating activities		67,895	153,617
<b>Cash flows from Investing Activities</b>			
Dividend received		6,299	10,454
Interest received		9,536	5,245
Proceeds from disposal of interests in a joint venture		450	-
Proceeds from sale of other financial assets		2,517	8,771
Proceeds from sale of property, plant and equipment		2,913	390
Proceeds from sale of intangible assets		-	1
Net repayment from / (loan to) related parties		10,617	(22,298)
Non-trade balances with related corporations and external parties, net of repayment		(13,462)	(16,162)
Acquisition of subsidiaries, net of cash acquired	5b	(41,376)	(213,636)
Additional investments in joint ventures		(2,537)	(82,217)
Acquisition of other financial assets		(365)	(179)
Purchase of property, plant and equipment and investment property		(189,960)	(390,212)
Payment for intangible assets		(2,965)	(311)
Net cash used in investing activities		(218,333)	(700,154)
<b>Cash flows from Financing Activities</b>			
Proceeds from share issued to non-controlling interest of a subsidiary		210	26,927
Proceeds from share options exercised with issue of treasury shares		39	24
Proceeds from share options exercised with issue of treasury shares of a subsidiary		-	397
Purchase of treasury shares		(941)	(1,264)
Purchase of treasury shares by subsidiary		(1,521)	(10,505)
Proceeds from borrowings		964,839	565,283
Repayment of borrowings		(356,204)	(62,883)
Repayment of finance leases		(74)	(417)
Acquisition of non-controlling interests		-	(14,516)
(Dividend paid on previously unclaimed dividends) / Unclaimed dividends		(3)	-
Dividends paid to non-controlling interests of subsidiaries		(7,456)	(4,872)
Perpetual securities distribution paid		(5,041)	(5,041)
Interest paid		(84,467)	(37,606)
Net cash from financing activities		509,381	455,527
Net increase/ (decrease) in cash and cash equivalents		358,943	(91,010)
<b>Cash and cash equivalents at beginning of the period</b>		1,604,465	1,659,434
Effect of exchange rate changes on balances held in foreign currency		(38,205)	28,644
<b>Cash and cash equivalents at end of the period</b>		<u>1,925,203</u>	<u>1,597,068</u>

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

5a. **Cash and cash equivalents**

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

	<b>Group</b>	
	<b>31/03/2016</b>	<b>31/12/2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits with banks	593,890	419,074
Cash and bank balances	1,333,171	1,187,414
Cash and cash equivalents in the balance sheets	1,927,061	1,606,488
Bank overdrafts	(1,858)	(2,023)
Cash and cash equivalents in the consolidated statement of cash flows	<u>1,925,203</u>	<u>1,604,465</u>

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

	<b>1Q 2016<sup>1</sup></b>	<b>1Q 2015<sup>2</sup></b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Effect on cash flows of the Group</b>		
Cash paid	119,833	232,483
Less: Cash and cash equivalents in subsidiaries acquired	<u>(78,457)</u>	<u>(18,847)</u>
Cash outflow on acquisition	<u>41,376</u>	<u>213,636</u>
<b>Identifiable assets acquired and liabilities assumed</b>		
Property, plant and equipment	1,739,644	720,815
Other financial assets	-	39,539
Long-term receivables and prepayments	28,830	30,385
Intangible assets	119,442	46,303
Inventories	95	-
Trade and other receivables	69,584	25,136
Tax Recoverable	-	3,548
Cash and cash equivalents	<u>78,457</u>	<u>18,847</u>
Total assets	<u>2,036,052</u>	<u>884,573</u>
Trade and other payables	139,839	86,692
Other financial liabilities	-	109
Current tax payable	7,146	775
Interest-bearing borrowings	1,446,631	443,627
Deferred tax liabilities	-	24,595
Retirement benefit obligations	-	96
Total liabilities	<u>1,593,616</u>	<u>555,894</u>
Net identifiable assets	442,436	328,679
Less: Non-controlling interests	(165,593)	(134,496)
Add: Goodwill	24,676	38,300
Less: Amount previously accounted for as available-for-sale financial asset and joint venture	(163,324)	-
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>125,083</u>	<u>232,483</u>

<sup>1</sup> Step-up of Gravifloat, previously an available-for-sale financial asset and SGPL, previously a joint venture

<sup>2</sup> Acquisition of Sembcorp Green Infra Ltd (SGI)

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) **First Quarter**

The cash outflow from changes in working capital was mainly due to Marine's working capital for ongoing rig building projects.

