



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

**FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2009 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

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## SEMBCORP INDUSTRIES LTD

### UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2009

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the fourth quarter and full year ended December 31, 2009.

#### 1. GROUP INCOME STATEMENT

	Note	GROUP			GROUP		
		4Q09 \$'000	4Q08 \$'000	+ / (-) %	FY09 \$'000	FY08 \$'000	+ / (-) %
<b>Turnover</b>	2a	<b>2,416,974</b>	<b>2,693,635</b>	<b>(10.3)</b>	<b>9,572,408</b>	<b>9,928,413</b>	<b>(3.6)</b>
Cost of sales	2a	(1,878,391)	(2,353,785)	(20.2)	(8,222,294)	(8,896,422)	(7.6)
<b>Gross profit</b>	2a	<b>538,583</b>	<b>339,850</b>	<b>58.5</b>	<b>1,350,114</b>	<b>1,031,991</b>	<b>30.8</b>
General & administrative expenses	2b	(104,285)	(68,875)	51.4	(295,063)	(264,599)	11.5
<b>Operating profit</b>		<b>434,298</b>	<b>270,975</b>	<b>60.3</b>	<b>1,055,051</b>	<b>767,392</b>	<b>37.5</b>
Non-operating income (net)	2c	54,108	(30,521)	NM	94,877	56,613	67.6
Finance costs	2d	(9,767)	(7,585)	28.8	(41,186)	(44,407)	(7.3)
Share of results (net of tax) of:							
- Associates	2e	(82)	(24,733)	(99.7)	43,629	80,872	(46.1)
- Joint ventures	2f	19,587	13,058	50.0	65,913	45,224	45.7
<b>Profit before income tax expense</b>		<b>498,144</b>	<b>221,194</b>	<b>125.2</b>	<b>1,218,284</b>	<b>905,694</b>	<b>34.5</b>
Income tax expense	2g	(89,005)	(30,896)	188.1	(202,981)	(130,951)	55.0
<b>Profit for the period / year before exceptional items</b>		<b>409,139</b>	<b>190,298</b>	<b>115.0</b>	<b>1,015,303</b>	<b>774,743</b>	<b>31.1</b>
Exceptional items	2h	-	(43,749)	(100.0)	-	(43,749)	(100.0)
<b>Profit for the period / year</b>		<b>409,139</b>	<b>146,549</b>	<b>179.2</b>	<b>1,015,303</b>	<b>730,994</b>	<b>38.9</b>
<b>Attributable to:</b>							
Shareholders of the Company							
Profit before exceptional items		258,983	127,773	102.7	682,664	533,989	27.8
Exceptional items	2h	-	(26,928)	(100.0)	-	(26,928)	(100.0)
<b>Profit attributable to shareholders of the Company</b>		<b>258,983</b>	<b>100,845</b>	<b>156.8</b>	<b>682,664</b>	<b>507,061</b>	<b>34.6</b>
Minority interests		150,156	45,704	228.5	332,639	223,933	48.5
		<b>409,139</b>	<b>146,549</b>	<b>179.2</b>	<b>1,015,303</b>	<b>730,994</b>	<b>38.9</b>
<b>Earnings per ordinary shares (cents)</b>	2i						
<b>Before exceptional items</b>							
- basic		14.55	7.19	102.4	38.37	30.02	27.8
- diluted		14.44	7.14	102.2	38.10	29.77	28.0
<b>After exceptional items</b>							
- basic		14.55	5.67	156.6	38.37	28.50	34.6
- diluted		14.44	5.64	156.0	38.10	28.27	34.8
<b>Economic Value Added</b>	2j	<b>372,799</b>	<b>111,858</b>	<b>233.3</b>	<b>770,476</b>	<b>510,658</b>	<b>50.9</b>

NM - Not Meaningful

## 2. Notes to Consolidated Income Statement

### 2a. Turnover, Cost of Sales

	GROUP			GROUP		
	4Q09	4Q08	+ / (-)	FY09	FY08	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Turnover	2,416,974	2,693,635	(10.3)	9,572,408	9,928,413	(3.6)
Cost of sales	(1,878,391)	(2,353,785)	(20.2)	(8,222,294)	(8,896,422)	(7.6)
Gross profit	538,583	339,850	58.5	1,350,114	1,031,991	30.8
Included in Cost of sales:-						
Depreciation and amortisation (i)	(50,910)	(43,962)	15.8	(183,215)	(180,949)	1.3
Allowance made for impairment losses - property, plant and equipment (ii)	(4,703)	58	NM	(4,736)	(7,807)	(39.3)
Property, plant and equipment written off	(1,218)	-	NM	(2,937)	-	NM

Group turnover – refer to Page 15, note 11.

Group gross profit increased by 59% and 31% in 4Q09 and FY09 respectively. The better gross profit was mainly contributed by Marine. Marine's record gross profit in 4Q 2009 and FY 2009 was primarily due to higher margins from rig building projects arising from combination of operational efficiency, execution of projects ahead of schedule and resumption of margin recognition for some of the projects.

- (i) Higher depreciation charge in 4Q09 was due to new projects completed in 4Q09.
- (ii) The impairment charges made for part of plant and machinery was mainly due to reconfiguration of our Environment business.

### 2b. General & administrative expenses

	GROUP			GROUP		
	4Q09	4Q08	+ / (-)	FY09	FY08	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
General & administrative expenses	(104,285)	(68,875)	51.4	(295,063)	(264,599)	11.5
Included in general & administrative expenses:-						
Depreciation and amortisation (i)	(4,249)	(3,390)	25.3	(16,488)	(14,120)	16.8
Write-back of / (Allowance for) doubtful debts and bad debts (ii)	5,920	(3,953)	NM	(450)	(1,528)	(70.5)
Allowance made for impairment losses - property, plant and equipment (iii)	(5,950)	-	NM	(9,164)	(69)	NM
- interests in other investment (iv)	(5,670)	(486)	NM	(13,206)	(486)	NM
Property, plant and equipment written off (v)	(2,086)	(894)	133.3	(3,154)	(917)	243.9

General and administrative expenses ("G&A") expenses increased by 51% and 12% in 4Q09 and FY09 respectively mainly due to higher personnel related costs from Marine.

- (i) Higher depreciation charge in 4Q09 and FY09 mainly arose from Marine.
- (ii) Write-back of doubtful debts in 4Q09 relates to recovery of loan and receivables by Industrial Parks. 4Q08 included specific allowance made for doubtful debts mainly by Marine. FY09 included a provision made for a UK customer placed under administration.

## 2 Notes to Consolidated Income Statement (Cont'd)

### 2b. General & administrative expenses (Cont'd)

- (iii) Higher 4Q09 impairment made to fixed assets mainly by Marine. FY09 included fixed assets impaired by Marine and Utilities' China operations.
- (iv) 4Q09 and FY09 included impairment made to investments by Marine.
- (v) 4Q09 and FY09 included property, plant and equipment written off mainly by Marine.

