



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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT  
FOR THE HALF-YEAR ENDED JUNE 30, 2023**

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**UNAUDITED RESULTS FOR THE HALF-YEAR ENDED JUNE 30, 2023**

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the half-year ended June 30, 2023.

**1. CONSOLIDATED INCOME STATEMENT**

	Note	GROUP		+ / (-) %
		1H2023	1H2022 <sup>#</sup>	
<i>(S\$ million)</i>				
<b>Turnover</b>	2a	<b>3,658</b>	<b>3,901</b>	<b>(6)</b>
Cost of sales		(2,826)	(3,414)	(17)
<b>Gross profit</b>		<b>832</b>	<b>487</b>	<b>71</b>
General & administrative expenses		(208)	(163)	28
Other operating income, net		18	128	(86)
Non-operating income		133	5	NM
Non-operating expenses		(2)	(3)	(33)
Finance income	2c	29	13	123
Finance costs	2c	(205)	(135)	52
Share of results of associates and joint ventures, net of tax	2d	146	133	10
<b>Profit before tax</b>		<b>743</b>	<b>465</b>	<b>60</b>
Tax expense	2e	(121)	(67)	81
<b>Profit from continuing operations</b>	2b	<b>622</b>	<b>398</b>	<b>56</b>
(Loss) / Profit from discontinued operation, net of tax	7c	(78)	101	NM
<b>Profit for the period</b>		<b>544</b>	<b>499</b>	<b>9</b>
<b>Attributable to:</b>				
<b>Owners of the Company</b>				
Profit from continuing operations		608	389	56
(Loss) / Profit from discontinued operation	7c	(78)	101	NM
		530	490	8
<b>Non-controlling interests (NCI)</b>		14	9	56
		<b>544</b>	<b>499</b>	<b>9</b>
<b>Earnings per ordinary share (cents)</b>				
- basic	2f	29.71	27.48	8
- diluted	2f	29.21	26.88	9
<b>Earnings per ordinary share (cents) – Continuing operations</b>				
- basic	2f	34.08	21.82	56
- diluted	2f	33.51	21.34	57

<sup>#</sup> 1H2022 financials have been re-presented to be consistent with the last audited financial statements where the performance of the coal business was reported as a discontinued operation post approval of the sale of Sembcorp Energy India Limited (SEIL). Please refer to Note 7c.

\* Denotes amount of less than S\$1 million or less than 1%

NM Not meaningful

## 1. CONSOLIDATED INCOME STATEMENT (Cont'd)

### RECONCILIATION OF PROFIT BEFORE EXCEPTIONAL ITEMS FOR PERFORMANCE REVIEW (NOTE 4c)

	Note	GROUP		+ / (-) %
		1H2023	1H2022 <sup>#</sup>	
(S\$ million)				
<b>Attributable to Owners of the Company:</b>				
Profit from continuing operations		608	389	56
Less: Exceptional items (EI), net of tax		(6)	*	NM
<b>Profit from continuing operations before EI</b>		<b>602</b>	<b>389</b>	<b>55</b>
(Loss) / Profit from discontinued operation	7c	(78)	101	NM
<b>Net profit before EI</b>		<b>524</b>	<b>490</b>	<b>7</b>

#### **Exceptional Items, net of tax**

1H2023 exceptional items comprised divestment gains of S\$5 million from the sale of its water businesses in Indonesia, as well as recognition of negative goodwill of S\$1 million from the acquisition of a 49% joint venture in the solar business in Vietnam.

## 2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The information in the notes to the consolidated income statement is for Group's continuing operations. Details of the discontinued operation are shown in Note 7c.

### 2a. **Turnover and disaggregation of revenue**

The Group's businesses are grouped under four main segments, namely Renewables, Integrated Urban Solutions, Conventional Energy and Other Businesses and Corporate. For details, please refer to Note 4a.

#### 1H2023

(S\$ million)	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	Total
<b>Turnover</b>						
External sales	379	206	2,858	215	–	3,658
Inter-segment sales	3	4	27	5	(39)	–
<b>Total</b>	<b>382</b>	<b>210</b>	<b>2,885</b>	<b>220</b>	<b>(39)</b>	<b>3,658</b>
<b>Major product / service lines</b>						
Provision of energy products and related services (including electricity, gas and steam)	353	–	2,624	*	–	2,977
Provision of water products, reclamation of water and industrial wastewater treatment	–	91	69	–	–	160
Solid waste management	–	100	*	–	–	100
Service concession revenue	–	7	117	–	–	124
Construction and engineering related activities	–	–	–	194	–	194
Others	26	5	48	21	–	100
<b>Total revenue from contracts with customers</b>	<b>379</b>	<b>203</b>	<b>2,858</b>	<b>215</b>	<b>–</b>	<b>3,655</b>
Rental income	–	3	–	–	–	3
<b>Total external sales</b>	<b>379</b>	<b>206</b>	<b>2,858</b>	<b>215</b>	<b>–</b>	<b>3,658</b>
<b>Timing of revenue recognition</b>						
Over time	350	197	2,858	197	–	3,602
At a point in time	29	6	–	18	–	53
<b>Total revenue from contracts with customers</b>	<b>379</b>	<b>203</b>	<b>2,858</b>	<b>215</b>	<b>–</b>	<b>3,655</b>

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

### 2a. Turnover and disaggregation of revenue (Cont'd)

#### 1H2022#

<i>(S\$ million)</i>	<b>Renewables</b>	<b>Integrated Urban Solutions</b>	<b>Conven- tional Energy</b>	<b>Other Businesses and Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Turnover</b>						
External sales	222	217	3,301	161	–	3,901
Inter-segment sales	*	3	30	4	(37)	–
<b>Total</b>	<b>222</b>	<b>220</b>	<b>3,331</b>	<b>165</b>	<b>(37)</b>	<b>3,901</b>
<b>Major product / service lines</b>						
Provision of energy products and related services (including electricity, gas and steam)	222	–	3,102	*	–	3,324
Provision of water products, reclamation of water and industrial wastewater treatment	–	97	72	–	–	169
Solid waste management	–	105	*	–	–	105
Service concession revenue	–	7	92	–	–	99
Construction and engineering related activities	–	–	–	145	–	145
Others	*	4	35	16	–	55
<b>Total revenue from contracts with customers</b>	<b>222</b>	<b>213</b>	<b>3,301</b>	<b>161</b>	<b>–</b>	<b>3,897</b>
Rental income	–	4	–	–	–	4
<b>Total external sales</b>	<b>222</b>	<b>217</b>	<b>3,301</b>	<b>161</b>	<b>–</b>	<b>3,901</b>
<b>Timing of revenue recognition</b>						
Over time	215	204	3,301	145	–	3,865
At a point in time	7	9	–	16	–	32
<b>Total revenue from contracts with customers</b>	<b>222</b>	<b>213</b>	<b>3,301</b>	<b>161</b>	<b>–</b>	<b>3,897</b>

The Group's 1H2023 turnover of S\$3,658 million from continuing operations was 6% lower than S\$3,901 million in 1H2022. The decrease in turnover was mainly attributed to lower contributions from the Conventional Energy segment due to lower gas sales revenue. The lower turnover was mitigated by higher contributions from the Renewables segment attributable to full half-year contribution from Sembcorp Huiyang New Energy (Shenzhen) Co Ltd (HYNE) in China (acquired in June 2022) and a new energy storage system in Singapore (commissioned in 2H2022), as well as acquisition of Vector Green Energy Private Limited (Vector Green) in India in 1H2023.

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

### 2b. Profit for the period

Profit for the period includes:

	Note	GROUP		
		1H2023	1H2022 <sup>#</sup>	+ / (-) %
<i>(S\$ million)</i>				
<b>Expenses</b>				
Materials	(i)	(2,130)	(2,893)	(26)
Depreciation and amortisation	(ii)	(218)	(165)	32
Sub-contract cost	(iii)	(195)	(146)	34
Repair and maintenance	(iv)	(74)	(44)	68
Allowance for expected credit loss		(4)	(6)	(33)
Impairment and write-off of assets		(2)	(5)	(60)
Write-down and write-off of inventory		(1)	(3)	(67)
<b>Other operating income, net</b>				
Changes in fair value of financial instruments	(v)	9	77	(88)
Foreign exchange (loss) / gain, net	(vi)	(11)	16	NM
Grant income		4	5	(20)
Other income	(vii)	16	30	(47)
<b>Non-operating income and expenses</b>				
DPN <sup>1</sup> income	(viii)	122	–	NM
Gain on disposal of other financial assets		3	1	200
Gain on disposal of associates	(ix)	5	2	150
Change in fair value of other financial assets		*	(2)	NM

<sup>1</sup> DPN denotes deferred payment note, which is the consideration receivable for the disposal of SEIL in January 2023

- (i) The decrease in materials costs was largely due to lower gas costs from the Conventional Energy segment in Singapore.
- (ii) The increase in depreciation and amortisation was mainly due to the acquisitions of subsidiaries in China and India as well as the newly built energy storage system in Singapore. 1H2023 also included an accelerated depreciation of S\$4 million (see Note 5c).
- (iii) The increase in sub-contract costs was mainly due to the resumption of business activities from the construction business.
- (iv) The higher repair and maintenance cost was mainly due to planned major inspection and maintenance of plants in the Conventional Energy segment.
- (v) Changes in the fair value of financial instruments were mainly from foreign exchange forward contracts and cross currency swaps used for managing the Group's foreign currency exposures and interest costs. The corresponding net effects from revaluation of assets and liabilities in foreign currencies were recorded under foreign exchange (loss) /gain, net.  
  
In 1H2022, there were gains recognised on the unwinding of hedges, following the cancellation of a commitment and economic hedges used to manage the Group's gas cost.
- (vi) Foreign exchange loss in 1H2023 was mainly due to the net effect of revaluation of receivables denominated in Bangladesh Taka (BDT) which depreciated against United States Dollar (USD).
- (vii) Other income in 1H2023 mainly included corporate guarantees fee income of S\$6 million in Singapore and income received from a claim of S\$2 million in China. 1H2022 comprised mainly settlement with O&M contractors of S\$8 million in India and cancellation fee of S\$12 million received from a supplier in Singapore.
- (viii) DPN income represents the change in fair value of the DPN which for 1H2023 included income of S\$84 million and foreign exchange gain of S\$38m. There are no other fair value adjustments in 1H2023.
- (ix) 1H2023 and 1H2022 gain related to divestment of water businesses in Indonesia and Philippines, respectively.

