



**SEMBCORP INDUSTRIES LTD & ITS SUBSIDIARIES**  
**Registration Number: 199802418D**

**THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2008 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

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## SEMBCORP INDUSTRIES LTD & ITS SUBSIDIARIES

### UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2008

The Board of Directors of Sembcorp Industries Ltd wishes to announce the unaudited results of the Group for the third quarter and nine months ended September 30, 2008.

#### 1. GROUP INCOME STATEMENT

	GROUP			GROUP		
	3Q08 \$'000	3Q07 \$'000	+ / (-) %	9M08 \$'000	9M07 \$'000	+ / (-) %
<b>Turnover</b>	<b>2,501,367</b>	<b>2,239,948</b>	<b>11.7</b>	<b>7,234,778</b>	<b>6,091,528</b>	<b>18.8</b>
Cost of sales	(2,251,643)	(2,043,129)	10.2	(6,542,637)	(5,538,475)	18.1
Gross profit	249,724	196,819	26.9	692,141	553,053	25.1
General & administrative expenses	(70,410)	(58,657)	20.0	(195,724)	(162,865)	20.2
Non-operating income (net)	38,300	22,168	72.8	87,134	116,329	(25.1)
Finance costs	(12,042)	(12,389)	(2.8)	(36,822)	(38,259)	(3.8)
Share of results (net of tax) of:						
- Associates	33,336	27,157	22.8	105,605	67,937	55.4
- Joint ventures	10,844	10,535	2.9	32,166	43,042	(25.3)
<b>Profit before income tax expense</b>	<b>249,752</b>	<b>185,633</b>	<b>34.5</b>	<b>684,500</b>	<b>579,237</b>	<b>18.2</b>
Income tax expense	(31,314)	(30,441)	2.9	(100,055)	(89,409)	11.9
<b>Profit for the period</b>	<b>218,438</b>	<b>155,192</b>	<b>40.8</b>	<b>584,445</b>	<b>489,828</b>	<b>19.3</b>
<b>Attributable to:</b>						
Shareholders of the Company	144,929	116,137	24.8	406,216	374,413	8.5
Minority interests	73,509	39,055	88.2	178,229	115,415	54.4
	<b>218,438</b>	<b>155,192</b>	<b>40.8</b>	<b>584,445</b>	<b>489,828</b>	<b>19.3</b>
<b>Economic Value Added</b>	<b>138,210</b>	<b>98,343</b>	<b>40.5</b>	<b>398,800</b>	<b>294,922</b>	<b>35.2</b>
<b>Earnings per ordinary shares (cents)</b>						
- basic	8.15	6.52	25.1	22.83	21.06	8.4
- diluted	8.08	6.45	25.2	22.63	20.81	8.7

## Notes to Group Income Statement:

### 1a. Profit for the period is arrived at after (charging)/crediting the following significant items:

	Note	GROUP		GROUP	
		3Q08 \$'000	3Q07 \$'000	9M08 \$'000	9M07 \$'000
Depreciation and amortisation	1	(50,179)	(45,457)	(147,717)	(134,184)
Allowance made for impairment in value of assets (net)	3	(7,881)	(4,604)	(7,957)	(5,169)
Share-based expenses	4	(8,049)	(8,613)	(25,193)	(19,054)
Interest income	5	8,994	10,562	26,010	32,514
Dividend income	6	853	-	9,265	6,376
Other income	7	9,057	8,031	32,855	68,093
Gain on sale of property, plant & equipment and investment properties	8	17,097	5,562	18,148	9,704
Foreign exchange gain / (loss)	9	6,921	(1,475)	5,394	3,647
Finance costs		<u>(12,042)</u>	<u>(12,389)</u>	<u>(36,822)</u>	<u>(38,259)</u>

Note:

- (1) Higher depreciation and amortisation was due to additions of property, plant and equipment as the Group expanded its operations.
- (2) Lower writeback of specific allowance for trade debts in 3Q08 and 9M08.
- (3) In 3Q08, an impairment was made for part of plant and machinery. In 3Q07, a provision for impairment was made for an investment in a China joint venture.
- (4) Higher share-based expenses for a subsidiary for 9M08.
- (5) Lower interest income in 3Q08 and 9M08 was mainly attributable to weakening interest rates.
- (6) Higher dividend income from the group's investments in Singapore in 3Q08 and 9M08.
- (7) A commercial settlement reached with a supplier was recorded as other income in 9M07.
- (8) 3Q08 and 9M08 included gain from the transfer of transmission and distribution pipeline assets to PowerGas Ltd.
- (9) Higher exchange gain in 3Q08 and 9M08 arose from revaluation gain on USD denominated monetary items.

### 1b. Income Tax

The Group's tax charge for 3Q08 included a writeback of an over provision of tax in respect of prior years of \$3,431,000 (3Q07: writeback of over provision of tax in respect of prior years of \$19,000).

The Group's tax charge for 9M08 included a writeback of an over provision of tax in respect of prior years of \$7,273,000 (9M07: under provision of tax in respect of prior years of \$600,000 and a writeback of provision for deferred tax of \$14,454,000 due to a reduction in Singapore corporate tax rate).

### 1c. Economic Value Added

Higher Economic Value Added (EVA) was generated in 3Q08 as compared to 3Q07 due to increased net operating profit after tax (NOPAT) arising from higher net profit before tax, higher share of profits from associates, and adjustments made for deferred taxes which were not included for EVA purposes.

### 1d. Earnings per ordinary share

	Group			Group		
	3Q08	3Q07	+ / (-) %	9M08	9M07	+ / (-) %
Earnings per ordinary share of the Group based on net profit attributable to the shareholders of the Company:						
(i) Based on the weighted average number of shares (in cents)	8.15	6.52	25.0	22.83	21.06	8.4
- Weighted average number of shares (in million)	1,778.4	1,782.1	(0.2)	1,779.6	1,778.1	0.1
(ii) On a fully diluted basis (in cents)	8.08	6.45	25.3	22.63	20.81	8.7
- Adjusted weighted average number of shares (in million)	1,794.3	1,799.9	(0.3)	1,795.2	1,799.1	(0.2)

## Notes to Group Income Statement (Cont'd):

### **1e. Notes to Group Income Statement**

Group turnover in 3Q08 and 9M08 was higher by 12% and 19% respectively compared to the corresponding period, mainly due to higher High Sulphur Fuel Oil ("HSFO") prices. Growth in the rig building, offshore, conversion and repair businesses also contributed to better turnover in 9M08.

