



SEMBCORP INDUSTRIES LTD
Registration Number: 199802418D

SECOND QUARTER AND HALF YEAR ENDED JUNE 30, 2015 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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SEMBCORP INDUSTRIES LTD

UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED JUNE 30, 2015

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the second quarter and half year ended June 30, 2015.

On February 13, 2015, Sembcorp acquired a 60% stake in Green Infra Limited (SGI), a renewable energy company in India with a wind and solar portfolio. Consequently, SGI's financials were consolidated into the Group's financial statements.

1. GROUP INCOME STATEMENT

	Note	GROUP			GROUP		
		2Q15 \$'000	2Q14 \$'000	+ / (-) %	1H15 \$'000	1H14 \$'000	+ / (-) %
Turnover	2a	2,387,948	2,533,758	(5.8)	4,726,025	5,160,803	(8.4)
Cost of sales	2a	(2,034,943)	(2,199,788)	(7.5)	(4,084,475)	(4,514,172)	(9.5)
Gross profit	2a	353,005	333,970	5.7	641,550	646,631	(0.8)
General & administrative expenses	2b	(90,587)	(87,054)	4.1	(175,177)	(170,315)	2.9
Other income	2c	70,802	16,184	337.5	90,522	34,067	165.7
Other expense (net)	2d	(27,362)	(9,207)	197.2	(37,384)	(8,979)	316.3
Finance income	2e	6,459	4,232	52.6	12,170	9,165	32.8
Finance costs	2e	(56,550)	(16,552)	241.7	(87,797)	(34,728)	152.8
Share of results of associates and joint ventures, net of tax	2f	58,541	44,162	32.6	98,550	97,507	1.1
Profit before tax		314,308	285,735	10.0	542,434	573,348	(5.4)
Tax expense	2g	(41,144)	(41,143)	0.0	(81,613)	(84,173)	(3.0)
Profit for the period		273,164	244,592	11.7	460,821	489,175	(5.8)
Attributable to:							
Owners of the Company		223,563	179,047	24.9	365,774	363,895	0.5
Non-controlling interests		49,601	65,545	(24.3)	95,047	125,280	(24.1)
		273,164	244,592	11.7	460,821	489,175	(5.8)
Earnings per ordinary share (cents)							
	2h						
- basic		12.19	9.87	23.5	20.02	20.12	(0.5)
- diluted		12.09	9.79	23.5	19.88	19.98	(0.5)
Economic value added	2i	66,577	119,301	(44.2)	61,096	234,904	(74.0)

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

2a. Turnover, Cost of Sales

	GROUP			GROUP		
	2Q15 \$'000	2Q14 \$'000	+ / (-) %	1H15 \$'000	1H14 \$'000	+ / (-) %
Turnover	2,387,948	2,533,758	(5.8)	4,726,025	5,160,803	(8.4)
Cost of sales	(2,034,943)	(2,199,788)	(7.5)	(4,084,475)	(4,514,172)	(9.5)
Gross profit	353,005	333,970	5.7	641,550	646,631	(0.8)
Included in Cost of sales:-						
Depreciation and amortisation (i)	(98,486)	(72,426)	36.0	(182,845)	(143,790)	27.2

Group turnover – refer to Page 18, note 11.

Group gross profit increased by 6% in 2Q15 against 2Q14 mainly due to higher contribution from Utilities and Marine.

Higher gross profit from Utilities came mainly from its India operations, with Thermal Powertech Corporation India Limited (TPCIL) commenced commercial operation in 2Q15 and SGI acquired in February 2015. These contributions have more than offset the lower contribution from Utilities' Singapore operations due to the continued intense competition in the power markets and low oil prices recorded during the period.

Marine's gross profit was higher in 2Q15 mainly due to higher contribution from offshore and conversion projects and repair business, offset by lower contribution from rig building projects.

- (i) Depreciation and amortisation in 2Q15 was higher mainly due to Utilities' Singapore new cogen facilities that commenced operations in 4Q14, commencement of operations for TPCIL in 2Q15 and acquisition of SGI.

2b. General & administrative expenses

	GROUP			GROUP		
	2Q15 \$'000	2Q14 \$'000	+ / (-) %	1H15 \$'000	1H14 \$'000	+ / (-) %
General & administrative expenses	(90,587)	(87,054)	4.1	(175,177)	(170,315)	2.9
Included in general & administrative expenses:-						
Depreciation and amortisation	(4,417)	(4,371)	1.1	(9,189)	(8,606)	6.8
(Allowance for) / Write-back of doubtful debts and bad debts (i)	(2,075)	787	NM	(3,611)	196	NM

General & administrative expenses for 2Q15 were higher primarily due to higher allowance for doubtful debts. 2Q14 was a net write-back.

- (i) Allowance for doubtful debts in 2Q15 mainly pertained to Marine.

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

2c. Other income

	GROUP			GROUP		
	2Q15 \$'000	2Q14 \$'000	+ / (-) %	1H15 \$'000	1H14 \$'000	+ / (-) %
Other income	70,802	16,184	337.5	90,522	34,067	165.7
Included in other income: -						
Dividend income	557	1,116	(50.1)	747	1,194	(37.4)
Gain on disposal of subsidiary (i)	54,706	-	NM	54,706	-	NM

(i) Gain on disposal of subsidiary pertained to the gain on sale of Sembcorp Bournemouth Water Investment (SBWI) in April 2015.

2d. Other expense (net)

	GROUP			GROUP		
	2Q15 \$'000	2Q14 \$'000	+ / (-) %	1H15 \$'000	1H14 \$'000	+ / (-) %
Other expense (net)	(27,362)	(9,207)	197.2	(37,384)	(8,979)	316.3
Included in other expense (net): -						
Changes in fair value of financial instruments (i)	(8,023)	1,277	NM	(18,259)	2,412	NM
Changes in fair value of available-for-sale assets	(122)	55	NM	64	(116)	NM
Foreign exchange loss (ii)	(17,604)	(10,441)	68.6	(16,873)	(11,094)	52.1

(i) Changes in fair value of financial instruments in 2Q15 was mainly due to Marine's losses on foreign currency forward contracts and the Group's wholly-owned subsidiary's gain on foreign exchange swap contracts.