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

### 2c. Finance income and finance costs

(S\$ million)	Note	GROUP		
		1H2023	1H2022 <sup>#</sup>	+ / (-) %
Finance income		29	13	123
Finance costs	(i)	(205)	(135)	52
<u>Included in finance costs:</u>				
Interest paid and payable to banks and others		(193)	(118)	64
Fair value changes of interest rate swaps		2	(2)	NM
Amortisation of capitalised transaction costs		(6)	(8)	(25)
Interest expense on lease liabilities		(5)	(5)	–
Unwind of discount on restoration costs and financing component from contracts with customers		(3)	(2)	50

(i) Higher finance costs in 1H2023 were mainly from the funding of new acquisitions, as well as from the rising interest cost environment, partially mitigated by fixed rate borrowings.

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

The Group's share of results of associates and joint ventures was S\$146 million for 1H2023, 10% higher than S\$133 million in 1H2022. The increase was mainly attributable to the contributions from the newly acquired investments in Hunan Xingling New Energy Co Ltd (HXNE) of S\$9 million and Beijing Energy Sembcorp (Hainan) International Renewables Company Limited (BESH) of S\$4 million (Note 5e), as well as better performance from SDIC New Energy Investment Co Ltd (SDIC) of S\$6 million. The better performance was offset by lower earnings contribution from land sales in the Urban business.

### 2e. Tax expense

(S\$ million)	GROUP		
	1H2023	1H2022 <sup>#</sup>	+ / (-) %
<b>Current tax expense</b>			
Current year	97	56	73
Under provision in prior years	1	*	NM
Foreign withholding tax	5	2	150
<b>Deferred tax expense</b>			
Movements in temporary differences	21	9	133
Over provision in prior years	(3)	*	NM
<b>Tax expense</b>	<b>121</b>	<b>67</b>	<b>81</b>

The increase in overall tax expense in 1H2023 compared to 1H2022 mainly corresponded to the better operating results. The effective tax rate for 1H2023 was approximately 20% (1H2022: 20%).

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

### 2f. Earnings per ordinary share

	GROUP		
	1H2023	1H2022 <sup>#</sup>	+ / (-) %
<b>Earnings per ordinary share (cents)</b>			
(i) Based on the weighted average number of shares (in Singapore cents)	29.71	27.48	8
– Weighted average number of shares (in million)	1,784.2	1,782.9	*
(ii) On a fully diluted basis (in Singapore cents)	29.21	26.88	9
– Adjusted weighted average number of shares (in million)	1,814.5	1,822.9	*
<b>Earnings per ordinary share (cents) – Continuing operations</b>			
(i) Based on the weighted average number of shares (in Singapore cents)	34.08	21.82	56
– Weighted average number of shares (in million)	1,784.2	1,782.9	*
(ii) On a fully diluted basis (in Singapore cents)	33.51	21.34	57
– Adjusted weighted average number of shares (in million)	1,814.5	1,822.9	*

## 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(S\$ million)	Note	GROUP		
		1H2023	1H2022	+ / (-) %
<b>Profit for the period</b>		<b>544</b>	<b>499</b>	<b>9</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences for foreign operations	(i)	(27)	(96)	(72)
Exchange differences on monetary items forming part of net investment in foreign operation		3	(5)	NM
Net change in fair value of cash flow hedges	(ii)	(3)	255	NM
Net change in fair value of cash flow hedges reclassified to profit or loss	(iii)	8	(175)	NM
Realisation of reserves upon disposal of asset held for sale	7c	133	–	NM
Realisation of reserves upon disposal of associates		4	2	100
Share of other comprehensive income of associates and joint ventures	(iv)	11	46	(76)
Income tax relating to these items		*	(10)	NM
		129	17	NM
<b>Items that may not be reclassified subsequently to profit or loss:</b>				
Defined benefit plan actuarial gains and losses		*	(1)	NM
Net change in fair value of financial assets at fair value through other comprehensive income (FVOCI)		5	1	NM
Income tax relating to these items		*	*	NM
Other comprehensive income for the period, net of tax		134	17	NM
<b>Total comprehensive income for the period</b>		<b>678</b>	<b>516</b>	<b>31</b>
<b>Attributable to:</b>				
Owners of the Company		665	506	31
Non-controlling interests		13	10	30
<b>Total comprehensive income for the period</b>		<b>678</b>	<b>516</b>	<b>31</b>
<b>Total comprehensive income attributable to Owners of the Company:</b>				
From continuing operations		610	428	43
From discontinued operation		55	78	(29)
		<b>665</b>	<b>506</b>	<b>31</b>

### 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

- (i) Foreign currency translation differences for 1H2023 mainly arose from the depreciation of Renminbi (RMB) against SGD. 1H2022 currency loss arose from the depreciation of India Rupee (INR) against Singapore dollars (SGD), including translation on the net assets of the discontinued operation, SEIL.
- (ii) Fair value changes were mainly due to mark-to-market changes from foreign exchange forward contracts, foreign currency swaps, fuel oil swaps and interest rate swaps.
- (iii) These related to cash flow hedges recognised to profit and loss upon realisation. 1H2022 amount included unwinding of hedges following the cancellation of a commitment.
- (iv) These mainly related to share of associates and joint ventures' changes in fair value on interest rate swaps.

### 4. SEGMENTAL REPORTING

#### (i) Operating segments

##### 1H2023

	Continuing Operations					Total
	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	
<i>(\$ million)</i>						
<b>Turnover</b>						
External sales	379	206	2,858	215	–	3,658
Inter-segment sales	3	4	27	5	(39)	–
<b>Total</b>	<b>382</b>	<b>210</b>	<b>2,885</b>	<b>220</b>	<b>(39)</b>	<b>3,658</b>
<b>Results</b>						
Earnings before interest, taxes, depreciation and amortisation <sup>2</sup> (EBITDA)	262	53	581	97	–	993
Share of results of associates and joint ventures, net of tax	58	32	56	*	–	146
<b>Adjusted EBITDA</b>	<b>320</b>	<b>85</b>	<b>637</b>	<b>97</b>	<b>–</b>	<b>1,139</b>
Depreciation and amortisation	(98)	(25)	(89)	(6)	–	(218)
Other non-cash expenses:						
– Allowance for impairment in value of assets and assets written off, net	*	*	(2)	–	–	(2)
– Others	*	–	–	*	–	*
Finance income	9	10	24	44	(58)	29
Finance costs	(86)	(6)	(48)	(123)	58	(205)
<b>Profit before tax</b>	<b>145</b>	<b>64</b>	<b>522</b>	<b>12</b>	<b>–</b>	<b>743</b>
Tax expense	(22)	(8)	(81)	(10)	–	(121)
Non-controlling interests	(5)	(3)	(6)	–	–	(14)
<b>Profit from continuing operations</b>	<b>118</b>	<b>53</b>	<b>435</b>	<b>2</b>	<b>–</b>	<b>608</b>
Loss from discontinued operation, net of tax						(78)
<b>Profit attributable to Owners of the Company (Net Profit / (Loss))</b>						<b>530</b>
<b>Capital expenditure</b>	<b>247</b>	<b>13</b>	<b>36</b>	<b>1</b>	<b>–</b>	<b>297</b>

<sup>2</sup> Indicates EDITDA excluding major non-cash items such as the effects of fair value adjustments, re-measurements, impairments, and write-off disclosed in Note 2b



#### 4. SEGMENTAL REPORTING (Cont'd)

##### (i) Operating segments (Cont'd)

1H2022#

	Continuing Operations					Total
	Renewables	Integrated Urban Solutions	Conventional Energy	Other Businesses and Corporate	Elimination	
<i>(S\$ million)</i>						
<b>Turnover</b>						
External sales	222	217	3,301	161	–	3,901
Inter-segment sales	*	3	30	4	(37)	–
<b>Total</b>	<b>222</b>	<b>220</b>	<b>3,331</b>	<b>165</b>	<b>(37)</b>	<b>3,901</b>
<b>Results</b>						
Earnings before interest, taxes, depreciation and amortisation <sup>2</sup> (EBITDA)	148	60	425	(7)	–	626
Share of results of associates and joint ventures, net of tax	40	42	51	*	–	133
<b>Adjusted EBITDA</b>	<b>188</b>	<b>102</b>	<b>476</b>	<b>(7)</b>	<b>–</b>	<b>759</b>
Depreciation and amortisation	(49)	(27)	(86)	(3)	–	(165)
Other non-cash expenses:						
– Allowance for impairment in value of assets and assets written off, net	*	*	(5)	–	–	(5)
– Others	*	–	1	(3)	–	(2)
Finance income	4	5	3	25	(24)	13
Finance costs	(59)	(6)	(44)	(50)	24	(135)
<b>Profit / (Loss) before tax</b>	<b>84</b>	<b>74</b>	<b>345</b>	<b>(38)</b>	<b>–</b>	<b>465</b>
Tax expense	(7)	(9)	(44)	(7)	–	(67)
Non-controlling interests	(1)	(3)	(5)	–	–	(9)
<b>Profit / (Loss) from continuing operations</b>	<b>76</b>	<b>62</b>	<b>296</b>	<b>(45)</b>	<b>–</b>	<b>389</b>
Profit from discontinued operation, net of tax						101
<b>Net Profit</b>						<b>490</b>
<b>Capital expenditure</b>	<b>95</b>	<b>14</b>	<b>65</b>	<b>3</b>	<b>–</b>	<b>177</b>