### 2c. Non-operating income

	GROUP			GROUP		
	4Q09 \$'000	4Q08 \$'000	+ / (-) %	FY09 \$'000	FY08 \$'000	+ / (-) %
Non-operating income	54,108	(30,521)	NM	94,877	56,613	67.6
Included in non-operating income: -						
Dividend income	3	506	(99.4)	8,379	9,771	(14.2)
Gain on disposal of investments (i)	1,900	4,516	(57.9)	3,853	5,052	(23.7)
Other income (ii)	23,341	8,736	167.2	52,045	51,486	1.1
Interest income (iii)	24,087	9,762	146.7	33,974	35,772	(5.0)
Changes in fair value of financial instruments (iv)	1,002	(28,040)	NM	2,475	(37,935)	NM
Foreign exchange gain / (loss) (v)	1,281	(24,958)	NM	(2,494)	(19,564)	(87.3)
Gain on sale of property, plant & equipment and investment properties (vi)	2,959	245	NM	1,794	18,393	(90.2)

- (i) 4Q09 and FY09 included a gain on divestment of certain Environment's businesses. A gain on disposal of an overseas investment was made by Industrial Parks in 4Q08 and FY08.
- (ii) Other income included scrap sale, sale of strategic diesel and other non-operating income. Gains on sale of strategic diesel were recorded in 2Q08, 1Q09 and 4Q09.
- (iii) Higher interest income in 4Q09 was attributable mainly to interest received for deferred payment granted to Marine's customers.
- (iv) 4Q09 and FY09 included fair value adjustments of foreign currency forward contracts.
- (v) Exchange gain in 4Q09 and exchange loss in FY09 arose mainly from Marine and Utilities' Singapore operations arising from the revaluation of United States dollar against Singapore dollar.
- (vi) 4Q09 included gain on sale of fixed assets by Utilities' UK operations. FY08 included gain from the transfer of transmission and distribution pipeline assets to PowerGas Ltd.

### 2d. Finance Costs

In 4Q09, finance costs was higher mainly due to higher average borrowings. However, finance costs was lower in FY09 mainly due to lower borrowing balances from Marine.

### 2e. Share of results (net of tax) of Associates

Share of results of associates improved in 4Q09 compared to 4Q08, mainly due to improved performance in Cosco Shipyard Group Co. Ltd and higher earnings by Utilities' operations in the UAE.

The Group recorded lower results from associates in FY09, mainly due to substantially lower contribution from Cosco Shipyard Group Co. Ltd. partially offset by better performance from Utilities' operations in the UAE.

## 2. Notes to Consolidated Income Statement (Cont'd)

### 2f. Share of results (net of tax) of Joint Ventures

Share of results of joint ventures increased in 4Q09 and FY09, mainly due to better performance from our operations in Vietnam. Our joint ventures in China also performed better in FY09.

### 2g. Income Tax expense

	GROUP			GROUP		
	4Q09 \$'000	4Q08 \$'000	+ / (-) %	FY09 \$'000	FY08 \$'000	+ / (-) %
Income tax						
- Net (under) / write-back of an over provision of tax in respect of prior years	(5,516)	5,982	NM	(6,154)	13,255	NM
- Group Tax Relief	5,242	7,824	(33.0)	5,926	10,145	(41.6)
Deferred tax						
- Write-back of provision for deferred tax due to reduction in corporate tax rate from 18% to 17%	-	-	-	8,681	-	NM

### 2h. Exceptional Items

	GROUP			GROUP		
	4Q09 \$'000	4Q08 \$'000	+ / (-) %	FY09 \$'000	FY08 \$'000	+ / (-) %
Foreign exchange losses arising from settlement of unauthorised forex transactions in Marine	-	(43,749)	(100.0)	-	(43,749)	(100.0)
Less : Minority interests	-	16,821	(100.0)	-	16,821	(100.0)
	-	(26,928)	(100.0)	-	(26,928)	(100.0)

### 2i. Earnings per ordinary share

	Group			Group		
	4Q09	4Q08	+ / (-) %	FY09	FY08	+ / (-) %
Earnings per ordinary share of the Group based on net profit attributable to the shareholders of the Company:						
(i) Based on the weighted average number of shares (in cents)						
(a) Before exceptional items	14.55	7.19	102.4	38.37	30.02	27.8
(b) After exceptional items	14.55	5.67	156.6	38.37	28.50	34.6
- Weighted average number of shares (in million)	1,780.0	1,776.9	0.2	1,779.1	1,778.9	-
(ii) On a fully diluted basis (in cents)						
(a) Before exceptional items	14.44	7.14	102.2	38.10	29.77	28.0
(b) After exceptional items	14.44	5.64	156.0	38.10	28.27	34.8
- Adjusted weighted average number of shares (in million)	1,794.1	1,788.8	0.3	1,791.6	1,793.8	(0.1)

### 2j. Economic Value Added

Higher Economic Value Added ("EVA") was generated in 4Q09 and FY09 mainly due to higher net operating profit after tax ("NOPAT") arising from increase in operating profits.

## 2. Notes to Consolidated Income Statement (Cont'd)

### 2k. Breakdown of sales

	GROUP		
	FY09 \$'000	FY08 \$'000	+ / (-) %
<b>First Half Year</b>			
(i) Sales reported	4,578,088	4,733,411	(3%)
(ii) Profit after tax before deducting minority interests reported	393,500	366,007	8%
<b>Second Half Year</b>			
(iii) Sales reported	4,994,320	5,195,002	(4%)
(iv) Profit after tax before deducting minority interests reported	621,803	364,987	70%

## 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		GROUP	
	4Q09 \$'000	4Q08 \$'000	FY09 \$'000	FY08 \$'000
<b>Profit for the period / year</b>	<b>409,139</b>	<b>146,549</b>	<b>1,015,303</b>	<b>730,994</b>
Translation adjustments	(33,187)	(71,449)	(10,562)	(84,439)
Share of other comprehensive income / (expense) of associates and joint venture companies	2,529	(71,280)	68,699	(76,585)
Exchange differences on hedge of net investment in a foreign operation	-	-	(1,744)	-
Exchange differences on monetary items forming part of net investment in foreign operation	(2,145)	-	(2,145)	-
Net fair value changes of cash flow hedges	20,154	(84,017)	127,624	(161,519)
Net fair value changes of cash flow hedges transferred to initial carrying value of hedged items	(59)	-	(22)	-
Net fair value changes of cash flow hedges transferred to the income statement	(7,077)	25,499	21,396	(16,270)
Net fair value changes of available-for-sale financial assets	(1,486)	(59,961)	20,534	(452,965)
Net fair value changes of available-for-sale financial assets transferred to the income statement	5,670	-	13,210	(725)
Other comprehensive (expense) / income for the period / year	(15,601)	(261,208)	236,990	(792,503)
<b>Total comprehensive income / (expense) for the period / year</b>	<b>393,538</b>	<b>(114,659)</b>	<b>1,252,293</b>	<b>(61,509)</b>
<b>Attributable to:</b>				
Shareholders of the Company	251,468	(132,041)	894,315	(94,197)
Minority interest	142,070	17,382	357,978	32,688
<b>Total comprehensive income / (expense) for the period / year</b>	<b>393,538</b>	<b>(114,659)</b>	<b>1,252,293</b>	<b>(61,509)</b>