(ii) Foreign exchange loss in 2Q15 arose mainly from Marine's revaluation of assets and liabilities denominated in Euro, United States dollar and Brazilian Real to Singapore dollar against the foreign exchange rate as at the previous quarter. The foreign exchange loss also arose from the Group's wholly-owned subsidiary's revaluation of assets and liabilities denominated in United States dollar and Pound Sterling which are hedged.

2e. Finance income and finance costs

	GROUP			GROUP		
	2Q15 \$'000	2Q14 \$'000	+ / (-) %	1H15 \$'000	1H14 \$'000	+ / (-) %
Finance income	6,459	4,232	52.6	12,170	9,165	32.8
Finance costs (i)	(56,550)	(16,552)	241.7	(87,797)	(34,728)	152.8

(i) Higher finance costs in 2Q15 was mainly due to consolidation of SGI's interest expense following the acquisition, commencement of operations for TPCIL and Marine's higher bank borrowings.

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

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

The Group recorded higher share of results from associates and joint ventures in 2Q15 compared to 2Q14 mainly due to higher contribution from Utilities' operations in China from the write-back of doubtful debt provisions upon receipts of government subsidies for renewable energy for the Wind entities and higher contribution from Vietnam. There were also higher contribution from Urban Development's China operations, partially offset by lower contribution from Marine's associates.

2g. Tax expense

Included in tax expense are the following:	GROUP			GROUP		
	2Q15 \$'000	2Q14 \$'000	+ / (-) %	1H15 \$'000	1H14 \$'000	+ / (-) %
Tax expense						
- Net write-back of tax in respect of prior years	112	575	(80.5)	1,683	1,906	(11.7)

2h. Earnings per ordinary share

Earnings per ordinary share of the Group based on net profit attributable to the owners of the Company, less distribution to holders of perpetual securities:	Group			Group		
	2Q15	2Q14	+ / (-) %	1H15	1H14	+ / (-) %
(i) Based on the weighted average number of shares (in cents)	12.19	9.87	23.5	20.02	20.12	(0.5)
- Weighted average number of shares (in million)	1,786.7	1,787.0	(0.0)	1,785.8	1,785.9	(0.0)
(ii) On a fully diluted basis (in cents)	12.09	9.79	23.5	19.88	19.98	(0.5)
- Adjusted weighted average number of shares (in million)	1,801.9	1,801.5	0.0	1,798.1	1,798.4	(0.0)

2i. Economic Value Added

Net operating profit after tax ("NOPAT") for 2Q15 was \$297.3 million (2Q14: \$265.9 million).

The capital charge for 2Q15 was \$230.7 million (2Q14: \$146.6 million), significantly higher as a result of capital employed for building up of our capacities through capital expenditure and new investments which are either not operating yet or in its early operating stage. The consolidation of both TPCIL and SGI have increased the capital in 2015.

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		GROUP	
	2Q15	2Q14	1H15	1H14
Note	\$'000	\$'000	\$'000	\$'000
Profit for the period	273,164	244,592	460,821	489,175
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(i) (189,621)	(31,727)	42,466	(15,843)
Exchange differences on monetary items forming part of net investment in foreign operation	(3,759)	221	1,329	(2,030)
Net change in fair value of cash flow hedges	(ii) 62,559	9,339	27,138	9,225
Net change in fair value of cash flow hedges transferred to profit or loss	(iii) 18,170	(1,657)	49,606	(2,371)
Net change in fair value of available-for-sale financial assets	(iv) (5,834)	23,726	(4,522)	34,177
Share of other comprehensive income of associates and joint ventures	(2,603)	(3,836)	(39,357)	(3,223)
	<u>(121,088)</u>	<u>(3,934)</u>	<u>76,660</u>	<u>19,935</u>
Items that may not be reclassified subsequently to profit or loss:				
Defined benefit plan actuarial (losses) and gains	1,354	880	(5,130)	1,630
Other comprehensive income for the period, net of tax	<u>(119,734)</u>	<u>(3,054)</u>	<u>71,530</u>	<u>21,565</u>
Total comprehensive income for the period	<u>153,430</u>	<u>241,538</u>	<u>532,351</u>	<u>510,740</u>
Attributable to:				
Owners of the Company	129,093	176,541	422,886	384,238
Non-controlling interests	24,337	64,997	109,465	126,502
Total comprehensive income for the period	<u>153,430</u>	<u>241,538</u>	<u>532,351</u>	<u>510,740</u>

3a. Notes to Consolidated Statement of Comprehensive Income

- (i) The movement in foreign currency translation reserves in 2Q15 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 gain of cash flow hedges in 2Q15 was primarily due to changes in fair value on foreign currency forward contracts and fuel oil 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 of Marine and Urban Development.

