



**SEMBCORP MARINE LTD**  
 Registration Number: 196300098Z

**FIRST QUARTER ENDED 31 MARCH 2018 FINANCIAL STATEMENTS  
 & RELATED ANNOUNCEMENT**

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**SEMBCORP MARINE LTD**
**UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

The Board of Directors of Sembcorp Marine Ltd wishes to announce the following unaudited results of the Group for the first quarter ended 31 March 2018.

**1. CONSOLIDATED INCOME STATEMENT**

	Note	Group		+ / (-) %
		1Q 2018 \$'000	1Q 2017 (Restated) \$'000	
<b>Turnover</b>	2a	<b>1,180,348</b>	<b>745,582</b>	<b>58.3</b>
Cost of sales	2a	(1,137,232)	(730,381)	55.7
<b>Gross profit</b>	2a	<b>43,116</b>	<b>15,201</b>	<b>n.m.</b>
Other operating income	2b	10,862	17,623	(38.4)
Other operating expenses	2b	(10,048)	(189)	n.m.
General and administrative expenses	2c	(24,393)	(23,789)	2.5
<b>Operating profit</b>		<b>19,537</b>	<b>8,846</b>	<b>n.m.</b>
Finance income	2d	8,518	2,744	n.m.
Finance costs	2e	(22,134)	(23,910)	(7.4)
Non-operating income	2f	20	46,816	n.m.
Share of results of associates and joint ventures, net of tax	2g	185	(709)	n.m.
<b>Profit before tax</b>		<b>6,126</b>	<b>33,787</b>	<b>(81.9)</b>
Tax (expense)/credit	2h	(1,845)	3,285	n.m.
<b>Profit for the period</b>		<b>4,281</b>	<b>37,072</b>	<b>(88.5)</b>
<b>Profit attributable to:</b>				
Owners of the Company		<b>5,315</b>	<b>37,043</b>	<b>(85.7)</b>
Non-controlling interests		(1,034)	29	n.m.
<b>Profit for the period</b>		<b>4,281</b>	<b>37,072</b>	<b>(88.5)</b>
<b>Earnings per ordinary share (cents)</b>				
	2i			
Basic		0.25	1.77	(85.9)
Diluted		0.25	1.77	(85.9)

n.m.: not meaningful

*The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)) on 1 January 2018. Please refer to paragraph 10 for the details on the financial impact from the adoption with respect to the restated first quarter ended 31 March 2017 financial statements.*

## 2. NOTES TO CONSOLIDATED INCOME STATEMENT

### 2a. Turnover, Cost of Sales

		Group		
		1Q 2018	1Q 2017	+ / (-)
		\$'000	\$'000	%
Turnover	(i)	1,180,348	745,582	58.3
Cost of sales		(1,137,232)	(730,381)	55.7
Gross profit	(ii)	43,116	15,201	n.m.
<i>Included in gross profit:</i>				
Depreciation and amortisation		(45,295)	(46,030)	(1.6)
Inventories written back		48	76	(36.8)

- (i) Turnover for 1Q 2018 increased by 58% mainly due to higher revenue recognition for rigs & floaters upon the delivery of 2 jack-up rigs to Borr Drilling and 1 jack-up rig to BOTL. Excluding the effects on the adoption of SFRS(l) 15, revenue would have been \$858 million, an increase of 15% compared with 1Q 2017.
- (ii) Gross profit for 1Q 2018 increased mainly due to margin recognition upon delivery of rigs; offset by lower overall business volume, especially in rigs & floaters and offshore platforms, which impacted the absorption of overhead costs.

### 2b. Other operating income/(expenses)

		Group		
		1Q 2018	1Q 2017	+ / (-)
		\$'000	\$'000	%
Other operating income		10,862	17,623	(38.4)
Other operating expenses		(10,048)	(189)	n.m.
		814	17,434	(95.3)
<i>Included in other operating income/(expenses):</i>				
Foreign exchange (loss)/gain, net	(i)	(9,973)	3,924	n.m.
Fair value adjustment on hedging instruments	(ii)	973	-	n.m.
Fair value adjustment on firm commitments under fair value hedge		63	962	(93.5)
Gain on disposal of property, plant and equipment, net		-	14	n.m.
Rental income		3,432	5,494	(37.5)
Other income	(iii)	6,394	7,229	(11.6)
Other expenses		(75)	(189)	(60.3)
		814	17,434	(95.3)

- (i) Foreign exchange loss in 1Q 2018 mainly arose from the revaluation of assets and liabilities denominated in United States dollar to Singapore dollar. Foreign exchange gain in 1Q 2017 mainly arose from the revaluation of assets and liabilities denominated in United States dollar to Singapore dollar.
- (ii) Fair value adjustment on hedging instruments was due to mark-to-market adjustments of foreign currency forward contracts.
- (iii) Lower other income in 1Q 2018 was mainly due to lower sales of scrap.

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

### 2c. General and administrative expenses

		Group		
		1Q 2018	1Q 2017	+ / (-)
		\$'000	(Restated) \$'000	%
General and administrative expenses	(i)	(24,393)	(23,789)	2.5
<i>Included in general and administrative expenses:</i>				
Depreciation and amortisation		(730)	(945)	(22.8)
(Allowance for)/write-back of doubtful debts and bad debts		(469)	78	n.m.

(i) Higher general and administrative expenses in 1Q 2018 was mainly due to higher professional fees.

### 2d. Finance income

Higher finance income in 1Q 2018 was mainly due to interest income from a customer for deferred payments granted.

### 2e. Finance costs

		Group		
		1Q 2018	1Q 2017	+ / (-)
		\$'000	(Restated) \$'000	%
Finance costs		(22,134)	(23,910)	(7.4)
<i>Included in finance costs:</i>				
Interest expense	(i)	(21,640)	(23,222)	(6.8)
Commitment and facility fees		(494)	(688)	(28.2)
		(22,134)	(23,910)	(7.4)

(i) Lower interest expense in 1Q 2018 was mainly due to repayment of bank borrowings that resulted in lower average bank borrowings as compared to the corresponding period in 2017.