The improvement in gross profit margin was mainly due to Marine's higher operating margins from its rig building and ship repair businesses.

Higher general and administrative expenses were incurred in line with increased business activities.

Non-operating income in 3Q08 of the Group increased 72% from the corresponding period in the previous year, mainly due to gain from the transfer of transmission and distribution pipeline assets to PowerGas Ltd and higher exchange gain from a subsidiary arising from revaluation gain of USD denominated monetary items. In 9M07, a commercial settlement received from a supplier of our Cogen plant in Singapore and a gain on the sale of land were recognised in UK.

Increase in the share of results of associates in 3Q08 and 9M08 came mainly from an associate of Marine. Share of results of our China and Vietnam joint ventures were lower in 9M08.

Lower income tax expense in 9M07 was due to the writeback of provision for deferred tax arising from a reduction in Singapore corporate tax rate in 2007.

## 2. BALANCE SHEETS

	GROUP		COMPANY	
	As at	As at	As at	As at
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
	\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to shareholders of the Company:-</b>				
Share capital	554,037	551,274	554,037	551,274
Other reserves	188,266	639,448	(14,653)	23,699
Accumulated profits	1,981,306	1,842,096	870,223	884,427
	<u>2,723,609</u>	<u>3,032,818</u>	<u>1,409,607</u>	<u>1,459,400</u>
<b>Minority interests</b>	684,570	797,211	-	-
Total equity	<u>3,408,179</u>	<u>3,830,029</u>	<u>1,409,607</u>	<u>1,459,400</u>
<b>Non-current assets</b>				
Property, plant & equipment	2,554,055	2,601,709	491,186	3,422
Investment properties	28,802	31,291	-	-
Investments in subsidiaries	-	-	1,478,540	1,479,440
Interests in associates	610,173	515,487	-	-
Interests in joint ventures	307,470	270,389	-	-
Other financial assets	220,600	708,234	-	-
Long term receivables and prepayments	45,796	49,572	970	-
Intangible assets	115,923	109,510	19,035	90
Deferred tax assets	43,695	37,823	-	-
	<u>3,926,514</u>	<u>4,324,015</u>	<u>1,989,731</u>	<u>1,482,952</u>
<b>Current assets</b>				
Inventories and work-in-progress	1,233,987	1,657,047	9,829	-
Trade and other receivables	2,046,159	1,404,696	266,223	198,310
Assets held for sale	-	26,682	-	-
Bank balances, fixed deposits and cash	2,347,078	1,296,892	93,116	189,470
	<u>5,627,224</u>	<u>4,385,317</u>	<u>369,168</u>	<u>387,780</u>
<b>Current liabilities</b>				
Trade and other payables	3,116,065	2,242,427	416,234	249,183
Excess of progress billings over work-in-progress	1,316,273	568,741	-	-
Provisions	46,077	31,798	16,173	11,454
Current tax payable	186,567	169,105	1,028	-
Interest-bearing borrowings	424,285	510,194	-	150,000
	<u>5,089,267</u>	<u>3,522,265</u>	<u>433,435</u>	<u>410,637</u>
<b>Net current assets / (liabilities)</b>	537,957	863,052	(64,267)	(22,857)
	<u>4,464,471</u>	<u>5,187,067</u>	<u>1,925,464</u>	<u>1,460,095</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	298,205	385,567	49,573	195
Provisions	11,230	10,034	500	500
Retirement benefit obligations	17,960	24,109	-	-
Interest-bearing borrowings	577,935	823,486	-	-
Other long-term liabilities	150,962	113,842	465,784	-
	<u>1,056,292</u>	<u>1,357,038</u>	<u>515,857</u>	<u>695</u>
	<u>3,408,179</u>	<u>3,830,029</u>	<u>1,409,607</u>	<u>1,459,400</u>

## Notes to Group Balance Sheets:

### 2a. Group's borrowings and debt securities

	As at 30/09/2008 \$'000	As at 31/12/2007 \$'000
<b>Amount repayable:</b>		
(i) <u>In one year or less, or on demand</u>		
Secured	85,253	101,442
Unsecured	339,968	411,568
	<u>425,221</u>	<u>513,010</u>
(ii) <u>After one year</u>		
Secured	373,044	470,997
Unsecured	208,455	356,973
	<u>581,499</u>	<u>827,970</u>
Total	<u>1,006,720</u>	<u>1,340,980</u>

#### (iii) Details of any collaterals

The Group's borrowings are secured by property, plant and equipment and investment properties with carrying values amounting to \$1,044 million (31/12/2007: \$1,119 million).

### 2b. Net asset value

	Group		Company	
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (in \$)	1.53	1.70	0.79	0.82
Net tangible asset value per ordinary share based on issued share capital at the end of the financial period/year (in \$)	1.47	1.64	0.78	0.82

### 2c. Notes to Balance Sheets

#### (i) Group

##### Equity

'Other reserves' decreased due to lower fair value reserve as a result of fair value adjustments for Cosco Corporation (S) Ltd shares held by Sembcorp Marine Ltd and hedging instruments. Translation losses arising from the translation of our foreign operations resulted in a lower foreign currency translation reserve due to weakening USD and Sterling. Treasury shares purchased by the Company and a listed subsidiary in 2008 also contributed to the lower 'Other reserves' as at September 30, 2008.

##### Non-current assets

The decrease in 'Other financial assets' was mainly due to fair value adjustments for Cosco Corporation (S) Ltd shares held by Sembcorp Marine Ltd.