#### 4. SEGMENTAL REPORTING (Cont'd)

##### (i) Operating segments (Cont'd)

##### As at June 30, 2023

<i>(S\$ million)</i>	<b>Renewables</b>	<b>Integrated Urban Solutions</b>	<b>Conven- tional Energy</b>	<b>Other Businesses and Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Assets</b>						
Segment assets	5,733	1,392	5,272	3,720	(3,205)	12,912
Interests in associates and joint ventures	1,028	924	521	5	–	2,478
Tax assets	15	18	14	19	–	66
	<b>6,776</b>	<b>2,334</b>	<b>5,807</b>	<b>3,744</b>	<b>(3,205)</b>	<b>15,456</b>
<b>Liabilities</b>						
Segment liabilities	4,440	458	3,232	4,974	(3,205)	9,899
Tax liabilities	308	44	328	119	–	799
	<b>4,748</b>	<b>502</b>	<b>3,560</b>	<b>5,093</b>	<b>(3,205)</b>	<b>10,698</b>

##### As at December 31, 2022

<i>(S\$ million)</i>	<b>Renewables</b>	<b>Integrated Urban Solutions</b>	<b>Conven- tional Energy</b>	<b>Other Businesses and Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Assets</b>						
Segment assets	4,860	1,402	4,855	2,108	(2,986)	10,239
Interests in associates and joint ventures	870	908	504	5	–	2,287
Tax assets	9	19	17	17	–	62
	<b>5,739</b>	<b>2,329</b>	<b>5,376</b>	<b>2,130</b>	<b>(2,986)</b>	<b>12,588</b>
Assets held for sale						3,432
<b>Total assets</b>						<b>16,020</b>
<b>Liabilities</b>						
Segment liabilities	3,979	488	3,211	4,907	(2,986)	9,599
Tax liabilities	220	47	326	118	–	711
	<b>4,199</b>	<b>535</b>	<b>3,537</b>	<b>5,025</b>	<b>(2,986)</b>	<b>10,310</b>
Liabilities held for sale						1,494
<b>Total liabilities</b>						<b>11,804</b>

#### 4. SEGMENTAL REPORTING (Cont'd)

##### (ii) Geographical segments

(S\$ million)	Turnover – Continuing Operations				Capital Expenditure			
	1H2023		1H2022#		1H2023		1H2022	
		%		%		%		%
Singapore	2,746	75	3,049	78	87	29	57	32
United Kingdom (UK)	391	11	483	12	38	13	22	12
China	188	5	120	3	12	4	10	6
India	184	5	134	4	159	54	25	14
Rest of Asia	127	3	100	3	1	*	33	19
Middle East	20	1	14	*	–	–	–	–
Other Countries	2	*	1	*	–	–	–	–
					<b>297</b>	<b>100</b>	<b>147</b>	<b>83</b>
India – held for sale					–	–	30	17
<b>Total</b>	<b>3,658</b>	<b>100</b>	<b>3,901</b>	<b>100</b>	<b>297</b>	<b>100</b>	<b>177</b>	<b>100</b>

(S\$ million)	Non-current Assets				Total Assets			
	As at June 30, 2023		As at December 31, 2022		As at June 30, 2023		As at December 31, 2022	
		%		%		%		%
Singapore	4,280	34	2,163	23	5,301	34	3,343	21
China	3,267	26	3,212	34	3,960	26	4,016	26
India	2,567	20	1,644	17	2,940	19	1,989	12
Rest of Asia	1,336	11	1,309	14	1,711	11	1,632	10
UK	810	6	828	9	1,150	8	1,233	8
Middle East	360	3	341	3	378	2	358	2
Other Countries	15	*	15	*	16	*	17	*
					<b>15,456</b>	<b>100</b>	<b>12,588</b>	<b>79</b>
India – held for sale					–	–	3,432	21
<b>Total</b>	<b>12,635</b>	<b>100</b>	<b>9,512</b>	<b>100</b>	<b>15,456</b>	<b>100</b>	<b>16,020</b>	<b>100</b>

#### 4. SEGMENTAL REPORTING (Cont'd)

##### Notes to Segmental Analysis

#### 4a. Operating segments

The Group has identified its business segments based on the internal reports that are reviewed and used by the executive management team in determining the allocation of resources and in assessing performance of the operating segments.

To deliver the Group's vision to be a leading provider of sustainable solutions, supporting sustainable development and creating value for stakeholders and communities, the Group has laid out a strategic roadmap to transform its portfolio from brown to green. The Group's businesses are grouped under four main segments as follows:

- (i) The Renewables segment's principal activities are the provision of electricity from solar and wind resources (both self-generated and imported), energy storage, trading of Energy Attribute Certificates as well as provision of system services that support integration of renewables into grid. This segment also includes the development and provision of installation, operation, and maintenance of solar, wind and energy storage assets.
- (ii) The Integrated Urban Solutions segment supports sustainable development through its suite of urban, water as well as waste and waste-to-resource solutions. The segment's businesses comprise the development of large-scale integrated urban developments and integrated townships such as industrial parks, business, commercial and residential spaces, production and reclamation of water and industrial wastewater treatment as well as solid waste management and waste-to-resource solutions. This segment also includes decarbonisation solutions like carbon capture, utilisation, and storage (CCUS) projects.
- (iii) The Conventional Energy segment's principal activities include the sale of energy molecules (including natural gas, steam, and electricity from a diversity of fossil fuels such as natural gas and coal). This segment also includes sale of water products from its integrated assets. With the sale of SEIL, there is no revenue contribution from coal-related activities from FY2023 as the Group has discontinued its coal-fired power business.
- (iv) The Other Businesses and Corporate segment comprise businesses mainly relating to specialised construction, minting, the Group's captive insurance and financial services, as well as corporate costs.

#### 4b. Geographical segments

The Group's geographical segments for the continuing operations are presented in six principal geographical areas: Singapore, India, UK, China, Rest of Asia, and Middle East. In presenting information based on 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.

#### 4c. Review of Group's performance for continuing operations

	1H2023	1H2022 <sup>#</sup>	Growth	
(S\$ million)				%
Adjusted EBITDA	1,139	759	380	50
Profit before EI	602	389	213	55
EI – Income	6	*	6	NM
Profit from continuing operations	608	389	219	56

##### Continuing operations

1H2023 adjusted EBITDA of S\$1,139 million was S\$380 million or 50% higher than 1H2022 of S\$759 million. The Sustainable Solutions\*\* and Conventional Energy segments contributed 38% and 60% to the Group's 1H2023 adjusted EBITDA before net corporate costs, respectively (1H2022: Sustainable Solutions 37% and Conventional Energy 61%).

The Group's profit before EI in 1H2023 was S\$602 million, S\$213 million or 55% higher than 1H2022 of S\$389 million.

The Sustainable Solutions and Conventional Energy segments contributed 27% and 71% to the Group's 1H2023 profit before EI and net corporate costs, respectively (1H2022: Sustainable Solutions 31% and Conventional Energy 67%). The reduction in percentage contribution from Sustainable Solutions was due to significantly higher profit from the Conventional Energy segment.

\*\* Sustainable Solutions include the Renewables and Integrated Urban Solutions segments

#### 4. SEGMENTAL REPORTING (Cont'd)

##### 4d. Review of segment performance

###### Renewables

(S\$ million)	1H2023	1H2022	Growth	%
Adjusted EBITDA	320	188	132	70
Profit before EI	117	76	41	54
EI – Income	1	–	1	NM
Net Profit	118	76	42	55

###### Adjusted EBITDA

Adjusted EBITDA of S\$320 million in 1H2023 was S\$132 million or 70% higher than S\$188 million in 1H2022. The increase was mainly due to new capacity for energy storage and higher electricity prices for the solar business in Singapore, acquisitions from China and India during the year and full half-year contributions from acquisitions in China completed during FY2022, namely SDIC, HYNE and HXNE. The better performance was offset by lower wind resource in India.

###### Profit before EI

The increase of S\$41 million in 1H2023 net profit was in line with the higher adjusted EBITDA.

###### EI - Income

1H2023 exceptional income related to negative goodwill from the acquisition of a 49% joint venture in the solar business in Vietnam.

###### Integrated Urban Solutions

(S\$ million)	1H2023	1H2022	Growth	%
Adjusted EBITDA	85	102	(17)	(17)
Profit before EI	48	62	(14)	(23)
EI – Income	5	*	5	NM
Net Profit	53	62	(9)	(15)

###### Adjusted EBITDA

1H2023 adjusted EBITDA of S\$85 million was lower than 1H2022 of S\$102 million. Performance from the Urban business was impacted by the lower land sales in Vietnam, mitigated by higher land sales in Indonesia. The lower contribution from Singapore's waste management business was due to the cessation of a public cleaning contract and higher operating costs.

###### Profit before EI

The lower profit before EI in 1H2023 was broadly in line with reasons mentioned in adjusted EBITDA.

###### EI - Income

1H2023 exceptional income comprised a gain on disposal of the water business in Indonesia.

#### 4. SEGMENTAL REPORTING (Cont'd)

##### 4d. Review of segment performance (Cont'd)

###### Conventional Energy

	1H2023	1H2022 <sup>#</sup>	Growth	
(S\$ million)				%
Adjusted EBITDA	637	476	161	34
Net Profit	435	296	139	47

###### Adjusted EBITDA

Adjusted EBITDA of S\$637 million in 1H2023 was S\$161 million or 34% higher than 1H2022. The increase was mainly attributable to the Singapore cogeneration power plants, which continued to capture the value in periods of high power prices through optimisation of generation assets and fuel sources. 1H2022 earnings included a gain from the unwinding of hedges following the cancellation of a commitment and economic hedges used to manage the Group's gas cost.

###### Net Profit

The increase in net profit was in line with the better adjusted EBITDA.

###### Other Businesses and Corporate

	1H2023	1H2022	Growth	
(S\$ million)				%
Adjusted EBITDA	97	(7)	104	NM
- Other Businesses	20	18		
- Net corporate costs	77	(25)		
Net Profit / (Loss)	2	(45)	47	NM
- Other Businesses	15	10		
- Net corporate costs	(13)	(55)		

###### Adjusted EBITDA

Adjusted EBITDA in 1H2023 of S\$97 million included the DPN income post divestment of SEIL (see Note 2(b)(viii)). The performance of the construction business also improved with increased construction activities. Corporate cost has increased mainly as a result of execution of our strategic initiatives which includes share-based payment.