4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 30/6/2015 \$'000	As at 31/12/2014 \$'000	As at 30/6/2015 \$'000	As at 31/12/2014 \$'000
Non-current assets				
Property, plant and equipment	8,465,558	7,725,423	595,913	606,245
Investment properties	23,249	23,579	-	-
Investments in subsidiaries	-	-	2,117,682	1,999,357
Interests in associates and joint ventures	2,267,913	2,074,394	-	-
Other financial assets	331,204	314,933	-	-
Long-term receivables and prepayments	457,748	467,340	14,364	14,440
Intangible assets	428,214	390,566	21,679	21,857
Deferred tax assets	49,810	49,706	-	-
	<u>12,023,696</u>	<u>11,045,941</u>	<u>2,749,638</u>	<u>2,641,899</u>
Current assets				
Inventories and work-in-progress	3,100,309	3,204,912	10,952	11,200
Trade and other receivables	1,805,507	1,200,336	138,862	157,075
Tax recoverable	10,283	8,514	-	-
Assets held for sale	24,437	24,437	-	-
Other financial assets	54,767	30,825	-	-
Cash and cash equivalents	1,717,293	1,661,427	406,020	198,395
	<u>6,712,596</u>	<u>6,130,451</u>	<u>555,834</u>	<u>366,670</u>
Total assets	<u>18,736,292</u>	<u>17,176,392</u>	<u>3,305,472</u>	<u>3,008,569</u>
Current liabilities				
Trade and other payables	2,617,461	2,745,363	142,662	286,636
Excess of progress billings over work-in-progress	759,237	1,028,587	-	5
Provisions	86,613	73,714	18,309	13,416
Other financial liabilities	86,295	165,930	-	1,558
Current tax payable	262,364	257,826	52,762	41,009
Interest-bearing borrowings	1,540,283	1,086,003	8	8
	<u>5,352,253</u>	<u>5,357,423</u>	<u>213,741</u>	<u>342,632</u>
Net current assets	<u>1,360,343</u>	<u>773,028</u>	<u>342,093</u>	<u>24,038</u>
Non-current liabilities				
Deferred tax liabilities	414,632	413,680	53,394	53,298
Provisions	65,572	105,423	593	593
Other financial liabilities	105,833	106,472	-	-
Retirement benefit obligations	10,811	15,658	-	-
Interest-bearing borrowings	4,295,788	3,648,578	-	3
Other long-term liabilities	245,885	296,884	283,126	482,846
	<u>5,138,521</u>	<u>4,586,695</u>	<u>337,113</u>	<u>536,740</u>
Total liabilities	<u>10,490,774</u>	<u>9,944,118</u>	<u>550,854</u>	<u>879,372</u>
Net assets	<u>8,245,518</u>	<u>7,232,274</u>	<u>2,754,618</u>	<u>2,129,197</u>
Equity attributable to owners of the Company:-				
Share capital	565,572	565,572	565,572	565,572
Other reserves	(47,493)	(130,297)	(16,186)	(22,386)
Revenue reserve	5,134,075	4,978,291	1,402,602	1,383,446
	<u>5,652,154</u>	<u>5,413,566</u>	<u>1,951,988</u>	<u>1,926,632</u>
Perpetual securities	802,630	202,565	802,630	202,565
	<u>6,454,784</u>	<u>5,616,131</u>	<u>2,754,618</u>	<u>2,129,197</u>
Non-controlling interests	<u>1,790,734</u>	<u>1,616,143</u>	<u>-</u>	<u>-</u>
Total equity	<u>8,245,518</u>	<u>7,232,274</u>	<u>2,754,618</u>	<u>2,129,197</u>

Footnote:

The Group Balance Sheet as at June 30, 2015, included the consolidation of SGI, which was acquired in February 2015 (Note 5b).

4. BALANCE SHEETS (Cont'd)

4a. Group's borrowings and debt securities

	As at 30/6/2015 \$'000	As at 31/12/2014 \$'000
Amount repayable:		
(i) <u>In one year or less, or on demand</u>		
Interest-bearing borrowings		
Secured	584,870	545,630
Unsecured	955,413	540,373
	<u>1,540,283</u> *	<u>1,086,003</u>
(ii) <u>Between one to five years</u>		
Interest-bearing borrowings		
Secured	521,271	330,041
Unsecured	1,638,024	1,039,394
	<u>2,159,295</u>	<u>1,369,435</u>
(iii) <u>After five years</u>		
Interest-bearing borrowings		
Secured	971,797	799,841
Unsecured	1,164,696	1,479,302
	<u>2,136,493</u>	<u>2,279,143</u>
Total	<u>5,836,071</u>	<u>4,734,581</u>
(iv) <u>The secured loans are collateralised by the following assets' net book value:-</u>		
	As at 30/6/2015 \$'000	As at 31/12/2014 \$'000
Net assets and equity shares of subsidiaries, and property, plant and equipment	<u>3,032,379</u>	<u>2,323,180</u>

* Marine has secured adequate committed long term banking facilities to refinance its short-term borrowings as they fall due; while TPCIL has facility approved to refinance its short-term borrowings for its power plant with local currency financing.

4b. Net asset value

	Group		Company	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	3.61	3.15	1.54	1.19

4c. Explanatory Notes to Balance Sheets

The Group Balance Sheet as at June 30, 2015, included the consolidation of SGI, which was acquired in February 2015 (Note 5b). As at June 30, 2015, the assets and liabilities of SBWI were de-consolidated after the sale in April 2015. Besides the above, significant variances for balance sheets items are explained as follows:

4. BALANCE SHEETS (Cont'd)

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

(i) Group

Net current assets

“Trade and other receivables” increased also due to Marine’s billings to a customer in accordance with the contract terms for ongoing projects and an amount of \$379.5 million was subsequently received on July 1, 2015.

“Excess of progress billings over work-in-progress” decreased mainly due to timing of billing for rig building projects.

“Provisions” increased mainly due to Utilities’ allowance for claims and Marine’s allowance for warranty.

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

“Interest-bearing borrowings” increased also due to Marine’s borrowings for working capital and capital expenditures for the new yard in Brazil. Marine has secured adequate committed long term banking facilities to refinance its short-term borrowings as they fall due; while TPCIL has facility approved to refinance its short-term borrowings for its power plant with local currency financing.

Non-current liabilities

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

“Retirement benefit obligations” decreased mainly due to write-back of provision for employee benefits from UK operations.

“Interest bearing borrowings” increased mainly due to Marine’s borrowings for working capital and capital expenditures.

Equity

The deficit in “Other reserves” was reduced primarily due to gain on foreign currency translation mainly due to appreciation of United States dollar and Renminbi against Singapore dollar and gain on fair value on fuel oil swaps and foreign currency forward contracts.

“Perpetual securities” amounting to \$600 million were issued by the Company on May 20, 2015. The perpetual securities are subordinated, cumulative and coupon payments are at the option of the Company, subject to terms and conditions of the securities issue. These perpetual securities are classified as equity instruments and recorded in equity.

(ii) Company

Net current assets

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

“Cash and cash equivalents” increased mainly due to issuance of perpetual securities, partially offset by payments of dividends to shareholders and repayment of amount owing to a wholly owned subsidiary.

“Trade and other payables” decreased mainly due to repayment of amount owing to a wholly owned subsidiary.

Non-current liabilities

“Other long-term liabilities” decreased mainly due to repayment of amount owing to a wholly owned subsidiary.