##### Net current assets

'Trade and other receivables/payables' increased as more projects were undertaken by Sembcorp Marine group. 'Inventories and work-in-progress' decreased while 'Excess of progress billings over work-in-progress' and 'Bank balances, fixed deposits and cash' increased mainly due to receipts from customers for both rig building projects in progress and completed projects.

#### (ii) Company

There is a significant increase in the 'Property, plant and equipment', 'Trade and other receivables/payables' and 'Other long-term liabilities' of the Company as at September 30, 2008 as compared to December 31, 2007 due to the Company's acquisition of the Sembawang Utilities Terminal (SUT) and Propylene Purification Unit (PPU) divisions from its wholly-owned subsidiary, Sembcorp Utilities Pte Ltd with effect from January 1, 2008. Following this internal transfer of assets and business, SUT and PPU now operate as divisions of the Company. Interest-bearing borrowings decreased following the maturity of medium-term notes of S\$150 million in June 2008.

### 3. CONSOLIDATED CASH FLOW STATEMENT

	Note	GROUP		GROUP	
		3Q08 \$'000	3Q07 \$'000	9M08 \$'000	9M07 \$'000
<b>Cash flows from Operating Activities</b>					
Profit for the period		218,438	155,192	584,445	489,828
Adjustments for :					
Interest and dividend income		(9,847)	(10,562)	(35,275)	(38,890)
Finance costs		12,042	12,389	36,822	38,259
Depreciation and amortisation		50,179	45,457	147,717	134,184
Share of results of associated companies and joint ventures		(44,180)	(42,266)	(137,771)	(115,553)
Profit on sale of property, plant and equipment & investment properties		(17,097)	(5,562)	(18,148)	(9,704)
Gain on disposal of investments (net)		-	(821)	(536)	(1,544)
Allowance written back for doubtful debts & bad debts written off (net)		(782)	(1,053)	(2,425)	(3,220)
Changes in fair value of financial instruments and hedged items		(1,402)	(1,806)	9,148	(2,413)
Share based payment expenses		8,049	8,613	25,193	19,054
Allowance made for impairment in value of assets		7,881	4,604	7,957	5,169
Income tax expenses		31,314	30,441	100,055	89,409
Operating profit before working capital changes		254,595	194,626	717,182	604,579
Changes in working capital:					
Inventories and work-in-progress		592,841	66,606	1,169,777	(51,434)
Receivables		(302,216)	(181,796)	(701,315)	(310,139)
Payables		273,743	33,072	855,196	482,063
		818,963	112,508	2,040,840	725,069
Income tax paid		(22,850)	(27,760)	(45,815)	(65,233)
Net cash inflow from operating activities		796,113	84,748	1,995,025	659,836
<b>Cash flows from Investing Activities</b>					
Dividend and interest received		13,091	11,020	59,563	60,414
Cash flows on sale of subsidiaries, net of cash disposed	3.1	-	1,057	(219)	94,816
Proceeds from sale of associates and joint ventures		-	481	1,818	481
Proceeds from sale of investments		-	2,918	3,364	3,104
Proceeds from sale of property, plant and equipment		90,558	48,443	92,108	55,853
Proceeds from sale of asset held for sale		-	-	26,682	11,000
Additional interest in subsidiaries, net of cash acquired		-	-	-	(3,200)
Acquisition of associates and joint ventures		-	(500)	(680)	(4,255)
Acquisition of other financial assets		-	(461)	-	(8,279)
Purchase of property, plant and equipment		(89,552)	(137,267)	(255,125)	(356,476)
Payment for intangible assets		(7,665)	(55)	(7,986)	(55)
Net cash inflow / (outflow) from investing activities		6,432	(74,364)	(80,475)	(146,597)
<b>Cash flows from Financing Activities</b>					
Proceeds from share issue		-	4,872	2,763	23,595
Proceeds from share issue to minority shareholders of subsidiaries		9,648	16,602	10,778	24,115
Proceeds from ESOS exercised with issue of treasury shares		1,337	-	3,948	-
Proceeds from ESOS exercised with issue of treasury shares to minority shareholders of subsidiaries		8,093	-	10,610	-
Purchase of treasury shares		(14,087)	-	(50,825)	-
Purchase of treasury shares by subsidiary		(43,419)	-	(93,745)	-
Proceeds from borrowings		14,527	162,633	381,069	336,033
Repayment of borrowings		(107,434)	(152,053)	(713,114)	(331,542)
Net (decrease) / increase in other long term liabilities		(5,877)	293	(10,617)	164
Dividend paid to shareholders of the Company		-	-	(266,890)	(498,016)
Dividends paid to minority shareholders of subsidiaries		(49,648)	(32,720)	(97,839)	(96,317)
Interest paid		(12,223)	(12,402)	(33,880)	(36,347)
Net cash outflow from financing activities		(199,083)	(12,775)	(857,742)	(578,315)
<b>Net increase / (decrease) in cash and cash equivalents</b>		603,462	(2,391)	1,056,808	(65,076)
<b>Cash and cash equivalents at beginning of the period</b>		1,738,629	1,111,086	1,296,003	1,172,975
Effects of exchange rate changes on cash and cash equivalents		(3,553)	(1,593)	(14,273)	(797)
<b>Cash and cash equivalents at end of the period</b>	3.2	2,338,538	1,107,102	2,338,538	1,107,102

### 3. CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

#### 3.1 Cash flows on sale of subsidiaries, net of cash disposed

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

##### DETAILS OF SUBSIDIARIES DISPOSED

	Group		Group	
	3Q08	3Q07	9M08	9M07
	\$'000	\$'000	\$'000	\$'000
Non-current assets	-	-	22,067	102,315
Net current (liabilities) / assets	-	-	(10,341)	81
Non-current liabilities	-	-	(2,044)	(221)
Minority Interest	-	-	(7,566)	(1,824)
(Loss) / profit on disposal	-	-	(597)	624
Currency translation reserve	-	-	824	(804)
Total cash consideration	-	-	2,343	100,171
Add: consideration received	-	1,057	-	-
Less: consideration not yet received	-	-	(2,343)	-
Less: Cash & bank balances of subsidiaries disposed	-	-	(219)	(5,932)
Add: Overdraft of subsidiary disposed	-	-	-	577
Cash flows on sale of subsidiaries, net of cash disposed	-	1,057	(219)	94,816