Net cash outflow from investing activities for 1Q16 was \$218.3 million, mainly from step-up acquisition of subsidiaries and purchase of property, plant and equipment mainly for the expansion and operation of Marine's yards.

(ii) **Significant non-cash transactions**

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

## 6. STATEMENTS OF CHANGES IN EQUITY

### 6a. Statements of Changes in Equity of the Group

	Attributable to owners of the Company									
	Other reserves						Perpetual securities	Total	Non-controlling	
	Share capital	Currency			Revenue reserve	Total			interests	Total equity
		Reserve for own shares	translation reserve	Others						
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>1Q16</b>										
<b>At January 1, 2016</b>	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
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	107,034	107,034	-	107,034	24,011	131,045
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	(97,428)	-	-	(97,428)	-	(97,428)	(21,089)	(118,517)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	1,653	-	-	1,653	-	1,653	-	1,653
Net change in fair value of cash flow hedges	-	-	-	6,602	-	6,602	-	6,602	11,116	17,718
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	24,079	-	24,079	-	24,079	441	24,520
Net change in fair value of available-for-sale financial assets	-	-	-	(11,370)	-	(11,370)	-	(11,370)	(7,742)	(19,112)
Share of other comprehensive of associates and joint ventures	-	-	-	(20,627)	-	(20,627)	-	(20,627)	-	(20,627)
Total other comprehensive income	-	-	(95,775)	(1,316)	-	(97,091)	-	(97,091)	(17,274)	(114,365)
<b>Total comprehensive income</b>	-	-	(95,775)	(1,316)	107,034	9,943	-	9,943	6,737	16,680
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Redemption of preference shares for non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(7,380)	(7,380)
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	210	210
Share-based payments	-	-	-	4,679	-	4,679	-	4,679	534	5,213
Purchase of treasury shares	-	(941)	-	-	-	(941)	-	(941)	-	(941)
Treasury shares transferred to employees	-	9,107	-	(9,068)	-	39	-	39	-	39
Treasury shares of a subsidiary	-	-	-	(928)	-	(928)	-	(928)	(593)	(1,521)
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	165,593	165,593
Acquisition of non-controlling interests	-	-	-	(603)	-	(603)	-	(603)	590	(13)
Put liability to acquire non-controlling interests	-	-	-	(749)	-	(749)	-	(749)	-	(749)
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	-	-	-	-	-	-	(5,041)	(5,041)	-	(5,041)
Accrued perpetual securities distribution	-	-	-	-	(9,699)	(9,699)	9,699	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(7,456)	(7,456)
Unclaimed dividends	-	-	-	-	(3)	(3)	-	(3)	-	(3)
<b>Total transactions with owners</b>	-	8,166	2,410	(6,694)	(9,702)	(5,820)	4,658	(1,162)	145,187	144,025
<b>At March 31, 2016</b>	565,572	(479)	(177,686)	(57,982)	5,305,074	5,634,499	807,346	6,441,845	1,762,354	8,204,199
<b>1Q15</b>										
<b>At January 1, 2015</b>	565,572	(15,041)	(200,461)	85,205	4,978,291	5,413,566	202,565	5,616,131	1,616,143	7,232,274
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	142,211	142,211	-	142,211	45,446	187,657
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	178,521	-	-	178,521	-	178,521	53,566	232,087
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	5,088	-	-	5,088	-	5,088	-	5,088
Net change in fair value of cash flow hedges	-	-	-	(20,644)	-	(20,644)	-	(20,644)	(14,777)	(35,421)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	31,029	-	31,029	-	31,029	407	31,436
Net change in fair value of available-for-sale financial assets	-	-	-	826	-	826	-	826	486	1,312
Defined benefit plan actuarial gains and losses	-	-	-	-	(6,484)	(6,484)	-	(6,484)	-	(6,484)
Share of other comprehensive of associates and joint ventures	-	-	-	(36,754)	-	(36,754)	-	(36,754)	-	(36,754)
Total other comprehensive income	-	-	183,609	(25,543)	(6,484)	151,582	-	151,582	39,682	191,264
<b>Total comprehensive income</b>	-	-	183,609	(25,543)	135,727	293,793	-	293,793	85,128	378,921
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	26,927	26,927
Share-based payments	-	-	-	4,513	-	4,513	-	4,513	713	5,226
Purchase of treasury shares	-	(1,264)	-	-	-	(1,264)	-	(1,264)	-	(1,264)
Treasury shares transferred to employees	-	11,799	-	(11,775)	-	24	-	24	-	24
Treasury shares of a subsidiary	-	-	-	(6,165)	-	(6,165)	-	(6,165)	(3,943)	(10,108)
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	134,655	134,655
Acquisition of non-controlling interests	-	-	-	6,702	-	6,702	-	6,702	(14,676)	(7,974)
Perpetual securities distribution paid	-	-	-	-	-	-	(5,041)	(5,041)	-	(5,041)
Accrued perpetual securities distribution	-	-	-	-	(2,497)	(2,497)	2,497	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(4,872)	(4,872)
<b>Total transactions with owners</b>	-	10,535	-	(6,725)	(2,497)	1,313	(2,544)	(1,231)	138,804	137,573
<b>At March 31, 2015</b>	565,572	(4,506)	(16,852)	52,937	5,111,521	5,708,672	200,021	5,908,693	1,840,075	7,748,768