5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP		GROUP	
		2Q15 \$'000	2Q14 \$'000	1H15 \$'000	1H14 \$'000
Cash flows from Operating Activities					
Profit for the period		273,164	244,592	460,821	489,175
Adjustments for :					
Dividend		(557)	(1,116)	(747)	(1,194)
Finance income		(6,459)	(4,232)	(12,170)	(9,165)
Finance costs		56,550	16,552	87,797	34,728
Depreciation and amortisation		102,903	76,797	192,034	152,396
Share of results of associates and joint ventures, net of tax		(58,541)	(44,162)	(98,550)	(97,507)
Gain on disposal of property, plant and equipment and other financial assets		(477)	(267)	(724)	(512)
Loss on disposal of intangible assets		-	-	9	-
Gain on disposal of investments in subsidiary		(54,706)	-	(54,706)	-
Changes in fair value of financial instruments		8,145	(1,332)	18,195	(2,296)
Equity settled share-based compensation expenses		4,736	5,843	9,962	13,713
Allowance made for impairment in value of assets and assets written off (net)		140	493	254	893
Tax expense		41,144	41,143	81,613	84,173
Operating profit before working capital changes		366,042	334,311	683,788	664,404
Changes in working capital:					
Inventories and work-in-progress		(254,244)	(84,975)	(164,147)	434,775
Receivables		(538,459)	(71,361)	(503,777)	(13,982)
Payables		78,480	(210,630)	(204,616)	(300,422)
		(348,181)	(32,655)	(188,752)	784,775
Tax paid		(51,207)	(42,900)	(71,705)	(64,238)
Net cash (outflow) / inflow from operating activities		(399,388)	(75,555)	(260,457)	720,537
Cash flows from Investing Activities					
Dividend received		13,126	1,191	23,580	29,348
Interest received		2,359	4,073	7,604	8,987
Proceeds from sale of investments		-	-	-	7,250
Proceeds from sale of other financial assets		295	-	9,066	-
Proceeds from sale of property, plant and equipment		262	1,061	652	1,538
Proceeds from sale of intangible assets		-	-	1	-
Proceeds from disposal of interests in a subsidiary, net of cash disposed of	5c	190,044	-	190,044	-
Loan repayment from a joint venture		1,727	985	2,001	4,020
Loan to a joint venture		-	(161)	(16,124)	(161)
Non-trade balances with related corporations and external parties, net of repayment		(5,254)	(476)	(21,416)	(4,611)
Acquisition of subsidiary, net of cash acquired	5b	-	-	(213,636)	-
Acquisition of / additional investments in associates and joint ventures		(41,423)	(35,710)	(123,640)	(172,357)
Money placed in an Escrow account for additional investment in a joint venture		-	-	-	(53,422)
Acquisition of other financial assets		(6,954)	(5,897)	(7,133)	(6,263)
Purchase of property, plant and equipment		(300,533)	(247,413)	(690,745)	(476,365)
Payment for intangible assets		(451)	(374)	(762)	(1,367)
Net cash outflow from investing activities		(146,802)	(282,721)	(840,508)	(663,403)
Cash flows from Financing Activities					
Proceeds from share issued to non-controlling interest of a subsidiary		1,272	-	28,199	757
Proceeds from share options exercised with issue of treasury shares		230	185	254	1,186
Proceeds from share options exercised with issue of treasury shares of a subsidiary		981	260	1,378	401
Purchase of treasury shares		-	-	(1,264)	(8,508)
Purchase of treasury shares by subsidiary		(475)	(1,606)	(10,980)	(11,579)
Proceeds from issue of perpetual securities, net of transaction costs		596,775	-	596,775	-
Proceeds from borrowings		639,599	316,455	1,204,882	563,077
Repayment of borrowings		(220,444)	(201,315)	(283,327)	(204,046)
Payment on finance leases		(3,306)	(893)	(3,723)	(1,234)
Acquisition of non-controlling interests		-	-	(7,814)	-
Unclaimed dividends		(1)	-	(1)	-
Dividends paid to owners of the Company		(196,528)	(303,774)	(196,528)	(303,774)
Dividends paid to non-controlling interests of subsidiaries		(75,907)	(80,626)	(80,779)	(89,061)
Perpetual securities distribution paid		-	-	(5,041)	(5,041)
Interest paid		(55,596)	(20,350)	(93,202)	(30,798)
Net cash inflow / (outflow) from financing activities		686,600	(291,664)	1,148,829	(88,620)
Net increase/ (decrease) in cash and cash equivalents		140,410	(649,940)	47,864	(31,486)
Cash and cash equivalents at beginning of the period		1,595,532	2,880,668	1,659,434	2,255,865
Effect of exchange rate changes on balances held in foreign currency		(20,722)	(15,008)	7,922	(8,659)
Cash and cash equivalents at end of the period		1,715,220	2,215,720	1,715,220	2,215,720

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:

	Group	
	30/6/2015	31/12/2014
	\$'000	\$'000
Fixed deposits with banks	435,520	306,151
Cash and bank balances	1,281,773	1,355,276
Cash and cash equivalents in the balance sheets	1,717,293	1,661,427
Bank overdrafts	(2,073)	(1,993)
Cash and cash equivalents in the consolidated statement of cash flows	<u>1,715,220</u>	<u>1,659,434</u>

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

	1H15
	\$'000
a. Effect on cash flows of the Group	
Cash paid	232,483
Less: Cash and cash equivalents in subsidiary acquired	<u>(18,847)</u>
Cash outflow on acquisition	<u>213,636</u>
b. Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	720,815
Other financial assets	39,539
Long-term receivables and prepayments	30,385
Intangible assets	46,303
Trade and other receivables	25,136
Tax Recoverable	3,548
Cash and cash equivalents	<u>18,847</u>
Total assets	<u>884,573</u>
Trade and other payables	86,692
Other financial liabilities	109
Current tax payable	775
Interest-bearing borrowings	443,627
Deferred tax liabilities	24,595
Retirement benefit obligations	<u>96</u>
Total liabilities	<u>555,894</u>
Net identifiable assets	328,679
Less: Non-controlling interests	(134,496)
Add: Goodwill	<u>38,300</u>
Consideration transferred for the business	<u>232,483</u>

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

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

5c. **Cash flow on sale of SBWI, net of cash disposed of**

	GROUP 2Q15 / 1H15 \$'000
Property, plant and equipment	359,011
Long-term receivables	10,026
Intangible assets	37,717
Deferred tax assets	19
Inventories and work-in-progress	340
Trade & other receivables	21,789
Cash & Cash equivalent	23,422
Trade & other payables	(22,369)
Current tax payable	(468)
Deferred tax liabilities	(44,613)
Provisions	3,345
Retirement benefit obligations	(1,664)
Interest bearing borrowings	(178,540)
Other long-term liabilities	(61,495)
Net assets derecognised	146,520
Realisation of currency translation reserve upon disposal	12,240
	158,760
Gain on disposal	54,706
Consideration received, satisfied in cash	213,466
Less: Cash and cash equivalents disposed of	(23,422)
Net cash inflow	190,044

5d. **Explanatory Notes to Consolidated Statement of Cash Flows**

(i) **Second 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 2Q15 was \$146.8 million, mainly for purchase of Marine's and Utilities' property, plant and equipment; and Utilities' additional investment in a joint venture in India, partially offset by the proceeds from disposal of SBWI.