#### 4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 31/12/2009 \$'000	As at 31/12/2008 \$'000	As at 31/12/2009 \$'000	As at 31/12/2008 \$'000
<b>Equity attributable to shareholders of the Company:-</b>				
Share capital	554,037	554,037	554,037	554,037
Surplus / (Deficit) in other reserves	203,569	(42,381)	(831)	(12,111)
Accumulated profits	2,562,352	2,082,541	1,026,088	879,454
	<u>3,319,958</u>	<u>2,594,197</u>	<u>1,579,294</u>	<u>1,421,380</u>
<b>Minority interests</b>	915,577	670,660	-	-
Total equity	<u>4,235,535</u>	<u>3,264,857</u>	<u>1,579,294</u>	<u>1,421,380</u>
<b>Non-current assets</b>				
Property, plant and equipment	2,694,076	2,498,577	482,675	485,403
Investment properties	26,603	25,959	-	-
Investments in subsidiaries	-	-	1,435,506	1,486,570
Interests in associates	618,829	564,388	-	-
Interests in joint ventures	311,721	280,816	-	-
Other financial assets	193,924	146,080	-	-
Long-term receivables and prepayments	349,554	231,401	821	940
Intangible assets	114,239	114,771	19,036	19,036
Deferred tax assets	27,525	35,217	-	-
	<u>4,336,471</u>	<u>3,897,209</u>	<u>1,938,038</u>	<u>1,991,949</u>
<b>Current assets</b>				
Inventories and work-in-progress	1,415,255	949,846	9,335	9,353
Trade and other receivables	980,483	1,219,101	251,840	217,379
Assets held for sale	657	-	-	-
Bank balances, fixed deposits and cash	2,597,512	2,400,954	261,367	45,541
	<u>4,993,907</u>	<u>4,569,901</u>	<u>522,542</u>	<u>272,273</u>
<b>Current liabilities</b>				
Trade and other payables	2,444,545	2,621,434	153,129	316,534
Excess of progress billings over work-in-progress	717,409	975,033	-	-
Provisions	105,956	63,753	12,878	12,675
Current tax payable	380,598	249,882	-	-
Interest-bearing borrowings	284,372	285,768	83	-
	<u>3,932,880</u>	<u>4,195,870</u>	<u>166,090</u>	<u>329,209</u>
<b>Net current assets / (liabilities)</b>	<u>1,061,027</u>	<u>374,031</u>	<u>356,452</u>	<u>(56,936)</u>
	<u>5,397,498</u>	<u>4,271,240</u>	<u>2,294,490</u>	<u>1,935,013</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	315,505	271,960	56,848	50,671
Provisions	9,392	10,254	500	500
Retirement benefit obligations	12,516	13,552	-	-
Interest-bearing borrowings	595,417	522,550	339	-
Other long-term liabilities	229,133	188,067	657,509	462,462
	<u>1,161,963</u>	<u>1,006,383</u>	<u>715,196</u>	<u>513,633</u>
	<u>4,235,535</u>	<u>3,264,857</u>	<u>1,579,294</u>	<u>1,421,380</u>

## Notes to Group Balance Sheets:

### 4a. Net asset value

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net asset value per ordinary share based on issued share capital at the end of the financial year (in \$)	1.86	1.46	0.89	0.80
Net tangible asset value per ordinary share based on issued share capital at the end of the financial year (in \$)	1.80	1.39	0.88	0.79

### 4b. Changes in the Company's share capital

#### Issued and paid up capital

As at December 31, 2009, the Company's issued and paid up capital excluding treasury shares comprises 1,780,228,866 (December 2008: 1,776,973,673) ordinary shares.

#### Share Options

During 4Q09, the Company issued 441,000 ordinary shares for cash upon the exercise of the options under the Company's Share Option Plan ("SOP") by way of re-issuance of treasury shares (4Q08: 58,751 ordinary shares by way of issuance of treasury shares).

As at December 31, 2009, there were 7,717,411 (December 2008: 10,533,580) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

#### Performance Shares

During 4Q09, there was no performance share granted conditionally (4Q08: nil) under the Performance Share Plan ("PSP").

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at end 2009, was 2,640,862 (2008: 2,740,764). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,961,293 (2008: 4,111,146) performance shares.

#### Restricted Stocks

During 4Q09, no restricted stocks were granted conditionally (4Q08: nil) under the Restricted Share Plan ("RSP"). No restricted stocks (4Q08: 12,626) were vested and 19,641 (4Q08: 95,234) restricted stocks lapsed.

The total number of restricted shares outstanding, including awards achieved but not released, as at end 2009, was 5,038,846 (2008: 4,629,589). Of this, the total number of restricted stocks in awards granted conditionally and representing 100% of targets to be achieved, but not released was 4,077,962 (2008: 3,900,597). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 6,116,943 (2008: 5,491,236) restricted stocks.

#### Treasury shares

In 4Q09, the Company re-issued 441,000 (4Q08: 71,377) treasury shares pursuant to the SOP.

As at December 31, 2009, 5,122,674 (December 2008: 8,377,867) 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 stocks under the PSP and RSP respectively.



## Notes to Group Balance Sheets (cont'd)

### 4c. Borrowings and debt securities

	As at 31/12/2009 \$'000	As at 31/12/2008 \$'000
<b>Amount repayable:</b>		
(i) <u>In one year or less, or on demand</u>		
Secured	56,554	81,750
Unsecured	230,036	205,401
	<u>286,590</u>	<u>287,151</u>
(ii) <u>After one year</u>		
Secured	259,523	319,740
Unsecured	421,584	210,461
	<u>681,107</u>	<u>530,201</u>
Total	<u>967,697</u>	<u>817,352</u>

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

	As at 31/12/2009 \$'000	As at 31/12/2008 \$'000
Property, plant and equipment, capital work-in-progress and investment properties	<u>1,044,423</u>	<u>925,180</u>

#### (iv) Gearing Ratios

	As at 31/12/2009	As at 31/12/2008
Gross Gearing (times)	0.23	0.25
Net Gearing (times)	Net cash	Net cash

### 4d. Explanatory Notes to Balance Sheets

#### (i) Group

##### Equity

The increase in "Other reserves" was mainly due to (i) fair value gain on foreign currency forward and fuel oil swap contracts, (ii) fair value gain on Cosco Corporation (S) Ltd ("Cosco") shares held by Marine as well as (iii) the reversal of fair value loss residing in the share of reserves of associates following the repayment of the equity bridging loan ("EBL") by Emirates Sembcorp Water & Power Company ("ESWPC") in February 2009.