## 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
<b>1Q16</b>							
<b>At January 1, 2016</b>	565,572	(8,645)	(5,015)	1,756,013	2,307,925	802,688	3,110,613
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	25,785	25,785	-	25,785
<b>Other comprehensive income</b>							
Net change in fair value of cash flow hedges	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	25,785	25,785	-	25,785
<b>Transactions with owners of the Company, recognised directly in equity</b>							
Share-based payments	-	-	3,521	-	3,521	-	3,521
Purchase of treasury shares	-	(941)	-	-	(941)	-	(941)
Treasury shares transferred to employees	-	9,107	(9,068)	-	39	-	39
Perpetual securities distribution paid	-	-	-	-	-	(5,041)	(5,041)
Accrued perpetual securities distribution	-	-	-	(9,699)	(9,699)	9,699	-
Unclaimed dividends	-	-	-	(3)	(3)	-	(3)
<b>Total transactions with owners</b>	-	8,166	(5,547)	(9,702)	(7,083)	4,658	(2,425)
<b>At March 31, 2016</b>	565,572	(479)	(10,562)	1,772,096	2,326,627	807,346	3,133,973
<b>1Q15</b>							
<b>At January 1, 2015</b>	565,572	(15,041)	(7,345)	1,383,446	1,926,632	202,565	2,129,197
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	45,541	45,541	-	45,541
<b>Other comprehensive income</b>							
Net change in fair value of cash flow hedges	-	-	(491)	-	(491)	-	(491)
Total other comprehensive income	-	-	(491)	-	(491)	-	(491)
<b>Total comprehensive income</b>	-	-	(491)	45,541	45,050	-	45,050
<b>Transactions with owners of the Company, recognised directly in equity</b>							
Share-based payments	-	-	3,308	-	3,308	-	3,308
Purchase of treasury shares	-	(1,264)	-	-	(1,264)	-	(1,264)
Treasury shares transferred to employees	-	11,799	(11,775)	-	24	-	24
Perpetual securities distribution paid	-	-	-	-	-	(5,041)	(5,041)
Accrued perpetual securities distribution	-	-	-	(2,497)	(2,497)	2,497	-
<b>Total transactions with owners</b>	-	10,535	(8,467)	(2,497)	(429)	(2,544)	(2,973)
<b>At March 31, 2015</b>	565,572	(4,506)	(16,303)	1,426,490	1,971,253	200,021	2,171,274

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

### 6c. Changes in the Company's share capital

#### Issued and paid up capital

As at March 31, 2016, the Company's issued and paid up capital excluding treasury shares comprises 1,787,411,344 (December 31, 2015: 1,785,176,479) ordinary shares.

#### Share Options

During 1Q16, 15,500 (1Q15: 10,000) share options under the Company's Share Option Plan ("SOP") were exercised and settled by way of issuance of treasury shares.