(ii) **Half Year**

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 1H15 was \$840.5 million, mainly for acquisition of SGI, purchase of Marine's and Utilities' property, plant and equipment; and Utilities' additional investment in a joint venture in India, partially offset by the proceeds from disposal of SBWI.

(iii) **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											
	Share capital	Other reserves				Revenue reserve	Perpetual securities	Non-controlling			Total equity	
		Reserve for own shares	Currency translation		Others			Total	Total	interests		Total
			reserve									
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
1Q15												
At January 1, 2015	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		
Total comprehensive income												
Profit for the period	-	-	-	-	142,211	142,211	-	142,211	45,446	187,657		
Other comprehensive income												
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 transferred 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		
Total comprehensive income	-	-	183,609	(25,543)	135,727	293,793	-	293,793	85,128	378,921		
Transactions with owners of the Company, recognised directly in equity												
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)		
Total transactions with owners	-	10,535	-	(6,725)	(2,497)	1,313	(2,544)	(1,231)	138,804	137,573		
At March 31, 2015	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		
2Q15												
Total comprehensive income												
Profit for the period	-	-	-	-	223,563	223,563	-	223,563	49,601	273,164		
Other comprehensive income												
Foreign currency translation differences for foreign operations	-	-	(143,977)	-	-	(143,977)	-	(143,977)	(45,644)	(189,621)		
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(3,759)	-	-	(3,759)	-	(3,759)	-	(3,759)		
Net change in fair value of cash flow hedges	-	-	-	41,420	-	41,420	-	41,420	21,139	62,559		
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	17,770	-	17,770	-	17,770	400	18,170		
Net change in fair value of available-for-sale financial assets	-	-	-	(4,675)	-	(4,675)	-	(4,675)	(1,159)	(5,834)		
Defined benefit plan actuarial gains and losses	-	-	-	-	1,354	1,354	-	1,354	-	1,354		
Share of other comprehensive of associates and joint ventures	-	-	-	(2,603)	-	(2,603)	-	(2,603)	-	(2,603)		
Total other comprehensive income	-	-	(147,736)	51,912	1,354	(94,470)	-	(94,470)	(25,264)	(119,734)		
Total comprehensive income	-	-	(147,736)	51,912	224,917	129,093	-	129,093	24,337	153,430		
Transactions with owners of the Company, recognised directly in equity												
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	1,272	1,272		
Issue of perpetual securities	-	-	-	-	-	-	596,775	596,775	-	596,775		
Share-based payments	-	-	-	3,976	-	3,976	-	3,976	760	4,736		
Treasury shares transferred to employees	-	948	-	(718)	-	230	-	230	-	230		
Treasury shares of a subsidiary	-	-	-	310	-	310	-	310	197	507		
Realisation of reserve upon disposal of subsidiaries	-	-	12,240	-	-	12,240	-	12,240	-	12,240		
Realisation of reserve upon liquidation of subsidiary	-	-	(4)	-	-	(4)	-	(4)	-	(4)		
Accrued perpetual securities distribution	-	-	-	-	(5,834)	(5,834)	5,834	-	-	-		
Dividend paid	-	-	-	-	(196,528)	(196,528)	-	(196,528)	(75,907)	(272,435)		
Unclaimed dividends	-	-	-	-	(1)	(1)	-	(1)	-	(1)		
Total transactions with owners	-	948	12,236	3,568	(202,363)	(185,611)	602,609	416,998	(73,678)	343,320		
At June 30, 2015	565,572	(3,558)	(152,352)	108,417	5,134,075	5,652,154	802,630	6,454,784	1,790,734	8,245,518		