### 2f. Non-operating income

		Group		
		1Q 2018	1Q 2017	+ / (-)
		\$'000	(Restated) \$'000	%
Non-operating income		20	46,816	n.m.
<i>Included in non-operating income:</i>				
Gain on disposal of assets held for sale	(i)	-	46,816	n.m.
Net change in fair value of financial assets measured through profit or loss		20	-	n.m.
		20	46,816	n.m.

(i) The gain on disposal of assets held for sale in 1Q 2017 arose from the Group's divestment of its 30% equity interest in Cosco Shipyard Group Co., Ltd, which was completed in January 2017.

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

### 2g. Share of results of associates and joint ventures, net of tax

The share of results of associates and joint ventures in 1Q 2018 was mainly due to share of profit from a joint venture.

### 2h. Tax (expense)/credit

		Group		
		1Q 2018	1Q 2017	+ / (-)
		\$'000	(Restated) \$'000	%
Tax (expense)/credit	(i)	(1,845)	3,285	n.m.
<i>Included in tax (expense)/credit:</i>				
Write-back of tax in respect of prior years, net	(ii)	79	1,720	(95.4)

(i) The higher effective tax rates in 1Q 2018 was mainly due to deferred tax assets recognised only to the extent that it is probable that the related tax benefit will be realised. The tax credit in 1Q 2017 was mainly due to recognition of unutilised tax losses.

(ii) The write-back of tax was mainly attributable to recognition of tax incentives.

### 2i. Earnings per ordinary share

Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:	Group		
	1Q 2018	1Q 2017	+ / (-)
		(Restated)	%
(i) Based on the weighted average number of shares (cents)	0.25	1.77	(85.9)
- Weighted average number of shares ('000)	2,087,910	2,089,323	(0.1)
(ii) On a fully diluted basis (cents)	0.25	1.77	(85.9)
- Adjusted weighted average number of shares ('000)	2,087,910	2,089,323	(0.1)

### 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group		
		1Q 2018	1Q 2017	+ / (-)
		\$'000	(Restated) \$'000	%
	Note			
<b>Profit for the period</b>		<b>4,281</b>	<b>37,072</b>	<b>(88.5)</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations	3a(i)	(23,612)	(17,018)	38.7
Net change in fair value of cash flow hedges	3a(ii)	3,601	28,841	(87.5)
Net change in fair value of available-for-sale financial assets	3a(iii)	-	7,945	n.m.
Realisation of reserve upon disposal of assets held for sale		-	(20,484)	n.m.
		<u>(20,011)</u>	<u>(716)</u>	n.m.
<i>Item that may not be reclassified subsequently to profit or loss:</i>				
Net change in fair value of equity investments at fair value through other comprehensive income (FVOCI)	3a(iv)	(8,109)	-	n.m.
Other comprehensive income for the period, net of tax		<u>(28,120)</u>	<u>(716)</u>	n.m.
<b>Total comprehensive income for the period</b>		<b><u>(23,839)</u></b>	<b><u>36,356</u></b>	<b>n.m.</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		(22,731)	36,339	n.m.
Non-controlling interests		<u>(1,108)</u>	<u>17</u>	n.m.
<b>Total comprehensive income for the period</b>		<b><u>(23,839)</u></b>	<b><u>36,356</u></b>	<b>n.m.</b>

#### 3a. Explanatory notes to Consolidated Statement of Comprehensive Income

- (i) The movement in foreign currency translation reserves in 1Q 2018 arose primarily due to the depreciation of United States dollar against Singapore dollar relative to the rate as at end of previous year.
- (ii) Fair value changes were due to the mark-to-market adjustments of foreign currency forward contracts and interest rate swaps.
- (iii) Fair value changes were mainly attributable to the mark-to-market adjustments of available-for-sale financial assets.
- (iv) Fair value changes were mainly attributable to the mark-to-market adjustments of quoted prices of equity investments at fair value through other comprehensive income (FVOCI).

#### 4. BALANCE SHEETS

	Group		Company	
	31-Mar-2018	31-Dec-2017 (Restated)	31-Mar-2018	31-Dec-2017
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	3,945,630	3,995,019	76,124	79,418
Investment properties	-	-	16,738	17,190
Investments in subsidiaries	-	-	1,484,136	1,483,520
Interests in associates and joint ventures	66,634	67,965	-	-
Other financial assets	37,662	46,150	9,420	18,894
Trade and other receivables	392,118	168,740	31,719	31,725
Intangible assets	173,486	179,201	184	184
Deferred tax assets	16,642	13,919	-	-
	<u>4,632,172</u>	<u>4,470,994</u>	<u>1,618,321</u>	<u>1,630,931</u>
<b>Current assets</b>				
Inventories	94,777	95,773	-	-
Trade and other receivables	371,486	579,823	130,088	117,283
Contract costs	1,878,046	2,547,111	-	-
Contract assets	706,794	652,361	-	-
Tax recoverable	10,535	11,192	846	846
Other financial assets	32,284	33,571	-	-
Cash and cash equivalents	1,017,707	1,301,000	53,843	55,126
	<u>4,111,629</u>	<u>5,220,831</u>	<u>184,777</u>	<u>173,255</u>
<b>Total assets</b>	<u>8,743,801</u>	<u>9,691,825</u>	<u>1,803,098</u>	<u>1,804,186</u>
<b>Current liabilities</b>				
Trade and other payables	1,377,382	1,604,218	33,966	26,433
Contract liabilities	810,140	1,211,158	-	-
Provisions	30,902	27,755	6,771	6,771
Other financial liabilities	794	1,449	-	-
Current tax payable	18,168	24,868	-	-
Interest-bearing borrowings	1,056,346	852,737	497	474
	<u>3,293,732</u>	<u>3,722,185</u>	<u>41,234</u>	<u>33,678</u>
<b>Net current assets</b>	<u>817,897</u>	<u>1,498,646</u>	<u>143,543</u>	<u>139,577</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	61,844	61,545	11,419	11,070
Provisions	69,902	70,014	18,036	18,036
Other financial liabilities	3,999	5,713	-	-
Interest-bearing borrowings	2,752,760	3,247,386	1,394	1,394
Other long-term payables	105,130	104,807	3,666	6,779
	<u>2,993,635</u>	<u>3,489,465</u>	<u>34,515</u>	<u>37,279</u>
<b>Total liabilities</b>	<u>6,287,367</u>	<u>7,211,650</u>	<u>75,749</u>	<u>70,957</u>
<b>Net assets</b>	<u>2,456,434</u>	<u>2,480,175</u>	<u>1,727,349</u>	<u>1,733,229</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	484,288	484,288	484,288	484,288
Other reserves	(58,011)	(30,704)	(35,201)	(27,831)
Revenue reserve	1,990,066	1,985,392	1,278,262	1,276,772
	<u>2,416,343</u>	<u>2,438,976</u>	<u>1,727,349</u>	<u>1,733,229</u>
Non-controlling interests	40,091	41,199	-	-
<b>Total equity</b>	<u>2,456,434</u>	<u>2,480,175</u>	<u>1,727,349</u>	<u>1,733,229</u>