##### Non-current assets

"Interests in Associates and Joint Ventures" were higher because of increased investments in associates in the UAE and Australia, a new investment in China and the Group's share of profits made by the associates and joint ventures during the year. Increase in "Other financial assets" was mainly due to fair value adjustments for Cosco shares held by Marine. Increase in "Long-term receivables and prepayments" pertained mainly to the Changi NEWater plant constructed in a service concession arrangement and a long-term loan due from an associated company.

## **Notes to Group Balance Sheets (cont'd)**

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

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

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

“Inventories and work-in-progress” increased and “Excess of progress billings over work-in-progress” decreased significantly mainly due to increase in rig building, offshore and conversion projects.

“Trade and other receivables” and “Trade and other payables” were lower due to timing of receipts and payments respectively.

Increase in “Provisions” was mainly due to higher specific provisions for warranty and claims.

#### **(ii) Company**

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

“Bank balances, fixed deposits and cash” increased mainly due to more dividends received from a listed subsidiary and capital reduction in a subsidiary. The decrease in “Trade and other payables” relates to repayment of amount due to the Group’s wholly owned treasury subsidiary, Sembcorp Financial Services Pte Ltd (“SFS”).

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

Increase in “Other long-term liabilities” related to amount due to SFS.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP		GROUP	
		4Q09 \$'000	4Q08 \$'000	FY09 \$'000	FY08 \$'000
<b>Cash flows from Operating Activities</b>					
Profit for the period / year		409,139	146,549	1,015,303	730,994
Adjustments for :					
Dividend and interest income		(24,090)	(10,268)	(42,353)	(45,543)
Finance costs		9,767	7,585	41,186	44,407
Depreciation and amortisation		55,159	47,352	199,703	195,069
Share of results of associates and joint ventures		(19,505)	11,675	(109,542)	(126,096)
Gain on disposal of property, plant and equipment & investment properties		(2,959)	(245)	(1,794)	(18,393)
(Gain) / loss on disposal of other financial assets (net)		(1,900)	39,233	(3,853)	38,697
Allowance (written back) / made for doubtful debts and bad debts written off (net)		(5,920)	3,953	450	1,528
Allowance (written back) / made for stock obsolescence and inventories written off		(191)	1,614	430	2,465
Changes in fair value of financial instruments		(1,002)	28,040	(2,475)	37,935
Share-based expenses		14,501	6,060	27,996	31,253
Allowance made for impairment in value of assets and assets written off (net)		19,707	2,926	33,239	10,883
Negative goodwill		-	-	(298)	-
Income tax expenses		89,005	30,896	202,981	130,951
Operating profit before working capital changes		541,711	315,370	1,360,973	1,034,150
Changes in working capital:					
Inventories and work-in-progress		(324,066)	(47,766)	(723,148)	1,114,381
Receivables		527,949	708,118	163,778	6,803
Payables		(219,458)	(658,228)	163,052	195,370
Net payment to banks for unauthorised transactions		526,136	317,494	964,655	2,350,704
Income tax (paid) / received		(21,701)	269	(31,882)	(45,546)
Net cash inflow from operating activities		504,435	274,014	932,773	2,261,409
<b>Cash flows from Investing Activities</b>					
Dividends and interests received		62,358	61,157	98,871	120,720
Cash flows on sale of subsidiaries, net of cash disposed	5a	-	2,343	14	2,124
Proceeds from sale of associates and joint ventures		-	-	3,628	1,818
Proceeds from sale of investments		11,076	5,528	12,722	8,892
Proceeds from sale of property, plant and equipment		6,173	1,171	10,179	93,279
Proceeds from sale of investment properties		-	317	-	317
Proceeds from sale of asset held for sale		-	-	-	26,682
Loans to associates		-	-	(67,259)	-
Additional interest in associates		(26,525)	-	(111,885)	-
Acquisition of minority interest		-	-	(13,428)	-
Acquisition of associates and joint ventures		-	(815)	-	(1,495)
Acquisition of other financial assets		-	-	(32)	-
Purchase of property, plant and equipment		(286,536)	(106,580)	(407,423)	(361,705)
Payment for intangible assets		(5)	(6,082)	(18)	(6,438)
Net cash outflow from investing activities		(233,459)	(42,961)	(474,631)	(115,806)
<b>Cash flows from Financing Activities</b>					
Proceeds from share issue		-	-	-	2,763
Proceeds from share issue to minority shareholders of subsidiaries		920	-	1,097	10,778
Proceeds from ESOS exercised with issue of treasury shares		633	-	3,434	3,948
Proceeds from ESOS exercised with issue of treasury shares to minority shareholders of subsidiaries		3,015	305	10,452	10,915
Purchase of treasury shares		-	-	-	(50,825)
Purchase of treasury shares by subsidiary		-	-	-	(93,745)
Proceeds from borrowings		32,361	239,057	827,820	620,126
Repayment of borrowings		(44,012)	(346,084)	(764,328)	(1,059,198)
Net (decrease) / increase in other long term liabilities		(853)	10,837	(862)	220
Dividends paid to shareholders of the Company		-	-	(195,716)	(266,890)
Dividends paid to minority shareholders of subsidiaries		(5,615)	(32,129)	(110,273)	(129,968)
Interest paid		(16,769)	(11,455)	(38,334)	(45,335)
Net cash outflow from financing activities		(30,320)	(139,469)	(266,710)	(997,211)
<b>Net increase in cash and cash equivalents</b>		240,656	91,584	191,432	1,148,392
<b>Cash and cash equivalents at beginning of the period / year</b>		2,357,161	2,338,538	2,400,954	1,296,003
Effect of exchange rate changes on balances held in foreign currency		(305)	(29,168)	5,126	(43,441)
<b>Cash and cash equivalents at end of the period / year</b>		2,597,512	2,400,954	2,597,512	2,400,954

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

### 5a. Cash flows on sale of subsidiaries, net of cash disposed

The fair values of net assets and liabilities of subsidiaries sold during the period / year were as follows:

	Group		Group	
	4Q09	4Q08	FY09	FY08
	\$'000	\$'000	\$'000	\$'000
Non-current assets	-	-	246	22,067
Net current assets / (liabilities)	-	691	38	(9,650)
Non-current liabilities	-	-	-	(2,044)
Minority Interest	-	(691)	(188)	(8,257)
Loss on disposal	-	-	(14)	(597)
Currency translation reserve	-	-	-	824
Total cash consideration	-	-	82	2,343
Add: consideration received	-	2,343	-	-
Less: Cash & bank balances of subsidiaries disposed	-	-	(68)	(219)
Cash flows on sale of subsidiaries, net of cash disposed	-	2,343	14	2,124

### 5b. Explanatory Notes to Consolidated Statement of Cash Flows

Cash flows from operating activities before changes in working capital increased from \$1.0 billion in FY08 to \$1.4 billion in FY09. Net cash inflow from operating activities for FY09 decreased to \$932.8 million due to increased inventories and work-in-progress in Marine.

Net cash outflow from investing activities for FY09 was \$474.6 million. Spending of \$407.4 million on expansion and operational capex, \$111.9 million on equity interest into associates and \$67.3 million on shareholder's loan to an associate in FY09 were partially offset by dividend and interest received of \$98.9 million.

