

Notes to the Financial Statements

Year ended December 31, 2020

B. Our Performance (cont'd)

B5. Earnings per share

The Group presents basic and diluted earnings per share for its ordinary shares.

(\$ million)	Group	
	2020	2019
Continuing operations		
i. Profit / (Loss) attributable to owners of the Company:		
Profit / (Loss) attributable to equity holders of the Company	157	305
Less: Profit attributable to perpetual security holders of the Company	(17)	(36)
Profit attributable to owners of the Company	140	269
Discontinued operation		
Loss from discontinued operation, net of tax attributable to owners of the Company	(1,154)	(58)
Profit / (Loss) for the year attributable to owner of the Company	(1,014)	211
ii. Weighted average number of ordinary shares (in millions)		
Issued ordinary shares at January 1	1,786	1,784
Effect of performance shares and restricted shares released	3	3
Effect of own shares held	(4)	(1)
Weighted average number of ordinary shares	1,785	1,786
Adjustment for dilutive potential ordinary shares		
– performance shares	8	7
– restricted shares	7	4
Weighted average number of ordinary shares adjusted for all dilutive potential ordinary shares	1,800	1,797
Earnings per ordinary share (cents)		
– basic ¹	(56.81)	11.81
– diluted ^{2,3}	(56.81)	11.74
Earnings per ordinary share (cents) – Continuing operations		
– basic ¹	7.84	15.06
– diluted ²	7.78	14.96

¹ Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (excluding perpetual security holders) by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

² Diluted earnings per ordinary share is by dividing the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: performance shares and restricted shares.

³ In computing the FY2020 fully diluted earnings per ordinary shares, the weighted average number of shares was not adjusted for the effects of all dilutive potential ordinary shares as at December 31, 2020 as these potential ordinary shares were antidilutive.

B. Our Performance (cont'd)

B6. Assets or disposal groups held for sale

Accounting policies

Assets (or disposal groups) are classified as assets held for sale and measured at the lower of carrying amount and fair value less costs to sell if they are expected to be recovered principally through a sale transaction rather than through continuing use.

Any impairment losses on initial classification and subsequent gains or losses on re-measurement are recognised in profit or loss. Subsequent increases in fair value less costs to sell are recognised in profit or loss (not exceeding the accumulated impairment loss that has been previously recognised).

(\$ million)	Note	Carrying amount	
		December 31, 2020	December 31, 2019
Group			
Assets held for sale			
Joint venture	(a)	30	–
Property, plant and equipment	D1, (b), (c)	–	36
Intangible assets	D3, (b)	–	5
Deferred tax assets	(b)	–	10
Trade and other receivables	(b)	–	19
Inventories	(b)	–	1
Cash and cash equivalents	(b)	–	4
		30	75
Liabilities held for sale			
Borrowings	(b)	–	6
Lease liabilities	(b)	–	1
Trade and other payables	(b)	–	21
Deferred tax liabilities	(b)	–	2
Current tax payable	(b)	–	1
		–	31

a. On September 1, 2020 the Group announced that CSE Holding Pte Ltd, a wholly-owned subsidiary, signed a conditional agreement to divest its entire 32% stake in joint venture company Shenzhen Chiwan Sembawang Engineering Co (CSE) to Chixiao Enterprise Co, for a total gross consideration of RMB150 million (approximately S\$30 million). As at December 31, 2020, the condition precedent were substantially met and accordingly, the carrying value less impairment of this joint venture was classified as assets held for sale.

b. On February 6, 2020, the Group announced that certain wholly-owned subsidiaries of Sembcorp Utilities Pte Ltd had agreed to sell 100% of their interest in the water business in Chile for a total consideration of CLP27.8 billion (approximately S\$49 million) to the Spanish construction and engineering service SACYR S.A. group of companies. Accordingly, the assets and liabilities were classified as assets held for sale and liabilities held for sale, respectively as the disposal group was available for immediate sale in its present condition. It was measured at fair value less cost to sell as at December 31, 2019. Arising from the divestment, an impairment of S\$4 million (2019: S\$64 million) was charged under non-operating expenses (see Note B4).

The sale was completed on July 30, 2020. The Group's share of the cumulative translation reserve of S\$32 million has been realised in profit or loss upon the completion of the sales.

c. In 2019, SCM's subsidiary, SES Engineering (M) Sdn Bhd reclassified a workshop in Malaysia from property, plant and equipment to assets held for sale.