As at March 31, 2016, there were 283,049 (December 31, 2015: 319,549) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

#### Performance Shares

During 1Q16, nil (1Q15: nil) performance shares were released under the Company's Performance Share Plan ("PSP") by way of issuance of treasury shares and 625,000 (1Q15: 754,861) performance shares lapsed. Of the performance shares lapsed in 1Q16, 625,000 (1Q15: 754,861) were for the under-achievement of the performance targets.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at March 31, 2016, was 1,456,250 (March 31, 2015: 1,250,000). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 2,184,375 (March 31, 2015: 1,875,000) performance shares.

#### Restricted Shares

During 1Q16, 2,611,937 (1Q15: 2,655,299) restricted shares were released under the Restricted Share Plan ("RSP") and 226,295 (1Q15: 109,734) restricted shares were lapsed. Of the restricted shares released, 2,579,365 (1Q15: 2,609,098) were settled by way of issuance of treasury shares and 32,572 (1Q15: 46,201) restricted shares were cash-settled.

In 1Q16, 534,850 (1Q15: 291,340) restricted shares were awarded for the over-achievement of the performance targets.

The total number of restricted shares outstanding, including awards achieved but not released, as at end March 31, 2016 was 5,525,747 (March 31, 2015: 4,859,236). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 3,043,575 (March 31, 2015: 2,247,700). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 4,565,363 (March 31, 2015: 3,371,550) restricted shares.

#### Treasury shares

During 1Q16, the Company acquired 360,000 (1Q15: 300,000) ordinary shares in the Company by way of on-market purchases. 2,594,865 (1Q15: 2,619,098) treasury shares were re-issued pursuant to the SOP and RSP.

As at March 31, 2016, 136,388 (March 31, 2015: 1,000,143) treasury shares were held that may be re-issued upon the exercise of options under the SOP and upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

**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, 2015.

**10. CHANGES IN ACCOUNTING POLICIES**

The following new/amended FRSs have become effective from January 1, 2016.

Amendments to FRSs

- FRS 1	Presentation of Financial Statements
- FRS 16	Property, Plant and Equipment
- FRS 27	Separate Financial Statements
- FRS 28	Investments in Associates and Joint Ventures
- FRS 38	Intangible Assets
- FRS 110	Consolidated Financial Statements
- FRS 111	Joint Arrangements
- FRS 112	Disclosure of Interests in Other Entities

Improvements to FRSs (November 2014)

- FRS 19	Employee Benefit Plans: Employee Contributions
- FRS 105	Non-current Assets Held for Sale and Discontinued Operations

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

The Group reported a net profit of \$107.0 million in 1Q16 compared to 1Q15's net profit of \$142.2 million, while turnover decreased 19% to \$1.9 billion from \$2.3 billion the previous year.

### Turnover

	<u>1Q16</u>	<u>1Q15</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	895,001	958,388	(63,387)	(7)
Marine	918,408	1,303,470	(385,062)	(30)
Urban Development	1,309	1,410	(101)	(7)
Others/Corporate	80,507	74,809	5,698	8
	<u>1,895,225</u>	<u>2,338,077</u>	<u>(442,852)</u>	<u>(19)</u>

The Utilities' turnover in 1Q16 was lower primarily due to Singapore operations' lower HSFO prices recorded during the period, partially mitigated by higher contribution from India operations.

Marine's turnover for 1Q16 decreased mainly due to lower revenue recognition for rig building projects resulting from customer deferment requests and customer's restructuring. For the offshore platform projects, turnover was higher in 1Q16.

Turnover of Others/Corporate was mainly contributed by a subsidiary dealing in specialized construction activities. Increase in turnover in 1Q16 was mainly due to higher contribution from a joint operation during the year.

11. **REVIEW OF GROUP PERFORMANCE** (Cont'd)

**Net profit attributable to owners of the Company ("Net Profit")**

	<b>1Q16</b>	<b>1Q15</b>	<b>Growth</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Utilities	75,226	74,532	694	1
Marine	33,512	64,664	(31,152)	(48)
Urban Development	1,223	1,069	154	14
Others/Corporate	(2,927)	1,946	(4,873)	NM
	<b>107,034</b>	<b>142,211</b>	<b>(35,177)</b>	<b>(25)</b>

Utilities' net profit for 1Q16 was comparable to 1Q15, mainly due to better performance from overseas operations, reduced by lower contribution from Singapore operations. Overseas better performance came from China and Middle East which more than offset contribution from divested investments in Sembcorp Bournemouth Water Investment (SBWI) and SembSita.