#### 3.2 Cash and cash equivalents

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

##### Cash and cash equivalents

##### Breakdown for Cash & Cash Equivalents:

	Group	
	As at 30/09/2008 \$'000	As at 30/09/2007 \$'000
Bank balances, fixed deposits and cash	2,347,078	1,108,862
Bank overdrafts	(8,540)	(1,760)
	<u>2,338,538</u>	<u>1,107,102</u>

#### 3.3 Notes to Consolidated Cash Flow Statement

Net cash inflow from operating activities for 9M08 was \$1,995.0 million. The strong operating cash flow was mainly contributed by our Singapore and UK operations in Utilities, and our Marine business.

Net cash outflow from investing activities for 9M08 was \$80.5 million. The Group spent \$255.1 million on expansion and operational capex in 9M08.

Net cash outflow from financing activities for 9M08 of \$857.7 million relates mainly to dividends paid, purchase of treasury shares, repayment of borrowings and interest paid.



## 4. STATEMENTS OF CHANGES IN EQUITY

### 4a. Statements of Changes in Equity for the Group

	Attributable to shareholders of the Company								
	Share Capital	Reserve for own shares	Merger Reserve	Other Reserves	Currency	Accumulated Profits	Total	Minority Interests	Total Equity
					Translation Reserve				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>1H08</b>									
At January 1, 2008	551,274	-	29,201	647,630	(37,383)	1,842,096	3,032,818	797,211	3,830,029
Translation adjustments	-	-	-	-	(33,994)	-	(33,994)	(3,197)	(37,191)
Net fair value changes on available for sale financial assets, net of tax	-	-	-	(146,196)	-	-	(146,196)	(93,422)	(239,618)
Net fair value changes on available for sale financial assets taken to income statement, net of tax	-	-	-	(725)	-	-	(725)	-	(725)
Net fair value changes on cash flow hedges, net of tax	-	-	-	9,534	-	-	9,534	19,235	28,769
Share of reserve of associates and joint venture companies	-	-	-	(4,325)	1,349	-	(2,976)	1,179	(1,797)
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	103	122	(662)	(437)	(7,672)	(8,109)
Net loss recognised directly in equity	-	-	-	(141,609)	(32,523)	(662)	(174,794)	(83,877)	(258,671)
Profit for the period	-	-	-	-	-	261,287	261,287	104,720	366,007
Total (loss)/gain recognised for the period	-	-	-	(141,609)	(32,523)	260,625	86,493	20,843	107,336
Issue of shares under Share Option Plan	2,763	-	-	-	-	-	2,763	-	2,763
Issue of shares to minority shareholders of subsidiaries	-	-	-	-	-	-	-	1,130	1,130
Share buyback - held as treasury shares	-	(36,738)	-	-	-	-	(36,738)	-	(36,738)
Treasury shares transferred to employees	-	12,945	-	(9,850)	-	-	3,095	(118)	2,977
Treasury shares held by subsidiary	-	-	-	(28,796)	-	-	(28,796)	(18,670)	(47,466)
Share based payments	-	-	-	9,729	-	-	9,729	2,465	12,194
Dividend paid	-	-	-	-	-	(266,890)	(266,890)	(48,191)	(315,081)
At June 30, 2008	554,037	(23,793)	29,201	477,104	(69,906)	1,835,831	2,802,474	754,670	3,557,144
<b>3Q08</b>									
Translation adjustments	-	-	-	-	15,656	-	15,656	8,545	24,201
Net fair value changes on available for sale financial assets, net of tax	-	-	-	(93,350)	-	-	(93,350)	(60,036)	(153,386)
Net fair value changes on cash flow hedges, net of tax	-	-	-	(109,284)	-	-	(109,284)	(38,756)	(148,040)
Share of reserve of associates and joint venture companies	-	-	-	(12,525)	5,488	-	(7,037)	3,529	(3,508)
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	8	-	546	554	(3,857)	(3,303)
Net loss recognised directly in equity	-	-	-	(215,151)	21,144	546	(193,461)	(90,575)	(284,036)
Profit for the period	-	-	-	-	-	144,929	144,929	73,509	218,438
Total (loss)/gain recognised for the period	-	-	-	(215,151)	21,144	145,475	(48,532)	(17,066)	(65,598)
Issue of shares to minority shareholders of subsidiaries	-	-	-	-	-	-	-	9,648	9,648
Share buyback - held as treasury shares	-	(14,087)	-	-	-	-	(14,087)	-	(14,087)
Treasury shares transferred to employees	-	2,853	-	(1,472)	-	-	1,381	(96)	1,285
Treasury shares held by subsidiary	-	-	-	(21,791)	-	-	(21,791)	(14,103)	(35,894)
Share based payments	-	-	-	4,164	-	-	4,164	1,165	5,329
Dividend paid	-	-	-	-	-	-	-	(49,648)	(49,648)
At September 30, 2008	554,037	(35,027)	29,201	242,854	(48,762)	1,981,306	2,723,609	684,570	3,408,179
<b>1H07</b>									
At January 1, 2007	525,414	-	29,201	459,457	(13,986)	1,813,090	2,813,176	648,186	3,461,362
Translation adjustments	-	-	-	-	7,374	-	7,374	594	7,968
Net fair value changes on available for sale financial assets, net of tax	-	-	-	111,476	-	-	111,476	69,800	181,276
Net fair value changes on cash flow hedges, net of tax	-	-	-	28,996	-	-	28,996	20	29,016
Share of reserve of associates and joint venture companies	-	-	-	26,695	2,428	-	29,123	1,521	30,644
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	(750)	(365)	196	(919)	(4,148)	(5,067)
Net gain recognised directly in equity	-	-	-	166,417	9,437	196	176,050	67,787	243,837
Profit for the period	-	-	-	-	-	258,276	258,276	76,360	334,636
Total gain recognised for the period	-	-	-	166,417	9,437	258,472	434,326	144,147	578,473
Issue of shares under Share Option Plan	18,723	-	-	-	-	-	18,723	-	18,723
Issue of shares to minority shareholders of subsidiaries	-	-	-	-	-	-	-	7,513	7,513
Share based payments	-	-	-	7,955	-	-	7,955	1,811	9,766
Dividend paid	-	-	-	-	-	(498,016)	(498,016)	(63,597)	(561,613)
At June 30, 2007	544,137	-	29,201	633,829	(4,549)	1,573,546	2,776,164	738,060	3,514,224
<b>3Q07</b>									
Translation adjustments	-	-	-	-	(2,653)	-	(2,653)	(1,604)	(4,257)
Net fair value changes on available for sale financial assets, net of tax	-	-	-	150,147	-	-	150,147	94,012	244,159
Net fair value changes on cash flow hedges, net of tax	-	-	-	(8,351)	-	-	(8,351)	61	(8,290)
Share of reserve of associates and joint venture companies	-	-	-	(22,167)	(464)	-	(22,631)	(291)	(22,922)
Realisation of reserve upon disposal of investments and changes in group structure	-	-	-	(2,567)	332	654	(1,581)	(144)	(1,725)
Net gain recognised directly in equity	-	-	-	117,062	(2,785)	654	114,931	92,034	206,965
Profit for the period	-	-	-	-	-	116,137	116,137	39,055	155,192
Total gain recognised for the period	-	-	-	117,062	(2,785)	116,791	231,068	131,089	362,157
Issue of shares under Share Option Plan	4,872	-	-	-	-	-	4,872	-	4,872
Issue of shares to minority shareholders of subsidiaries	-	-	-	-	-	-	-	16,602	16,602
Share based payments	-	-	-	6,038	-	-	6,038	2,384	8,422
Dividend paid	-	-	-	-	-	-	-	(32,720)	(32,720)
At September 30, 2007	549,009	-	29,201	756,929	(7,334)	1,690,337	3,018,142	855,415	3,873,557