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

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

Interest-bearing borrowings:	As at 31-Mar-2018	As at 31-Dec-2017
	\$'000	\$'000
(i) <b><u>Amount repayable in one year or less, or on demand</u></b> Unsecured	1,056,346	852,737
(ii) <b><u>Amount repayable after one year</u></b> Unsecured	2,752,760	3,247,386

##### 4b. **Net asset value**

	Group		Company	
	31-Mar-2018	31-Dec-2017 (Restated)	31-Mar-2018	31-Dec-2017
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (cents)	115.68	116.81	82.70	83.01

##### 4c. **Explanatory notes to Balance Sheets**

###### (i) **Group**

###### **Non-current assets**

'Other financial assets' decreased mainly due to fair value adjustments on quoted equity shares.

'Trade and other receivables' increased mainly due to billing to a customer upon completion of rig building projects.

'Deferred tax assets' increased mainly due to tax credit on unutilised tax losses.

###### **Current assets**

'Trade and other receivables' decreased mainly due to receipts from rig building and floater projects.

'Contract costs' decreased mainly due to recognition of costs of sales upon the delivery of rig building projects.

'Contract assets' increased mainly due to timing of billings to customers.

'Cash and cash equivalents' decreased mainly due to repayment of borrowings and capital expenditures.

###### **Current liabilities**

'Trade and other payables' decreased mainly due to payments made during the period.

'Contract liabilities' decreased mainly due to recognition of revenue upon the delivery of rig building projects.

'Provisions' increased mainly due to allowance made for warranty provision.

'Other financial liabilities' decreased mainly due to fair value adjustments on interest rate swaps.

'Current tax payable' decreased mainly due to payment made during the period.

'Interest-bearing borrowings' increased mainly due to reclassification from long term borrowings, offset by repayment of short term borrowings.



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

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

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

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

'Other financial liabilities' decreased mainly due to fair value adjustments on interest rate swaps.

'Interest-bearing borrowings' decreased mainly due to reclassification to short term borrowings.

###### **Equity**

'Other reserves' deficit increased mainly due to foreign currency translation loss arising from the depreciation of United States dollar.

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

###### **Non-current assets**

'Other financial assets' decreased mainly due to fair value adjustments on quoted equity shares and disposal of equity investments at fair value through other comprehensive income (FVOCI).

###### **Current assets**

'Trade and other receivables' increased mainly due to billings to subsidiaries.

###### **Current liabilities**

'Trade and other payables' increased mainly due to timing of payments.

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

'Other long-term payables' decreased mainly due to lower long-term employee benefits.

###### **Equity**

'Other reserves' deficit increased mainly due to fair value adjustments on quoted equity shares and disposal of equity investments at fair value through other comprehensive income (FVOCI).

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	1Q 2018	1Q 2017 (Restated)
Note	\$'000	\$'000
<b>Cash flows from operating activities:</b>		
Profit for the period	4,281	37,072
Adjustments for:		
Finance income	(8,518)	(2,744)
Finance costs	22,134	23,910
Depreciation of property, plant and equipment	40,308	41,258
Amortisation of intangible assets	5,717	5,717
Share of results of associates and joint ventures, net of tax	(185)	709
Gain on disposal of property, plant and equipment	-	(14)
Gain on disposal of assets held for sale	-	(46,816)
Fair value adjustment on hedging instruments	(973)	-
Fair value adjustment on firm commitments under fair value hedge	(63)	(962)
Net change in fair value of financial assets measured through profit or loss	(20)	-
Share-based payment expenses	1,750	2,032
Property, plant and equipment written off	4	7
Inventories written back, net	(48)	(76)
Allowance for /(write-back of) doubtful debts and bad debts, net	469	(78)
Tax expense/(credit)	1,845	(3,285)
Operating profit before working capital changes	66,701	56,730
Changes in working capital:		
Inventories	1,044	(20,150)
Contract costs	669,065	(1,215)
Contract assets	(54,433)	(47,026)
Contract liabilities	(401,018)	(73,373)
Trade and other receivables	(15,279)	99,157
Trade and other payables	(234,750)	(83,001)
Cash generated from/(used in) operations	31,330	(68,878)
Interest income received	8,584	1,044
Interest paid	(21,640)	(18,707)
Tax paid	(11,671)	(532)
Net cash generated from/(used in) operating activities	6,603	(87,073)
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(43,898)	(52,720)
Proceeds from sale of property, plant and equipment	3	16
Net cash used in investing activities	(43,895)	(52,704)
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	72,540	172,862
Repayment of borrowings	(316,174)	(13,664)
Purchase of treasury shares	-	(1,889)
Unclaimed dividends	-	6
Net cash (used in)/generated from financing activities	(243,634)	157,315
Net (decrease)/increase in cash and cash equivalents	(280,926)	17,538
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,301,000</b>	<b>1,216,971</b>
Effect of exchange rate changes on balances held in foreign currencies	(2,367)	(15,537)
<b>Cash and cash equivalents at end of the period</b>	<b>1,017,707</b>	<b>1,218,972</b>

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

### 5a. Cash and cash equivalents

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

	<b>31-Mar-2018</b>	<b>31-Mar-2017 (Restated)</b>
	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits	40,928	173,838
Cash and bank balances	976,779	1,045,134
Cash and cash equivalents	1,017,707	1,218,972

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

#### First quarter

Cash flows generated from operating activities before changes in working capital were \$66.7 million in 1Q 2018. Net cash generated from operating activities for 1Q 2018 at \$6.6 million was mainly due to receipts from ongoing and completed projects, offset by working capital for ongoing projects.