Net cash outflow from financing activities for FY09 of \$266.7 million related mainly to dividends and interest paid, partially offset by net proceeds from borrowings.

## 6. STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to shareholders of the Company								
	Share Capital	Surplus / (Deficit) in other reserves			Accumulated Profits	Total	Minority Interests	Total Equity	
		Reserve for own shares	Currency Translation						Others
			Reserve						
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>9M09</b>									
At January 1, 2009	554,037	(34,731)	(121,650)	114,000	2,082,541	2,594,197	670,660	3,264,857	
Issue of shares to minority shareholders of subsidiaries	-	-	-	-	-	-	177	177	
Treasury shares transferred to employees	-	11,666	-	(8,689)	-	2,977	(16)	2,961	
Treasury shares held by subsidiary	-	-	-	4,524	-	4,524	2,913	7,437	
Share-based payments	-	-	-	10,986	-	10,986	3,435	14,421	
Realisation of reserve upon disposal of investments and changes in group structure	-	-	532	-	(147)	385	(14,047)	(13,662)	
Dividends paid	-	-	-	-	(195,716)	(195,716)	(104,658)	(300,374)	
Total comprehensive income for the period	-	-	26,593	192,573	423,681	642,847	215,908	858,755	
At September 30, 2009	554,037	(23,065)	(94,525)	313,394	2,310,359	3,060,200	774,372	3,834,572	
<b>4Q09</b>									
Issue of shares to minority shareholders of subsidiaries	-	-	-	-	-	-	920	920	
Treasury shares transferred to employees	-	1,829	-	(978)	-	851	214	1,065	
Treasury shares held by subsidiary	-	-	-	1,883	-	1,883	1,132	3,015	
Share-based payments	-	-	-	6,587	-	6,587	2,493	9,080	
Realisation of reserve upon disposal of investments and changes in group structure	-	-	(672)	(506)	147	(1,031)	(9)	(1,040)	
Dividends paid	-	-	-	-	-	-	(5,615)	(5,615)	
Total comprehensive income for the period	-	-	(24,913)	24,535	251,846	251,468	142,070	393,538	
At December 31, 2009	554,037	(21,236)	(120,110)	344,915	2,562,352	3,319,958	915,577	4,235,535	
<b>Attributable to shareholders of the Company</b>									
	Attributable to shareholders of the Company								
	Share Capital	Surplus / (Deficit) in other reserves			Accumulated Profits	Total	Minority Interests	Total Equity	
		Reserve for own shares	Currency Translation						Others
			Reserve						
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>9M08</b>									
At January 1, 2008	551,274	-	(37,383)	676,831	1,842,096	3,032,818	797,211	3,830,029	
Issue of shares under Share Option Plan	2,763	-	-	-	-	2,763	-	2,763	
Issue of shares to minority shareholders of subsidiaries	-	-	-	-	-	-	10,778	10,778	
Share buyback - held as treasury shares	-	(50,825)	-	-	-	(50,825)	-	(50,825)	
Treasury shares transferred to employees	-	15,798	-	(11,322)	-	4,476	(214)	4,262	
Treasury shares held by subsidiary	-	-	-	(50,587)	-	(50,587)	(32,773)	(83,360)	
Share-based payments	-	-	-	13,893	-	13,893	3,630	17,523	
Realisation of reserve upon disposal of investments and changes in group structure	-	-	122	111	(116)	117	(11,529)	(11,412)	
Dividends paid	-	-	-	-	(266,890)	(266,890)	(97,839)	(364,729)	
Total comprehensive income for the period	-	-	(11,501)	(356,871)	406,216	37,844	15,306	53,150	
At September 30, 2008	554,037	(35,027)	(48,762)	272,055	1,981,306	2,723,609	684,570	3,408,179	
<b>4Q08</b>									
Treasury shares transferred to employees	-	296	-	(17,368)	-	(17,072)	(23)	(17,095)	
Treasury shares held by subsidiary	-	-	-	16,208	-	16,208	660	16,868	
Share-based payments	-	-	-	4,241	-	4,241	1,373	5,614	
Realisation of reserve upon disposal of investments and changes in group structure	-	-	(1,408)	270	390	(748)	(1,173)	(1,921)	
Dividends paid	-	-	-	-	-	-	(32,129)	(32,129)	
Total comprehensive income for the period	-	-	(71,480)	(161,406)	100,845	(132,041)	17,382	(114,659)	
At December 31, 2008	554,037	(34,731)	(121,650)	114,000	2,082,541	2,594,197	670,660	3,264,857	

## 6. STATEMENTS OF CHANGES IN EQUITY

### 6b. Statements of Changes in Equity of the Company

	Surplus / (Deficit) in other reserves				Total
	Share	Reserve for	Others	Accumulated	
	Capital	own shares		Profits	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>9M09</b>					
At January 1, 2009	554,037	(34,731)	22,620	879,454	1,421,380
Share-based payments	-	-	5,372	-	5,372
Treasury shares transferred to employees	-	11,666	(8,869)	-	2,797
Dividends paid	-	-	-	(195,716)	(195,716)
Total comprehensive income for the period	-	-	-	311,726	311,726
At September 30, 2009	<b>554,037</b>	<b>(23,065)</b>	<b>19,123</b>	<b>995,464</b>	<b>1,545,559</b>
<b>4Q09</b>					
Share-based payments	-	-	2,130	-	2,130
Treasury shares transferred to employees	-	1,829	(848)	-	981
Total comprehensive income for the period	-	-	-	30,624	30,624
At December 31, 2009	<b>554,037</b>	<b>(21,236)</b>	<b>20,405</b>	<b>1,026,088</b>	<b>1,579,294</b>

	Surplus / (Deficit) in other reserves				Total
	Share	Reserve for	Others	Accumulated	
	Capital	own shares		Profits	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>9M08</b>					
At January 1, 2008	551,274	-	23,699	884,427	1,459,400
Issue of shares under Share Option Plan	2,763	-	-	-	2,763
Share-based payments	-	-	8,548	-	8,548
Share buyback - held as treasury shares	-	(50,825)	-	-	(50,825)
Treasury shares transferred to employees	-	15,798	(11,873)	-	3,925
Dividends paid	-	-	-	(266,890)	(266,890)
Total comprehensive income for the period	-	-	-	252,686	252,686
At September 30, 2008	<b>554,037</b>	<b>(35,027)</b>	<b>20,374</b>	<b>870,223</b>	<b>1,409,607</b>
<b>4Q08</b>					
Share-based payments	-	-	2,460	-	2,460
Treasury shares transferred to employees	-	296	(214)	-	82
Total comprehensive income for the period	-	-	-	9,231	9,231
At December 31, 2008	<b>554,037</b>	<b>(34,731)</b>	<b>22,620</b>	<b>879,454</b>	<b>1,421,380</b>

**7. AUDIT**

These figures have not been audited or reviewed. However, our auditors have performed certain procedures and enquiries. The audit is in progress and has not yet been completed.