#### 4b. Statements of Changes in Equity of the Company

	Share Capital	Reserve for own shares	Other Reserves	Accumulated Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1H08</b>					
At January 1, 2008	551,274	-	23,699	884,427	1,459,400
Profit for the period	-	-	-	192,247	192,247
Total gain recognised for the period	-	-	-	192,247	192,247
Issue of shares under Share Option Plan	2,763	-	-	-	2,763
Share based payments	-	-	6,324	-	6,324
Share buyback - held as treasury shares	-	(36,738)	-	-	(36,738)
Treasury shares transferred to employees	-	12,945	(10,349)	-	2,596
Dividend paid	-	-	-	(266,890)	(266,890)
At June 30, 2008	554,037	(23,793)	19,674	809,784	1,359,702
<b>3Q08</b>					
Profit for the period	-	-	-	60,439	60,439
Total gain recognised for the period	-	-	-	60,439	60,439
Share based payments	-	-	2,224	-	2,224
Share buyback - held as treasury shares	-	(14,087)	-	-	(14,087)
Treasury shares transferred to employees	-	2,853	(1,524)	-	1,329
At September 30, 2008	<b>554,037</b>	<b>(35,027)</b>	<b>20,374</b>	<b>870,223</b>	<b>1,409,607</b>
<b>1H07</b>					
At January 1, 2007	525,414	-	13,793	1,065,803	1,605,010
Profit for the period	-	-	-	172,900	172,900
Total gain recognised for the period	-	-	-	172,900	172,900
Issue of shares under Share Option Plan	18,723	-	-	-	18,723
Share based payments	-	-	5,577	-	5,577
Dividend paid	-	-	-	(498,016)	(498,016)
At June 30, 2007	544,137	-	19,370	740,687	1,304,194
<b>3Q07</b>					
Profit for the period	-	-	-	85,521	85,521
Total gain recognised for the period	-	-	-	85,521	85,521
Issue of shares under Share Option Plan	4,872	-	-	-	4,872
Share based payments	-	-	2,647	-	2,647
At September 30, 2007	<b>549,009</b>	<b>-</b>	<b>22,017</b>	<b>826,208</b>	<b>1,397,234</b>

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

##### Issued and paid up capital

As at September 30, 2008, the Company's issued and paid up capital excluding treasury shares comprises 1,776,902,296 (September 30, 2007: 1,782,575,336) ordinary shares.

##### Share Options

During 3Q08, the Company issued 679,427 ordinary shares upon the exercise of the options under the Company's Share Option Plan ("SOP") by way of re-issuance of treasury shares (3Q07: 2,381,410 ordinary shares issued by way of issuance of new shares).

As at September 30, 2008, there were 11,307,003 (September 30, 2007: 17,144,576) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

#### **4c. Changes in the Company's share capital (Cont'd)**

##### Performance Shares

During 3Q08, there was no (3Q07: 40,000) performance share granted conditionally under the Performance Share Plan ("PSP").

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at September 30, 2008 was 2,765,763 (September 30, 2007: 2,582,259). Based on the multiplying factor, the maximum number of shares that could be released is 4,148,644 shares (September 30, 2007: 3,873,389).

##### Restricted Stocks

During 3Q08, 66,900 (3Q07: 60,000) restricted stocks were granted conditionally under the Restricted Stock Plan ("RSP"). Nil (3Q07: nil) restricted stocks were awarded and 29,812 (3Q07: 32,033) restricted stocks lapsed.

The total number of restricted stocks in awards granted conditionally and representing 100% of targets to be achieved, but not released as at September 30, 2008 was 3,994,031 (September 30, 2007: 2,940,343). Based on the multiplying factor, the maximum number of restricted stocks that could be released is 5,623,120 (September 30, 2007: 3,822,446).

##### Treasury Shares

In 3Q08, the Company re-issued 679,427 (3Q07: nil) treasury shares pursuant to the SOP and RSP.