Net cash used in investing activities for 1Q 2018 was \$43.9 million, mainly due to purchase of property, plant and equipment for Sembcorp Marine Tuas Boulevard yard.

Net cash used in financing activities for 1Q 2018 was \$243.6 million. It relates mainly to net repayment of borrowings.

## 6. STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to owners of the Company								
	Share capital	Reserve for own shares	Capital reserves	Currency translation reserve	Other reserves	Revenue reserve	Total	Non-controlling interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1Q 2018</b>									
<b>At 31 December 2017</b>									
As previously stated	484,288	(3,451)	(13,011)	(17,732)	8,470	2,019,609	2,478,173	41,199	2,519,372
Impact of change in accounting policy	-	-	-	(4,980)	-	(34,217)	(39,197)	-	(39,197)
<b>As restated at 31 December 2017</b>	<b>484,288</b>	<b>(3,451)</b>	<b>(13,011)</b>	<b>(22,712)</b>	<b>8,470</b>	<b>1,985,392</b>	<b>2,438,976</b>	<b>41,199</b>	<b>2,480,175</b>
Impact of change in accounting policy	-	-	-	-	(447)	(641)	(1,088)	-	(1,088)
<b>As restated at 1 January 2018</b>	<b>484,288</b>	<b>(3,451)</b>	<b>(13,011)</b>	<b>(22,712)</b>	<b>8,023</b>	<b>1,984,751</b>	<b>2,437,888</b>	<b>41,199</b>	<b>2,479,087</b>
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	-	5,315	5,315	(1,034)	4,281
<b>Other comprehensive income</b>									
Foreign currency translation differences for foreign operations	-	-	-	(23,538)	-	-	(23,538)	(74)	(23,612)
Net change in fair value of cash flow hedges	-	-	-	-	3,601	-	3,601	-	3,601
Net change in fair value of equity investments at FVOCI	-	-	-	-	(8,109)	-	(8,109)	-	(8,109)
Total other comprehensive income	-	-	-	(23,538)	(4,508)	-	(28,046)	(74)	(28,120)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,538)</b>	<b>(4,508)</b>	<b>5,315</b>	<b>(22,731)</b>	<b>(1,108)</b>	<b>(23,839)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Issue of treasury shares	-	1,665	-	-	(1,665)	-	-	-	-
Share-based payments	-	-	-	-	1,186	-	1,186	-	1,186
<b>Total transactions with owners</b>	<b>-</b>	<b>1,665</b>	<b>-</b>	<b>-</b>	<b>(479)</b>	<b>-</b>	<b>1,186</b>	<b>-</b>	<b>1,186</b>
<b>At 31 March 2018</b>	<b>484,288</b>	<b>(1,786)</b>	<b>(13,011)</b>	<b>(46,250)</b>	<b>3,036</b>	<b>1,990,066</b>	<b>2,416,343</b>	<b>40,091</b>	<b>2,456,434</b>
<b>1Q 2017 (Restated)</b>									
<b>At 1 January 2017</b>									
As previously stated	484,288	(566)	11,514	65,394	(21,437)	2,022,796	2,561,989	45,632	2,607,621
Impact of change in accounting policy	-	-	-	(16,141)	-	(280,324)	(296,465)	-	(296,465)
<b>As restated</b>	<b>484,288</b>	<b>(566)</b>	<b>11,514</b>	<b>49,253</b>	<b>(21,437)</b>	<b>1,742,472</b>	<b>2,265,524</b>	<b>45,632</b>	<b>2,311,156</b>
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	-	37,043	37,043	29	37,072
<b>Other comprehensive income</b>									
Foreign currency translation differences for foreign operations	-	-	-	(17,006)	-	-	(17,006)	(12)	(17,018)
Net change in fair value of cash flow hedges	-	-	-	-	28,841	-	28,841	-	28,841
Net change in fair value of available-for-sale financial assets	-	-	-	-	7,945	-	7,945	-	7,945
Realisation of reserve upon disposal of assets held for sale	-	-	-	(20,484)	-	-	(20,484)	-	(20,484)
Total other comprehensive income	-	-	-	(37,490)	36,786	-	(704)	(12)	(716)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,490)</b>	<b>36,786</b>	<b>37,043</b>	<b>36,339</b>	<b>17</b>	<b>36,356</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Purchase of treasury shares	-	(1,889)	-	-	-	-	(1,889)	-	(1,889)
Issue of treasury shares	-	2,343	-	-	(2,343)	-	-	-	-
Share-based payments	-	-	-	-	1,031	-	1,031	-	1,031
Unclaimed dividends	-	-	-	-	-	6	6	-	6
Transfer of reserves	-	-	(24,525)	-	-	24,525	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>454</b>	<b>(24,525)</b>	<b>-</b>	<b>(1,312)</b>	<b>24,531</b>	<b>(852)</b>	<b>-</b>	<b>(852)</b>
<b>At 31 March 2017</b>	<b>484,288</b>	<b>(112)</b>	<b>(13,011)</b>	<b>11,763</b>	<b>14,037</b>	<b>1,804,046</b>	<b>2,301,011</b>	<b>45,649</b>	<b>2,346,660</b>