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

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

	Attributable to owners of the Company										
	Other reserves					Total	Perpetual securities	Non-controlling		Total equity	
	Share capital	Currency			Revenue reserve			Total	interests		Total
		Reserve for own shares	translation reserve	Others							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
1Q14											
At January 1, 2014	565,572	(13,877)	(333,798)	246,445	4,563,136	5,027,478	202,970	5,230,448	1,299,546	6,529,994	
Total comprehensive income											
Profit for the period	-	-	-	-	184,848	184,848	-	184,848	59,735	244,583	
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	13,494	-	-	13,494	-	13,494	2,390	15,884	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(2,251)	-	-	(2,251)	-	(2,251)	-	(2,251)	
Net change in fair value of cash flow hedges	-	-	-	(2,263)	-	(2,263)	-	(2,263)	2,149	(114)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(656)	-	(656)	-	(656)	(58)	(714)	
Net change in fair value of available-for-sale financial assets	-	-	-	13,162	-	13,162	-	13,162	(2,711)	10,451	
Defined benefit plan actuarial gains and losses	-	-	-	-	750	750	-	750	-	750	
Share of other comprehensive of associates and joint ventures	-	-	-	613	-	613	-	613	-	613	
Total other comprehensive income, net of tax	-	-	11,243	10,856	750	22,849	-	22,849	1,770	24,619	
Total comprehensive income	-	-	11,243	10,856	185,598	207,697	-	207,697	61,505	269,202	
Transactions with owners of the Company, recognised directly in equity											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	757	757	
Share-based payments	-	-	-	7,101	-	7,101	-	7,101	769	7,870	
Purchase of treasury shares	-	(8,508)	-	-	-	(8,508)	-	(8,508)	-	(8,508)	
Treasury shares transferred to employees	-	18,727	-	(17,726)	-	1,001	-	1,001	-	1,001	
Treasury shares of a subsidiary	-	-	-	(5,960)	-	(5,960)	-	(5,960)	(3,872)	(9,832)	
Realisation of reserve upon sale of investment held for sale	-	-	-	-	-	-	-	-	(4,830)	(4,830)	
Perpetual securities distribution paid	-	-	-	-	-	-	(5,041)	(5,041)	-	(5,041)	
Accrued perpetual securities distribution	-	-	-	-	(1,967)	(1,967)	1,967	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	(8,435)	(8,435)	
Unclaimed dividends	-	-	-	-	5	5	-	5	-	5	
Total transactions with owners	-	10,219	-	(16,585)	(1,962)	(8,328)	(3,074)	(11,402)	(15,611)	(27,013)	
At March 31, 2014	565,572	(3,658)	(322,555)	240,716	4,746,772	5,226,847	199,896	5,426,743	1,345,440	6,772,183	
2Q14											
Total comprehensive income											
Profit for the period	-	-	-	-	179,047	179,047	-	179,047	65,545	244,592	
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	(23,925)	-	-	(23,925)	-	(23,925)	(7,802)	(31,727)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	221	-	-	221	-	221	-	221	
Net change in fair value of cash flow hedges	-	-	-	6,844	-	6,844	-	6,844	2,495	9,339	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(1,590)	-	(1,590)	-	(1,590)	(67)	(1,657)	
Net change in fair value of available-for-sale financial assets	-	-	-	18,900	-	18,900	-	18,900	4,826	23,726	
Defined benefit plan actuarial gains and losses	-	-	-	-	880	880	-	880	-	880	
Share of other comprehensive of associates and joint ventures	-	-	-	(3,836)	-	(3,836)	-	(3,836)	-	(3,836)	
Total other comprehensive income, net of tax	-	-	(23,704)	20,318	880	(2,506)	-	(2,506)	(548)	(3,054)	
Total comprehensive income	-	-	(23,704)	20,318	179,927	176,541	-	176,541	64,997	241,538	
Transactions with owners of the Company, recognised directly in equity											
Share-based payments	-	-	-	5,065	-	5,065	-	5,065	778	5,843	
Treasury shares transferred to employees	-	876	-	(691)	-	185	-	185	-	185	
Treasury shares of a subsidiary	-	-	-	(817)	-	(817)	-	(817)	(529)	(1,346)	
Accrued perpetual securities distribution	-	-	-	-	(2,524)	(2,524)	2,524	-	-	-	
Dividend paid	-	-	-	-	(303,774)	(303,774)	-	(303,774)	(80,626)	(384,400)	
Unclaimed dividends	-	-	-	-	(1)	(1)	-	(1)	-	(1)	
Total transactions with owners	-	876	-	3,557	(306,299)	(301,866)	2,524	(299,342)	(80,377)	(379,719)	
At June 30, 2014	565,572	(2,782)	(346,259)	264,591	4,620,400	5,101,522	202,420	5,303,942	1,330,060	6,634,002	

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

6c. Changes in the Company's share capital

Issued and paid up capital

As at June 30, 2015, the Company's issued and paid up capital excluding treasury shares comprises 1,786,758,089 (December 31, 2014: 1,784,228,491) ordinary shares.

Share Options

During 2Q15, 91,500 (2Q14: 76,500) share options under the Company's Share Option Plan ("SOP") were exercised and settled by way of issuance of treasury shares.

As at June 30, 2015, there were 569,799 (June 30, 2014: 720,674) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

Performance Shares

During 2Q15, 800,000 (2Q14: 625,000) performance shares were awarded under the Company's Performance Share Plan ("PSP"), nil (2Q14: nil) performance shares were released and nil (2Q14: nil) were lapsed.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at June 30, 2015, was 2,050,000 (June 30, 2014: 2,004,862). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,075,000 (June 30, 2014: 3,007,293) performance shares.

Restricted Shares

During 2Q15, 3,200,700 (2Q14: 2,374,300) restricted shares were awarded under the Restricted Share Plan ("RSP"), 126,153 (2Q14: 94,323) restricted shares were released and 33,387 (2Q14: 37,868) restricted shares were lapsed. Of the restricted shares released, 119,000 (2Q14: 94,323) were settled by way of issuance of treasury shares and 7,153 (2Q14: nil) restricted shares were cash-settled.

The total number of restricted shares outstanding, including awards achieved but not released, as at end June 30, 2015 was 7,900,396 (June 30, 2014: 7,421,061). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 5,306,800 (June 30, 2014: 4,424,000). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 7,960,200 (June 30, 2014: 6,636,000) restricted shares.

Treasury shares

During 2Q15, the Company acquired nil (2Q14: nil) ordinary shares in the Company by way of on-market purchases. 210,500 (2Q14: 170,823) treasury shares were re-issued pursuant to the SOP and RSP.

As at June 30, 2015, 789,643 (June 30, 2014: 542,507) 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, 2014.

10. CHANGES IN ACCOUNTING POLICIES

The following new/amended FRSs have become effective from January 1, 2015.

Amendments to FRS 19 Employee Benefit Plans: Employee Contributions

Improvements to FRSs (January 2014)

- FRS 16 Property, Plant and Equipment
- FRS 38 Intangible Assets
- FRS 24 Related Party Disclosures
- FRS 102 Share-based Payment
- FRS 103 Business Combinations
- FRS 108 Operating Segments

Improvements to FRSs (February 2014)

- FRS 103 Business Combinations
- FRS 113 Fair Value Measurements
- FRS 40 Investment Property

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 \$365.8 million in 1H15 compared to 1H14's net profit of \$363.9 million, while turnover decreased 8% to \$4.7 billion from \$5.2 billion the previous year. In 2Q15, the Group's net profit grew 25% to \$223.6 million from \$179.0 million in 2Q14, while turnover decreased 6% to \$2.4 billion.