###### Net Profit / (Loss)

1H2023 was a net profit of S\$2 million due to the DPN income. The higher adjusted EBITDA was reduced by the higher net finance cost arising from funding of new acquisitions and high interest rate environment, mitigated by fixed rate borrowings.

## 5. BALANCE SHEETS

Following the acquisition of Vector Green Energy Private Limited (Vector Green) on January 11, 2023, the financials of Vector Green were consolidated, which explains the main difference in the balances of assets and liabilities (see Note 7b on the effect of the acquisition).

(S\$ million)	Note	GROUP		COMPANY	
		As at June 30, 2023	As at December 31, 2022	As at June 30, 2023	As at December 31, 2022
Property, plant and equipment	5c	5,919	5,305	338	348
Investment properties	5d	144	133	–	–
Investments in subsidiaries		–	–	2,311	2,309
Associates and joint ventures	5e	2,478	2,287	–	–
Intangible assets	5f	889	697	25	27
DPN receivable	5g	2,118	–	–	–
Trade and other receivables		854	855	1	1
Other investments and derivative assets <sup>3</sup>	5h	182	183	–	–
Deferred tax assets		51	52	–	–
<b>Non-current assets</b>		<b>12,635</b>	<b>9,512</b>	<b>2,675</b>	<b>2,685</b>
Inventories		162	137	8	9
Trade and other receivables		1,601	1,564	116	119
Contract assets		28	29	–	–
Other investments and derivative assets <sup>3</sup>	5h	147	89	–	*
Contract costs		1	3	–	–
Cash and cash equivalents		882	1,254	319	239
<b>Current assets</b>		<b>2,821</b>	<b>3,076</b>	<b>443</b>	<b>367</b>
Assets held for sale	5i	–	3,432	–	*
<b>Total assets</b>		<b>15,456</b>	<b>16,020</b>	<b>3,118</b>	<b>3,052</b>
Trade and other payables		1,627	1,715	284	144
Contract liabilities		148	139	2	2
Derivative liabilities	5h	43	99	–	–
Provisions		47	42	17	17
Current tax payable		209	219	31	30
Lease liabilities		15	17	7	10
Interest-bearing borrowings	5a	1,446	1,096	–	–
<b>Current liabilities</b>		<b>3,535</b>	<b>3,327</b>	<b>341</b>	<b>203</b>
Liabilities held for sale	5i	–	1,494	–	–
<b>Net current (liabilities) / assets</b>		<b>(714)</b>	<b>1,687</b>	<b>102</b>	<b>164</b>
Other long-term payables		111	93	1,419	1,379
Contract liabilities		80	69	36	25
Derivative liabilities	5h	13	23	–	–
Provisions		66	62	25	24
Deferred tax liabilities		589	492	25	25
Lease liabilities		289	270	106	107
Interest-bearing borrowings	5a	6,015	5,974	–	–
<b>Non-current liabilities</b>		<b>7,163</b>	<b>6,983</b>	<b>1,611</b>	<b>1,560</b>
<b>Total liabilities</b>		<b>10,698</b>	<b>11,804</b>	<b>1,952</b>	<b>1,763</b>
<b>Net assets</b>		<b>4,758</b>	<b>4,216</b>	<b>1,166</b>	<b>1,289</b>

<sup>3</sup> Other financial assets is renamed as other investment and derivatives assets to better reflect the underlying assets

## 5. BALANCE SHEETS (Cont'd)

(S\$ million)	Note	GROUP		COMPANY	
		As at June 30, 2023	As at December 31, 2022	As at June 30, 2023	As at December 31, 2022
<b>Equity attributable to Owners of the Company:</b>					
Share capital		566	566	566	566
Other reserves		(480)	(639)	(20)	(12)
Revenue reserve		4,405	4,050	620	735
<b>Total</b>		<b>4,491</b>	<b>3,977</b>	<b>1,166</b>	<b>1,289</b>
Non-controlling interests		267	239	–	–
<b>Total equity</b>		<b>4,758</b>	<b>4,216</b>	<b>1,166</b>	<b>1,289</b>

### 5a. Group's borrowings and debt securities

(S\$ million)	As at June 30, 2023	As at December 31, 2022
<b>Amount repayable:</b>		
<b><u>In one year or less, or on demand</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	277	261
Unsecured	1,169	835
	<u>1,446</u>	<u>1,096</u>
<b><u>Between one to five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	781	709
Unsecured	2,389	2,884
	<u>3,170</u>	<u>3,593</u>
<b><u>After five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	923	1,008
Unsecured	1,922	1,373
	<u>2,845</u>	<u>2,381</u>
<b>Total</b>	<b><u>7,461</u></b>	<b><u>7,070<sup>4</sup></u></b>
<b>The secured loans are collateralised by the following assets' net book value:</b>		
Net assets and equity shares of subsidiaries, property, plant and equipment, and other assets	<u>3,199</u>	<u>3,059</u>

<sup>4</sup> As at December 31, 2022, SEIL's borrowings of S\$1,172 million was presented under liabilities held for sale. As at December 31, 2022, including SEIL's borrowings, the Group's total borrowings was S\$8,242 million

The increase in borrowings was mainly for financing of the acquisitions made during the year and consolidation of the underlying borrowings of the subsidiaries acquired. In March 2023, the Group issued a S\$350 million green bond.



## 5. BALANCE SHEETS (Cont'd)

### 5b. Net asset value

	GROUP		COMPANY	
	As at June 30, 2023	As at December 31, 2022	As at June 30, 2023	As at December 31, 2022
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the financial period (in S\$)	2.52	2.24	0.65	0.73

The Group's net asset value has increased mainly from the net profit for the period excluding the impact of the realisation of foreign currency translation reserve, capital reserve and other reserves upon divestment of SEIL (see Note 7c) and dividend paid during the period. As at December 31, 2022, the accumulative currency translation loss and the capital reserve and other reserves relating to SEIL were S\$418 million and S\$290 million, respectively.

The Company's net asset value has been reduced mainly due to the dividends paid.

### 5c. Property, plant and equipment (PPE)

In 1H2023, the Group acquired assets amounting to S\$777 million (1H2022: S\$1,120 million), with S\$467 million (1H2022: S\$927 million) from acquisition of subsidiaries in the Renewables segment.

In 1H2023, the Group revised its estimates for the useful lives of certain asset within plant and machinery, with the decision to coincide the replacement in the next scheduled major outage. Consequently, the useful life of this asset is reduced from 25 years to 23 years. The effect of these changes on depreciation expense in current and future periods on assets currently held is as follows:

	2023	2024	2025	2026	Total
(S\$ million)					
Depreciation based on initial useful life till 3Q2026	4	4	4	3	15
Depreciation based on revised useful life till 1Q2024	12	3	–	–	15
Increase / (decrease) in depreciation expense and decrease / (increase) in profit before tax	8	(1)	(4)	(3)	–

### 5d. Investment properties

The investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The Group has assessed that there were no impairment indicators as at June 30, 2023.

The increase in 1H2023 was mainly due to the construction of a warehouse of S\$16 million, offset by depreciation for the period.

### 5e. Associates and joint ventures

Associates and joint ventures increased mainly due to the acquisitions and share of profit for the year.

On March 7, 2023, Beijing Energy Sembcorp (Hainan) International Renewables Company Limited (BESH), the Group's 49%-owned joint venture, acquired the entire interest in three solar projects with an equity consideration of S\$102 million.

As at June 30, 2023, the investment in associates and joint ventures included the impairment provision for the entire carrying value of its equity interest in Chongqing Songzao Sembcorp Electric Power Co Ltd (CSZ) of S\$212 million. Post impairment, the results of CSZ are no longer equity accounted. There is no change in the assessment on the recoverability of CSZ and as at June 30, 2023, the Group's share of unrecognised losses was S\$17 million (December 31, 2022: S\$22 million).

## 5. BALANCE SHEETS (Cont'd)

### 5f. Intangible assets

(S\$ million)	GROUP						Total
	Goodwill	Service concession arrangements	Long-term contracts	Power generation permits	Carbon allowances	Others	
<b>Cost</b>							
Balance at January 1, 2023	235	51	182	393	78	65	1,004
Translation adjustments	5	(2)	11	(15)	3	*	2
Acquisition of subsidiaries (see Note 7b)	77	-	198	-	-	*	275
Additions	-	*	-	-	19	1	20
Transfer from other category of asset	-	*	-	-	-	-	*
Reduction (see Note 7b(ii))	(3)	-	-	-	-	-	(3)
Disposals and write offs	-	*	-	-	(72)	-	(72)
Balance at June 30, 2023	314	49	391	378	28	66	1,226
<b>Accumulated amortisation and impairment</b>							
Balance at January 1, 2023	109	27	117	9	-	45	307
Translation adjustments	5	(1)	6	(1)	-	*	9
Amortisation charge for the period	-	2	7	8	-	4	21
Disposals and write offs	-	*	-	-	-	-	*
Balance at June 30, 2023	114	28	130	16	-	49	337
<b>Carrying amount</b>							
At January 1, 2023	126	24	65	384	78	20	697
At June 30, 2023	200	21	261	362	28	17	889

Carbon allowances are recorded at cost. The disposals related to the settling of the Group's carbon obligations.

(S\$ million)	COMPANY		
	Goodwill	Others	Total
<b>Cost</b>			
Balance at January 1, 2023	19	31	50
Additions	-	*	*
Balance at June 30, 2023	19	31	50
<b>Accumulated amortisation and impairment</b>			
Balance at January 1, 2023	-	23	23
Amortisation charge for the period	-	2	2
Balance at June 30, 2023	-	25	25
<b>Carrying amount</b>			
At January 1, 2023	19	8	27
At June 30, 2023	19	6	25

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

### 5f. **Intangible assets** (Cont'd)

#### **Goodwill**

There have been no changes to the goodwill allocated to CGUs and no impairment indicators noted as at June 30, 2023 for goodwill as per the last audited financial statements, except for the increase in goodwill arising from the acquisition of Vector Green determined on provisional basis (see Note 7b).