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

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

	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Other reserves \$'000	Revenue reserve \$'000	Total Equity \$'000
<b>1Q 2018</b>						
<b>At 1 January 2018</b>						
As previously stated	484,288	(3,451)	960	(25,340)	1,276,772	1,733,229
Impact of change in accounting policy	-	-	-	(447)	447	-
<b>As restated</b>	<b>484,288</b>	<b>(3,451)</b>	<b>960</b>	<b>(25,787)</b>	<b>1,277,219</b>	<b>1,733,229</b>
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	-	1,043	1,043
<b>Other comprehensive income</b>						
Net change in fair value of equity investments at FVOCI	-	-	-	(8,109)	-	(8,109)
Total other comprehensive income	-	-	-	(8,109)	-	(8,109)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,109)</b>	<b>1,043</b>	<b>(7,066)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
Issue of treasury shares	-	1,665	-	(1,665)	-	-
Share-based payments	-	-	-	570	-	570
Cost of share-based payment issued to employees of subsidiaries	-	-	-	616	-	616
<b>Total transactions with owners</b>	<b>-</b>	<b>1,665</b>	<b>-</b>	<b>(479)</b>	<b>-</b>	<b>1,186</b>
<b>At 31 March 2018</b>	<b>484,288</b>	<b>(1,786)</b>	<b>960</b>	<b>(34,375)</b>	<b>1,278,262</b>	<b>1,727,349</b>
<b>1Q 2017</b>						
<b>At 1 January 2017</b>						
	484,288	(566)	960	(21,853)	819,463	1,282,292
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	-	112,769	112,769
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale financial assets	-	-	-	6,703	-	6,703
Total other comprehensive income	-	-	-	6,703	-	6,703
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,703</b>	<b>112,769</b>	<b>119,472</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
Purchase of treasury shares	-	(1,889)	-	-	-	(1,889)
Issue of treasury shares	-	2,343	-	(2,343)	-	-
Unclaimed dividends	-	-	-	-	6	6
Share-based payments	-	-	-	390	-	390
Cost of share-based payment issued to employees of subsidiaries	-	-	-	641	-	641
<b>Total transactions with owners</b>	<b>-</b>	<b>454</b>	<b>-</b>	<b>(1,312)</b>	<b>6</b>	<b>(852)</b>
<b>At 31 March 2017</b>	<b>484,288</b>	<b>(112)</b>	<b>960</b>	<b>(16,462)</b>	<b>932,238</b>	<b>1,400,912</b>

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

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

#### (i) Issued and Paid Up Capital

As at 31 March 2018, the Company's issued and paid up capital, excluding treasury shares, comprises 2,088,802,503 (31 December 2017: 2,087,909,920) ordinary shares.

#### (ii) Treasury Shares

	Number of shares	
	2018	2017
At 1 January	1,850,187	437,029
Treasury shares purchased	-	1,000,000
Treasury shares issued pursuant to RSP	(892,583)	(1,371,508)
At 31 March	957,604	65,521

During 1Q 2018, the Company did not acquire (1Q 2017: 1,000,000) ordinary shares in the Company by way of on-market purchases.

In 1Q 2018, 892,583 (1Q 2017: 1,371,508) treasury shares were issued pursuant to the Company's Restricted Share Plan ("RSP").

As at 31 March 2018, 957,604 (31 March 2017: 65,521) treasury shares were held that may be issued upon the vesting of performance shares and restricted shares under the Company's Performance Share Plan ("PSP") and RSP respectively.

#### (iii) Share Options

All options have expired in October 2016.

#### (iv) Performance Shares

	Number of shares	
	2018	2017
At 1 January	4,733,000	4,513,000
Performance shares lapsed arising from targets not met	(1,215,000)	(1,380,000)
At 31 March	3,518,000	3,133,000

During 1Q 2018, there were no (1Q 2017: nil) performance shares awarded under the PSP, no (1Q 2017: nil) performance shares released and 1,215,000 (1Q 2017: 1,380,000) performance shares that lapsed due to the under achievement of performance targets.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at 31 March 2018 was 3,518,000 (31 March 2017: 3,133,000). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 5,277,000 (31 March 2017: 4,699,500) performance shares.

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

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

#### (v) Restricted Shares

	Number of shares	
	2018	2017
At 1 January	15,383,413	13,716,142
Conditional restricted shares released	(892,583)	(1,371,508)
Conditional restricted shares lapsed	(153,648)	(92,488)
Conditional restricted shares lapsed arising from targets not met	(6,078,150)	(3,923,317)
At 31 March	<u>8,259,032</u>	<u>8,328,829</u>

During 1Q 2018, there were no (1Q 2017: nil) restricted shares awarded under the RSP, 892,583 (1Q 2017: 1,371,508) restricted shares released and 153,648 (1Q 2017: 92,488) restricted shares that lapsed. The restricted shares released were settled by way of issuance of treasury shares.

In 1Q 2018, there were 6,078,150 (1Q 2017: 3,923,317) restricted shares that lapsed due to the under achievement of performance targets.

The total number of restricted shares outstanding, including awards achieved but not released, as at 31 March 2018 was 8,259,032 (31 March 2017: 8,328,829). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at 31 March 2018 was 7,409,900 (31 March 2017: 7,554,800). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 11,114,850 (31 March 2017: 11,332,200) restricted shares.

## 7. AUDIT

The figures have not been audited or reviewed by the Company's auditors. However, our auditors have performed certain procedures under the requirements of Singapore Standard on Related Services (SSRS) 4400 – Engagements to Perform Agreed-upon Procedures Regarding Financial Information. These procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements.

## 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 31 December 2017.

## 10. **CHANGES IN ACCOUNTING POLICIES**

The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)) on 1 January 2018. In adopting SFRS(I), the Group has applied the specific transition requirements in SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International)* in preparing the financial information included in this announcement.

The Group has also concurrently applied the following SFRS(I)s, interpretations of SFRS(I) and requirements of SFRS(I)s (collectively “new accounting standards”) which are mandatorily effective from 1 January 2018.

### **SFRS(I):**

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes the clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016
- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *insurance contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* issued by the IASB in September 2016

### **Requirements in following SFRS(I)s arising from amendments to corresponding IFRSs issued by the IASB in 2016:**

- SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and measurement of share-based payment transactions* issued by the IASB in June 2016;
- SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of investment property* issued by the IASB in December 2016;
- SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The adoption of the new accounting standards does not have any significant impact on the financial information except for SFRS(I) 15 and SFRS(I) 9.

**SFRS(I) 15 adoption** has the following key changes to the accounting of contracts of the Group:

#### **Long Term Contracts**

- Timing of revenue recognition:** Revenue and related costs of sales of contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed assets are delivered to customers at a point in time, instead of using the percentage of completion method.
- Contract costs:** For long term contracts where the stage of completion is determined by reference to surveys of work done, contract costs are recognised as an expense in profit or loss using the percentage of completion method prior to the adoption of SFRS(I) 15.

On adoption of SFRS(I) 15, the costs incurred to fulfil the satisfied performance obligation are recognised in profit or loss as control of goods or services to the customer is transferred over time. Where the control of goods and services to the customer is transferred at a future point in time, the costs incurred to fulfil the future performance obligation are capitalised as they are recoverable, and presented as “Contract Costs” within the balance sheet. The costs capitalised are recognised in profit or loss when the performance obligation is satisfied.