As at September 30, 2008, 8,449,244 (September 30, 2007: nil) treasury shares were held that may be re-issued upon the exercise of options under the SOP and upon the vesting of performance shares and restricted stocks under the PSP and RSP respectively.

#### **5. AUDIT**

These figures have not been audited or reviewed. However, our auditors have performed certain procedures and enquiries. These procedures are substantially less in scope than an audit or a review in accordance with Singapore Standard on Review Engagements (SSRE) 2410.

#### **6. AUDITORS' REPORT**

Not applicable.

#### **7. ACCOUNTING POLICIES**

Except as disclosed in paragraph 8 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at December 31, 2007.

#### **8. CHANGES IN ACCOUNTING POLICIES**

The Group has adopted new/revised FRS that has become effective for the financial year beginning January 1, 2008.

The adoption of the new/revised FRS does not have any material impact on the financial statements.

## 9. REVIEW OF GROUP PERFORMANCE

### Group Overview

The Group achieved a turnover of \$2.5 billion for 3Q08 and \$7.2 billion for 9M08, an increase of 12% and 19% respectively compared to the corresponding period. The Group's profit attributable to shareholders of the Company (PATMI) increased by 25% to \$144.9 million in 3Q08 and by 9% to \$406.2 million in 9M08.

The Group also generated Economic Value Added (EVA) of \$138.2 million for 3Q08 (3Q07: \$98.3 million) and \$398.8 million for 9M08 (9M07: \$294.9 million).

### Turnover

#### Turnover

	<u>3Q08</u>	<u>3Q07</u>	<u>Growth</u>		<u>9M08</u>	<u>9M07</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	1,266,434	976,856	289,578	30	3,492,951	2,630,733	862,218	33
Marine	1,143,821	1,170,604	(26,783)	(2)	3,443,657	3,175,452	268,205	8
Environment	55,269	50,450	4,819	10	162,128	150,896	11,232	7
Industrial Parks	4,450	4,033	417	10	12,790	19,102	(6,312)	(33)
Others / Corporate	31,393	38,005	(6,612)	(17)	123,252	115,345	7,907	7
	<u>2,501,367</u>	<u>2,239,948</u>	<u>261,419</u>	<u>12</u>	<u>7,234,778</u>	<u>6,091,528</u>	<u>1,143,250</u>	<u>19</u>

Utilities' turnover increased by 30% to \$1.3 billion in 3Q08 and by 33% to \$3.5 billion in 9M08 due to higher HSFO prices offset by the expiry of a favourable supply contract in UK and depreciation of the Sterling which resulted in lower turnover in Singapore dollar terms.

Turnover for Marine increased by 8% to \$3.4 billion in 9M08 on better performance by its rig building, offshore, conversion and repair businesses.

Environment's turnover increased by 10% to \$55.3 million in 3Q08 and by 7% to \$162.1 million in 9M08 due to higher turnover in its Paper Recycling division.

Decrease in turnover for Industrial Parks for 9M08 was due to the divestment of Wuxi Garden City Mall in May 2007.

Revenue of Others/Corporate are mainly contributed by subsidiaries dealing in specialised construction activities and minting.

## 9. REVIEW OF GROUP PERFORMANCE (Cont'd)

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

PATMI	3Q08		3Q07		Growth		9M08		9M07		Growth	
	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	\$'000	\$'000	%
Utilities	66,284	50,014	16,270	33	170,360	179,430	(9,070)	(5)				
Marine	86,125	51,248	34,877	68	220,533	149,472	71,061	48				
Environment	(4,074)	(460)	(3,614)	(786)	(96)	7,157	(7,253)	NM				
Industrial Parks	7,220	11,441	(4,221)	(37)	21,116	27,392	(6,276)	(23)				
Others / Corporate	(10,626)	3,894	(14,520)	NM	(5,697)	10,962	(16,659)	NM				
	<b>144,929</b>	<b>116,137</b>	<b>28,792</b>	<b>25</b>	<b>406,216</b>	<b>374,413</b>	<b>31,803</b>	<b>9</b>				

Utilities recorded higher PATMI in 3Q08 primarily due to gain from the transfer of transmission and distribution pipeline assets to PowerGas Ltd. In 9M07, UK's performance was boosted by a profit on the sale of land.

The increase in the Group's share of PATMI of Marine in 3Q08 and 9M08 was due to higher operating margins from rig building and ship repair businesses and better contribution from its associates.

Our Environment business was impacted by the impairment of part of its plant and machinery in 3Q08 and 9M08.

Industrial Park's PATMI decreased in 3Q08 mainly due to lower contributions from the industrial parks in Indonesia and Vietnam, which was partially offset by higher contribution from the industrial park in China. The decrease in Industrial Parks' PATMI in 9M08 was attributed to the divestment of Wuxi Garden City Mall in May'07.

The decrease in Others / Corporate PATMI was mainly due to weak performance by an offshore engineering associate in China.

## 10. VARIANCE FROM PROSPECT STATEMENT

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

## 11. PROSPECTS

### Utilities

Our Utilities business continues to be a major profit contributor to Sembcorp. The contribution of overseas subsidiaries may be affected by adverse currency movements, when their profits are translated into Singapore dollars.

### Marine

Our Marine business has an order book of \$9.9 billion, of which \$5.5 billion were secured since January 2008. These projects will provide a solid base-load of work, with progressive completion and deliveries until 2012. The fundamentals for the offshore sector remain intact and demand for ship repair is expected to remain strong.

Marine is in a strong net cash and balance sheet position and expects the current year's overall performance to be stronger than FY2007.

### Environment

Environment's contribution for FY2008 will not be significant due to the impairment made for part of its plant and machinery.

### Industrial Parks

A global slowdown in the manufacturing sector may affect the performance of the industrial parks business.

### Sembcorp Group

Despite the challenging global economic and financial environment that has created a high level of uncertainty, the Group expects satisfactory results for FY2008.

*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.*

## 12. DIVIDEND

No interim dividend for the period ended September 30, 2008 is recommended.