**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, 2008.

**10. CHANGES IN ACCOUNTING POLICIES**

With effect from January 1, 2009, the Group adopted the following new/amended FRS and INT FRS, which are relevant to the Group's operations:

FRS 1 (revised 2008)	Presentation of Financial Statements
FRS 23 (revised 2007)	Borrowing Costs
Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments	
FRS 108	Operating Segments
INT FRS 116	Hedges of a Net Investment in a Foreign Operation
Improvements to FRSs	

The adoption of the above FRS and INT FRS did not result in substantial changes to the Group's accounting policies.

## 11. REVIEW OF GROUP PERFORMANCE

### Group Overview

Sembcorp's good performance in FY2009 has demonstrated the resilience of our strategy and businesses.

In 4Q09, the Group's profit attributable to shareholders of the Company ("PATMI") before exceptional items was up 103% to \$259.0 million. The increase in PATMI was mainly contributed by Marine and Utilities. Our PATMI before exceptional items for the year grew by 28% to \$682.7 million whilst turnover was \$9.6 billion compared to \$9.9 billion in the previous year.

### Turnover

	<u>4Q09</u>	<u>4Q08</u>	<u>Growth</u>		<u>FY09</u>	<u>FY08</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	984,495	984,558	(63)	-	3,495,412	4,477,509	(982,097)	(22)
Marine	1,342,915	1,617,375	(274,460)	(17)	5,723,061	5,061,032	662,029	13
Environment	40,273	51,634	(11,361)	(22)	185,044	213,762	(28,718)	(13)
Industrial Parks	4,299	3,443	856	25	14,971	16,233	(1,262)	(8)
Others/Corporate	44,992	36,625	8,367	23	153,920	159,877	(5,957)	(4)
	<u>2,416,974</u>	<u>2,693,635</u>	<u>(276,661)</u>	<u>(10)</u>	<u>9,572,408</u>	<u>9,928,413</u>	<u>(356,005)</u>	<u>(4)</u>

Utilities' 4Q09 turnover, which included the construction revenue of Changi NEWater plant, stood at \$984.5 million, similar to the revenue recorded in 4Q08.

The reduction in FY09 Utilities' turnover was mainly from its Singapore and UK operations. Singapore's reduced turnover in FY09 was largely due to the drop in High Sulphur Fuel Oil ("HSFO") prices as the revenue is mainly indexed to HSFO. UK's FY09 turnover was affected by lower sales as a result of customers' closure of their facilities on-site and the weakening of pound sterling, which resulted in lower turnover in Singapore dollar terms. In addition, UK's turnover was impacted by the expiry of certain favourable supply contracts in March 2008.

Marine's 4Q09 turnover was lower than the corresponding period last year. The higher turnover in 4Q08 was due to the settlement of variation order for a turnkey conversion project. Higher turnover for FY09 was attributable to higher rig building activities.

Decrease in turnover for Environment in both 4Q09 and FY09 was primarily due to the divestment of certain businesses and lower sales tonnage and selling price of recyclables.

Revenue of Others/Corporate is mainly contributed by a subsidiary dealing in specialised construction activities. Fluctuations in turnover in 4Q09 and FY09 were due to timing difference in recognition of projects.



## 11. REVIEW OF GROUP PERFORMANCE (cont'd)

### Profit attributable to shareholders of the Company ("PATMI")

	<u>4Q09</u>	<u>4Q08</u>	<u>Growth</u>		<u>FY09</u>	<u>FY08</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	60,040	29,952	30,088	101	211,281	200,312	10,969	6
Marine	182,292	70,086	112,206	160	430,174	290,619	139,555	48
Environment	6,263	2,227	4,036	181	15,455	2,131	13,324	625
Industrial Parks	13,149	10,433	2,716	26	28,332	31,549	(3,217)	(10)
Others/Corporate	(2,761)	15,075	(17,836)	(118)	(2,578)	9,378	(11,956)	(128)
<b>PATMI before exceptional items</b>	<b>258,983</b>	<b>127,773</b>	<b>131,210</b>	<b>103</b>	<b>682,664</b>	<b>533,989</b>	<b>148,675</b>	<b>28</b>
Exceptional items (EI)	-	(26,928)	26,928	100	-	(26,928)	26,928	100
<b>PATMI</b>	<b>258,983</b>	<b>100,845</b>	<b>158,138</b>	<b>157</b>	<b>682,664</b>	<b>507,061</b>	<b>175,603</b>	<b>35</b>

NM - Not Meaningful

In 4Q09, Utilities' PATMI grew by 101%. Singapore operations performed very well during the quarter and its performance was further boosted by the sale of strategic diesel. Our Vietnam, UK and the UAE operations also performed well.

For FY09, Utilities' PATMI grew by 6% to \$211.3 million, with all countries showing a growth except for UK. Despite the difficult economic environment during the year, the Cogen unit in Singapore performed well, benefiting from higher margins despite undergoing major inspection and maintenance during the year. Further, it benefited from gains on sale of strategic diesel and lower corporate tax rate. UK's performance was lower due to customers' closure of their facilities on-site.

Increase in the Group's share of Marine's 4Q09 and FY09 PATMI was attributable to combination of operational efficiency, execution of projects ahead of schedule, resulting in better margins and resumption of margin recognition for some of the projects.

Environment's underlying business in Singapore has improved as a result of lower operational costs. Its 4Q09 and FY09 PATMI included tax refunds received and a gain on divestment of certain businesses; offset by impairment charges made for part of its plant and machinery. In FY08, an impairment was made for plant and machinery.

Industrial Park's PATMI in 4Q09 increased by 26% mainly due to higher land sales from its Vietnam industrial parks and provision written back due to recovery of loan and receivables. The decrease in Industrial Park's PATMI in FY09 was attributed to lower results from Gallant Venture and lower gain on disposal of investments; partially offset by higher rental income and better performance from the China industrial parks.

PATMI for Others/Corporate decreased in 4Q09 and FY09 primarily due to higher tax provision; partially offset by better performance from our offshore engineering business in FY09. 4Q08 included write-back of provision for doubtful debt and tax refund.

The exceptional item in FY08 related to Marine's unauthorised forex transactions.

**12. VARIANCE FROM PROSPECT STATEMENT**

There has been no significant variance in the operating performance of the Group as compared to previous statements.

**13. PROSPECTS**

The pace of global economic recovery in 2010 is likely to be muted. Notwithstanding this, Sembcorp remains committed to delivering a credible operating performance and satisfactory earnings.

In 2010, the performance of our Utilities' operations is expected to remain fairly steady excluding one-off items. Our Marine business has a net order book of S\$5.5 billion including S\$1.25 billion new orders secured in FY 2009, with completion and deliveries stretching till early 2012. In 2010, the Environment business is expected to maintain its 2009 performance, while the Industrial Parks business is expected to perform better.