- Consideration payable to customers:** Certain payments made to customers for purchase of goods which were previously offset against revenue are now recognised as expenses.
- Significant financing component:** The revenue of certain contracts, where the period between the transfer of promised goods or services to customer and payment by customer exceeds one year, is deemed to contain a financing component. Where the financing component is determined to be significant, the transaction price is adjusted for the time value of money of the contracts.

**SFRS(I) 9 adoption** has impacted the Group’s balance sheet as at 1 January 2018 as follow:

- The Group elects to present in other comprehensive income (“OCI”) the changes in fair value of the available-for-sale (“AFS”) equity securities that are held by the Group and the Company because these investments are not held for trading. The changes in fair value recognised in OCI will not be reclassified to profit or loss upon disposal of the AFS equity.



## 10. CHANGES IN ACCOUNTING POLICIES (Cont'd)

- ii) Fair value reserve relating to the fair value changes of investments in unit trusts and funds will be reclassified to revenue reserves as these investments are classified as fair value through profit and loss.
- iii) Impairment of financial assets measured at amortised cost or fair value through OCI (except for investments in equity instruments) is now based on the expected credit loss model which replaces the "incurred loss" model.

The following reconciliations summarise the impacts on initial application of SFRS(I) 15 and SFRS(I) 9 on the Group's financial statements.

### Consolidated Income Statement

	<b>Quarter ended 31 March 2017</b>		
	<b>As previously reported \$'000</b>	<b>Effects of SFRS(I) 15 \$'000</b>	<b>As restated \$'000</b>
Turnover	760,051	(14,469)	745,582
Cost of sales	(740,110)	9,729	(730,381)
Finance income	1,020	1,724	2,744
Tax credit	2,772	513	3,285
Others	15,842	-	15,842
<b>Profit for the period</b>	<b>39,575</b>	<b>(2,503)</b>	<b>37,072</b>
<b>Profit attributable to:</b>			
Owners of the Company	39,546	(2,503)	37,043
Non-controlling interests	29	-	29
<b>Profit for the period</b>	<b>39,575</b>	<b>(2,503)</b>	<b>37,072</b>
<b>Earnings per ordinary share (cents)</b>			
Basic and diluted	1.89	(0.12)	1.77

### Consolidated Statement of Comprehensive Income

	<b>Quarter ended 31 March 2017</b>		
	<b>As previously reported \$'000</b>	<b>Effects of SFRS(I) 15 \$'000</b>	<b>As restated \$'000</b>
<b>Profit for the period</b>	39,575	(2,503)	37,072
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations	(23,199)	6,181	(17,018)
Others	16,302	-	16,302
Other comprehensive income for the period, net of tax	(6,897)	6,181	(716)
<b>Total comprehensive income for the period</b>	<b>32,678</b>	<b>3,678</b>	<b>36,356</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	32,661	3,678	36,339
Non-controlling interests	17	-	17
<b>Total comprehensive income for the period</b>	<b>32,678</b>	<b>3,678</b>	<b>36,356</b>

10. **CHANGES IN ACCOUNTING POLICIES** (Cont'd)

**Balance Sheet as at 31 December 2017 and 1 January 2018**

	31 December 2017			1 January 2018	
	As previously stated \$'000	Effects of SFRS(I) 15 \$'000	As restated \$'000	Effects of SFRS(I) 9 \$'000	As restated \$'000
<b>Assets</b>					
Deferred tax assets	5,889	8,030	13,919	-	13,919
Inventories and work-in-progress	2,775,847	(2,680,074)	95,773	-	95,773
Trade and other receivables (current)	566,874	12,949	579,823	(1,310)	578,513
Contract costs	-	2,547,111	2,547,111	-	2,547,111
Contract assets	-	652,361	652,361	-	652,361
Others	5,802,838	-	5,802,838	-	5,802,838
<b>Total assets</b>	<b>9,151,448</b>	<b>540,377</b>	<b>9,691,825</b>	<b>(1,310)</b>	<b>9,690,515</b>
<b>Liabilities</b>					
Trade and other payables	2,061,446	(457,228)	1,604,218	-	1,604,218
Excess of progress billings over work-in-progress	174,356	(174,356)	-	-	-
Contract liabilities	-	1,211,158	1,211,158	-	1,211,158
Current tax payable	24,868	-	24,868	-	24,868
Deferred tax liabilities	61,545	-	61,545	(222)	61,323
Others	4,309,861	-	4,309,861	-	4,309,861
<b>Total liabilities</b>	<b>6,632,076</b>	<b>579,574</b>	<b>7,211,650</b>	<b>(222)</b>	<b>7,211,428</b>
<b>Equity</b>					
Currency translation reserve	(17,732)	(4,980)	(22,712)	-	(22,712)
Fair value reserve	447	-	447	(447)	-
Revenue reserve	2,019,609	(34,217)	1,985,392	(641)	1,984,751
Others	517,048	-	517,048	-	517,048
<b>Total equity</b>	<b>2,519,372</b>	<b>(39,197)</b>	<b>2,480,175</b>	<b>(1,088)</b>	<b>2,479,087</b>

## 10. CHANGES IN ACCOUNTING POLICIES (Cont'd)

### Consolidated Statement of Cash Flows

	<b>Quarter ended 31 March 2017</b>		
	<b>As previously stated \$'000</b>	<b>Effects of SFRS(I) 15 \$'000</b>	<b>As restated \$'000</b>
<b>Cash flows from operating activities:</b>			
Profit for the period	39,575	(2,503)	37,072
Adjustments for:			
Finance income	(1,020)	(1,724)	(2,744)
Tax credit	(2,772)	(513)	(3,285)
Others	25,687	-	25,687
Operating profit before working capital changes	<u>61,470</u>	<u>(4,740)</u>	<u>56,730</u>
<b>Changes in working capital:</b>			
Inventories and work-in-progress	51,525	(71,675)	(20,150)
Contract costs	-	(1,215)	(1,215)
Contract assets	-	(47,026)	(47,026)
Contract liabilities	-	(73,373)	(73,373)
Trade and other receivables	92,214	6,943	99,157
Trade and other payables	<u>(274,087)</u>	<u>191,086</u>	<u>(83,001)</u>
Cash used in operations	(68,878)	-	(68,878)
Others	<u>(18,195)</u>	<u>-</u>	<u>(18,195)</u>
Net cash used in operating activities	(87,073)	-	(87,073)
Net cash used in investing activities	(52,704)	-	(52,704)
Net cash generated from financing activities	<u>157,315</u>	<u>-</u>	<u>157,315</u>
Net increase in cash and cash equivalents	17,538	-	17,538
<b>Cash and cash equivalents at beginning of the period</b>	1,216,971	-	1,216,971
Effect of exchange rate changes on balances held in foreign currencies	(15,537)	-	(15,537)
<b>Cash and cash equivalents at end of the period</b>	<u>1,218,972</u>	<u>-</u>	<u>1,218,972</u>