### 5g. **DPN receivable**

The DPN receivable represents the consideration of the sale of SEIL measured at fair value at the date of disposal. Changes in fair value is recognised in profit or loss as DPN income (see Note 2(b)(viii)).

The balance as at June 30, 2023 includes fair value changes as of 1H2023, net of receipts during the period. The DPN bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate, minus a greenhouse gas emissions intensity reduction incentive rate. In 1H2023, S\$42 million of interest was received in advance.

### 5h. **Other investments and derivative assets and liabilities**

<i>(S\$ million)</i>	<b>Note</b>	<b>As at June 30, 2023</b>	<b>As at December 31, 2022</b>
Financial assets at amortised cost		20	18
Financial assets at FVOCI		58	53
Other financial assets at fair value through profit or loss (FVTPL)	(i)	117	69
Derivative assets	(ii)	134	132
<b>Other investments and derivative assets</b>		<b>329</b>	<b>272</b>
<b>Derivative liabilities</b>	(ii)	<b>56</b>	<b>122</b>

(i) Increase in other financial assets at FVTPL mainly due to net increase in mutual funds.

(ii) The changes in derivative financial assets and liabilities net of settlement, included the effect of changes in fuel oil, gas hedges, interest rate swaps, cross currency swaps and foreign exchange forwards.

## 5. BALANCE SHEETS (Cont'd)

### 5i. Disposal group held for sale

Assets and liabilities held for sale as at December 31, 2022 related to SEIL, which was divested on January 19, 2023.

<i>(S\$ million)</i>	<b>Carrying amount at December 31, 2022</b>
<b>Assets held for sale</b>	
Property, plant and equipment	2,406
Intangible assets	76
Trade and other receivables	719
Other investments and derivative assets	58
Inventories	137
Cash and cash equivalents	36
	<hr/> 3,432 <hr/>
<b>Liabilities held for sale</b>	
Trade and other payables	270
Provisions	2
Deferred tax liabilities	50
Lease liabilities	*
Borrowings	1,172
	<hr/> 1,494 <hr/>
<b>Excess of assets over liabilities held for sale</b>	<hr/> <b>1,938</b> <hr/>

### 5j. Explanatory notes to other Balance Sheets items

#### (i) Group

##### **Current assets / liabilities**

"Inventories" increased mainly due to higher consumables for self O&M in India and higher strategic fuel in Singapore.

"Trade and other payables" decreased mainly due to lower fuel cost accrued from the gas and related business in UK as a result of lower prices. The decrease also included the annual settlement of UK's carbon obligations.

The Group's net current liabilities position as at June 30, 2023 was transitional as the Group will be refinancing S\$1.4 billion of its borrowing as and when due within the next 12 months (see Note 8a).

#### (ii) Company

"Trade and other payables" and "Other long-term payables" increased mainly due to loan obtained from a related company of S\$180 million.

## 6. STATEMENTS OF CHANGES IN EQUITY

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

(S\$ million)	Attributable to Owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Currency translation reserve	Other reserves	Revenue reserve			
<b>1H2023</b>								
<b>At January 1, 2023</b>	<b>566</b>	<b>(31)</b>	<b>(957)</b>	<b>349</b>	<b>4,050</b>	<b>3,977</b>	<b>239</b>	<b>4,216</b>
Profit for the period	–	–	–	–	530	530	14	544
<b>Other comprehensive income</b>								
Foreign currency translation differences for foreign operations	–	–	(26)	–	–	(26)	(1)	(27)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	3	–	–	3	–	3
Net change in fair value of cash flow hedges	–	–	–	(2)	–	(2)	*	(2)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	7	–	7	–	7
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	5	–	5	–	5
Realisation of reserves upon disposal of asset held for sale (see Note 7c)	–	–	423	(292)	2	133	–	133
Realisation of reserves upon disposal of an associate	–	–	4	*	–	4	–	4
Defined benefit plan actuarial gains and losses	–	–	–	–	*	*	*	*
Share of other comprehensive income of associates and joint ventures	–	–	–	9	2	11	–	11
Transfer of reserves	–	–	1	35	(36)	–	–	–
Total other comprehensive income	–	–	405	(238)	(32)	135	(1)	134
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>405</b>	<b>(238)</b>	<b>498</b>	<b>665</b>	<b>13</b>	<b>678</b>
<b>Transactions with Owners of the Company, recognised directly in equity</b>								
Share issuance	–	–	–	–	–	–	19	19
Purchase of treasury shares	–	(26)	–	–	–	(26)	–	(26)
Share-based payments	–	–	–	18	–	18	–	18
Treasury shares transferred to employees	–	50	–	(50)	–	–	–	–
Dividend paid / payable	–	–	–	–	(143)	(143)	(4)	(147)
<b>Total transactions with Owners</b>	<b>–</b>	<b>24</b>	<b>–</b>	<b>(32)</b>	<b>(143)</b>	<b>(151)</b>	<b>15</b>	<b>(136)</b>
<b>At June 30, 2023</b>	<b>566</b>	<b>(7)</b>	<b>(552)</b>	<b>79</b>	<b>4,405</b>	<b>4,491</b>	<b>267</b>	<b>4,758</b>

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

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

(S\$ million)	Attributable to Owners of the Company					Total	Non- control- ling interests	Total equity
	Share capital	Reserve for own shares	Currency trans- lation reserve	Other reserves	Revenue reserve			
<b>1H2022</b>								
<b>At January 1, 2022</b>	<b>566</b>	<b>(15)</b>	<b>(401)</b>	<b>268</b>	<b>3,349</b>	<b>3,767</b>	<b>151</b>	<b>3,918</b>
Profit for the period	–	–	–	–	490	490	9	499
<b>Other comprehensive income</b>								
Foreign currency translation differences for foreign operations	–	–	(96)	–	–	(96)	*	(96)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	(5)	–	–	(5)	–	(5)
Net change in fair value of cash flow hedges	–	–	–	211	–	211	1	212
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	(142)	–	(142)	–	(142)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	1	–	1	–	1
Realisation of reserves upon disposal of an associate	–	–	1	1	–	2	–	2
Defined benefit plan actuarial gains and losses	–	–	–	–	(1)	(1)	*	(1)
Share of other comprehensive income of associates and joint ventures	–	–	–	44	2	46	–	46
Transfer of reserves	–	–	(2)	–	2	–	–	–
Total other comprehensive income	–	–	(102)	115	3	16	1	17
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(102)</b>	<b>115</b>	<b>493</b>	<b>506</b>	<b>10</b>	<b>516</b>
<b>Transactions with Owners of the Company, recognised directly in equity</b>								
Share issuance	–	–	–	–	–	–	16	16
Acquisition of subsidiaries	–	–	–	–	–	–	63	63
Share-based payments	–	–	–	3	–	3	–	3
Treasury shares transferred to employees	–	11	–	(11)	–	–	–	–
Dividend paid / payable	–	–	–	–	(54)	(54)	(7)	(61)
<b>Total transactions with Owners</b>	<b>–</b>	<b>11</b>	<b>–</b>	<b>(8)</b>	<b>(54)</b>	<b>(51)</b>	<b>72</b>	<b>21</b>
<b>At June 30, 2022</b>	<b>566</b>	<b>(4)</b>	<b>(503)</b>	<b>375</b>	<b>3,788</b>	<b>4,222</b>	<b>233</b>	<b>4,455</b>

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

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

(S\$ million)	Attributable to Owners of the Company				Total equity
	Share capital	Reserve for own shares	Other reserves	Revenue reserve	
<b>1H2023</b>					
<b>At January 1, 2023</b>	<b>566</b>	<b>(31)</b>	<b>19</b>	<b>735</b>	<b>1,289</b>
Profit for the period	–	–	–	28	28
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>28</b>	<b>28</b>
<b>Transactions with Owners of the Company, recognised directly in equity</b>					
Purchase of treasury shares	–	(26)	–	–	(26)
Treasury shares transferred to employees	–	50	(50)	–	–
Share-based payments	–	–	18	–	18
Dividend paid / payable	–	–	–	(143)	(143)
<b>Total transactions with Owners</b>	<b>–</b>	<b>24</b>	<b>(32)</b>	<b>(143)</b>	<b>(151)</b>
<b>At June 30, 2023</b>	<b>566</b>	<b>(7)</b>	<b>(13)</b>	<b>620</b>	<b>1,166</b>
<b>1H2022</b>					
<b>At January 1, 2022</b>	<b>566</b>	<b>(15)</b>	<b>5</b>	<b>826</b>	<b>1,382</b>
Profit for the period	–	–	–	37	37
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>37</b>	<b>37</b>
<b>Transactions with Owners of the Company, recognised directly in equity</b>					
Treasury shares transferred to employees	–	11	(11)	–	–
Share-based payments	–	–	3	–	3
Dividend paid / payable	–	–	–	(54)	(54)
<b>Total transactions with Owners</b>	<b>–</b>	<b>11</b>	<b>(8)</b>	<b>(54)</b>	<b>(51)</b>
<b>At June 30, 2022</b>	<b>566</b>	<b>(4)</b>	<b>(3)</b>	<b>809</b>	<b>1,368</b>

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

#### Issued share capital and treasury shares

	Number of shares	
	Issued share capital	Treasury shares
At January 1, 2023	1,787,547,732	10,763,948
Treasury shares purchased	–	6,415,500
Treasury shares transferred pursuant to share plan	–	(15,188,207)
At June 30, 2023	<u>1,787,547,732</u>	<u>1,991,241</u>

#### Issued and paid-up capital

As at June 30, 2023, the Company's issued and paid-up capital excluding treasury shares comprised 1,785,556,491 (June 30, 2022: 1,785,633,767) ordinary shares.

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

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

#### Treasury shares

During 1H2023, the Company acquired 6,415,500 (1H2022: nil) ordinary shares by way of on-market purchases. 15,188,207 (1H2022: 5,601,561) treasury shares were re-issued pursuant to Performance Share Plan (PSP) and Restricted Share Plan (RSP).