Marine's net profit for 1Q16 decreased mainly due to lower contribution from rig building projects resulting from customer deferment requests and restructuring, and higher finance costs.

Urban Development's net profit in 1Q16 was comparable to 1Q15.

Net loss for Others/Corporate in 1Q16 included the mark-to-market impairment for Gallant Venture of \$5.8 million.

## 12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

## 13. PROSPECTS

### **Utilities**

The Utilities business' overseas growth strategy remains on track. 2016 will see a full year's contribution from its recently completed TPCIL power plant in India. However, in Singapore, its energy business is expected to face continued intense competition in the power market.

Backed by strong operational, management and technical capabilities, the business remains focused on the execution of its pipeline of projects and the pursuit of new growth opportunities to deliver long-term growth.

### **Marine**

The global oil and gas industry continues to be volatile and uncertain. On April 29, 2016, Sete Brasil filed for judicial recovery.

Sembcorp Marine believes this down-cycle is likely to be more protracted than previous cycles. Whilst maintaining its cautious outlook, Sembcorp Marine is prepared not just to overcome these challenges but to lay stronger foundations for the future when the market recovers.

Sembcorp Marine will continue to actively manage its balance sheet. It remains optimistic of the longer term prospects of its business with facilities being built to cater to the industry's demand for the long term. As an integrated Sembcorp Marine, the business will optimise its capabilities and capacities as well as increase its efficiency and productivity to better serve its partners and customers.

### **Urban Development**

The Urban Development business is expected to deliver a steady operating performance in 2016.

### **Group**

The global downturn in the oil and gas sector and competition in the Singapore power market is expected to continue in 2016. With sound strategies and strong capabilities, the Group is confident that it will continue to create and deliver long-term value and growth.

*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.*

## 14. DIVIDEND

No interim dividend for the period ended March 31, 2016 is recommended.

## 15. SUBSEQUENT EVENTS

- (i) On April 12, 2016, Sembcorp announced that its wholly-owned subsidiary Sembcorp Utilities has subscribed to the entire rights issuance by Sembcorp Green Infra (SGI), including the 34.88% share of the rights issuance that was not subscribed by its partner IDFC Private Equity Fund III, to fund the company's growth in the renewable sector in India. As a result of the partner's non-participation in the rights issuance, Sembcorp Utilities' stake in SGI has increased to 67.67%.
- (ii) On May 3, 2016, Sembcorp announced that its shareholding in TPCIL has increased from 67.4% to 86.9% through its subscription of an additional 358 million shares in TPCIL at par value of Rs 10 per share. The remaining 13.1% stake is held by Gayatri Energy Ventures (GEV). GEV will have an option to purchase additional shares in TPCIL from Sembcorp to increase GEV's stake to a maximum of 30%.

## 16. SEGMENTAL REPORTING

### 1Q16

#### (i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>						
External sales	895,001	918,408	1,309	80,507	-	1,895,225
Inter-segment sales	5,231	24	1,045	857	(7,157)	-
<b>Total</b>	<b>900,232</b>	<b>918,432</b>	<b>2,354</b>	<b>81,364</b>	<b>(7,157)</b>	<b>1,895,225</b>
<b>Results</b>						
Segment results	128,716	81,129	(2,894)	(5,071)	-	201,880
Finance income	7,819	2,309	45	13,647	(14,064)	9,756
Finance costs	(69,631)	(17,863)	(676)	(12,201)	14,064	(86,307)
	<b>66,904</b>	<b>65,575</b>	<b>(3,525)</b>	<b>(3,625)</b>	-	<b>125,329</b>
Share of results of associates and joint ventures, net of tax	25,937	2,612	5,172	1,895	-	35,616
	<b>92,841</b>	<b>68,187</b>	<b>1,647</b>	<b>(1,730)</b>	-	<b>160,945</b>
Tax expense	(15,362)	(12,633)	(207)	(1,698)	-	(29,900)
Non-controlling interests	(2,253)	(22,042)	(217)	501	-	(24,011)
<b>Net profit / (loss) for the period</b>	<b>75,226</b>	<b>33,512</b>	<b>1,223</b>	<b>(2,927)</b>	-	<b>107,034</b>