## 11. REVIEW OF GROUP PERFORMANCE

### (i) **Turnover**

	<b>1Q 2018</b>	<b>1Q 2017 (Restated)</b>	<b>+ / (-)</b>	<b>+ / (-)</b>
	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>	<b>%</b>
<b>Rigs &amp; Floaters</b>	1,019.3	327.4	691.9	n.m.
<b>Repairs &amp; Upgrades</b>	78.6	94.6	(16.0)	(16.9)
<b>Offshore Platforms</b>	62.4	301.9	(239.5)	(79.3)
<b>Other Activities</b>	20.0	21.7	(1.7)	(7.8)
	<u><b>1,180.3</b></u>	<u><b>745.6</b></u>	<u><b>434.7</b></u>	<u><b>58.3</b></u>

Turnover for 1Q 2018 increased by 58% mainly due to higher revenue recognition for rigs & floaters upon the delivery of 2 jack-up rigs to Borr Drilling and 1 jack-up rig to BOTL. Excluding the effects on the adoption of SFRS(I) 15, revenue would have been \$858 million, an increase of 15% compared with 1Q 2017.

### (ii) **Profit attributable to Owners of the Company ("Net profit")**

The decrease was mainly due to the one-off gain on disposal of Cosco Shipyard Co., Ltd recorded in 1Q 2017; lower contributions from Offshore Platforms; offset by higher profit recognition on rigs delivery in 1Q 2018 on adoption of SFRS(I) 15. Excluding the effects on the adoption of SFRS(I) 15, net loss for 1Q 2018 would have been \$33 million.

## 12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

## 13. PROSPECTS

Global exploration and production (E&P) spending trend continue to improve due to firmer oil prices in the first quarter of 2018.

However, recovery in rig orders is expected to take some time as most of the drilling segments remain oversupplied, with day rates and utilisation under pressure.

The offshore production segment has improved with the FID of several projects. We continue to respond to an encouraging pipeline of enquiries and tenders for innovative engineering solutions.

Repairs and upgrades business is increasingly competitive, although demand for LNG carriers and cruise ships remains strong. Regulations on ballast water treatment requirements coming into force in the foreseeable future will further underpin the potential of this segment. However, the offshore segment for upgrades and repairs remains weak.

The overall industry outlook remains challenging. Despite improvement in E&P CAPEX spending outlook, it will take some time for this to translate into new orders. Margins remain compressed with intensifying competition. Based on existing orders, overall business volume and activity is expected to remain low, and the trend of negative operating profit may continue. We continue to actively manage our costs to align with business volume. We continue to prudently manage our cash flows through securing projects with milestone progress payments to minimise working capital requirements.

Sembcorp Marine will continue to actively pursue the conversion of enquiries into new orders, execute existing orders efficiently and position itself well for the industry recovery.

*This release may contain 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, cost of capital and capital availability, competition from other companies and venues for the sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.*

## 14. DIVIDEND

There is no dividend recommended for the period ended 31 March 2018.

## 15. SEGMENTAL REPORTING

1Q 2018

### (i) Business Segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Eliminations \$'000	Total \$'000
<b>Turnover</b>					
Sales to external parties	1,164,378	14,280	1,690	-	1,180,348
Inter-segment sales	-	-	35,218	(35,218)	-
<b>Total</b>	<b>1,164,378</b>	<b>14,280</b>	<b>36,908</b>	<b>(35,218)</b>	<b>1,180,348</b>
<b>Results</b>					
Segment results	17,789	2,497	(749)	-	19,537
Finance income	8,492	-	26	-	8,518
Finance costs	(21,701)	(433)	-	-	(22,134)
Non-operating income	-	-	20	-	20
Share of results of associates and joint ventures, net of tax	(100)	-	285	-	185
Profit before tax	4,480	2,064	(418)	-	6,126
Tax expense	(1,945)	-	100	-	(1,845)
<b>Profit for the period</b>	<b>2,535</b>	<b>2,064</b>	<b>(318)</b>	<b>-</b>	<b>4,281</b>
<b>Assets</b>					
Segment assets	8,369,303	241,733	38,954	-	8,649,990
Investments in associates and joint ventures	5,115	51,535	9,984	-	66,634
Deferred tax assets	16,016	-	626	-	16,642
Tax recoverable	10,535	-	-	-	10,535
<b>Total assets</b>	<b>8,400,969</b>	<b>293,268</b>	<b>49,564</b>	<b>-</b>	<b>8,743,801</b>
<b>Liabilities</b>					
Segment liabilities	6,099,847	75,619	31,889	-	6,207,355
Deferred tax liabilities	61,689	-	155	-	61,844
Current tax payable	17,735	-	433	-	18,168
<b>Total liabilities</b>	<b>6,179,271</b>	<b>75,619</b>	<b>32,477</b>	<b>-</b>	<b>6,287,367</b>
<b>Capital expenditure</b>	<b>42,046</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>42,060</b>
<b>Significant non-cash items</b>					
Depreciation and amortisation	43,628	2,172	225	-	46,025
Fair value adjustment on hedging instruments	(973)	-	-	-	(973)
Fair value adjustment on firm commitments under fair value hedge	(63)	-	-	-	(63)
Property, plant and equipment written off	4	-	-	-	4
Inventories written back, net	(48)	-	-	-	(48)
Allowance for doubtful debts and bad debts, net	469	-	-	-	469
Net change in fair value of financial assets measured through profit or loss	-	-	(20)	-	(20)