As at June 30, 2023, there were 1,991,241 (June 30, 2022: 1,913,965) treasury shares held that may be re-issued upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

#### Performance shares

	Number of shares
At January 1, 2023	22,711,791
Performance shares awarded	2,501,600
Performance shares awarded due to achievement of targets	3,836,130
Performance shares released	(10,964,800)
Performance shares lapsed	(58,975)
At June 30, 2023	<u>18,025,746</u>

During 1H2023, 2,501,600 (1H2022: 12,103,400) performance shares were awarded under the Company's PSP and 10,964,800 (1H2022: 1,056,900) performance shares were released by way of issuance of treasury shares. In 1H2023, 3,836,130 performance shares were awarded arising from achievement of performance target. In 1H2022, 2,106,401 performance shares were lapsed arising from under-achievement of the performance target.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved but not released as at June 30, 2023 was 18,025,746 (June 30, 2022: 23,237,527). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 27,235,626 (June 30, 2021: 9,404,571) performance shares.

#### Restricted shares

	Number of shares		
	2019 and 2020	2021 onwards	Total
At January 1, 2023	1,650,037	2,422,010	4,072,047
Restricted shares awarded	–	3,403,300	3,403,300
Restricted shares released	(1,643,092)	(2,745,595)	(4,388,687)
Restricted shares lapsed	(6,945)	(1,793)	(8,738)
At June 30, 2023	–	<u>3,077,922</u>	<u>3,077,922</u>

For the grant awarded in 2023, a third of the SCI RSP awards granted will vest immediately with the remaining two-thirds of the awards vesting over the following two years in equal tranches subject to individual performance and fulfilment of service conditions at vesting.

During 1H2023, 3,403,300 (1H2022: 2,834,277) restricted shares were awarded under the RSP, 4,388,687 (1H2022: 4,718,599) restricted shares were released and 8,738 (1H2022: 129,922) restricted shares lapsed. Of the restricted shares released, 4,223,407 (1H2022: 4,544,661) were settled by way of issuance of treasury shares and 165,280 (1H2022: 173,938) were cash-settled.

The total number of restricted shares outstanding for awards achieved but not released as at June 30, 2023 was 3,077,922 (June 30, 2022: 4,293,480).

With effect from 2019 awards granted, the RSP balances represent 100% of targets achieved but not released, subject to individual performance and fulfilment of service conditions at vesting.

For details of the 2020 Share Plan, please refer to the last audited financial statements.



## 7. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP	
		1H2023	1H2022
<i>(S\$ million)</i>			
<b>Cash Flows from Operating Activities</b>			
Profit for the period			
Continuing operations		622	398
Discontinued operation		(78)	101
Adjustments for:			
DPN income		(122)	–
Finance income		(29)	(16)
Finance costs		205	194
Depreciation and amortisation		218	219
Amortisation of deferred income and capital grants		18	(3)
Share of results of associates and joint ventures, net of tax		(146)	(133)
Gain on disposal of property, plant and equipment, intangible assets and other financial assets		(2)	(4)
Loss on disposal of asset held for sale		78	–
Gain on disposal of associates		(5)	(2)
Changes in fair value of other financial assets		*	2
Inventories written down, written off and allowance for stock obsolescence, net		–	3
Equity settled share-based compensation expenses		18	3
Allowance made for impairment loss in value of assets and assets written off, net		2	5
Tax expense		121	93
Operating profit before working capital changes		900	860
Changes in working capital:			
Inventories		(26)	(198)
Receivables		99	(83)
Payables		(134)	24
Contract costs		(1)	*
Contract assets		1	9
Contract liabilities		20	(9)
		859	603
Tax paid		(117)	(37)
Net cash from operating activities		742	566

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

(S\$ million)	Note	GROUP	
		1H2023	1H2022
<b>Cash Flows from Investing Activities</b>			
Dividend received		61	20
Interest received		26	15
Proceeds from sale of joint venture / associates		*	13
Proceeds from sale of other financial assets and business		296	231
Proceeds from sale of property, plant and equipment		*	*
Proceeds from sale of intangible assets		–	*
DPN receipts		42	–
Acquisition of / additional investments in joint ventures and associates		(128)	(390)
Acquisition of other financial assets		(281)	(183)
Acquisition of subsidiaries, net of cash acquired	7b	(401)	(350)
Purchase of property, plant and equipment and investment properties		(365)	(169)
Purchase of intangible assets		(1)	(3)
Net cash used in investing activities		(751)	(816)
<b>Cash Flows from Financing Activities</b>			
Proceeds from share issue to non-controlling interests of subsidiaries		19	16
Purchase of treasury shares		(26)	–
Proceeds from borrowings		1,960	2,246
Repayment of borrowings		(1,971)	(1,814)
Repayment of lease liabilities		(10)	(11)
Payment of contingent consideration		(12)	–
Dividends paid to Owners of the Company		(143)	(54)
Dividends paid to non-controlling interests of subsidiaries		(4)	(5)
(Payment) / Receipt of restricted cash held as collateral		(25)	38
Interest paid		(178)	(171)
Net cash (used in) / from financing activities		(390)	245
Net decrease in cash and cash equivalents		(399)	(5)
<b>Cash and cash equivalents at beginning of the period</b>		<b>1,246</b>	<b>1,297</b>
Effect of exchange rate changes on balances held in foreign currency		2	(26)
<b>Cash and cash equivalents at end of the period</b>	7a	<b>849</b>	<b>1,266</b>

In January 2023, the Group divested SEIL and recognised a DPN receivable of INR 125.5 billion (S\$2.0 billion) (see Note 7c).

### 7a. Cash and cash equivalents

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

(S\$ million)	GROUP	
	As at June 30, 2023	As at December 31, 2022
Fixed deposits with banks	207	398
Cash and bank balances	675	856
Cash and cash equivalents in the balance sheets	882	1,254
Restricted bank balances held as collateral by banks	(33)	(8)
Cash and cash equivalents in the consolidated statement of cash flows	849	1,246

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

### 7b. Cash flow on acquisition of subsidiaries, net of cash acquired

On January 11, 2023, the Group completed the acquisition of a 100% interest in Vector Green, which consists of a portfolio of solar and wind assets. The acquisition will enable the Group to scale its renewables capacity towards meeting its targets by 2025, as part of its brown to green transformation.

Vector Green contributed turnover of S\$47 million and profit of S\$5 million to the Group's results. Based on the completion date in January 2023, management estimated that the contribution to turnover and profit for the year would not have been material if the acquisition had occurred on January 1, 2023.

On June 1, 2022, the Group completed the acquisition of a 98% interest in HYNE. In the month of June 2022, HYNE contributed turnover of S\$18 million and profit of S\$7 million to the Group's results. If the acquisition had occurred on January 1, 2022, management estimated that the consolidated turnover and profit for the half-year ended June 30, 2022, would have increased from S\$4,755 million to S\$4,837 million and from S\$499 million to S\$531 million, respectively.

<i>(S\$ million)</i>	<b>Vector Green (Note (i)) 1H2023</b>	<b>HYNE (Note (ii)) 1H2022</b>
<b>Effect on cash flows of the Group</b>		
Cash paid	450	445
Less: Cash and cash equivalents in subsidiaries acquired	(49)	(95)
Cash outflow on acquisition	401	350
<b>Identifiable assets acquired and liabilities assumed<sup>5</sup></b>		
Property, plant and equipment	467	927
Intangible assets	198	415
Trade and other receivables	68	441
Other investments and derivative assets	58	–
Deferred tax assets	2	*
Cash and cash equivalents	49	95
Total assets	842	1,878
Trade and other payables	32	164
Current tax payable	–	3
Deferred tax liabilities	74	103
Lease liabilities	8	10
Borrowings	355	887
Total liabilities	469	1,167
Identifiable net assets	373	711
Less: NCI measured on proportionate basis	–	(63)
Identifiable net assets acquired	373	648
Add: Goodwill acquired	77	33
Consideration transferred for the business	450	681
Less: Contingent and deferred consideration	–	(236)
Cash paid	450	445

<sup>5</sup> Vector Green's identifiable assets acquired and liabilities assumed are inclusive of fair value adjustments, determined on provisional basis as of June 30, 2023

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

### 7b. Cash flow on acquisition of subsidiaries, net of cash acquired (Cont'd)

(i) 1H2023: Acquisition of Vector Green

- The goodwill recognised is not expected to be deductible for tax purposes.
- Acquisition-related costs amounting to S\$1 million have been excluded from the consideration transferred and have been recognised within general & administrative expenses in the profit or loss in 1H2023.

(ii) 1H2022: Acquisition of HYNE

- The goodwill recognised is not expected to be deductible for tax purposes.

Prior to the end of the provisional one-year period from the date of acquisition of HYNE (June 1, 2022), the consideration of the acquisition has decreased by S\$3 million, with a corresponding reduction in goodwill by S\$3 million. Post the provisional one-year period, the fair values of the identifiable assets acquired and liabilities assumed are deemed finalised.

- Contingent and deferred considerations

The contingent considerations arrangement was for payment of a defined quantum upon obtaining the necessary operating permits, securing subsidy financing and admission into the National Subsidy Catalog for certain projects within an agreed period.

In determining the fair value of the contingent consideration, the Group has applied judgement in evaluating the probability and timing of fulfilment, taking into consideration past experiences and changes to the market, economic or legal environment in China.

There is also the deferred consideration payable at the earlier of obtaining the necessary subsidy financing for certain assets or two years from the acquisition date.

The liabilities relating to the above are presented within trade and other payables in the balance sheet as at June 30, 2023 and December 31, 2022.

As of June 30, 2023, operating permits were partially obtained. As a result, S\$12 million out of S\$157 million of contingent consideration was paid during the year.

- Acquisition-related costs amounting to S\$2 million have been excluded from the consideration transferred and have been recognised within general & administrative expenses in the profit or loss in 1H2022.

### 7c. Discontinued operation

On January 19, 2023, the Group completed the sale of SEIL. SEIL's FY2023 results prior to the completion of sale on January 19, 2023 was not taken in. This does not have a material impact on the profit for the period.