*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 Year Reported On**

	<b>Proposed 2009 Final Ordinary Exempt-1-Tier</b>	<b>2009 Total</b>
Name of Dividend		
Dividend Type	Cash	Cash
Dividend Amount (cents per shares)	15.0	15.0

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

	<b>2008 Final Ordinary Exempt-1-Tier</b>	<b>2008 Total</b>
Name of Dividend		
Dividend Type	Cash	Cash
Dividend Amount (cents per shares)	11.0	11.0

**(c) Date payable**

The proposed final tax exempt 1-Tier dividend of 15.0 cents per ordinary share, if approved at the AGM to be held on April 22, 2010, will be paid on May 12, 2010.

**(d) Books closure date**

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on April 29, 2010. Duly completed transfers of shares received by the Company's Share Registrar, M&C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on April 28, 2010 will be registered to determine shareholders' entitlements to the proposed dividend.

**(e) Total Annual Dividend and Capital Distribution (in dollar value)**

	<b>FY09 \$'000</b>	<b>FY08 \$'000</b>
Final ordinary dividend*	267,034	195,467
Total	267,034	195,467

\*FY09 final dividend is estimated based on the share capital of 1,780,228,866 at the end of the financial year.

## 15. SEGMENTAL REPORTING

### FY09

#### (i) Operating segments

	Utilities	Marine	Environment	Industrial Parks	Others/ Corporate	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>							
External sales	3,495,412	5,723,061	185,044	14,971	153,920	-	9,572,408
Inter-segment sales	31,701	1,681	2,615	3,504	37,977	(77,478)	-
<b>Total</b>	<b>3,527,113</b>	<b>5,724,742</b>	<b>187,659</b>	<b>18,475</b>	<b>191,897</b>	<b>(77,478)</b>	<b>9,572,408</b>
<b>Results</b>							
Segment results	247,405	858,331	(739)	11,383	(426)	-	1,115,954
Interest income	4,602	28,806	220	777	27,499	(27,930)	33,974
Interest expense	(36,800)	(5,329)	(1,067)	-	(25,920)	27,930	(41,186)
	<b>215,207</b>	<b>881,808</b>	<b>(1,586)</b>	<b>12,160</b>	<b>1,153</b>	<b>-</b>	<b>1,108,742</b>
Share of results of associates	10,601	12,078	15,937	5,013	-	-	43,629
Share of results of joint ventures	34,170	7,218	-	17,658	6,867	-	65,913
	<b>259,978</b>	<b>901,104</b>	<b>14,351</b>	<b>34,831</b>	<b>8,020</b>	<b>-</b>	<b>1,218,284</b>
Income tax expense	(46,798)	(144,276)	1,217	(2,477)	(10,647)	-	(202,981)
Minority interest	(1,899)	(326,654)	(113)	(4,022)	49	-	(332,639)
<b>Net profit for the year</b>	<b>211,281</b>	<b>430,174</b>	<b>15,455</b>	<b>28,332</b>	<b>(2,578)</b>	<b>-</b>	<b>682,664</b>

#### Assets

Segment assets	3,567,887	4,421,099	141,154	187,587	1,219,278	(1,394,458)	8,142,547
Interests in associates	-	240,033	80,523	298,273	-	-	618,829
Interests in joint ventures	119,919	43,627	-	86,661	61,514	-	311,721
Tax assets	25,670	1,752	8,703	1,560	219,596	-	257,281
<b>Total assets</b>	<b>3,713,476</b>	<b>4,706,511</b>	<b>230,380</b>	<b>574,081</b>	<b>1,500,388</b>	<b>(1,394,458)</b>	<b>9,330,378</b>

#### Liabilities

Segment liabilities	2,183,293	2,402,539	72,464	31,092	1,103,810	(1,394,458)	4,398,740
Tax liabilities	267,753	323,575	9,148	13,127	82,500	-	696,103
<b>Total liabilities</b>	<b>2,451,046</b>	<b>2,726,114</b>	<b>81,612</b>	<b>44,219</b>	<b>1,186,310</b>	<b>(1,394,458)</b>	<b>5,094,843</b>

#### Capital expenditure

	330,036	66,994	7,173	362	2,876	-	407,441
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#### Significant non-cash items

Depreciation and amortisation	105,888	75,621	10,432	2,166	5,596	-	199,703
Other non-cash items (including provisions, loss on disposal and exchange differences)	21,741	63,584	740	2,388	276	-	88,729

#### (ii) Geographical segments

	Revenue		Segment Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	3,915,779	41	6,550,654	80	7,059,045	76	92,002	23
Rest of Asia	1,353,896	14	368,937	5	1,020,742	11	38,453	9
Europe	2,553,376	27	674,908	8	686,999	7	23,046	6
Others	1,749,357	18	548,048	7	563,592	6	253,940	62
<b>Total</b>	<b>9,572,408</b>	<b>100</b>	<b>8,142,547</b>	<b>100</b>	<b>9,330,378</b>	<b>100</b>	<b>407,441</b>	<b>100</b>