### 13. SEGMENTAL REPORTING

#### 9M08

<u>(i) Business segments</u>	Utilities	Marine	Environment	Industrial Parks	Others/ Corporate	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>							
External sales	3,492,951	3,443,657	162,128	12,790	123,252	-	7,234,778
Inter-segment sales	28,758	2,800	2,396	1,958	14,656	(50,568)	-
<b>Total</b>	<b>3,521,709</b>	<b>3,446,457</b>	<b>164,524</b>	<b>14,748</b>	<b>137,908</b>	<b>(50,568)</b>	<b>7,234,778</b>
<b>Results</b>							
Segment results	236,599	341,721	(8,518)	3,693	(15,954)	-	557,541
Interest income	7,347	17,867	172	1,037	22,341	(22,754)	26,010
Interest expense	(31,901)	(9,773)	(1,972)	-	(15,930)	22,754	(36,822)
	<b>212,045</b>	<b>349,815</b>	<b>(10,318)</b>	<b>4,730</b>	<b>(9,543)</b>	-	<b>546,729</b>
Share of results of associates	717	84,908	13,001	6,979	-	-	105,605
Share of results of joint ventures	10,873	6,027	-	14,404	862	-	32,166
	<b>223,635</b>	<b>440,750</b>	<b>2,683</b>	<b>26,113</b>	<b>(8,681)</b>	-	<b>684,500</b>
Income tax expense	(34,273)	(66,097)	(1,151)	(1,467)	2,933	-	(100,055)
Minority interest	(19,002)	(154,120)	(1,628)	(3,530)	51	-	(178,229)
<b>Net profit for the period</b>	<b>170,360</b>	<b>220,533</b>	<b>(96)</b>	<b>21,116</b>	<b>(5,697)</b>	-	<b>406,216</b>
<b>Assets</b>							
Segment assets	3,537,508	4,698,540	164,803	183,753	1,085,752	(1,291,110)	8,379,246
Investment in associates	5	278,074	61,367	270,727	-	-	610,173
Investment in joint ventures	134,659	34,047	1,097	84,563	53,104	-	307,470
Tax assets	42,187	6,041	3,682	13,084	191,855	-	256,849
<b>Total assets</b>	<b>3,714,359</b>	<b>5,016,702</b>	<b>230,949</b>	<b>552,127</b>	<b>1,330,711</b>	<b>(1,291,110)</b>	<b>9,553,738</b>
<b>Liabilities</b>							
Segment liabilities	2,343,001	3,427,081	88,222	35,161	1,058,432	(1,291,110)	5,660,787
Tax liabilities	242,588	217,792	6,735	16,777	880	-	484,772
<b>Total liabilities</b>	<b>2,585,589</b>	<b>3,644,873</b>	<b>94,957</b>	<b>51,938</b>	<b>1,059,312</b>	<b>(1,291,110)</b>	<b>6,145,559</b>
<b>Capital expenditure</b>	181,150	72,939	5,887	466	2,669	-	263,111
<b>Significant non-cash items</b>							
Depreciation and amortisation	82,080	51,728	8,450	1,455	4,004	-	147,717
Other non-cash items (including provisions, loss on disposal and exchange differences)	7,836	13,845	404	947	1,038	-	24,070

#### (ii) Geographical segments

	Revenue		Segment Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	4,138,762	57	7,338,120	87	7,808,091	82	160,471	61
Rest of Asia	1,213,209	17	109,287	1	789,513	8	51,324	20
Europe	1,448,422	20	907,354	11	931,339	10	51,166	19
Others	434,385	6	24,485	1	24,795	0	150	0
<b>Total</b>	<b>7,234,778</b>	<b>100</b>	<b>8,379,246</b>	<b>100</b>	<b>9,553,738</b>	<b>100</b>	<b>263,111</b>	<b>100</b>

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

#### 9M07

<u>(i) Business segments</u>	<u>Utilities</u>	<u>Marine</u>	<u>Enviro</u>	<u>Parks</u>	<u>Others / Corporate</u>	<u>Elimi- nation</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b><u>Turnover</u></b>							
External sales	2,630,733	3,175,452	150,896	19,102	115,345	-	6,091,528
Inter-segment sales	21,264	958	2,053	1,878	4,330	(30,483)	-
<b>Total</b>	<b>2,651,997</b>	<b>3,176,410</b>	<b>152,949</b>	<b>20,980</b>	<b>119,675</b>	<b>(30,483)</b>	<b>6,091,528</b>
<b><u>Results</u></b>							
Segment results	240,312	228,097	(2,185)	6,462	1,317	-	474,003
Interest income	12,988	13,820	577	2,328	22,889	(20,088)	32,514
Interest expense	(29,706)	(9,480)	(1,713)	-	(17,448)	20,088	(38,259)
	<b>223,594</b>	<b>232,437</b>	<b>(3,321)</b>	<b>8,790</b>	<b>6,758</b>	<b>-</b>	<b>468,258</b>
Share of results of associates	231	47,193	13,410	7,103	-	-	67,937
Share of results of joint ventures	17,373	2,811	(1,968)	17,905	6,921	-	43,042
	<b>241,198</b>	<b>282,441</b>	<b>8,121</b>	<b>33,798</b>	<b>13,679</b>	<b>-</b>	<b>579,237</b>
Income tax expense	(50,220)	(33,644)	(968)	(2,071)	(2,506)	-	(89,409)
Minority interest	(11,548)	(99,325)	4	(4,335)	(211)	-	(115,415)
<b>Net profit / (loss) for the period</b>	<b>179,430</b>	<b>149,472</b>	<b>7,157</b>	<b>27,392</b>	<b>10,962</b>	<b>-</b>	<b>374,413</b>
<b><u>Assets</u></b>							
Segment assets	3,084,288	4,128,470	173,374	186,339	526,048	(558,983)	7,539,536
Investment in associates	-	180,930	59,803	290,342	-	-	531,075
Investment in joint ventures	118,580	25,096	27,766	70,904	63,598	-	305,944
Tax assets	34,795	2,435	4,278	12,995	230,344	-	284,847
<b>Total assets</b>	<b>3,237,663</b>	<b>4,336,931</b>	<b>265,221</b>	<b>560,580</b>	<b>819,990</b>	<b>(558,983)</b>	<b>8,661,402</b>
<b><u>Liabilities</u></b>							
Segment liabilities	1,855,904	2,217,302	127,458	30,486	558,245	(558,983)	4,230,412
Tax liabilities	231,741	252,203	5,272	9,575	60,219	-	559,010
<b>Total liabilities</b>	<b>2,087,645</b>	<b>2,469,505</b>	<b>132,730</b>	<b>40,061</b>	<b>618,464</b>	<b>(558,983)</b>	<b>4,789,422</b>
<b><u>Capital expenditure</u></b>							
	245,618	91,050	19,277	256	2,069	-	<b>358,270</b>
<b><u>Significant non-cash items</u></b>							
Depreciation and amortisation	73,518	47,034	6,841	3,035	3,756	-	<b>134,184</b>
Other non-cash items (including provisions, loss on disposal and exchange differences)	1,669	2,248	463	1,712	3,174	-	<b>9,266</b>