#### Assets

Segment assets	10,116,214	9,241,616	395,876	1,639,956	(1,800,302)	19,593,360
Investment in associates and joint ventures	835,343	322,693	630,974	99,976	-	1,888,986
Tax assets	55,106	24,946	695	284	-	81,031
<b>Total assets</b>	<b>11,006,663</b>	<b>9,589,255</b>	<b>1,027,545</b>	<b>1,740,216</b>	<b>(1,800,302)</b>	<b>21,563,377</b>

#### Liabilities

Segment liabilities	6,275,587	6,707,057	228,291	1,410,300	(1,800,302)	12,820,933
Tax liabilities	413,702	105,560	2,525	16,458	-	538,245
<b>Total liabilities</b>	<b>6,689,289</b>	<b>6,812,617</b>	<b>230,816</b>	<b>1,426,758</b>	<b>(1,800,302)</b>	<b>13,359,178</b>

#### Capital expenditure

	88,320	101,307	381	1,838	-	<b>191,846</b>
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#### Significant non-cash items

Depreciation and amortisation	68,833	34,818	593	2,540	-	<b>106,784</b>
Allowance for impairment in value of assets and assets written off (net)	180	-	22	5,771	-	<b>5,973</b>
Allowance made / (Written back) for doubtful debts and bad debts	1,277	64	-	(141)	-	<b>1,200</b>

#### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	671,509	35	4,481,668	33	10,716,254	50	43,801	23
Rest of ASEAN & Australia	76,643	4	756,918	5	929,411	4	5,431	3
China	39,325	2	1,520,516	11	1,919,586	9	12,263	6
India	213,477	11	4,791,943	35	5,648,267	26	55,377	29
Middle East & Africa	26,805	1	381,341	3	417,800	2	1,323	1
UK	146,557	8	166,870	1	278,443	1	4,374	2
Rest of Europe	483,064	26	351,322	3	378,601	2	-	-
Brazil	11,617	1	1,066,663	8	1,098,584	5	60,994	32
U.S.A.	212,507	11	5,152	-	7,059	-	-	-
Other Countries	13,721	1	148,565	1	169,372	1	8,283	4
<b>Total</b>	<b>1,895,225</b>	<b>100</b>	<b>13,670,958</b>	<b>100</b>	<b>21,563,377</b>	<b>100</b>	<b>191,846</b>	<b>100</b>

## 16. SEGMENTAL REPORTING (Cont'd)

### 1Q15

#### (i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>						
External sales	958,388	1,303,470	1,410	74,809	-	2,338,077
Inter-segment sales	6,327	217	1,057	581	(8,182)	-
<b>Total</b>	<b>964,715</b>	<b>1,303,687</b>	<b>2,467</b>	<b>75,390</b>	<b>(8,182)</b>	<b>2,338,077</b>
<b>Results</b>						
Segment results	78,849	138,311	(2,606)	(901)	-	213,653
Finance income	4,040	2,432	13	13,640	(14,414)	5,711
Finance costs	(22,329)	(9,533)	(674)	(13,125)	14,414	(31,247)
	<b>60,560</b>	<b>131,210</b>	<b>(3,267)</b>	<b>(386)</b>	<b>-</b>	<b>188,117</b>
Share of results of associates and joint ventures, net of tax	28,159	3,868	4,653	3,329	-	40,009
	<b>88,719</b>	<b>135,078</b>	<b>1,386</b>	<b>2,943</b>	<b>-</b>	<b>228,126</b>
Tax expense	(12,425)	(26,232)	(233)	(1,579)	-	(40,469)
Non-controlling interests	(1,762)	(44,182)	(84)	582	-	(45,446)
<b>Net profit for the period</b>	<b>74,532</b>	<b>64,664</b>	<b>1,069</b>	<b>1,946</b>	<b>-</b>	<b>142,211</b>
<b>Assets</b>						
Segment assets	8,427,006	7,826,184	343,441	1,808,990	(2,225,062)	16,180,559
Investment in associates and joint ventures	1,049,037	513,236	593,488	96,694	-	2,252,455
Tax assets	53,731	9,128	350	90	-	63,299
<b>Total assets</b>	<b>9,529,774</b>	<b>8,348,548</b>	<b>937,279</b>	<b>1,905,774</b>	<b>(2,225,062)</b>	<b>18,496,313</b>
<b>Liabilities</b>						
Segment liabilities	5,360,292	4,783,873	169,307	1,986,691	(2,225,062)	10,075,101
Tax liabilities	395,456	259,390	1,580	16,018	-	672,444
<b>Total liabilities</b>	<b>5,755,748</b>	<b>5,043,263</b>	<b>170,887</b>	<b>2,002,709</b>	<b>(2,225,062)</b>	<b>10,747,545</b>
<b>Capital expenditure</b>	<b>179,366</b>	<b>204,347</b>	<b>428</b>	<b>930</b>	<b>-</b>	<b>385,071</b>
<b>Significant non-cash items</b>						
Depreciation and amortisation	55,638	30,924	388	2,181	-	89,131
Allowance for / (Write-back of) impairment in value of assets and assets written off (net)	1,230	6	-	-	-	1,236
(Written back) / Allowance made for doubtful debts and bad debts	1,185	359	-	(8)	-	1,536

#### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	1,073,681	46	4,358,928	37	9,607,208	52	124,108	32
Rest of ASEAN & Australia	88,665	4	812,337	7	842,027	5	5,106	1
China	38,088	1	1,584,376	13	1,802,980	10	9,214	3
India	14,064	-	3,404,664	28	3,723,169	20	131,238	34
Middle East & Africa	19,484	1	392,517	3	442,727	2	916	-
UK	111,440	5	209,731	2	741,334	4	9,014	3
Rest of Europe	647,781	28	244,677	2	261,003	1	-	-
Brazil	18,472	1	815,680	7	886,030	5	104,440	27
U.S.A.	262,332	11	4,992	-	6,933	-	16	-
Other Countries	64,070	3	142,857	1	182,902	1	1,019	-
<b>Total</b>	<b>2,338,077</b>	<b>100</b>	<b>11,970,759</b>	<b>100</b>	<b>18,496,313</b>	<b>100</b>	<b>385,071</b>	<b>100</b>

## **16. SEGMENTAL REPORTING (Cont'd)**

### **Notes to Segmental Analysis**

#### **16a. 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, water, on-site logistics and solid waste management to industrial and municipal customers. Key activities in the energy sector include power generation and retail, process steam production and supply, as well as natural gas import, supply and retail. In the water sector, the business offers wastewater treatment as well as the production and supply of reclaimed, desalinated and potable water and water for industrial use.
- (ii) The Marine segment focuses principally on providing integrated solutions for the marine and offshore industry. Key capabilities include rigs & floaters; repairs & upgrades; offshore platforms and specialized 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) 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.

#### **16b. Geographical Segments**

The Group operates in ten principal geographical areas: Singapore, Rest of ASEAN & Australia, China, India, 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.

#### **16c. Review of segment performance**

Please refer to Paragraph 11 for analysis by operating segments.

## 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)

1Q16

\$'000

### Sale of Goods and Services

Temasek Holdings (Private) Limited and its Associates	
- Accuron Technologies Limited and its Associates	105
- PSA International Pte Ltd and its Associates	1,414
- Singapore Power Limited and its Associates	6,185
- Temasek Capital (Private) Limited and its Associates	4,378
- Wildlife Reserves Singapore Pte Ltd and its Associates	238
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	12,320
Olam International Ltd and its Associates	858
Starhub Ltd and its Associates	633
SATS Ltd and its Associates	101
Singapore Airlines Limited and its Associates	410
Singapore Technologies Engineering Ltd and its Associates	1,372
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	15,694

### Purchase of Goods and Services

Temasek Holdings (Private) Limited and its Associates	
- Mapletree Investments Pte Ltd and its Associates	166
- Singapore Power Limited and its Associates	1,282
- Temasek Capital (Private) Limited and its Associates <sup>1</sup>	84,206
	<hr/>
	85,654

### Management and Support Services

Temasek Holdings (Private) Limited and its Associates	
- Temasek Capital (Private) Limited and its Associates	1,909
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103,257

#### 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. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL**

We, Ang Kong Hua, and Tang Kin Fei, 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 first quarter ended March 31, 2016 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 first quarter ended March 31, 2016.

On behalf of the board of directors

**Ang Kong Hua**  
Chairman

**Tang Kin Fei**  
Director

**BY ORDER OF THE BOARD**

**Kwong Sook May (Ms)**  
Company Secretary  
May 4, 2016