## 15. SEGMENTAL REPORTING (cont'd)

### FY08

<u>(i) Operating segments</u>	Utilities	Marine	Environment	Industrial Parks	Others/ Corporate	Elimi- nation	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Turnover</b>								
External sales	4,477,509	5,061,032	213,762	16,233	159,877	-	9,928,413	
Inter-segment sales	38,912	2,916	3,038	2,618	26,177	(73,661)	-	
<b>Total</b>	<b>4,516,421</b>	<b>5,063,948</b>	<b>216,800</b>	<b>18,851</b>	<b>186,054</b>	<b>(73,661)</b>	<b>9,928,413</b>	
<b>Results</b>								
Segment results	289,866	467,031	(9,819)	7,575	(10,169)	-	744,484	
Interest income	10,263	25,130	221	1,329	28,670	(29,841)	35,772	
Interest expense	(40,725)	(11,370)	(2,366)	609	(20,396)	29,841	(44,407)	
	<b>259,404</b>	<b>480,791</b>	<b>(11,964)</b>	<b>9,513</b>	<b>(1,895)</b>	-	<b>735,849</b>	
Share of results of associates	568	55,304	16,590	8,410	-	-	80,872	
Share of results of joint ventures	15,920	8,174	-	18,753	2,377	-	45,224	
	<b>275,892</b>	<b>544,269</b>	<b>4,626</b>	<b>36,676</b>	<b>482</b>	-	<b>861,945</b>	
Income tax expense	(46,655)	(91,937)	(877)	(460)	8,978	-	(130,951)	
Minority interest	(28,925)	(188,641)	(1,618)	(4,667)	(82)	-	(223,933)	
<b>Net profit for the year</b>	<b>200,312</b>	<b>263,691</b>	<b>2,131</b>	<b>31,549</b>	<b>9,378</b>	-	<b>507,061</b>	
Comprising:								
Net profit before exceptional items	200,312	290,619	2,131	31,549	9,378	-	533,989	
Exceptional items	-	(26,928)	-	-	-	-	(26,928)	
	<b>200,312</b>	<b>263,691</b>	<b>2,131</b>	<b>31,549</b>	<b>9,378</b>	-	<b>507,061</b>	
<b>Assets</b>								
Segment assets	2,865,194	4,331,584	162,884	195,780	941,664	(1,170,313)	7,326,793	
Investment in associates	5	249,086	43,139	272,158	-	-	564,388	
Investment in joint ventures	110,387	36,409	1,097	74,854	58,069	-	280,816	
Tax assets	24,504	14,129	4,730	14,809	236,941	-	295,113	
<b>Total assets</b>	<b>3,000,090</b>	<b>4,631,208</b>	<b>211,850</b>	<b>557,601</b>	<b>1,236,674</b>	<b>(1,170,313)</b>	<b>8,467,110</b>	
<b>Liabilities</b>								
Segment liabilities	1,824,956	3,018,813	80,586	33,641	892,728	(1,170,313)	4,680,411	
Tax liabilities	218,466	232,510	6,880	14,537	49,449	-	521,842	
<b>Total liabilities</b>	<b>2,043,422</b>	<b>3,251,323</b>	<b>87,466</b>	<b>48,178</b>	<b>942,177</b>	<b>(1,170,313)</b>	<b>5,202,253</b>	
<b>Capital expenditure</b>	<b>251,870</b>	<b>104,097</b>	<b>7,345</b>	<b>849</b>	<b>3,982</b>	-	<b>368,143</b>	
<b>Significant non-cash items</b>								
Depreciation and amortisation	106,742	71,578	9,554	1,962	5,233	-	195,069	
Other non-cash items (including provisions, loss on disposal and exchange differences)	8,158	97,531	462	4,681	793	-	111,625	
<b>(ii) Geographical segments</b>								
	Revenue		Segment Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	5,415,489	55	6,335,017	86	6,843,700	81	187,166	51
Rest of Asia	1,691,070	17	338,649	5	959,358	11	118,328	32
Europe	2,194,717	22	622,713	9	633,638	8	62,465	17
Others	627,137	6	30,414	-	30,414	-	184	-
<b>Total</b>	<b>9,928,413</b>	<b>100</b>	<b>7,326,793</b>	<b>100</b>	<b>8,467,110</b>	<b>100</b>	<b>368,143</b>	<b>100</b>

## **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 five reportable operating segments as follows:

- (i) The Utilities segment's principal activities are in the provision of energy, water and on-site logistics and services to customers including companies in energy intensive industry clusters. It operates in Singapore, the United Kingdom, China, Vietnam, the United Arab Emirates and Oman.
- (ii) The Marine segment focuses on repair, building and conversion of ships and rigs, and on offshore engineering.
- (iii) The Environment segment provides integrated waste management services and undertakes waster-to-resource businesses in the Asia Pacific region.
- (iv) The Industrial Parks segment owns, develops, markets and manages integrated industrial parks and townships in Asia.
- (v) Others/Corporate segment comprises businesses mainly relating to minting, design and construction activities, offshore engineering and the corporate companies.

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 three principal geographical areas, Singapore, Europe and the Rest of Asia. 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. Quarterly Analysis

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	FY 2009	1Q 2008	2Q 2008	3Q 2008	4Q 2008	FY 2008
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
<b>Turnover</b>										
Utilities	696	833	982	984	3,495	1,123	1,104	1,266	985	4,478
Marine	1,363	1,497	1,520	1,343	5,723	915	1,385	1,144	1,617	5,061
Environment	47	48	50	40	185	53	54	55	52	214
Industrial Parks	4	3	4	4	15	4	4	5	3	16
Others / Corporate	37	50	21	46	154	58	33	31	37	159
	<b>2,147</b>	<b>2,431</b>	<b>2,577</b>	<b>2,417</b>	<b>9,572</b>	<b>2,153</b>	<b>2,580</b>	<b>2,501</b>	<b>2,694</b>	<b>9,928</b>
<b>Profit attributable to Shareholders of the Company</b>										
Utilities	51	48	52	60	211	61	43	66	30	200
Marine	74	85	89	182	430	56	79	86	70	291
Environment	1	4	4	7	16	1	3	(4)	2	2
Industrial Parks	4	7	4	13	28	6	8	7	11	32
Others / Corporate	4	(2)	(1)	(3)	(2)	(1)	5	(10)	15	9
<b>PATMI before exceptional items</b>	<b>134</b>	<b>142</b>	<b>148</b>	<b>259</b>	<b>683</b>	<b>123</b>	<b>138</b>	<b>145</b>	<b>128</b>	<b>534</b>
Exceptional items (EI)	-	-	-	-	-	-	-	-	(27)	(27)
<b>PATMI</b>	<b>134</b>	<b>142</b>	<b>148</b>	<b>259</b>	<b>683</b>	<b>123</b>	<b>138</b>	<b>145</b>	<b>101</b>	<b>507</b>

## 17. INTERESTED PERSON TRANSACTIONS

**Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)**

	4Q09 \$'000	FY09 \$'000
<b><u>Sale of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- PSA International Pte Ltd and its Associates	5,172	24,212
- Mapletree Investments Pte Ltd and its Associates	11,390	15,852
- MediaCorp Pte Ltd and its Associates	2,157	8,207
- PowerSeraya Limited	-	5,903
- Temasek Capital (Private) Limited and its Associates	949	3,429
- Singapore Power Ltd and its Associates	482	1,753
- Singapore Technologies Telemedia Pte Ltd and its Associates	164	795
- National University Hospital (S) Pte Ltd	57	273
- Certis CISCO Security Pte Ltd	-	167
	<hr/>	<hr/>
	20,371	60,591
SMRT Corporation Ltd and its Associates	5,636	61,602
Starhub Ltd and its Associates	2,642	10,816
Singapore Technologies Engineering Ltd and its Associates	-	1,444
STATS ChipPAC Ltd	-	318
Singapore Airport Terminal Services Ltd and its Associates	55	183
Singapore Airlines Limited and its Associates	-	177
	<hr/>	<hr/>
	28,704	135,131
<b><u>Purchase of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates <sup>1</sup>	177,956	610,878
- Singapore Power Limited and its Associates	778	11,400
	<hr/>	<hr/>
	178,734	622,278
Singapore Technologies Engineering Ltd and its Associates	-	902
	<hr/>	<hr/>
	178,734	623,180
<b>Sub-Total</b>	<hr/> <b>207,438</b>	<hr/> <b>758,311</b>

**Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**

	4Q09 \$'000	FY 2009 \$'000
<b><u>Establishment of Joint Venture</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Surbana Corporation Pte Ltd and its Associates	-	43,777
<b><u>Divestment of Investment</u></b>		
- Singapore Technologies Engineering Ltd and its Associates	-	1,736
<b>Sub-Total</b>	<hr/> <b>-</b>	<hr/> <b>45,513</b>
<b>Total interested person transactions</b>	<hr/> <b>207,438</b>	<hr/> <b>803,824</b>

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.



**BY ORDER OF THE BOARD**

**Kwong Sook May (Ms)**  
**Company Secretary**  
**25 February, 2010**