The financial performance and cash flows attributable to the discontinued operation for 1H2022 were as follows:

<i>(S\$ million)</i>	<b>1H2022</b>
<b><u>Financial performance</u></b>	
Turnover	854
EBITDA	239
Depreciation and amortization	(54)
Other non-cash expenses	(2)
Finance income	3
Finance cost	(59)
<b>Profit before tax</b>	<b>127</b>
Tax expense	(26)
<b>Profit from discontinued operation</b>	<b>101</b>
Basic earnings (loss) per share – cents	5.66
Diluted earnings (loss) per share – cents	5.54

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

### 7c. Discontinued operation (Cont'd)

<i>(S\$ million)</i>	<b>1H2022</b>
<b>Cash flow</b>	
Net cash from operating activities	43
Net cash from investing activities	43
Net cash from financing activities	12
<b>Net increase in cash and cash equivalents</b>	<b>98</b>

The financial effects arising from the divestment of the discontinued operation are as follows:

<i>(S\$ million)</i>	<b>1H2023</b>
Net assets as at December 31, 2022 derecognised	1,938
Less: Realisation of currency translation, capital and other reserves upon disposal	133
Less: Transaction costs	42
Loss on disposal	(78)
Consideration received	2,035
Add: Stamp duties and tax	3
Less: DPN receivable	(2,038)
Net cash inflow	–

#### **Loss on disposal**

The loss on disposal of S\$78 million was after realisation of an accumulated currency translation loss recognised in the foreign currency translation reserve of S\$423 million and a gain in capital reserve and other reserves of S\$290 million. Before realisation of these reserves, the sale was a gain of S\$55 million.

### 7d. Explanatory notes to Consolidated Statement of Cash Flows

#### (i) Half-year ended June 30, 2023

Net cash from operating activities before changes in working capital stood at S\$900 million while net cash from operating activities was S\$742 million. Net cash outflow from working capital changes was due to pay down of trade and other payables and purchase of inventories.

Net cash used in investing activities was S\$751 million, mainly for the acquisition of Vector Green and investment in joint ventures in China, as well as addition in PPE which included S\$270 million of expansionary capital expenditure for the Group's renewables projects.

Net cash used in financing activities was S\$390 million, mainly for interest and dividend paid.

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

There were no material non-cash transactions other than those disclosed in the cash flow statement.

## **8. ACCOUNTING POLICIES**

### **8a. Basis of preparation**

The Group's interim financial statements are prepared on a going concern basis, notwithstanding that as at June 30, 2023, the Group was in a net current liabilities position of S\$714 million. The Group's net current liabilities position as at June 30, 2023 was transitional as the Group will be refinancing S\$1.4 billion of its borrowings as and when due within the next 12 months. As at date of the report, the Group has S\$1.6 billion of committed unutilised credit facilities available to drawdown with maturity beyond 2024.

The interim financial statements for the six months ended June 30, 2023, are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements as at and for the year ended December 31, 2022.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current half-year as the last audited financial statements, except for the adoption of new and amended standards as set out in Note 8b.

As disclosed in the notes to accounts of the last audited financial statements, the DPN receivable was recognised in January 2023 at the completion of the sale of SEIL. DPN is measured at fair value based on the contractual terms of the sale and the changes in fair value are recognised in non-operating income or expense.

### **8b. New and amended standards adopted by the Group**

The Group has applied the following amendments to SFRS(I)s which became effective on January 1, 2023:

- SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2 (Disclosure of Accounting Policies)
- SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
- SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- SFRS(I) 1-12 International Tax Reform – Pillar Two Model Rules
- SFRS(I) 17 Insurance Contracts

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The adoption of these amendments to standards and interpretations does not have a material effect on the financial statements.

## 8. ACCOUNTING POLICIES (Cont'd)

### 8c. Accounting estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last audited annual financial statements, except for:

#### **Acquisitions**

During the year, the Group made two significant acquisitions, requiring the purchase price to be allocated to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed. Judgement is required in determining the classification of the acquisitions as asset acquisitions or business combinations. There is judgement and inherent uncertainty involved in the valuation of the assets and liabilities as well as settlement of any existing litigations between the parties.

The Group has used provisional amounts of purchase price allocation for the accounting of these acquisitions and has a one-year measurement period from the acquisition date to complete the accounting for the acquisitions. Fair value adjustments may arise on the completion of respective final purchase price allocations due to the estimation uncertainty involved.

#### **DPN**

In determining the fair value of DPN, it is assumed that the purchaser settles the DPN from agreed portions of distributions including dividends declared by SEIL. The Group has performed a discounted cashflow using the forecasted distributable reserves available from SEIL, considering secured cash flows from various power purchase agreements and unsecured cash flows from contract renewals and/or new contracts.

A discount rate is applied to the DPN to reflect the cash flow risks associated with the forecasted distributed dividends from SEIL and credit default risk of the purchaser. An increase in ten basis points on the discount rate would have reduced the fair value by S\$13 million. Conversely, a ten basis points decrease would have increased the fair value by S\$13 million.

Judgements and estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 9. RELATED PARTIES

### 9a. Related party transactions

The balances due from related parties arose from the usual trade transactions, reimbursements and for financing capital expansion.

### 9b. Key Management Personnel

There were no changes to the key management personnel and their compensation scheme in 1H2023.

## 10. FAIR VALUE MEASUREMENTS

SFRS(I) 13 establishes a fair value hierarchy that prioritises the inputs used to measure fair value. The three levels of the fair value input hierarchy defined by SFRS(I) 13 are as follows:

- Level 1 – Using quoted prices (unadjusted) from active markets for identical financial instruments.
- Level 2 – Using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (prices) or indirectly (derived from prices).
- Level 3 – Using inputs not based on observable market data (unobservable input).

#### **Securities**

The fair value of financial assets is based on quoted market prices (bid price) in an active market at the balance sheet date without any deduction for transaction costs. If the market for a quoted financial asset is not active, and for unquoted financial assets, the Group establishes fair value by using other valuation techniques.

## 10. FAIR VALUE MEASUREMENTS (Cont'd)

### Derivatives

Derivatives are used by the Group for hedging. These derivatives are mainly foreign exchange contracts, foreign exchange swaps, interest rate swaps, cross currency swaps, fuel oil swaps and electricity futures. They are accounted on a basis consistent with that disclosed in the most recent annual financial report.

1. The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current market price.
2. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Group is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.
3. The fair value of fuel oil swaps and electricity futures is accounted for based on the difference between the contractual strike price with the counterparty and the current forward market price.
4. Contracts for differences (CFDs) are accounted for based on the difference between the contracted price entered into with the counterparty and the reference price. The fair value of the CFDs would need to be adjusted to reflect illiquidity. However, there have been minimal trades made in the electricity future market. There is also no fixed quantity stated in the agreement. As such, the fair value of the CFDs cannot be measured reliably. Upon settlement, the gains and losses for CFDs are taken to profit or loss.

For financial instruments not actively traded in the market, fair value is determined by independent third party or by various valuation techniques, with assumptions based on existing market conditions at each balance sheet date.

### Financial assets and liabilities carried at fair value

(S\$ million)	Fair value measurement using:			Total
	Level 1	Level 2	Level 3	
<b>Group</b>				
<b>As at June 30, 2023</b>				
Financial assets at FVOCI	–	–	58	58
DPN receivable	–	–	2,118	2,118
Other financial assets at FVTPL	83	–	34	117
Derivative assets	–	134	–	134
	<u>83</u>	<u>134</u>	<u>2,210</u>	<u>2,427</u>
Financial liabilities at FVTPL	–	(2)	(134)	(136)
Derivative liabilities	–	(56)	–	(56)
	<u>–</u>	<u>(58)</u>	<u>(134)</u>	<u>(192)</u>
	<u>83</u>	<u>76</u>	<u>2,076</u>	<u>2,235</u>
<b>As at December 31, 2022</b>				
Financial assets at FVOCI	–	–	53	53
Financial assets at FVTPL	37	–	32	69
Derivative assets	–	132	–	132
	<u>37</u>	<u>132</u>	<u>85</u>	<u>254</u>
Financial liabilities at FVTPL	–	(3)	(151)	(154)
Derivative liabilities	–	(122)	–	(122)
	<u>–</u>	<u>(125)</u>	<u>(151)</u>	<u>(276)</u>
	<u>37</u>	<u>7</u>	<u>(66)</u>	<u>(22)</u>



## 10. FAIR VALUE MEASUREMENTS (Cont'd)

Financial assets at FVOCI in Level 3 of the fair value hierarchy include unquoted equity shares. The fair value of the unquoted equity shares is determined by reference to the investment's adjusted net asset values as stated in the unaudited financial statements.

The DPN receivable was recognised in January 2023 at the completion of the sale of SEIL. DPN is measured at fair value based on the contractual terms of the sale.

Financial liabilities at FVTPL in Level 3 relate to the contingent consideration on acquisition of HYNE.

In 1H2023, there have been no transfers between the different levels of the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements of financial assets at FVOCI and FVTPL in Level 3 of the fair value hierarchy:

(S\$ million)	GROUP			
	Financial assets at FVOCI	DPN receivable	Other financial assets at FVTPL	Financial liabilities at FVTPL
<b>Group</b>				
<b>As at January 1, 2023</b>	53	–	32	(151)
Addition	–	2,038	3	–
Translation adjustment	–	–	–	5
Net change in fair value	5	122	(1)	–
(Receipt) / Payment	–	(42)	–	12
<b>As at June 30, 2023</b>	<b>58</b>	<b>2,118</b>	<b>34</b>	<b>(134)</b>
<b>As at January 1, 2022</b>	53	–	28	–
Addition	–	–	4	(141)
Net change in fair value	1	–	(2)	–
Disposal	–	–	(2)	–
<b>As at June 30, 2022</b>	<b>54</b>	<b>–</b>	<b>28</b>	<b>(141)</b>
Addition	–	–	6	–
Translation adjustment	–	–	–	9
Net change in fair value	(1)	–	(2)	(19)
<b>As at December 31, 2022</b>	<b>53</b>	<b>–</b>	<b>32</b>	<b>(151)</b>

### Non-derivative financial assets and liabilities

#### Non-current

Carrying amount of non-derivative non-current financial assets and liabilities on floating interest rate terms are assumed to approximate their fair value because of the short period to repricing. Fair values for the remaining non-derivative non-current financial assets and liabilities are calculated using discounted expected future principal and interest cash flows at the market rate of interest at the reporting date.