Turnover

	2Q15	2Q14	Growth		1H15	1H14	Growth	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Utilities	1,123,569	1,157,550	(33,981)	(3)	2,081,957	2,371,088	(289,131)	(12)
Marine	1,207,306	1,340,128	(132,822)	(10)	2,510,776	2,674,618	(163,842)	(6)
Urban Development	1,934	2,087	(153)	(7)	3,344	3,395	(51)	(2)
Others/Corporate	55,139	33,993	21,146	62	129,948	111,702	18,246	16
	2,387,948	2,533,758	(145,810)	(6)	4,726,025	5,160,803	(434,778)	(8)

The Utilities' turnover in 2Q15 and 1H15 were lower primarily due to Singapore operations' lower HSFO prices recorded during the period, partially mitigated by higher contribution from India operations from the commencement of TPCIL's operations and acquisition of SGI.

Marine's turnover for 2Q15 decreased mainly due to lower revenue recognition for rig building projects, mitigated by higher revenue recognition for offshore and conversion projects and higher revenue for ship repair business. Turnover for 1H15 decreased mainly due to the lower revenue recognition for rig building projects and lower average revenue per repair vessel despite the increase in the number of ships repaired, mitigated by higher revenue recognition for offshore and conversion projects.

Turnover of Others/Corporate was mainly contributed by a subsidiary dealing in specialized construction activities. Increase in turnover in 2Q15 and 1H15 was mainly due to recognition of projects with higher contract values compared to the previous year.

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

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

	2Q15	2Q14	Growth		1H15	1H14	Growth	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Utilities	141,454	92,785	48,669	53	215,986	184,397	31,589	17
Marine	66,716	79,767	(13,051)	(16)	131,380	154,065	(22,685)	(15)
Urban Development	11,910	4,802	7,108	148	12,979	24,331	(11,352)	(47)
Others/Corporate	3,483	1,693	1,790	106	5,429	1,102	4,327	393
	223,563	179,047	44,516	25	365,774	363,895	1,879	1

The Utilities business achieved a 17% growth in net profit in 1H15 with net profit growing to \$216.0 million from \$184.4 million mainly due the gain on divestment of SBWI. Excluding the gain on divestment of SBWI, the business' net profit for 1H15 was lower due to the continued intense competition in the Singapore power market and the low oil prices. However, its overseas operations continued to report steady profit.

Marine's net profit for 2Q15 and 1H15 decreased mainly due to lower contribution from rig building projects, higher finance costs and lower associates and joint ventures contributions.

Urban Development's net profit for 2Q15 increased mainly due to higher contribution from its Nanjing and Chengdu projects in China. 1H15's lower net profit were mainly due to higher contribution from its Nanjing project in 1H14.

Net profit for Others/Corporate increased in 1H15 mainly due to lower personnel related costs and 1H14's higher finance costs.

12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

13. PROSPECTS

Utilities

2015 is expected to be challenging for the Singapore energy business with continued intense competition in the power market as well as low oil prices. The overseas business is expected to continue to deliver a steady performance. The first unit of TPCIL power plant in India commenced operation in 1Q2015, and the plant will be in full operation by 3Q2015.

Marine

The persistently low oil prices have escalated the ongoing cuts in global exploration and production expenditure. Some customers are deferring or seeking to defer the delivery of their ordered rigs. While the new order outlook for offshore exploration vessels remains bleak, the business has benefitted from its strategy to diversify its product offering in addition to drilling solutions.

Brazil's oil and gas industry remains fraught in uncertainty. The Marine business continues to engage with its customers to find the best way forward for its projects and to explore all options including slowing down construction.

The Marine business has a net orderbook of S\$10.9 billion. This includes S\$1.35 billion in contracts secured to-date in 2015. While the business faces many challenges ahead, it will continue to actively manage its balance sheet to maintain a healthy financial position. Following the transformation into an integrated business, Sembcorp Marine will optimise its capabilities and capacities, as well as increase its efficiency and productivity.

Urban Development

In 2015, the Urban Development business is expected to deliver a performance comparable to 2014.

Group

Despite the challenges of a low oil price environment and a mixed global economic outlook for 2015, the Group, underpinned by sound business fundamentals and a healthy pipeline of projects, remains committed to delivering long-term value and growth.

The Group remains focused on project execution, as well as on enhancing operational excellence and efficiency, to manage costs and maximise earnings.

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**

(a) **Current Financial Period Reported On**

	2015
Name of Dividend	Interim Ordinary Exempt-1-Tier
Dividend Type	Cash
Dividend Amount (cents per shares)	5.0

(b) **Corresponding Period of the Immediately Preceding Financial Year**

	2014
Name of Dividend	Interim Ordinary Exempt-1-Tier
Dividend Type	Cash
Dividend Amount (cents per shares)	5.0

(c) **Date payable**

The interim dividend will be paid on September 1, 2015.

(d) **Books closure date**

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on August 19, 2015 to determine the shareholders' entitlements to the proposed dividend. Duly completed transfers of shares received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01 Singapore 068902, up to 5.00 p.m. on August 18, 2015 (the "Book Closure Date") will be registered to determine shareholders' entitlements to the proposed dividend. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Book Closure Date will be entitled to the proposed dividend.

15. SEGMENTAL REPORTING

1H15

(i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External sales	2,081,957	2,510,776	3,344	129,948	-	4,726,025
Inter-segment sales	14,603	477	2,115	1,725	(18,920)	-
Total	2,096,560	2,511,253	5,459	131,673	(18,920)	4,726,025
Results						
Segment results	241,303	285,678	(4,978)	(2,492)	-	519,511
Finance income	8,968	4,747	22	28,497	(30,064)	12,170
Finance costs	(69,375)	(20,728)	(1,419)	(26,339)	30,064	(87,797)
	180,896	269,697	(6,375)	(334)	-	443,884
Share of results of associates and joint ventures	69,091	1,252	20,362	7,845	-	98,550
	249,987	270,949	13,987	7,511	-	542,434
Tax expense	(29,148)	(48,986)	(451)	(3,028)	-	(81,613)
Non-controlling interests	(4,853)	(90,583)	(557)	946	-	(95,047)
Net profit for the period	215,986	131,380	12,979	5,429	-	365,774
Assets						
Segment assets	8,284,029	8,036,453	362,549	1,888,148	(2,162,893)	16,408,286
Investment in associates and joint ventures	1,078,097	497,604	593,471	98,741	-	2,267,913
Tax assets	51,183	8,335	485	90	-	60,093
Total assets	9,413,309	8,542,392	956,505	1,986,979	(2,162,893)	18,736,292
Liabilities						
Segment liabilities	5,056,654	5,046,784	174,045	1,699,188	(2,162,893)	9,813,778
Tax liabilities	403,604	257,062	1,024	15,306	-	676,996
Total liabilities	5,460,258	5,303,846	175,069	1,714,494	(2,162,893)	10,490,774
Capital expenditure	304,814	419,702	2,658	1,835	-	729,009
Significant non-cash items						
Depreciation and amortisation	124,424	62,412	805	4,393	-	192,034
Allowance for impairment in value of assets and assets written off (net)	247	7	-	-	-	254

(ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	2,125,288	45	4,402,947	37	10,121,350	54	236,465	32
Rest of ASEAN & Australia	186,089	4	803,751	7	829,771	5	11,073	2
China	77,006	2	1,577,399	13	1,856,627	10	22,155	3
India	118,742	2	3,317,431	27	3,713,843	20	204,477	28
Middle East & Africa	57,398	1	391,746	3	442,595	2	1,086	-
UK	218,529	5	202,261	2	356,884	2	11,269	2
Rest of Europe	1,261,448	27	234,329	2	248,800	1	-	-
Brazil	40,741	1	949,343	8	993,513	5	239,587	33
U.S.A.	532,587	11	4,938	-	6,805	-	101	-
Other Countries	108,197	2	139,551	1	166,104	1	2,796	-
Total	4,726,025	100	12,023,696	100	18,736,292	100	729,009	100

15. SEGMENTAL REPORTING (Cont'd)

1H14

(i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External sales	2,371,088	2,674,618	3,395	111,702	-	5,160,803
Inter-segment sales	19,533	1,481	2,066	8,986	(32,066)	-
Total	2,390,621	2,676,099	5,461	120,688	(32,066)	5,160,803
Results						
Segment results	196,988	304,152	(4,164)	4,428	-	501,404
Finance income	6,083	5,328	49	23,756	(26,051)	9,165
Finance costs	(24,281)	(6,055)	(670)	(29,773)	26,051	(34,728)
	178,790	303,425	(4,785)	(1,589)	-	475,841
Share of results of associates and joint ventures	47,305	14,626	30,233	5,343	-	97,507
	226,095	318,051	25,448	3,754	-	573,348
Tax expense	(31,385)	(49,608)	(357)	(2,823)	-	(84,173)
Non-controlling interests	(10,313)	(114,378)	(760)	171	-	(125,280)
Net profit for the period	184,397	154,065	24,331	1,102	-	363,895
Assets						
Segment assets	4,928,279	6,966,772	317,152	1,430,947	(1,686,595)	11,956,555
Investment in associates and joint ventures	1,021,771	465,862	520,843	78,363	-	2,086,839
Tax assets	51,084	9,168	3,821	131	-	64,204
Total assets	6,001,134	7,441,802	841,816	1,509,441	(1,686,595)	14,107,598
Liabilities						
Segment liabilities	2,727,244	4,278,525	167,106	1,348,894	(1,686,595)	6,835,174
Tax liabilities	375,025	246,287	2,206	14,904	-	638,422
Total liabilities	3,102,269	4,524,812	169,312	1,363,798	(1,686,595)	7,473,596
Capital expenditure	124,317	345,784	83	2,105	-	472,289
Significant non-cash items						
Depreciation and amortisation	91,644	55,862	750	4,140	-	152,396
Allowance for impairment in value of assets and assets written off (net)	796	97	-	-	-	893

(ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	2,470,829	48	4,279,404	49	9,102,849	65	165,238	35
Rest of ASEAN & Australia	379,944	7	736,227	8	769,878	5	9,422	2
China	70,332	1	1,321,314	15	1,515,416	11	4,577	1
India	15,872	1	261,701	3	310,470	2	-	-
Middle East & Africa	55,437	1	309,788	4	411,240	3	2,230	-
UK	269,436	5	703,107	8	841,873	6	12,546	3
Rest of Europe	1,019,847	20	227,535	3	240,675	2	-	-
Brazil	-	-	688,528	8	748,212	5	274,770	58
U.S.A.	503,060	10	4,454	-	6,006	-	-	-
Other Countries	376,046	7	140,338	2	160,979	1	3,506	1
Total	5,160,803	101	8,672,396	100	14,107,598	100	472,289	100

15. SEGMENTAL REPORTING (Cont'd)

Notes to Segmental Analysis

15a. 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 in the repair, building and conversion of ships and rigs, and offshore engineering and construction.
- (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.

15b. 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.

15c. Review of segment performance

Please refer to Paragraph 11 for analysis by operating segments.

16. 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)

	2Q15	1H15
	\$'000	\$'000
<u>Sale of Goods and Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- Accuron Technologies Limited and its Associates	413	676
- Mapletree Investments Pte Ltd and its Associates	392	2,872
- PSA International Pte Ltd and its Associates	1,549	2,993
- Singapore Power Limited and its Associates	561	1,122
- Singapore Technologies Telemedia Pte Ltd and its Associates	136	136
- Temasek Capital (Private) Limited and its Associates	1,136	2,335
- Wildlife Reserves Singapore Pte Ltd and its Associates	846	1,382
	<hr/>	<hr/>
	5,033	11,516
Starhub Ltd and its Associates	2,321	4,259
Singapore Airlines Limited and its Associates	1,288	2,485
Singapore Technologies Engineering Ltd and its Associates	5,191	8,235
STATS ChipPAC Ltd and its Associates	202	202
	<hr/>	<hr/>
	14,035	26,697
<u>Purchase of Goods and Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- Mapletree Investments Pte Ltd and its Associates	3,124	3,124
- Singapore Power Limited and its Associates	1,230	2,445
- Temasek Capital (Private) Limited and its Associates ¹	163,600	312,599
	<hr/>	<hr/>
	167,954	318,168
Singapore Technologies Engineering Ltd and its Associates	-	441
	<hr/>	<hr/>
	167,954	318,609
<u>Management and Support Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates	-	1,759
	<hr/>	<hr/>
	181,989	347,065
	<hr/>	<hr/>

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.

17. 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 second quarter and half year ended June 30, 2015 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 second quarter and half year ended June 30, 2015.

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
August 4, 2015