### (ii) Geographical Segments:

	Turnover from external customers		Non-current assets <sup>(1)</sup>		Total assets		Capital expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	92,123	8	2,332,070	55	6,582,009	75	24,482	58
Japan	323,922	27	-	-	-	-	-	-
Rest of ASEAN, Australia & India	9,069	1	147,778	4	222,119	2	1,303	3
Middle East & Africa	9,970	1	-	-	-	-	-	-
United Kingdom	63,219	5	4,986	-	9,182	-	7	-
Norway	402,482	34	143,673	3	149,338	2	-	-
The Netherlands	87,817	7	199,345	5	241,761	3	-	-
Rest of Europe	64,879	6	-	-	-	-	-	-
Brazil	62,432	5	1,403,395	33	1,531,354	18	16,249	39
Other countries	64,435	6	3,995	-	8,038	-	19	-
<b>Total</b>	<b>1,180,348</b>	<b>100</b>	<b>4,235,242</b>	<b>100</b>	<b>8,743,801</b>	<b>100</b>	<b>42,060</b>	<b>100</b>

<sup>(1)</sup> Non-current assets presented consist of property, plant and equipment, investments in associates and joint ventures, trade and other receivables and intangible assets.

## 15. SEGMENTAL REPORTING (Cont'd)

### 1Q 2017 (restated)

#### (i) Business Segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Eliminations \$'000	Total \$'000
<b>Turnover</b>					
Sales to external parties	728,211	14,985	2,386	-	745,582
Inter-segment sales	-	-	18,345	(18,345)	-
<b>Total</b>	<b>728,211</b>	<b>14,985</b>	<b>20,731</b>	<b>(18,345)</b>	<b>745,582</b>
<b>Results</b>					
Segment results	5,810	4,036	(1,000)	-	8,846
Finance income	2,721	-	23	-	2,744
Finance costs	(23,368)	(542)	-	-	(23,910)
Non-operating income	-	-	46,816	-	46,816
Share of results of associates and joint ventures, net of tax	(168)	(749)	208	-	(709)
(Loss)/profit before tax	(15,005)	2,745	46,047	-	33,787
Tax credit	3,119	-	166	-	3,285
<b>(Loss)/profit for the period</b>	<b>(11,886)</b>	<b>2,745</b>	<b>46,213</b>	<b>-</b>	<b>37,072</b>
<b>Assets</b>					
Segment assets	9,201,423	243,182	97,494	-	9,542,099
Investments in associates and joint ventures	5,938	57,958	8,941	-	72,837
Deferred tax assets	67,609	-	-	-	67,609
Tax recoverable	8,422	-	-	-	8,422
<b>Total assets</b>	<b>9,283,392</b>	<b>301,140</b>	<b>106,435</b>	<b>-</b>	<b>9,690,967</b>
<b>Liabilities</b>					
Segment liabilities	7,103,042	95,823	24,986	-	7,223,851
Deferred tax liabilities	80,234	-	235	-	80,469
Current tax payable	38,141	-	1,846	-	39,987
<b>Total liabilities</b>	<b>7,221,417</b>	<b>95,823</b>	<b>27,067</b>	<b>-</b>	<b>7,344,307</b>
<b>Capital expenditure</b>					
	50,128	-	53	-	50,181
<b>Significant non-cash items</b>					
Depreciation and amortisation	44,365	2,340	270	-	46,975
Gain on disposal of assets held for sale	-	-	(46,816)	-	(46,816)
Fair value adjustment on firm commitments under fair value hedge	(962)	-	-	-	(962)
Property, plant and equipment written off	7	-	-	-	7
Inventories written back, net	(76)	-	-	-	(76)
Write-back of doubtful debts and bad debts, net	(78)	-	-	-	(78)

#### (ii) Geographical Segments:

	Turnover from external customers \$'000		Non-current assets <sup>(1)</sup> \$'000		Total assets \$'000		Capital expenditure \$'000	
		%		%		%		%
Singapore	96,962	13	2,384,870	54	7,528,917	78	26,256	52
Rest of ASEAN, Australia & India	13,522	2	167,205	4	237,835	2	727	2
Middle East & Africa	27,699	4	-	-	-	-	-	-
United Kingdom	284,088	38	5,150	-	8,254	-	407	1
Norway	6,936	1	160,888	4	169,474	2	-	-
The Netherlands	174,403	24	221,914	5	243,203	3	-	-
Rest of Europe	90,842	12	-	-	-	-	-	-
Brazil	18,694	2	1,453,014	33	1,495,432	15	22,768	45
U.S.A.	32,006	4	4,190	-	6,115	-	-	-
Other countries	430	-	100	-	1,737	-	23	-
<b>Total</b>	<b>745,582</b>	<b>100</b>	<b>4,397,331</b>	<b>100</b>	<b>9,690,967</b>	<b>100</b>	<b>50,181</b>	<b>100</b>

<sup>(1)</sup> Non-current assets presented consist of property, plant and equipment, investments in associates and joint ventures, trade and other receivables and intangible assets.

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

### 15a. **Explanatory notes to Segmental Reporting**

#### **(i) Business segments**

The Group has two reportable segments, which are the Group's strategic business units. The strategic business units are managed separately because of their different business activities. The two reportable segments are (i) rigs & floaters, repairs & upgrades, offshore platforms and specialised shipbuilding (ii) ship chartering.

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, current assets and exclude inter-segment balances. Segment liabilities comprise mainly operating liabilities and exclude inter-segment balances. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other operations include bulk trading in marine engineering related products; provision of harbour tug services to port users; collection and treatment of used copper slag, and the processing and distribution of copper slag for blast cleaning purposes.

#### **(ii) Geographical segments**

The Group operates principally in the Republic of Singapore. 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.

#### **(iii) Review of segment performance**

Please refer to paragraph 11.

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)

	1Q 2018 \$'000	1Q 2017 \$'000
<b>Transaction for the Sales of Goods and Services</b>		
PSA International Pte Ltd and its associates	-	1,059
<b>Management and Support Services</b>		
Sembcorp Industries Limited	63	63
<b>Total Interested Person Transactions</b>	<b>63</b>	<b>1,122</b>

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

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

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

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the first quarter ended 31 March 2018 unaudited financial results to be false or misleading.

**BY ORDER OF THE BOARD**

**TAN YAH SZE/CHAY SUET YEE  
JOINT COMPANY SECRETARIES**

**25 April 2018**