#### Current

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

## 10. FAIR VALUE MEASUREMENTS (Cont'd)

The fair value of financial assets and financial liabilities measured at amortised cost for the Group and Company approximate their carrying amounts, except for the following:

(S\$ million)	Financial assets at amortised costs	Other financial liabilities	Total carrying amount	Fair value
<b>Group</b>				
<b>As at June 30, 2023</b>				
Service concession receivables	887	–	887	1,744
Interest-bearing borrowings:				
– Non-current borrowings	–	(6,015)	(6,015)	(5,907)
<b>As at December 31, 2022</b>				
Service concession receivables	897	–	897	1,644
Interest-bearing borrowings:				
– Non-current borrowings	–	(5,974)	(5,974)	(5,776)
<b>Company</b>				
<b>As at June 30, 2023</b>				
Amounts due to related parties	–	(1,398)	(1,398)	(1,398)
<b>As at December 31, 2022</b>				
Amounts due to related parties	–	(1,358)	(1,358)	(1,356)

## 11. CONTINGENT LIABILITIES

### Group

As at the balance sheet date, the Group had the following contingent liabilities:

(S\$ million)	Note	GROUP	
		As at June 30, 2023	As at December 31, 2022
Guarantees given to banks to secure banking facilities provided to:			
– Joint ventures		51	25
– Commodities traders		–	168
– SEIL	(i)	1,287	–
– Others		1	*
Performance guarantees to external parties		79	264
The periods in which the financial guarantees expire are as follows:			
– Less than 1 year		388	193
– Between 1 year to 5 years		467	*
– More than 5 years		484	–
		1,339	193

- (i) As reported in the letter to shareholders of the Company dated October 2022, in accordance with the terms of the sale, SCU<sup>6</sup> will issue corporate guarantees in favour of SEIL's lenders for some of SEIL's facilities. The then aggregate principal amount of SEIL's existing facilities was S\$1,557 million.

As at December 31, 2022, the borrowings of SEIL was consolidated into the Group's financials, hence guarantees given to banks to secure its banking facilities was not separately disclosed.

<sup>6</sup> Sembcorp Utilities Pte Ltd, a wholly owned subsidiary of the Company

## 11. CONTINGENT LIABILITIES (Cont'd)

### Company

- a. The Company has provided guarantees to banks to secure banking facilities provided to a wholly owned subsidiary, Sembcorp Financial Services Pte Ltd (SFS). These financial guarantee contracts are accounted for as insurance contracts. The intra-group financial guarantees granted by the Company amounted to S\$7,150 million (December 31, 2022: S\$8,831 million) with S\$4,120 million (December 31, 2022: S\$4,139 million) drawn down as at balance sheet date. The periods in which the financial guarantees expire are as follows:

	COMPANY	
	As at June 30, 2023	As at December 31, 2022
(S\$ million)		
The periods in which the financial guarantees expire are as follows:		
- Less than 1 year	576	800
- Between 1 to 5 years	1,918	1,963
- More than 5 years	1,626	1,376
	<u>4,120</u>	<u>4,139</u>

- b. The Company has provided corporate guarantees of S\$115 million (December 31, 2022: S\$159 million) to a subsidiary, Sembcorp Cogen Pte Ltd (SembCogen) for the following:

- (i) Two long-term agreements entered in 2010 for the purchase of a total 42 BBtud (Billion British thermal units per day) of liquefied natural gas (LNG) from Shell Gas Marketing Pte Ltd (Shell) (formerly known as BG Singapore Gas Marketing Pte Ltd). With a start date on May 7, 2013 and September 1, 2015 respectively, the agreements have a term of 10 years and SembCogen has an option to extend the term by two successive periods of five years each subject to fulfilment of conditions set in the agreements. The obligations of SembCogen under the LNG purchase agreements are currently secured by corporate guarantees issued by the Company in favour of Shell.

As at the date of this report, the corporate guarantees were reduced to S\$85 million for the purchase of 20 BBtud of LNG.

## 12. COMMITMENTS

Commitments not provided for in the financial statements are as follows:

	Note	GROUP	
		As at June 30, 2023	As at December 31, 2022
(S\$ million)			
Commitments in respect of contracts placed for property, plant and equipment	(i)	1,175	334
Commitments in respect of a civil settlement in China	(ii)	45	45
Uncalled commitments to subscribe for additional shares in joint ventures and other investments		41	40
Commitments in respect of purchase of investment properties		13	30
		<u>1,274</u>	<u>449</u>

- (i) The increased commitments in 1H2023 mainly related to the development of a combined cycle power plant on Jurong Island, Singapore.
- (ii) As part of the settlement relating to the discharge of off-specification wastewater by its 98.42%-owned wastewater treatment company, Sembcorp Nanjing Suiwu Company Limited, the Group is committed to investments of S\$45 million over four years (by December 2023) to develop projects and initiatives to support environmental protection in China. As at June 30, 2023, the Group has completed certain projects including upgrading of wastewater treatment plants in China towards the civil settlement. The actual investment spend is pending audit and confirmation by the Nanjing Procuratorate and court.

## 13. AUDIT

The figures have not been audited or reviewed by the Company's auditors.

## 14. AUDITORS' REPORT

Not applicable.

## 15. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

## 16. PROSPECTS

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.

### Group

The Group's strong performance in the first half of 2023 was driven by the Conventional Energy segment which saw higher power prices in the Singapore electricity market and increased operational capacity in the Renewables segment.

With an increase in longer tenure power purchase agreements in Singapore, we expect the Conventional Energy segment to provide a stable earnings profile in the second half of the year. Earnings of the Renewables segment will increase for the full year due to contributions from completed acquisitions. However, performance in the second half of the year is seasonally lower than the first half. Outlook of the Urban business is dependent on the pace of regulatory approvals and property market recovery in our countries of operation.

Barring unforeseen circumstances, full year underlying earnings for the Group are expected to be higher than 2022.

Notwithstanding the strong performance, global growth is projected to slow amid high inflation, tight monetary policy and geopolitical tensions. This could weigh down on the global economy and impact business performance.

The Group continues to focus on the execution of its transformation strategy and will leverage its energy and urban development capabilities to seize opportunities in the global energy transition.

## 17. DIVIDEND

### (a) Current Financial Period Reported On

Name of Dividend	2023
	Interim Ordinary Exempt-1-Tier
Dividend Type	Cash
Dividend Amount (cents per shares)	5.0

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

Name of Dividend	2022
	Interim Ordinary Exempt-1-Tier
Dividend Type	Cash
Dividend Amount (cents per shares)	4.0

### (c) Date Payable

The interim dividend will be paid on August 22, 2023.

### (d) Notice of Record Date

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on August 16, 2023 to determine the shareholders' entitlements to the dividend. Duly completed transfers of shares received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on August 15, 2023 (the "Record Date") will be registered to determine shareholders' entitlements to the dividend. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the dividend.

## 18. INTERESTED PERSON TRANSACTIONS

For the purposes of Chapter 9 of the SGX-ST Listing Manual, shareholders' approval is required for any interested person transaction of a value equal to, or more than 5% of the Group's latest audited consolidated net tangible assets (NTA) or when aggregated with other transactions entered with the same interested person during the same financial year, is of a value equal to, or more than 5% of the Group's latest NTA. For FY2023, 5% of the Group's consolidated NTA, as at December 31, 2022, was S\$163 million.

Chapter 9 however permits the Company to obtain a shareholders' mandate for recurrent transaction of a revenue or trading nature or those necessary for its day-to-day operations. At the Annual General Meeting held on April 2023, the Company obtained approval for such shareholders' mandate.

(S\$ million)	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H2023	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 1H2023
<b>Sale of goods and services</b>			
Singapore Telecommunications Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company ↓	1,800.0	–
Mapletree Investments Pte Ltd and its Associates		2.1	–
Capitaland and its Associates		6.2	–
PSA International Pte Ltd and its Associates		2.7	–
Singapore Power Limited and its Associates		1.2	–
Olam International Ltd and its Associates		4.2	–
SATS Ltd and its Associates		0.1	–
Singapore Technologies Engineering Ltd and its Associates		0.6	–
Seatrium Ltd (f.k.a. Sembcorp Marine Ltd) and its Associates		1.7	–
<b>Total sale of goods and services</b>			1,818.8
<b>Purchase of goods and services</b>			
Singapore Telecommunications Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company ↓	0.8	–
Singapore Power Limited and its Associates		3.1	–
SMRT Corporation Ltd and its Associates		0.1	–
Singapore Technologies Engineering and its Associates		6.9	–
Surbana-Jurong Private Limited		4.2	–
Starhub Ltd and its Associates		0.2	–
Lan Ting Holdings Pte Ltd and its Associates		20.1	–
<b>Total purchases of goods and services</b>			35.4

**18. INTERESTED PERSON TRANSACTIONS** (Cont'd)

(S\$ million)	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H2023	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 1H2023
<b>Treasury transactions</b>			
<i>Subscription to S\$350 million 4.6% fixed rate notes due 2030 notes issued by Sembcorp Financial Services on March 15, 2023</i>			
Clifford Capital Pte Ltd	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	99.2	–
Yap Chee Keong	Director	0.3	–
Total treasury transactions		99.5	–
<b>Total</b>		1,953.7	–

**19. 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.

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

We, Tow Heng Tan, and Wong Kim Yin, being two directors of Sembcorp Industries Ltd (the “Company”), do hereby confirm on behalf of the directors of the Company, that to the best of their knowledge, nothing has come to their attention which would render the half-year ended June 30, 2023 unaudited financial results to be false or misleading.

On behalf of the board of directors

**Tow Heng Tan**  
Chairman

**Wong Kim Yin**  
Director

**BY ORDER OF THE BOARD**

**Tan Yen Hui (Ms)**  
Company Secretary  
August 4, 2023