#### (ii) Geographical segments

	<u>Revenue</u>		<u>Segment Assets</u>		<u>Total Assets</u>		<u>Capital Expenditure</u>	
	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>%</u>
Singapore	2,946,425	49	6,568,814	87	7,097,028	82	184,508	51
Rest of Asia	689,165	11	10,302	0	590,260	7	48,466	14
Europe	2,307,154	38	932,176	13	944,082	11	125,163	35
Others	148,784	2	28,244	0	30,032	0	133	0
<b>Total</b>	<b>6,091,528</b>	<b>100</b>	<b>7,539,536</b>	<b>100</b>	<b>8,661,402</b>	<b>100</b>	<b>358,270</b>	<b>100</b>



## **Notes To Segmental Analysis**

### 13a. Business Segments

The Group comprises the following main business segments:

The Utilities segment's principal activities are in provision of energy, water and centralised utilities. It offers industrial utilities and services such as energy, steam, industrial water and wastewater treatment to energy intensive users. It operates in Singapore, United Kingdom, Vietnam, China and the United Arab Emirates.

The Marine segment focuses on repair, building and conversion of ships and rigs, and on offshore engineering.

The Environment segment provides integrated waste management services and undertakes waste-to-resource businesses in the Asia Pacific region.

The Industrial Parks segment owns, develops, markets and manages industrial parks and townships in Asia.

The Others/Corporate segment comprises businesses relating to minting, design and construction activities, as well as the in-house financing and treasury unit, captive insurance company and other businesses.

### 13b. Geographical Segments

The Group operates in three principal geographical areas, Singapore, Europe and Rest of Asia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

### 13c. Review of segment performance

Please refer to Paragraph 9 for analysis by business segments.

## 14. INTERESTED PERSON TRANSACTIONS

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

	<b>3Q08</b>	<b>9M08</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Sale of Goods and Services</b>		
Temasek Holdings (Private) Limited and its Associates		
- Tuas Power Ltd/PowerSeraya Limited <sup>1</sup>	39	196,717
- Temasek Capital (Private) Limited and its Associates	887	20,646
- MediaCorp Pte Ltd and its Associates	1,388	4,238
- PSA International Pte Ltd and its Associates	12,992	37,354
- National University Hospital (S) Pte Ltd and its Associates	164	164
- Certis Cisco Security Pte Ltd	516	1,332
- Wildlife Reserves Singapore Pte Ltd and its Associates	100	275
- Singapore Technologies Telemedia Pte Ltd and its Associates	176	515
- Senoko Power Ltd	446	849
- Mapletree Investments Pte Ltd and its Associates	3,473	3,473
	<hr/>	<hr/>
	20,181	265,563
Starhub Ltd and its Associates	2,172	6,290
Singapore Airlines Limited and its Associates	546	1,584
SNP Corporation Ltd and its Associates	93	492
Singapore Food Industries Ltd and its Associates	178	178
	<hr/>	<hr/>
	<u>23,170</u>	<u>274,107</u>
<b>Purchases of Goods and Services</b>		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates <sup>2</sup>	255,244	657,760
- Singapore Power Ltd and its Associates	767	2,247
	<hr/>	<hr/>
	256,011	660,007
Singapore Technologies Engineering Ltd and its Associates	0	8,578
CapitaLand Ltd and its Associates	178	178
Surbana Corporation and its Associates	222	222
	<hr/>	<hr/>
	<u>256,411</u>	<u>668,985</u>
	<hr/>	<hr/>
<b>Total Interested Person Transactions</b>	<b><u>279,581</u></b>	<b><u>943,092</u></b>

### Note

<sup>1</sup> This relates mainly to the sale of gas by Sembcorp Gas Pte Ltd to Tuas Power and PowerSeraya for the generation of electricity.

<sup>2</sup> This relates mainly to the purchase of gas by Sembcorp Cogen Pte Ltd from Sembcorp Gas Pte Ltd for the generation of electricity.

There were no transaction which were not conducted under the shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual during the period January 1, 2008 to September 30, 2008.

**15. CONFIRMATION PURSUANT TO THE RULE 705(4) OF THE LISTING MANUAL**

We, Peter Seah Lim Huat, and Tang Kin Fei, being two directors of Sembcorp Industries Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company, that to the best of their knowledge, nothing has come to their attention which would render the third quarter and nine months ended September 30, 2008 unaudited financial results to be false or misleading.

The Board has noted that the board of directors of the Company's listed subsidiary, Sembcorp Marine Ltd, has also announced and confirmed the results for third quarter and nine months ended September 30, 2008.

On behalf of the board of directors

**Peter Seah Lim Huat**  
**Chairman**

**Tang Kin Fei**  
**Director**

**BY ORDER OF THE BOARD**

**Kwong Sook May (Ms)**  
**Company Secretary**  
**November 7, 2008**